Overview

What are we doing today?

1.1 The Online Safety Act 2023 (the Act) requires certain online services to have in place greater levels of transparency and accountability, empower users with more choice and control, and protect users from fraudulent advertising.

1.2 These services, known as categorised services, are some of the most widely used online services in the UK. Ofcom, as the online safety regulator, is responsible for ensuring that providers of these services comply with the additional responsibilities placed upon them.

1.3 We are publishing our proposals for what Category 1 and Category 2A services should do to tackle fraudulent advertising in line with their duties under the Act. The proposals apply to paid-for advertising content, and not user-generated content (UGC) or non-sponsored search content.

1.4 We are also publishing our register of categorised services, and our proposals for additional duties on Category 1 services.

What is the FAC Consultation?

1.5 The UK's digital advertising market surpassed £40.5bn in 2025.[1] It is a highly profitable segment, especially for the largest players.[2]

1.6 Fraud is the most common crime in the UK, and the economic and social costs are substantial (c.9.2bn).[3] Fraudulent advertising online is a major part of the problem. Online advertising is the second most common way fraudsters reach users online,[4] and they are increasingly using paid for adverts to target users at scale. These adverts can include investment scams, impersonating celebrities and selling fake products.

1.7 The impact of fraudulent advertising is severe. Victims not only lose money, but often suffer emotional distress, and lasting effects on their lives. There are also wider societal and business impacts, as proceeds can fund organised crime and the loss of trust in advertisements undermines legitimate businesses. These impacts can damage communities, distort markets and disproportionately affect smaller firms.

1.8 Organisations and individuals across society need to come together to tackle this harm. Businesses, law enforcement, regulators, civil society, and campaigners all have vital roles to play in tackling online fraudulent advertising.

1.9 The largest online platforms, where most users are present and which often rely on advertising for a large proportion of their revenue, will be central to combatting fraudulent advertising. They need to up their game, providing a better service for their users by

[1] IAB UK, 2026. Digital Adspend 2025: UK's digital ad market reaches £40.5bn. [accessed 22 June 2026].
[2] In effect, the Category 1 and 2A threshold conditions, as set out in secondary legislation, will cover the most widely used services. See the Online Safety Act 2023 (Category 1, Category 2A and Category 2B Threshold Conditions) Regulations 2025; and the OSA Impact assessment, paragraph 80. We have published our 2026 register of categorised services.
[3] Home Office, 2026. Economic and social cost of fraud 2023 to 2024. [accessed 21 April 2026].
[4] The most common method is via a targeted message to the user.

directing more leadership attention and investment to addressing the problem of fraudulent advertising.

1.10 The draft fraudulent advertising code we are consulting on today sets out the steps Ofcom thinks platforms should take to combat fraudulent advertising. Our proposals focus in particular on the following areas:

- **Assess risk and have robust governance processes:** we are proposing that platforms should undertake a 'fraud indicator assessment' to assess how fraudulent advertising manifests on their service and what indicators suggest that individual advertisements and accounts pose a material risk of fraud. They should use these insights to more effectively apply mitigations to tackle this harm. We are also proposing a suite of governance measures so that services' most senior governance bodies have oversight and proper accountability for compliance with their fraudulent advertising duties.
- **Making it harder for fraudsters to access advertising accounts**: we want to make it harder for fraudsters to open and operate advertising accounts. We are proposing a number of measures which will help achieve this objective. Most notably we are proposing that platforms should:
  - > Undertake robust checks when advertisers open accounts to check they work for who they say they do;
  - > Check advertising accounts for indicators that they are likely to engage in fraud;
  - > Do checks to ensure that anyone posting an advertisement for financial services products is legally permitted to do so;
  - > Put in place robust security measures to stop bad actors from taking over legitimate advertisers' accounts; and
  - > Ban advertisers that post fraudulent advertisements and prevent them from returning to the service.
- **Robust testing of AI tools**: the use of generative AI has significantly reduced the friction and cost associated with producing fraudulent advertisements. To address this, we are proposing that platforms that make AI ad generation tools available to advertisers product test these tools to identify vulnerabilities in them and take steps to address the vulnerabilities they identify.
- **Strengthening reporting functions:** effective reporting is crucial to capturing fraudulent advertising that has evaded detection by other means. We are proposing providers establish a dedicated reporting channel, which enables organisations with the requisite expertise to report fraudulent advertisements quickly and easily. We are further strengthening this, and user reporting, by proposing access to an ad library that has the principles, functionalities and information categories needed to enable experts to quickly identify fraudulent advertising, so it can be taken down.

1.11 We also intend to propose that platforms should use **proactive technology** to detect fraudulent advertising. We will consult on the detail of this proposal in autumn 2026 once we have set out our overall approach to proactive technology detection in our Statement on the current Additional Safety Measures consultation.[5]

[5] We are currently analysing consultation responses to our proposals on proactive technology for UGC content. We intend to publish our statement on this work in autumn 2026.

1.12 The package as a whole represents a layered approach, building in safety by design. Our proposed measures on account checks, the testing of AI tools, the fraud indicator assessment, and our suite of governance measures, all push the platforms to take a more stringent approach to service design to better protect their users.

1.13 In an adversarial context, where platform mitigations are quickly met with counter measures from fraudsters, we consider that our proposed measures would plug important gaps and raise industry standards. There are no major platforms that have all our proposals in place currently.

1.14 Though we think the cost of implementing the package could be substantial, the scale of harm suffered by individuals and the economy means we consider the costs to be worth it. Applying these proposed measures, including our proposals on proactive technology, would make platforms better able to detect and remove fraudulent advertising content and accounts. This should make a material contribution to efforts to combat fraudulent advertising and deliver substantial economic and societal benefits.

Next steps

1.15 We want to extend our thanks to stakeholders for their engagement to date, as we have built up our policy proposals, in particular to those who responded to our Call for Evidence, formal and informal information requests, engaged with our research, and more generally those who have given up some of their valuable time to talk to us about fraudulent advertising.

1.16 Welcome stakeholder feedback via our online response form.

1.17 We have published various accessible materials, including a 'Summary of each section', 'Summary of our proposals', and, a 'Summary of reports, complaints and appeals' to help stakeholders engage with the consultation.

1.18 Our Consultation will close on 2 October. We will consider responses when reaching decisions.

1.19 We plan to publish our Statement by mid-2027 at the latest. Our full regulatory roadmap and strategy is available on our website.