Consultation response

Field	Value
Responder	Aviva
Responder Type	organisation
Org Role	Senior Public Policy Manager
Org Type	Other
Other Type	Insurance company

Volume 1: Context

3. Online advertising ecosystem

Q1: Is there any information or evidence you hold that could enhance our understanding of the online advertising ecosystem?

Yes - we hold information (data, public attitudes) about ghost broking, paid-ad spoofing and other forms of insurance fraud. We are happy to share information with Ofcom per your interests.

4. Causes and impacts of fraudulent advertising

Q2: Do you have any comments on Ofcom's assessment of the causes and impacts of fraudulent advertising? Do you think we have missed anything important in our analysis? Please provide evidence to support your answer.

The government's recent Fraud Strategy laid bare the extent of fraud offences in the UK. Tech is scaling this problem. The strategic challenges we have seen in enforcement revolve around ambiguity over the roles and responsibilities of different regulators and the threshold for illegality/regulatory breach.

We understand the need for regulatory remits to evolve in response to tech. We believe that a clear explanation of the regulatory roles and responsibilities for the regulators involved in online fraud would be beneficial to the non-government parties involved in countering fraud.

Insurance fraud is a good example of where different regulators and standards bodies are involved and may have overlap. These cases often involve a breach of the law on financial promotions, including impersonating an FCA-regulated entity. This activity takes place on social media platforms, regulated by Ofcom. The aspects of misleading advertising can fall in the remit of the Advertising Standards Authority. Furthermore, in cases involving claims and accident management companies, the organisations engaged in these practices may be regulated by the Solicitors Regulation Authority.

There is a risk that current ambiguity is allowing harmful and illegal content to remain online for longer than is acceptable. Clarifying these regulatory boundaries and working relationships would also help facilitate better information sharing with industry.

There is also the challenge of whether something is clearly illegal or otherwise breaches regulatory rules. In our view, common types of insurance fraud such as ghost broking clearly meet that threshold. Where these practices are recognised as fraud, we would believe that enforcement action should follow the same course as it would when dealing with fraud in other contexts.

As you will see from the ABI's response, the insurance industry is concerned about the prevalence and trajectory of online insurance fraud. For example, ghost broking is where fraudsters sell fake or invalid policies to unsuspecting people. In doing so, they are impersonating regulated insurers. It is a financial promotions breach where platforms are failing to verify advertiser identity and to respond to suspicious account behaviours.

Aviva's own research has found that ghost broking has increased by 22% in just two years. Recent FCA research found that half (49%) of young drivers have bought insurance through social media or messaging apps.

Q3: Do you agree with the examples of risky characteristics we have provided? Please provide any arguments and supporting evidence.

No response

5. Our approach to developing Codes measures

Q4: Do you agree with our proposed approach? Please provide any arguments and supporting evidence.

We believe that the below actions would be an impactful package of reforms that could significantly disrupt financial services fraud, beyond insurance:

- Mandatory verification of financial services advertisers - we support these measures being kept in the final version of Ofcom's Fraudulent Advertising Codes of Practice. Verification needs to reflect specific FCA authorisations - for example, whether a provider is legitimate and whether the advertiser has genuine authority to sell, arrange, introduce or promote the relevant products.
- Faster takedown standards - there is a direct link between how long fraudulent content is live for and the extent of consumer harm. Reducing how long fraudulent content is live for would reduce the risk to the public.
- Platforms contributing more proportionately towards enforcement and victim support
- Better intelligence sharing - we need mechanisms for platforms, regulators, law enforcement agencies, financial institutions and consumer groups to share both real-time intel and to discuss broader trends. Ineffective or infrequent collaboration creates opportunities for fraudsters to exploit. Ofcom can play a valuable role as convener and supporter of these initiatives.

6. Combined impact assessment

Q5: Do you consider the overall burden on the service providers in scope of our proposed measures to be proportionate? Please provide any arguments and supporting evidence.

No response

Volume 2: Risk, governance and control

2. Advertising intermediaries

Q6: Do you agree with our proposal? Please provide any arguments and supporting evidence.

No response

Q7: We have included two illustrative examples of when and how this measure may be applied, and what 'all reasonable endeavours' might look like. Do you have any comments on these examples, and do you have any additional examples of how providers could work with or require intermediaries to implement safety measures in

circumstances where they have insufficient control? Please provide any arguments and supporting evidence.

No response

3. Fraud indicator assessment

Q8: Do you agree with our proposal? Please provide any arguments and supporting evidence.

No response

Q9: Do you think there are other information sources providers should consider in order to understand how fraudulent advertising manifests on their service? If so, what information and why would they need to consider it?

No response

4. Governance and accountability

Q10: Do you agree with our proposals? Please confirm which proposed measure your views relate to and provide any arguments and supporting evidence.

No response

5. Testing advertisement generation tools

Q11: Do you agree with our proposal? Please provide any arguments and supporting evidence.

No response

Volume 3: Ensuring account integrity

2. Account checks and actions

Q12: Do you agree with our proposal? Please provide any arguments and supporting evidence. Where your feedback relates to a specific check we are proposing providers should carry out, please make this clear. These are :

No response

Q12.A: verification that advertising account holders work for, or on behalf of, the individual or organisation they are advertising

No response

Q12.B: checks and actions to prevent banned advertising account holders returning

No response

Q12.C: checks for accounts with indicators that there is a material risk they will post fraudulent advertising so that restrictions can be applied to them

No response

Q12.D: repeat checks where there are relevant changes identified on an account.

No response

Q13: Are you aware of any other account checks and actions providers could do to protect users from fraudulent advertising? Please provide any arguments and supporting evidence.

No response

3. Preventing fraudulent financial services advertising

Q14: Do you agree with our proposal? Please provide any arguments and supporting evidence.

No response

4. Countering account takeover

Q15: Do you agree with our proposals? Please confirm which proposed measure your views relate to and provide any arguments and supporting evidence.

No response

Q16: Do you have any evidence about account takeover that could inform our assessment, including how frequently it occurs or its impact?

No response

5. Advertising bans

Q17: Do you agree with our proposal? Please provide any arguments and supporting evidence.

No response

Q18: Are you aware of any additional exceptional circumstances in which it may be proportionate for providers to reverse advertising bans?

No response

6. Account appeals

Q19: Do you agree with our proposals? Please confirm which proposed measure your views relate to and provide any arguments and supporting evidence.

No response

Volume 4: Moderation

2. Advertising moderation

Q20: Do you agree with our proposals? Please confirm which proposed measure your views relate to and provide any arguments and supporting evidence.

No response

3. Terms of service and publicly available statements

Q21: Do you agree with our proposals? Please confirm which proposed measure your views relate to and provide any arguments and supporting evidence.

No response

4. Advertising complaints (including DRC for trusted flaggers)

Q22: Do you agree with our proposals? Please confirm which proposed measure your views relate to and provide any arguments and supporting evidence.

No response

5. Ad libraries

Q23: Do you agree with our proposal? Please provide any arguments and supporting evidence.

No response

Q24: Do you agree with the principles, functionalities and information categories which we have included in the proposed measure? Please explain your reasoning and, if possible, provide supporting evidence.

No response

Q25: Do you have any evidence or insights on the process of building an ad library from scratch or adjusting an ad library to align with the proposed measure, and how long that process would take?

No response

Additional questions

Q26: Do you agree with our Equality Impact Assessment? Please provide any arguments and supporting evidence.

No response

Q27: Do you agree with our Welsh language assessment? Please provide any arguments and supporting evidence.

No response

Q28: Do you agree with our proposals? Please provide any arguments and supporting evidence.

No response