Consultation response

Field	Value
Responder	Skyscanner
Responder Type	organisation
Org Role	Senior Public Affairs Manager
Org Type	Regulated service

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?

No response

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.

Skyscanner agrees with Ofcom's assessment of the causes and impacts of fraudulent advertising, and does not consider that Ofcom has understated the harm involved. Online fraud is a serious and growing problem. Skyscanner, like many online businesses, often sees fraudulent paid-for advertising on social networks and search services that impersonates either our own brand or that of one of our partners'. Most recently, we have seen a marked rise in the number of fraudulent paid-for advertisements appearing on certain social media services that use our name. In general, social media networks and general search services appear to be the primary vehicle for business impersonation scams.

The harm to consumers from these scams is often severe. We are aware of cases in which individuals have lost hundreds or thousands of pounds paying for travel services, such as flights, that simply do not exist. For many people a holiday is one of the single largest discretionary purchases they make in a year, and the financial consequences of being defrauded can be devastating. Indeed, the substantial amount of money involved in booking travel services - a holiday can often be the single biggest item of spend for a consumer in a given year - makes the travel sector a particular target for fraudulent advertising.

The harm is not only financial. Victims suffer significant psychological and emotional distress, compounded by the breach of trust involved when a fraudster exploits the name of a brand the consumer believed to be reliable.

Fraudulent advertising also causes material harm to legitimate businesses whose brands are impersonated or exploited. Where a reputable travel brand is mimicked in a fraudulent advertisement, the business suffers reputational damage, the erosion of hard-won consumer trust, and the dilution of its brand. Consumers who are defrauded may wrongly associate their loss with the legitimate business whose identity was abused. As Ofcom has rightly noted, businesses can also suffer indirectly from a broader loss of consumer trust in online advertising, which means that advertisers will receive less return on their advertising spend than they might otherwise.

A related form of harm arises from brand-bidding, where more dubious or lesser-known companies bid on the brand names and registered trademarks of more reputable and well-known sites in order to gain traffic and consumer reach. This is misleading for consumers, who end up interacting with a site they did not intend to visit, and it causes loss to the business whose brand is being bid upon, both through the dilution of its brand and through the increased expenditure required to protect its intellectual property and outrank bad actors in search results.

A further prevalent form of fraudulent advertising involves the impersonation of reputable travel companies on search engines, in particular the largest search engines. In these cases, scammers bid on the brand name of a well-known travel company so that a sponsored result or advertisement appears prominently in search results, closely mimicking the genuine brand but displaying a fake telephone number. Consumers who call that number are then persuaded to pay for services or extras that do not exist, such as seat upgrades, additional baggage allowances or booking changes. In our experience, the majority of relevant reports we receive from affected consumers relate to this form of paid search impersonation. This underlines the importance of the proposed duties applying to Category 2A search services, and not only to Category 1 services, if consumers are to be effectively protected from fraudulent advertising across the channels on which it most commonly occurs.

Legitimate businesses also bear significant and recurring costs in monitoring for, reporting and seeking the removal of fraudulent advertising that exploits their brands - effort that is too often frustrated by slow and fragmented takedown processes.

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.

Skyscanner supports all of the measures Ofcom proposes to recommend in the draft Codes, across governance and accountability, the fraud indicator assessment, advertising moderation, reporting and complaints, advertising libraries, testing of advertisement generation tools, terms of service, account integrity and account appeals. We set out below our particular support for three elements.

The layered approach

1. We strongly welcome the layered approach Ofcom has taken to designing the draft Codes. We agree with Ofcom's assessment that there is no single intervention capable of ensuring that UK users are adequately protected from fraudulent advertising, given the scale of the problem and the way in which fraudsters continually adapt their tactics to evade detection.

2. In particular, we welcome:
2.1. the significant emphasis placed on account-level interventions, including account checks, account security measures and advertiser bans, which address fraudulent advertising at its source by preventing fraudulent actors from accessing advertising systems in the first place and tackling the scale and speed at which fraudulent advertising occurs;
2.2. the fraud indicator assessment, which will help providers understand how harm manifests on their service and identify the advertisements and advertising accounts that pose a material risk, so that other mitigations can be applied more effectively and proportionately;
2.3. the advertising moderation measures, which ensure that fraudulent advertisements evading preventative controls are nonetheless detected and removed swiftly; and
2.4. the governance and accountability measures, which embed clear senior responsibility and effective

oversight for a provider's efforts to tackle fraudulent advertising. It is particularly important that services are incentivised to take fraudulent advertising seriously, given the revenue implications involved for some services.

3. This layered design reflects Skyscanner's long-held position that effective action requires both robust checks on the identity of advertisers before advertisements go live - especially to confirm that an advertiser actually works for the firm they purport to - , and swift, well-resourced processes to remove fraudulent advertisements once identified. Preventing fraudulent accounts from advertising at the outset is the most effective way to address the scale and speed at which fraudulent advertising occurs, although quicker provider action in response to complaints and reports about fraudulent advertising once it is live would also be a significant improvement on the status quo.

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.

While we support the proportionate application of the OSA's rules, and welcome Ofcom carrying out a combined impact assessment (something that we believe it should do across the regime), in the instance of fraudulent advertising we do believe the proposed measures are proportionate. Some Category 1 and 2A services are among the most well resourced services in the world, and public evidence points to those same services being among the biggest sources of fraudulent advertising. As Ofcom has also rightly noted, fraudulent advertising has significant social and economic costs. We have also witnessed how the types of online scams varies over time, as fraudsters adapt their tactics. Only a layered, multi-pronged approach is likely to prove effective in combatting a harm of such scale and impact. Meanwhile, public research indicates that existing measures to tackle the issue on some of the most used platforms continue to be insufficient. And, finally, the potential social and economic benefits from meaningfully reducing fraudulent advertising are significant. In particular, changes to how users search for and interact with publisher content online are leading to businesses across the economy spending more on online advertising, meaning it is becoming increasingly important to protect consumer trust in online adverts.

For all these reasons, we do believe the proposed measures are proportionate.

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.

Skyscanner particularly welcomes the fraud indicator assessment (FAU/FAS B1) and considers it a cornerstone of an effective, risk-based and proportionate approach to tackling fraudulent advertising. By requiring providers to establish which indicators suggest a material risk that a paid-for advertisement, or an advertising account, is fraudulent, the assessment enables providers to focus scrutiny and resources where the risk is genuinely greatest, and to apply the other proposed measures - such as advertising moderation and account integrity checks - more effectively and more proportionately.

An approach that helps providers to identify the accounts and advertisers most likely to post fraudulent advertisements, so that they can be prevented from going live in the first place rather than addressed only after harm has occurred, is likely to be most effective in reducing the incidence of fraudulent advertising. Skyscanner particularly welcomes the detail Ofcom has provided on the characteristics that a fraud indicator assessment should consider. We strongly support the express inclusion of brand impersonation among the example indicators of fraudulent advertising (as set out at paragraph 3.4 of Volume 2), namely where a well-known brand's name or logo (or a similar name or logo) is used to deceive users into thinking they are seeing an advertisement for a legitimate brand. We would encourage Ofcom to give particular prominence to brand-impersonation characteristics within the assessment, given their detrimental impact on multiple users (consumers and fair dealing businesses), user trust in online advertising, and economic growth. We also welcome Ofcom's recognition (at paragraph 3.17) that detecting brand impersonation may require multiple characteristics to be combined, and that the placement of advertisements showcasing recognised brands by accounts linked to less reputable web domains may suggest an increased risk of fraudulent advertising.

Drawing on our experience, we would encourage Ofcom and providers to treat the following as potential indicators of fraudulent advertising, whether alone or in combination with others: (i) the placement of advertising by, or its connection to, accounts linked to less reputable, newly-registered or otherwise anomalous web domains; (ii) clear and demonstrable evidence that a particular brand is being, or has repeatedly been, impersonated in fraudulent advertising, such that advertisements from third-parties invoking that brand warrant heightened scrutiny; (iii) a greater prevalence of impersonation scams within particular sectors or industries (especially sectors involving high value transactions), so that providers can calibrate the intensity of their checks to the sectors where the risk of impersonation is demonstrably higher; and (iv) the provision of suspicious, inconsistent or less reputable telephone numbers in, or in content connected to, an advertisement (which Ofcom rightly recognises as relevant connected content in Table 3.2), particularly where the number differs from the genuine brand's verified contact details. Intelligence shared by affected brands and trusted flaggers will be especially valuable in identifying and keeping these indicators up to date, consistent with the adversarial and fast-evolving nature of this offending that Ofcom acknowledges.

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?

Providers should be required to consider evidence, either from complaints/reports/intelligence from affected advertisers or from other sources (such as news reports, public research, etc), that indicates certain types of advertiser (such as in a particular industry) or brands are frequent targets of impersonation scams. This could help the provider to introduce additional, faster and more targeted mitigations to reduce the ability for unverified third-parties to place advertisements including that brand's name.

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.

Skyscanner supports all the proposed governance and accountability measures (FAU/FAS A1 to A6). Clear and senior ownership of the fraudulent advertising duties - including a single named individual accountable

for fraudulent advertising, supported by internal monitoring and assurance, a code of conduct and compliance training - is essential to ensuring that the other measures are implemented effectively, are sustained over time, and that the right incentives are in place.

In particular, Skyscanner supports governance structures and responsibilities that are specific to fraudulent advertising - including clearly allocated and recorded responsibilities for this harm, such as the named individual accountable for fraudulent advertising and written statements of responsibilities - rather than reliance on generalised compliance arrangements, so that accountability for preventing and responding to fraudulent advertising is explicit, owned and effective.

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 :

Consistent with our support for the layered approach, we particularly welcome the account integrity measures (FAU/FAS H1 to H5), including account checks, account security, account takeover reporting and advertiser bans. Systematic verification of the identity of advertisers before their advertisements go live - especially to check they do actually work for or represent the business they purport to - is likely to be one of the most effective means of preventing fraudulent advertising at source, and reflects the commitments that the largest firms were called upon to make under the Online Fraud Charter.

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

Skyscanner particularly supports measures that require providers to verify that an advertising account holder genuinely works for, or is otherwise authorised to advertise on behalf of, the individual or organisation that the advertising purports to represent. Verifying the relationship between the advertiser and the brand or entity being advertised is one of the most effective ways to prevent brand-impersonation fraud at source. At the same time, we would encourage Ofcom to ensure that such verification checks are designed and applied proportionately, so that they do not make it unduly difficult, slow or costly for legitimate advertisers to operate, and do not create disproportionate friction for genuine businesses. The objective should be to stop fraudulent and impersonating advertisers while allowing legitimate advertisers to onboard and advertise smoothly.

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

We strongly support this proposed measure, especially when applied to the indicators we have suggested. This is likely one of the most effective means to identify impersonation scams in a way that avoids introducing disproportionate friction for legitimate businesses.

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.

Skyscanner supports the proposed account appeals measures (FAU/FAS J1 to J4), including the requirement to enable account appeals and to operate appeals systems and processes that are easy to find, access and use, together with prompt determination and appropriate action following determination. Effective and timely appeals are an important safeguard, ensuring that advertising account holders who are wrongly restricted or banned can have that decision corrected promptly, which protects legitimate advertisers and freedom of expression. This safeguard complements proportionate advertiser verification and moderation, and helps maintain confidence that measures targeting fraudulent advertising do not unfairly disadvantage genuine businesses.

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.

We strongly support the proposed advertising moderation measures, which ensure that fraudulent advertisements evading preventative controls are nonetheless detected and removed swiftly. Effective, proactive moderation by providers is also valuable because it reduces the burden that currently falls on affected brands and on consumers to find, report and flag fraudulent advertisements themselves, placing responsibility where it properly belongs - on the providers best placed to detect, prevent and remove such advertising - rather than leaving impersonated brands and potential victims to act as the primary line of defence.

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.

We strongly support the proposed reporting and complaints measures (FAU/FAS D1 to D7). Complaints about paid-for advertisements are a critical means by which providers become aware of fraudulent advertisements that have evaded other safety mechanisms, and the availability of effective, accessible reporting routes is essential to minimising the time such content remains live.

We particularly welcome:
1) the requirement that advertising complaints systems and processes be easy to find, easy to access and easy to use (FAU/FAS D2), which directly addresses the difficulty consumers and businesses can face in reporting fraudulent advertising;
2) the requirement that a complaint about a potentially fraudulent advertisement be treated as a reason to suspect it may be fraudulent, and reviewed through the provider's advertising moderation systems (FAU/FAS D3), which should help ensure that reports are acted upon promptly rather than disregarded; and
3) the requirement to establish and maintain a dedicated reporting channel for trusted flaggers (FAU/FAS D7), which will enable expert organisations with particular knowledge of fraudulent advertising to report it efficiently and improve detection.

These measures speak directly to the core failing we have identified. In our experience, the greatest weakness in current arrangements is the time taken by the largest platforms to act on reports and the fragmented, jurisdiction-by-jurisdiction nature of existing reporting processes, which require a fresh report to be submitted on each occasion and in each jurisdiction, even where the actor behind a coordinated campaign or false domain is already known. We encourage Ofcom to ensure that the complaints and reporting duties deliver genuinely swift action following a report, and we would welcome approaches that allow coordinated or repeat offending to be addressed efficiently rather than one advertisement at a time.

Skyscanner's own experience of using platform-provided brand-protection reporting tools illustrates both their value and their current limitations. [] This experience reinforces the importance of complaints and reporting duties that result in prompt, substantive action on reports - and not merely automated acknowledgement or refusal - that do not require persistence and constant escalation.

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