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Email to: FraudulentAdvertisingConsultation@ofcom.org.uk

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Dear Fraudulent Advertising Team,

Consumer Scotland's response to Ofcom's Fraudulent Advertising Codes consultation

Thank you for the opportunity to comment on your proposals for Fraudulent Advertising Codes.

Consumer Scotland, as the statutory body for consumers in Scotland, considers that the proposed Fraudulent Advertising Codes support Ofcom's policy intentions and have the potential to reduce the impact of fraudulent advertising on consumers in Scotland.

Volume 1: Context

Overall, Consumer Scotland agrees with the approach to fraudulent advertising identified by Ofcom in the document. In particular we welcome the sections on the scale and nature of online advertising and the difficulties faced by consumers in accurately identifying whether the content they encounter is paid-for advertising or fraudulent misinformation. We also agree with positions on the rapidly-changing nature of online advertising and the increasing use and influence of Artificial Intelligence (AI). We share the concerns expressed about the use of AI to spread disinformation and the increasing prevalence of AI-generated advertisements and have recently launched our own investigation into consumer use of AI tools.

In relation to the section on the impact of fraudulent advertising, given the adjacency of scams more generally and in support of the data presented in the document, we would draw your attention to our Consumer Welfare Report, which includes data gathered from a representative study of more than 2000 adults in Scotland in April 2026. The survey found that:

- One in ten adults in Scotland have fallen victim to a scam during the past 12 months, with younger consumers (aged 18-24) much more likely to fall victim to a scam than older age groups.
- Having a low income, having a disability which limits activity a lot, and having relatively lower financial resilience are all associated with a higher likelihood of having fallen victim to a scam.

- Of those who had fallen victim to a scam, two-thirds (65%) lost money as a result. Those with at least one vulnerability characteristic were more likely (75%) than those without (55%) to lose money as a result of a scam. 91% of those with a disability that limits them a lot lost money as a result.
- Overall, consumers in vulnerable circumstances were both more likely to fall victim to a scam, and more likely to lose money as a result of the scam.
- Of those who lost money as a result of the scam, approximately one-third lost less than £100, one-third lost between £100 and £500, and one-third lost more than £500. Extrapolating these figures, the data suggests that 6% of Scottish adults lost money as a result of falling victim to a scam in the past year, and 2% of adults in Scotland lost more than £500 as a result.

Given this data, Consumer Scotland agrees with Ofcom's position that no single age group is immune to fraudulent advertising. We encourage the application of measures to enhance protection and understanding among all consumers, including where practical specific measures to reduce harms experienced by both younger and older consumers. Measures to educate children coming into contact with online advertising for the first time would also be welcome.

We are broadly supportive of the Code's focus on account-level interventions, but would caution that these will only be effective if swift, firm action is taken by service providers to identify and remove fraudulent advertising.

We note publication of the register of categorised services and broadly agree with the services included. We also note the intention to explain how further updates will be processed in due course. The pace of change in new services and social media platforms coming to market should be taken into account and Consumer Scotland would welcome the publication of more detail on this process at the earliest opportunity. This would provide clarity on how a new service may be added to the register or an existing service recategorized, and what input routes may be available for stakeholders to feed into this process.

Volumes 2 and 3: Risk, Governance and Control; Ensuring Account Integrity

Consumer Scotland welcomes measures which can reduce the number of users being exposed to fraudulent advertising, so we are broadly supportive of the proposals for service providers to carry out regular Fraud Indicator Assessments (FIAs). The creation of a single, named individual to be held to account by the relevant senior governance body has some potential to reduce consumer exposure to fraudulent advertising by tracking and addressing these consumer risks in a similar way to commercial risks. However, where the consultation document is less clear is on the ability of the governance body to assess the relative value of FIAs. Consumer Scotland would welcome further detail on this aspect being provided.

Volume 4: Moderation

While it is important to encourage consumers to report when they have witnessed or been a victim of fraudulent activity, action to exclude this content from entering the system should be the priority. We therefore agree with the need for effective and proportionate advertising moderation systems to be in place across all service providers to protect consumers from harm.

It will be important that the process for raising a complaint is clear and easily understood by consumers and expert reporting authorities alike, and we agree with the recommendation that dedicated reporting channels should be available. We also agree that prospective complainants should not require an account with a service provider to submit a complaint as such a requirement may act as a deterrent for consumers to raise a concern or lodge a complaint.

I hope these comments are helpful, and if you require any further detail or clarification, please don't hesitate to get in touch.

Yours sincerely,

Douglas White
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Consumer Scotland