

# Ofcom Consultation: Protecting people from illegal harms online

## Response from the National Trading Standards Scams Team

### About the National Trading Standards Scams Team

The National Trading Standards (NTS) Scams Team is funded by National Trading Standards and is hosted by Surrey County Council. The team was founded in 2012 to tackle mass marketing fraud, specifically mail fraud and more recently telephone fraud. The team works with trading standards and partner agencies to investigate scams and identify and support those who fall victim to them.

The team provides guidance, best practice and establishes a centre of excellence to assist local authorities and local multi agency approaches in supporting local victims and taking local enforcement action. Friends Against Scams is an NTS Scams Team consumer facing initiative that aims to prevent and protect people from becoming victims of scams by empowering people to take a stand against scams. With over 1.2 million recruited Friends, it is designed to inspire action, highlight the scale of the problem, change the perceptions of why people become victims of scams and make scams a community, regional and national topic.

The National Trading Standards (NTS) Scams team welcomes the opportunity to respond to this consultation. Our comments relate only to fraud-related harms – some of our comments are general in nature, whereas others respond directly to the questions posed. This response is based on the team's experience working with victims, local authorities, financial institutions, consumer groups, and law enforcement.

As you identify, fraud is now the most commonly experienced crime in the UK, making up over 40% of all crime. People are becoming victims every day. Not only do they lose money but often experience serious non-financial consequences. Scams are often targeted specifically at disadvantaged consumers or those in periods of vulnerability. It is therefore absolutely right that this forms part of Ofcom's approach to implementing the Online Safety Act.

### Points for consideration

**Clear complaints processes.** The fraud landscape is currently complex. Victims and consumers do not always know where to report issues and, if they do, the barriers to complaining can be high. Indeed, fraud is generally underreported – the Crime Survey of England and Wales estimates that only 13% of fraud instances are reported. We support the need for all search and user-to-user services to provide an easy to find, easy to access and easy to use complaints system. However, a simplistic system is unlikely to be sufficient; the 15 kinds of harms identified in your consultation are very different. Regulated services/entities will need to balance ease and accessibility with the need to provide users with a comprehensive complaints system. Complaints systems need to consider:

- the ability of all of their UK userbase to engage with it (including those who are less technically capable and/or potentially vulnerable). Complaints systems should not be designed for the 'vast majority' or 'average user' as this potentially excludes or prevents users from complaining.
- the potential that a complainant may be in a situation of some distress or vulnerable in some way, particularly if they have been a recent victim of fraud.
- the very different nature of the online harms. A 'one-size-fits all' approach is unlikely to be sufficient or appropriate.
- appropriate responses. While it may be appropriate in certain instances for complainants to receive automated responses (for example, when reporting some content as hateful), some complaints will need more careful handling.

**Victims.** Ofcom clearly set out the individual impact of fraud at sections 60.24 – 28. Indeed, in our experience, fraud can have devastating effects on victims. Communications with those reporting potential fraud should be supportive and victim-centric.

**Dedicated Reporting Channel for Fraud.** We welcome the proposal to establish dedicated reporting channels for fraud. As your consultation sets out, the vast majority of UK citizens have encountered content that consider to be a scam or fraud. Improving the mechanisms to report fraud and share data on it could help reduce this prevalence. However, we have two concerns:

1. It is not clear what the incentives are on services to act on the information they are being provided with by the dedicated reporting channels. This proposal will only be successful if a) reporters/flaggers have faith that reporting potential fraud results in tangible outcomes and b) the risk of regulatory action is real. In other words, unless reporters/flaggers see real action and engagement from services, this proposal will not address the status quo set out at 16.216. Ofcom and others will also need to monitor the impact of this proposal at both an individual channel and holistic level. At the very least, a two-year review process is totally insufficient for large regulated services.
2. The list of identified reporters/flaggers is potentially too small. While it is understandable why Ofcom have chosen not to broaden this list to include, for example, all FCA regulated services (as set out at 16.224), Ofcom should consider organisations that have a degree of independence. Fraud (and fraudsters) are fast moving. Consumer harm can occur quickly and therefore identifying and addressing fraudulent activity as quickly as possible is vital. Relying on a small group of reporters/flaggers that may have complex processes to undergo can undermine the effectiveness of this proposal. Therefore, we urge Ofcom to broaden this list to include relevant, reputable, independent organisations, like UK Finance, Trading Standards, Which?, Money Saving Expert, Age UK and Victim Support. If Ofcom are unwilling to broaden this list, then regulated services should be encouraged to establish voluntary dedicated reporting channels with such organisations.

**Implementation, monitoring and KPIs.** We support the majority of the proposals being made as they have the potential to disrupt fraud and reduce its impact. As the consultation sets out, fraud is so very prevalent, and perpetrators often use online tools to access potential victims. The NTS Scams Team are interested to understand how Ofcom intends to define success and monitor the implementation and impact of these proposals.