

# Overview of regulated services

## What is this chapter about?

This chapter explains which types of services are in scope of the Act. The Act places new legal requirements on providers of the following three types of internet service: user to user (U2U) services; search services; and pornographic content.

The duties in the Act apply to providers of services with links to the UK regardless of where in the world they are based. The number of online services subject to regulation could total more than 100,000 and range from some of the largest tech companies in the world to very small services. Providers in scope of the Act come from a diverse range of sectors, including, but not limited to, social media, dating, gaming, search and adult services.

The online space is one of rapid innovation. We know that new types of U2U and search services will emerge, a good example being the on-going developments in generative AI. This has implications for our work. These include the importance of varying expectations depending on the type of service we are dealing with. We will not expect the same for a small low-risk service as we do for the largest or riskiest services. We will also need to adapt our approach and expectations over time to reflect the emergence of new technologies and types of U2U or search services.

## Scope of the regulatory regime

---

### Which types of service are in scope?

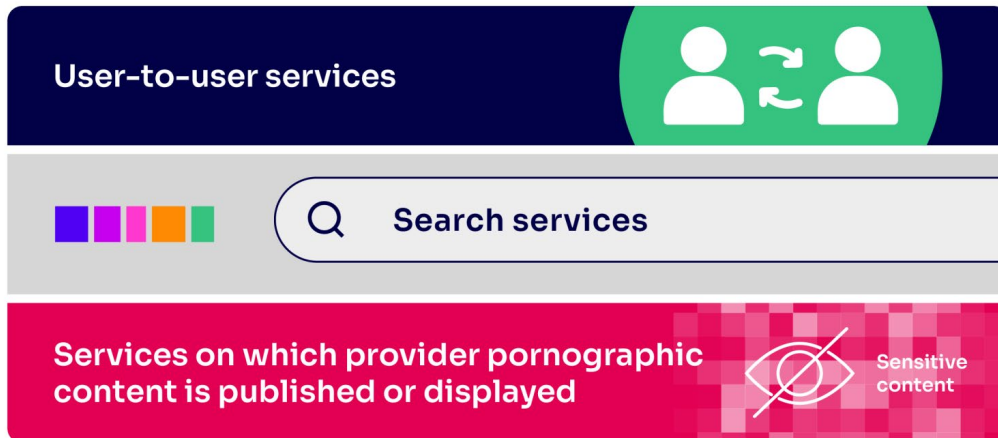
- 1.1 The Online Safety Act 2023 ('the Act') places legal requirements on providers of three categories of internet service<sup>1</sup>, U2U services, search services, and services including provider pornographic content<sup>2</sup>. If a service provides more than one of these categories of service (for instance, it is a user to user service and a search service), it will be subject to all of the associated legal requirements for those categories.

---

<sup>1</sup> An "internet service" means a service that is made available by means of the internet, including where it is made available by means of a combination of the internet and an electronic communications service as defined in section 228 of the Act.

<sup>2</sup> These are services where the provider of the service, or an individual acting on behalf of the service provider, publishes or displays pornographic content as defined in section 79 of the Act. Pornographic content is defined in section 236 of the Act as content of such a nature that it is reasonable to assume that it was produced solely or principally for the purpose of sexual arousal.

## The Online Safety Act will impose legal requirements on internet service providers that provide:



### User-to-user services

- 1.2 The online safety regime applies to internet services that enable users of the service to generate, share or upload content (such as messages, images, videos, comments, audio) on the service that may be encountered by other users of the service.<sup>3</sup> This includes services that enable user interactions. Such a service is known as U2U service, with the user content known as user-generated content or 'UGC'.<sup>4</sup> There are a number of exceptions that, if applicable, exempt a service from being a U2U service. We explain these exemptions at paragraphs 1.15 to 1.24 below.
- 1.3 A U2U service that includes a search engine is referred to as a 'combined service' and is subject to the duties applicable to search services as well.<sup>5</sup>

### Search services

- 1.4 The Act places duties on internet services which are, or include a search engine. Such services are known as 'search services'. A search engine is a service or functionality that enables users to search more than one website and/or database or, in principle, to search all websites and/or databases.<sup>6</sup> We describe two categories of search services - general search services and vertical search services at paragraphs 1.51 to 1.57. There are exemptions, which are explained below.

### Services that feature provider pornographic content

- 1.5 There is a third category of services that are in scope of certain duties in the Act – these are internet services on which pornographic content (defined in the Act as 'regulated provider

---

<sup>3</sup> Section 3(1) of the Act defines a "user-to-user service" as "an internet service by means of which content that is generated directly on the service by a user of the service, or uploaded to or shared on the service by a user of the service, may be encountered by another user, or users, of the service".

<sup>4</sup> Section 55(3) of the Act defines "user-generated content", as content "(a) that is: (i) generated directly on the service by a user of the service, or (ii) uploaded to or shared on the service by a user of the service, and (b) which may be encountered by another user, or other users, of the service by means of the service."

<sup>5</sup> "Combined service" is defined in section 4(7) of the Act.

<sup>6</sup> "Search engine" is defined in section 229 of the Act.

pornographic content’<sup>7</sup>) is published or displayed by the provider of the service. The Act places a duty on providers of these types of services to ensure (using age verification or age estimation, or both) that children (under-18s) are not normally able to encounter regulated provider pornographic content on the service.<sup>8</sup>

- 1.6 Some services which contain pornographic content may also, or instead, fall in scope of the duties applicable to U2U services or search services. Specifically, a service that allows its users to upload or share pornographic content with other users of the service (user generated pornographic content) would be (or the relevant part of it would be) a U2U service.<sup>9</sup> Where a service with provider pornographic content includes a search engine (which allows the user to search more than one website or database) that part of the service would be a search service.

## Where does the Act apply?

- 1.7 The online safety regime is international in its reach.<sup>10</sup> It will cover all three categories of internet services described above that have links with the UK, regardless of where they are based or registered, unless the service as a whole or the relevant part of it is covered by an exemption.
- 1.8 The Act defines a U2U or search service as having links to the UK if it meets any one or more of the following criteria:
- Has a significant number of UK users; or
  - Has UK users as one of its (or sole) target markets; or
  - Is capable of being used by UK users, and there are reasonable grounds to believe there is a material risk of significant harm to UK users.<sup>11</sup>

---

<sup>7</sup> “Regulated provider pornographic content”, is pornographic content which is published or displayed on a service by the service provider itself, or by an individual acting on behalf of the service provider. (This can include for example images, audio and/or video, but excludes content that consists only of text, or text accompanied by emojis or non-pornographic GIFs.) Pornographic content means content of such a nature that it is reasonable to assume that it was produced solely or principally for the purpose of sexual arousal). Sections 79(2), 79(3), 79(4),79(5) and 236 of the Act.

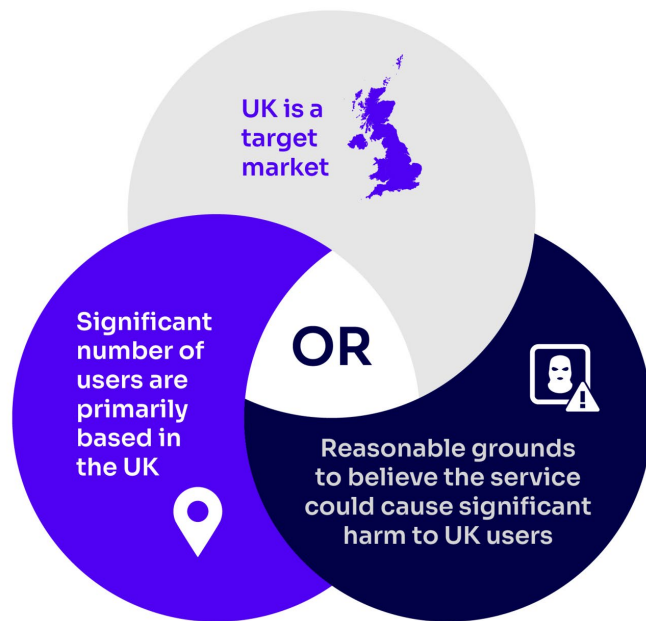
<sup>8</sup> These duties are set out in Part 5 of the Act.

<sup>9</sup> These duties are set out in Part 3 of the Act.

<sup>10</sup> We acknowledge that illegal content is often shared on the dark web. While services on the dark web are not excluded from the scope of the Act, Government indicated in its response to the Online Harms White Paper that a law enforcement response to criminal activity on the dark web is more suitable than a regulatory approach. We agree. We intend to focus our regulation on the areas where we can have the biggest impact in securing a safer lude online, in line with our strategic objectives. [Online Harms White Paper: Full government response to the consultation](#), 2020. [accessed 2 September 2024].

<sup>11</sup> “Regulated service” is defined under sections 4(5) and 4(6) of the Act 2023.

User-to-user and search services will have links to the UK and be in scope of the Online Safety Act, if:



- 1.9 The Act defines a service including provider pornographic content as having links with the UK if it either has a significant number of UK users, or UK users form one of its target markets or its only target market.<sup>12</sup> The test about harm to UK users (which applies in relation to U2U and search services) does not apply to these services.

### UK as a target market

- 1.10 A target market is a specific group of people (or organisations) that a provider is aiming its service toward. There are a variety of factors which could mean the UK is a target market for a service, for instance, in the way it designs, promotes, or receives revenue from the service. Even if the UK is not a target market, a service could still have links to the UK if any part of it has a significant number of UK users.

### Significant number of UK users

- 1.11 The Act does not define what is meant by a ‘significant number’ of UK users for the purposes of considering the ‘UK links’ test. Service providers should be able to explain their judgement, especially if they think they do not have a significant number of UK users. Note that interpretative provisions contained in the Act apply when determining whether someone is a user for these purposes, and we briefly cover these points in this chapter.
- 1.12 As mentioned, the Act is only concerned with the number of users in the UK, so where the user is an individual, they count as a user only if they are in the United Kingdom; similarly, where the user is an entity, they count only where they have been formed or incorporated in the United Kingdom.<sup>13</sup> Whether a user is or is not registered with the service does not matter.<sup>14</sup>

<sup>12</sup> Sections 80(2) to 80(4) of the Act.

<sup>13</sup> Section 227(1) of the Act.

<sup>14</sup> Section 227(2) of the Act.

1.13 Certain kinds of other users should be included or excluded, depending on the circumstances. In the case of U2U services in particular, a bot or other automated tool is to be regarded as a user of the service if its functions interact with UGC and it is not controlled by the provider of the service.<sup>15</sup> However, certain users should be treated as ‘excluded’ where they are acting ‘in the course of business’ (whether in the case of a search service or U2U ).<sup>16</sup>

### Material risk of significant harm to UK users

1.14 Finally, even if the tests are not met, a U2U service or a search service will still have links with the UK if the service is capable of being used by individuals within the UK, and there are reasonable grounds to believe that there is a material risk of significant harm to individuals in the UK presented:

- by the UGC on the service (for a U2U service); or
- from the search content of the service (for a search service).<sup>17</sup>

## Which types of services and content are not in scope?

### Types of U2U services that are exempt

1.15 The following types of U2U services are exempt from regulatory duties under the Act.<sup>18</sup>

#### Certain forms of direct communication services

1.16 A U2U service is exempt if the *only* user-generated content enabled by the service is e-mail, SMS, MMS or one-to-one live aural communication.<sup>19</sup>

#### Services with limited user–interaction functionality

1.17 A U2U service is exempt if the only way users can communicate on it is by posting comments or reviews on the service provider’s own content (as distinct from another user’s content). Provider content is any content that is published on a service by the service provider or someone acting on their behalf.<sup>20</sup> For example, this would exempt services where users can only write ‘below the line’ comments or reviews on media articles, or only post reviews on goods and/or services offered directly by the provider of the platform.<sup>21</sup>

1.18 This exemption also exempts:

- the sharing of such comments or reviews on other internet services;
- expressing views on provider content; and
- expressing views on on comments or reviews about provider content. The expression of such views can be through ‘expressing a like’, ‘applying an emoji or

---

<sup>15</sup> Section 55(4) of the Act makes clear that such bots or tools are intended to be within scope.

<sup>16</sup> Sections 227(3) and 227(4) of the Act.

<sup>17</sup> Section 4(6) of the Act.

<sup>18</sup> Schedule 1 of the Act.

<sup>19</sup> “One-to-one live aural communication” covers all one-to-one live audio communications between two users which are not accompanied by written messages, videos etc, and are not recordings of such content. For example, a one-to-one live voice call over an internet service would be exempt, but a one-to-one live video call or a recording of a call shared on a regulated service would not be exempt. See section 55(5) and schedule 1(3) of the Act.

<sup>20</sup> Section 55(7) of the Act.

<sup>21</sup> These services are known as ‘limited functionality services’, as set out in Schedule 1(4) of the Act.

symbol of any kind’, ‘engaging in yes/no voting’, or ‘rating or scoring of the content in any way’.<sup>22</sup>

- 1.19 Where a service is covered by an exemption for providing direct forms of communication or having limited user-interaction-related functionality, it will still have to comply with other relevant duties if it publishes or displays provider pornographic content on its service.

### Other exemptions for services

- 1.20 The following exemptions apply to U2U and search services, and to services that publish or display provider pornographic content.<sup>23</sup>

#### Internal business services

- 1.21 A U2U or search service is exempt if it is an ‘internal business service’. This exemption covers services such as business intranets, productivity and collaboration tools, content management systems, customer relationship management systems, and database management systems.<sup>24</sup>

#### Services provided by public bodies

- 1.22 A U2U or search service may be exempt if the provider of the service is a public body. This exemption covers services provided by the UK Parliament, the devolved legislatures<sup>25</sup> and foreign governments, as well as services provided by public bodies in the exercise of public functions in and outside of the UK.<sup>26</sup>

#### Services provided by education or childcare providers

- 1.23 A U2U or search service is exempt if it is provided by a UK education or childcare provider as described in the Act<sup>27</sup>, and the service is made available for education or childcare.<sup>28</sup>

#### Video-Sharing Platforms

- 1.24 UK-established video-sharing platforms (VSPs) that provided services prior to 10 January 2024 are currently regulated under both the VSP regime<sup>29</sup> and online safety regime. Such VSPs are in a transition period, meaning that they are exempt from many of the Online Safety Act duties. During the transition period, VSPs will however need to complete risk assessments as set out in the Act. The Government will set the date for repeal of the VSP

---

<sup>22</sup> Paragraph 4 of Schedule 1 of the Act.

<sup>23</sup> Schedules 1 and 9 respectively of the Act.

<sup>24</sup> The “internal business service” exemption applies when services are used as an internal business resource or tool and are only available to a closed group of people. Paragraphs 1(7) and 1(8) of schedule 1 of the Act.

<sup>25</sup> The Scottish Parliament, Senedd Cymru and the Northern Ireland Assembly.

<sup>26</sup> The “public bodies” exemption covers services provided in the exercise of public functions by UK public authorities within the meaning of the Human Rights Act 1998, and services provided in the exercise of public functions by non-UK entities which exercise functions of a public nature. See paragraphs 1(9) and 1(11) of schedule 1 of the Act.

<sup>27</sup> Paragraph 1(10) and Parts 2 and 3 of Schedule 1 of the Act.

<sup>28</sup> “Many education and childcare providers are subject to existing safeguarding duties which require them to protect children online. This exemption ensures that those education and childcare providers listed are not subject to oversight by both Ofcom and the relevant oversight bodies for education across the United Kingdom.” Source: [Part 2 of explanatory notes to the Act, 2023](#). [accessed 1 October 2024].

<sup>29</sup> The government introduced legislation in Autumn 2020 giving Ofcom powers to regulate UK-established video-sharing platforms (VSPs). These powers came into force on 1 November 2020. Source: Ofcom, 2023, [Ofcom's video-sharing platform framework: a guide for industry](#) [accessed 14 September 2024].

regime, which will bring the transition period to an end, and VSPs will then be solely regulated under the online safety regime.<sup>30</sup>

### Types of content that are exempt

- 1.25 Duties imposed on regulated U2U services apply to the regulated user-generated content on that service. Regulated UGC is *all* UGC excluding emails, SMS and MMS messages, one-to-one live aural communications, comments and reviews on provider content, and any news publisher content.<sup>31</sup>
- 1.26 There is an overlap between the types of content that are exempt and some of the kinds of services that are exempt. A service that only permits exempt kinds of UGC is likely to be wholly exempt as a service with only exempt forms of direct communication (see paragraph 1.16 above) or a service with limited forms of user-interaction-related functionality (see paragraph 1.17 above).

### Comments and reviews on provider content

- 1.27 User comments and reviews regarding provider content are excluded from the definition of regulated UGC.<sup>32</sup> This means that comments and reviews on recognised news publishers' sites and on many sites selling goods and services are not in scope of the regulatory framework. In contrast, user comments or reviews on UGC would be in scope of the regulatory framework. This includes user reviews or comments on third-party sellers offering goods or services on online marketplaces.

### Content from recognised news publishers

- 1.28 'News publisher content' is not considered regulated UGC and is therefore exempt from the duties that apply to regulated UGC. 'News publisher content' means content generated directly on a service by a recognised news publisher, or uploaded or shared on a service by a user of that service in its entirety or as a link to the original content.<sup>33</sup> For example, if a user shares the text of an article copied from a recognised news publisher's website without additions or amendments, that text will not be UGC. Likewise, if a user uploads video or audio content originally broadcast by a recognised news publisher, and does not clip or edit it, this will not be UGC. If a user amends content generated by a recognised news publisher by adding text or images, all that content will be UGC.
- 1.29 The Act states that the BBC, S4C, and any entity which holds and publishes news-related material under a broadcasting licence will qualify as a recognised news publisher.<sup>34</sup> The Act also specifies a number of criteria that other entities must meet to be regarded as a recognised news publisher under the regime, including having as its principal purpose the publication of news-related material and being subject to editorial control.<sup>35</sup> Entities that are a proscribed organisation under the Terrorism Act 2000 (or support such an

---

<sup>30</sup> Ofcom, 2023.

<sup>31</sup> Section 55(2) of the Act.

<sup>32</sup> This includes displaying "identifying content" such as usernames to post comments or reviews on provider content. Section 55(2)(f) of the Act.

<sup>33</sup> Sections 55(8) and 55(11) and Section 56 of the Act.

<sup>34</sup> A licence under the Broadcasting Act 1990 or the Broadcasting Act 1996. As set out under section 56(1) of the Act.

<sup>35</sup> Section 56(2) of the Act 2023.

organisation) or are a sanctioned entity under the Sanctions and Anti-Money Laundering Act 2018 are excluded from being recognised news publishers.<sup>36</sup>

## Overview of user-to-user and search services and services with pornographic content

---

### Diversity of services

- 1.30 The range of services covered by the online safety regime is broad and varied. Our estimate is that the number of online services likely to be in scope of the Act could be over 100,000 and is likely to be significantly higher.<sup>37</sup> The majority of these services are based overseas, have not been regulated by Ofcom before, and may be unfamiliar with the new regime. The Act covers services of all sizes, ranging from large, well-resourced services, through to services run by micro businesses. Some services are entirely or largely UK-focused, whereas others are multi-national and could be based anywhere.
- 1.31 The business models of these services vary considerably. Many services generate revenues from one or more parts of a ‘three-sided service market’<sup>38</sup> utilising the service’s central role to generate revenues from users, suppliers, and third parties (such as advertisers<sup>39</sup>). Although revenue models are not a factor in whether services are regulated, they are an important marker of diversity in the regulated sector.
- 1.32 Each provider will need to consider if its internet service falls within the scope of the regime, and then consider which parts of its online offering will be subject to regulation under the Act. Some providers will have a single service subject to regulation, and others may operate several relevant services. For example, companies like Alphabet, Meta, and Amazon run multiple services that specialise in different kinds of functionality and enable different kinds of user interactions. In some situations, only a discrete or peripheral part of a service will be in scope of the regime. For instance, a company’s website could focus on marketing and selling its goods and services, and the only U2U element could be a customer forum to seek advice or compare experiences.
- 1.33 This overall diversity of services and what brings them into scope of the regime means a one size fits all approach to regulation would not be appropriate or effective. Our expectations will vary depending on the type of service and the risks it poses. We expand on this point in Our approach to developing Codes measures chapter.
- 1.34 Regulated website and app services will come from a diverse range of sectors and have a broad range of functionalities. We set out below some of the most used sectors of online services in the UK, such as social media services, dating services, and gaming services. For illustrative purposes, we have also included examples of service providers that offer those

---

<sup>36</sup> Sections 56(3) and-56(4) of the Act.

<sup>37</sup> We acknowledge that the broad scope of the Act combined with the dynamic and innovative nature of online markets and harms make it impracticable to calculate the exact number of services in scope of the regime.

<sup>38</sup> European Commission, 2019. Directorate-General for Communications Networks, Content and Technology, Hoboken, J., Quintais, J., Poort, J., et al. [Hosting intermediary services and illegal content online: an analysis of the scope of article 14 ECD in light of developments in the online service landscape: final report, pages 16-18.](#) [accessed 22 September 2024].

<sup>39</sup> Competition and Markets Authority, 2020. [Online platforms and digital advertising: Market study final report](#), p.43. [accessed 22 September 2024].



kinds of services, which are visited by a sizeable UK online audience.<sup>40</sup> Some individual services that we mention may be considered to be part of multiple sectors. We have relied on data from Ipsos iris online audience measurement service to identify services that are most widely used by adults in the UK.<sup>41</sup>

- 1.35 Below we provide a non-exhaustive overview of some of the types of service that are in scope of the Act.

## User-to-user services

- 1.36 There is a wide range of U2U services that focus on different purposes or user interests. Where a site or app includes a Generative AI chatbot that enables users to share text, images or videos generated by the chatbot with other users, it will be a user-to-user service. This includes, for example, services with ‘group chat’ functionality that enables multiple users to interact with a chatbot at the same time. Where a site or app allows users to upload or create their own Generative AI chatbots – ‘user chatbots’ – which are also made available to other users, it is also a user-to-user service. More broadly, any AI-generated text, audio, images or videos that are shared by users on a user-to-user service is user-generated content and would be regulated in exactly the same way as human-generated content.
- 1.37 The types of services described in this chapter are not rigid groupings and an online service may combine features from several of the types illustrated in this chapter. U2U services have a range of revenue streams (such as advertising revenue or charging fees to users) and a variety of payment models (such as pay per use, or tiered subscriptions offering basic, premium, or exclusive features).



## Social media services

- 1.38 Social media services connect users and enable them to build communities around common interests or connections. They allow users to create and share a wide range of content. They typically allow users to find, follow, and communicate with each other through direct messaging, posting or sharing content, as well as commenting and reacting to content. UK online adults are avid users of social media, with 98% visiting at least one of the top five social media services: Facebook and Messenger; YouTube; Instagram; TikTok or X (formerly known as Twitter), in September 2024.<sup>42</sup> Social media services often rely on

---

<sup>40</sup> Please note that the services mentioned below are for illustrative purposes only. It remains the duty of a service to assess whether it is in scope of the Act or not.

<sup>41</sup> The Ipsos iris data in this chapter relates to UK online adults aged 18+. Website and app use was passively measured from a representative sample of UK adult internet users aged 18+, over the entire month of September 2024. Reach refers to the proportion of UK online adults that visited the website or app (unless stated otherwise in September 2024. The data covers visits through PCs/laptops, smartphones or tablets only.

<sup>42</sup> Ipsos, [Ipsos iris online audience measurement service](#), category: social media (top 5 only), September 2024, UK online adults aged 18+.

online advertising to generate the bulk of their revenue<sup>43</sup>, while some also run subscription services.<sup>44</sup>



## Video-sharing services

1.39 Video-sharing services<sup>45</sup> allow users to connect, upload and share videos with the public. They often allow users to communicate through private messaging, posting content, and expressing their opinions on videos. In addition, users can follow or subscribe to creators of content. Some video-sharing services also support livestreaming. Many video-sharing services, such as YouTube, TikTok and Twitch, that reached 94%, 53% and 6% of UK online adults respectively in September 2024<sup>46</sup>, generate most of their revenues through online advertising<sup>47</sup>, while some also offer subscription services.<sup>48</sup>



## Messaging services

1.40 Messaging services enable users to send and receive messages that can only be viewed or read by a specific recipient or group of people. Some services apply encryption to this kind of messaging. In addition to text, most of these services allow users to share images and videos, and make and receive video calls. WhatsApp (web and app) and the Facebook Messenger app are the most popular messaging services, reaching 89% and 59% of UK online adults in September 2024 respectively.<sup>49</sup> Revenue can be driven by advertising and/or premium subscription features.<sup>50</sup>

---

<sup>43</sup> For example, advertising was 97% of all Meta revenues in quarter 4 of 2022. Meta, 2023. [Meta Reports Fourth Quarter and Full Year 2022 Results, page 10](#), [accessed 06 October 2024].

<sup>44</sup> For example, X runs a premium subscription service (formerly known as Twitter Blue). Source: X, 2024. [About X Premium](#). [accessed 06 October 2024]. Meta runs Meta Verified. Source: Meta, 2024. [Introducing Meta Verified](#). [accessed 06 October 2024].

<sup>45</sup> Where applicable, video sharing services (VSPs) are currently regulated under the Video-Sharing Platform regime and will be exempt from the OSA until that other regime is repealed – see paragraph 3.24 above.

<sup>46</sup> Ipsos, Ipsos iris online audience measurement service, brand group (BG) TikTok, (BG) YouTube and (BG) Twitch, September 2024, UK online adults aged 18+.

<sup>47</sup> For example, TikTok generates revenue from ad revenue and in-app gift purchases. Source: Feedough (Mishra, P.) 2023. [How Does TikTok Make Money? | TikTok Business Model](#). [accessed 06 October 2024].

<sup>48</sup> For example, YouTube offers a premium membership subscription. Source: YouTube, 2024. [YouTube Premium](#). [accessed 06 October 2024]. Twitch runs a ‘Turbo’ Subscription model. Source: Twitch, 2024. [twitch Turbo](#) [accessed 06 October 2024].

<sup>49</sup> Ipsos, Ipsos iris online audience measurement service, (BG) WhatsApp (web and app) and (APP) Facebook Messenger (app only), September 2024, UK online adults aged 18+. Note that Facebook’s messenger service can be accessed through the main Facebook site and app which is not included in this data.

<sup>50</sup> For example, WhatsApp generates revenue from business API and WhatsApp pay fees. Source: Business Model Analyst, 2024, [How does Whatsapp make money?](#) [accessed 06 October 2024]. Telegram generates revenue through sponsored messages and premium subscriptions. Source: Telegram, 2024. [Telegram FAQ: How are you going to make money out of this?](#) [accessed 06 October 2024].



## Marketplaces and listing services

- 1.41 Online marketplaces and listing services allow users to buy and sell goods or services. They often allow users or providers to create pages that advertise their products. Ofcom research found that 75% of the UK online population aged 16+ said they had used an online marketplace<sup>51</sup> in Q2 2024.<sup>52</sup> Users can often search for content and send direct messages to other users. Services, such as Amazon which reached 90% of UK online adults in September 2024<sup>53</sup>, generate revenue via a range of revenue streams including sales, hosting third-party sellers, subscriptions, and advertising.<sup>54</sup> Services such as eBay, which reached 64% of UK online adults in September 2024<sup>55</sup>, facilitate consumer-to-consumer (C2C) as well as business-to-consumer (B2C) sale of goods, while other services, such as Vinted, are targeted at a sub-set of the market and have continued to grow in popularity in recent years. Vinted for instance has grown from reaching 2% of UK online adults in September 2021 to 26% in September 2024.<sup>56</sup>
- 1.42 Listing services, such as Etsy which reached 23% of UK online adults in September 2024<sup>57</sup>, often generate revenue by charging fees to sellers who list and sell their goods or services.<sup>58</sup> Other listing services, such as crowdfunding and ticketing services generate revenue by charging transaction fees.



## Dating services

- 1.43 Online dating services enable users to find and communicate with romantic or sexual partners. Users can post pictures of themselves, create user profiles, and send private messages. Users are often paired using algorithms that use the information they enter when creating their user profiles. Users can often filter by demographic features and location. Eleven percent of UK online adults visited a service that provides online dating,

---

<sup>51</sup> Based on response in use of eight online marketplaces: Ebay, Facebook Marketplace, Etsy, Vinted, Depop, Vestaire Collective, Shpock and Poshmark.

<sup>52</sup> Ofcom, Online research panel poll: Cloud storage, messaging and online marketplaces, July 2024, age: 16+, UK.

<sup>53</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Amazon, September 2024, age: 18+, UK internet users.

<sup>54</sup> For example, Amazon's annual report for 2022 shows product sales revenues of 46%, third party seller transactions 23%, subscriptions 7% and advertising 7% with the remainder AWS cloud services. Source: [Amazon, 2023, p. 67](#). [accessed 06 October 2024].

<sup>55</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Ebay, September .2024, age: 18+, UK internet users.

<sup>56</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Vinted, September 2021 & September 2024, age: 18+, UK internet users.

<sup>57</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Etsy, September 2024, age: 18+, UK internet users.

<sup>58</sup> For example, Etsy charges fees for publishing a listing to the marketplace and a transaction fee on any sold items and payments accepted through Etsy Payments function. Source: Etsy, 2024. [How to sell on Etsy: Frequently Asked Questions](#). [accessed 06 October 2024].

such as those provided by Tinder or Hinge, in September 2024.<sup>59</sup> Many online dating services, such as Tinder employ a subscription-based or ‘freemium’ pricing model, where users can access the service without charge, alongside the option to pay a fee to access additional features within the service.<sup>60</sup> These services also generate some of their revenue through online advertising.



## Review services

- 1.44 Reviewing services enable users to create and view critical appraisals of people, businesses, products, or services. They typically allow users to review goods or services by posting written reviews, pictures, and ratings. Sixty-eight percent (more than 3 in 5) of UK online adults visited a review service provider, such as IMDb and Tripadvisor, in September 2024.<sup>61</sup> Services allow users to review a wide variety of topics, such as films, restaurants, and employers. Many review-services offer subscription services, which allow business-access to additional services, such as insights into how their business is perceived by consumers. Many review-services monetise through a combination of selling advertising space and charging fees to businesses for listings and analysis of user insights.<sup>62</sup>



## Gaming services

- 1.45 Online gaming services allow for U2U interaction in partially or fully simulated virtual environments. While functionalities vary by service, users may interact by creating or manipulating avatars, objects, and the environments themselves, and/or by using voice and text chat. Some services use matchmaking systems to match users with one another based on parameters such as network characteristics, hardware, user preferences, availability, and skill. Almost half (45%) of UK children play creative and building games such as Roblox or Minecraft, and just over a third (35%) of UK children play against multiple people or teams such as in Fortnite or Among Us.<sup>63</sup> Gaming services have a variety of business models<sup>64</sup> including generating revenue through advertising, buy-to-play, free-to-

---

<sup>59</sup> Ipsos, Ipsos iris online audience measurement service, Category: online dating platforms, September 2024, age: 18+, UK internet users.

<sup>60</sup> For example, it was reported that Tinder observed 71.1 million total users as of 2022, out of which 15% were paid subscribers. Source: EnterpriseAppsToday, 2023. [Tinder Statistics](#). [accessed 06 October 2024].

<sup>61</sup> Ipsos, Ipsos iris online audience measurement service, category: reviews, September 2024, age: 18+, UK internet users.

<sup>62</sup> For example, TripAdvisor generates money through advertising, referral fees, booking fees and transaction fees. Source: The Strategy Story (Goel, S.), 2022. [How does Tripadvisor make money | Business Model](#). [accessed 06 October 2024].

<sup>63</sup> Ofcom, 2022. [Children and parents: media use and attitudes report 2024 – interactive data](#). [accessed 20 September 2024].

<sup>64</sup> For example, Roblox generates revenue through in-game purchases, advertising, and premium membership subscriptions. Source: Untaylored, 2024, [How Roblox makes money](#) [accessed 06 October 2024].

play, play-to-earn<sup>65</sup> models, as well as through microtransactions or subscriptions for content and perks, as well as commerce cut<sup>66</sup> models.



## File-sharing services

- 1.46 File-storage and file-sharing services enable users to upload, store, manage and distribute digital media, and share access to that content through unique hyperlinks or URLs. This includes sharing files and embedding stored content (such as images and videos) into other services. Some file-sharing services allow users to edit files in real time alongside other users. An Ofcom survey conducted on 2-3 July 2024 found that 77% of UK internet users aged 16+ said they used a file-storage service in the past year. Google Drive was the most popular service, used by half of UK internet users aged 16+ in the past year.<sup>67</sup> Some services employ subscription models to generate revenue, while others use online advertising.<sup>68</sup>



## Audio sharing services

- 1.47 Audio sharing services typically enable users to share, store, and listen to audio files such as music, podcasts, and voice recordings. Some services also allow users to upload and stream audio files that can be accessed by other users. They allow users to create playlists and discover new music, including searching for and subscribing to content uploaded by other users. Soundcloud is an example of this kind of service, reaching 6% of UK online adults in September 2024<sup>69</sup>, with advertising and subscriptions as key revenue sources.<sup>70</sup>

---

<sup>65</sup> Play-to-earn: a model often associated with blockchain technology where users can earn in-game assets such as land, cryptocurrency, and NFT (Non-Fungible Tokens), which may have real-world value.

<sup>66</sup> Commerce cut: a model where services take a share of revenue from transactions made by or between users on their platform such as through trading hubs and marketplaces.

<sup>67</sup> Online research panel poll: Cloud storage, messaging and online marketplaces, July 2024. Question 1: Which, if any, of the following statements BEST describes when you last used each of the listed cloud storage services? Those who selected in the past week/in the past month/in the past year. Based on response in use of nine cloud storage services: Google Drive, Microsoft OneDrive, Apple iCloud, Dropbox, Amazon Photos, WeTransfer, Mega, BT Cloud or Box. Base: UK internet users age: 16+ (2100).

<sup>68</sup> For example, Microsoft OneDrive operates on a freemium revenue model, offering both free and paid subscription plans. Source: Microsoft, 2024. [Compare cloud storage pricing and plans](#). [accessed 06 October 2024].

<sup>69</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Soundcloud, September 2024, age: 18+, UK internet users.

<sup>70</sup> For example, Soundcloud offers subscriptions. Source: Soundcloud 2024. [What type of subscription is for me?](#) [accessed 06 October 2024].



## Discussion forums and chat rooms

1.48 Discussion forums and chat rooms allow users to send or post messages that can be read by the public or an 'open' group of people. Spoken or written communication in chat rooms typically takes place in real-time, whereas posting messages in discussion forums does not. These services often allow users to follow or subscribe to other users, as well as search and react to content uploaded by other users. In September 2024, discussion forums and chat rooms such as Reddit and Discord reached 53% and 15% of UK online adults respectively.<sup>71</sup> These services mostly drive revenue through the presence of online advertising on their services, as well as sometimes offering premium memberships.<sup>72</sup>



## Information sharing services

1.49 Information-sharing services are primarily focused on providing user-generated information to other users. Typically, users can post text and images and search for content uploaded by other users, but some users can also edit and collaborate on content. Information-sharing services encompass online encyclopaedias, such as Wikipedia which reached 48% of UK online adults in September 2024, and question-and-answer services such as Quora which reached 27%.<sup>73</sup> While there can be a crossover between discussion forums and information-sharing services, the presentation of information may differ and the interaction between users may be more sequential or discursive on forums. Revenue is often driven by advertisements, and sometimes donations.<sup>74</sup>



## Fundraising services

1.50 Fundraising services typically enable users to create fundraising campaigns and collect donations from users. These services often allow users to share progress related to the fundraising campaign and accept online (in-service) payments. Users can also search for content generated by other users, and campaign pages often allow posting of text and images. In September 2024, fundraising services, JustGiving and GoFundMe, reached 6%

---

<sup>71</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Reddit and (BG) Discord, September 2024, age: 18+, UK internet users.

<sup>72</sup> For example, Reddit generates revenue through advertising, premium memberships, and partnerships with other companies. Source: The Business Model Analyst, (Pereira D.), 2023. [Business Model Canvas Examples: Reddit Business Model](#). [accessed 06 October 2024].

<sup>73</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Wikipedia and (BG) Quora, September 2024, age: 18+, UK internet users.

<sup>74</sup> For example, Wikipedia operates on a donation-based revenue model. Source: Wikimedia Foundation, 2024, [Where your money goes](#) [accessed 06 October 2024].

and 4% respectively of UK online adults.<sup>75</sup> These services can generate revenue from transaction fees and voluntary donations.<sup>76</sup>



### Services with user-generated pornographic content

- 1.51 Some services allow users to upload and share pornographic content in the form of videos, images, or audio, which can be viewed by other users of the service. Such content would be UGC. Some online services like X (formerly known as Twitter), and Reddit allow the sharing of user-generated pornographic content, although this content may not be the primary focus of the service. Other online services have a primary focus on disseminating pornographic content. They are described further in the ‘services with pornographic content’ section in paragraph 3.56.

## Search services

- 1.52 A search service is defined as an internet service that is, or includes, a search engine. A search engine enables a person to search more than one website or database by inputting search requests (or, in principle, all websites and/or databases). Search services provide users with results in response to their search requests, often alongside suggestions for further searches and sometimes with personalised features (such as results for nearby restaurants based on the user’s location). The majority of search services are free to use and rely on advertising to generate revenue. Users of search services generally do not need an account or to be logged in whilst accessing these services (in contrast to many U2U services). There are two main types of search service: general search services and vertical search services. Within general search services, we distinguish between those services that do their crawling and indexing and those that rely primarily on others for this (referred to as a ‘downstream’ general search service). GenAI tools that modify, augment or facilitate the delivery of search results on an existing search engine, or which provide ‘live’ internet results to users on a standalone platform would be considered a search service that is regulated by the Act. For example, in response to a user query about health information, a standalone Generative AI tool might serve up live results drawn from health advice websites and patient chat forums.<sup>77</sup>



---

<sup>75</sup> Ipsos, Ipsos iris online audience measurement service, (BG) JustGiving and (BG) GoFundMe, September 2024, age: 18+, UK internet users.

<sup>76</sup> For example, JustGiving generates revenue through membership fees from some charities using its platform and the option for donors to contribute to the cost of the platform. Source: JustGiving, 2024, [Fees](#) [accessed 06 October 2024]; JustGiving, 2024, [Pricing](#) [accessed 06 October 2024].

<sup>77</sup> In a Gen-AI model, a plug-in is a software add-on that enhances the model’s functionalities by allowing access to external or partner sources of data, beyond the original training dataset.

## General search services

- 1.53 General search services enable users to search the contents of the web.<sup>78</sup> They work by using automated processes designed to find and organise content (known as crawling and indexing). Algorithms are then used to rank the content based on relevance to the search request and other factors such as quality ratings and the user's search history (ranking). Two of the highest-reach general search services are Google Search and Microsoft Bing, which reached 82% and 41% of UK online adults respectively in September 2024.<sup>79</sup>
- 1.54 Some general search services do not rely on their own crawling and indexing, and instead purchase the index from a large general search service under a syndication or licensing agreement. These are referred to as downstream general search services and often distinguish themselves from other general search services by offering a social purpose (for example Ecosia), additional privacy (e.g. DuckDuckGo), or differentiated search features. For example, DuckDuckGo which reached 3% of UK online adults in September 2024<sup>80</sup>, is privacy-focused and does not personalise search results or adverts based on a user's search history.<sup>81</sup>



## Vertical search services

- 1.55 Vertical search services enable users to search for specific topics, or products or services offered by third-party operators with which they have a relevant arrangement (which may be contractual), such as flights, financial products or insurance. They differ from general search services in that they do not crawl the web for content or operate based on an underlying index, but instead return results through querying the individual operators' website or database directly. They do this by means of an API or equivalent technical means.<sup>82</sup>
- 1.56 Examples include Skyscanner and Comparethemarket which reached 10% and 9% of UK, online, adults respectively in September 2024.<sup>83</sup> Skyscanner displays results about flights by querying the websites of airlines operating and selling flights.

---

<sup>78</sup>We still consider search services that enable users to only search a subset of the web, for example, for results to a specific category of content, as general search services. We differentiate between general search services and vertical search services (which we describe at paragraph 1.55) based on how they source their search results, rather than whether these search results are limited to a certain topic. General search services rely on crawling and indexing processes, whilst vertical search services, arrange for the right to query other operators' websites or databases directly via an API or equivalent technical means.

<sup>79</sup> Ipsos, Ipsos iris online audience measurement service, (SEC) Google Search and (WS) Bing, September 2024, UK online adults aged 18+.

<sup>80</sup> Ipsos, Ipsos iris online audience measurement service, (BG) DuckDuckGo, September 2024, age: 18+, UK internet users.

<sup>81</sup> For example, DuckDuckGo, 2023. [Privacy Policy](#). [accessed 06 October 2024].

<sup>82</sup> For example, GoCompare.com generates revenue through fees paid by the providers of products that appear on its comparison services when a customer buys through the site. Source: GoCompare 2024, [About GoCompare](#) [accessed 06 October 2024]; Airbnb makes money by charging both hosts and guests for using its platform, customer support, and payment processing. Sources: Airbnb, 2024, [Airbnb Q3 2024 financial results](#) [accessed 10 November 2024]; Oyelabs, 2024, [Airbnb business model](#) [accessed 7 October 2024].

<sup>83</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Skyscanner and (BG) Comparethemarket, September 2024, age: 18+, UK internet users.



- 1.57 Vertical search services generate revenue through online display advertising, as well as paid inclusion where they charge businesses to be listed. It is also worth noting that some of these services may be regarded by users as online marketplaces or listing services (described above as U2U services).

## Pornographic content



### Services with pornographic content

- 1.58 Some services primarily provide or enable the dissemination of pornographic content. This content can be published or displayed in the form of videos and images, or audio, or provided in a live or interactive format. Adult services can include pornographic content made available by users of the service, by the provider of the service or both.<sup>84</sup>
- 1.59 Paid content is common on online adult services, but many free-to-use services rely on advertising to generate large proportions of their revenue.<sup>85</sup> Some services are known as ‘tube sites’ and focus on uploaded pre-recorded images or videos. Pornhub is the highest reaching online adult content service with 17% of UK online adults visiting the service in September 2024.<sup>86</sup> Others are known as ‘cam sites’ which specialise in providing livestreamed content to users and may enable interaction between performers and viewers. Chaturbate is the highest reaching cam site with 11% of UK adults visiting the service in September 2024.<sup>87</sup>
- 1.60 Some online services allow users to buy monthly subscriptions to content makers, from which a set percentage is deducted by the services. The fan site, OnlyFans<sup>88</sup> was visited by 4% of UK adults in September 2024.<sup>89</sup>
- 1.61 Services known as ‘aggregators’ gather clips from external services by an automated tool. They embed or link to content hosted on other services, rather than publishing their content or hosting content uploaded by users. Ixxx.com is one of the highest-reaching aggregator sites and was visited by 1% of UK adults in September 2024.<sup>90</sup> Some of these services allow users to search other websites, meaning they may also fall under the Act’s duties for search services.<sup>91</sup>

---

<sup>84</sup> For details of duties that apply to “services that feature provider pornographic content”, see paragraph 1.5 above (in ‘Scope of regulatory regime’ section).

<sup>85</sup> A significant proportion of pornography site revenue comes from advertising. Source: Increditoools (Tan, C) 2023. [How much is the Porn Industry Worth in 2023?](#) [accessed 06 October 2023]

<sup>86</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Pornhub, September 2024, age: 18+, UK internet users.

<sup>87</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Chaturbate, September 2024, age: 18+, UK internet users.

<sup>88</sup> OnlyFans is currently regulated under the VSP regime and is exempt from most OSA duties until the VSP regime is repealed – see para 1.24 above.

<sup>89</sup> Ipsos, Ipsos iris online audience measurement service, (BG) OnlyFans, September 2024, age: 18+, UK internet users.

<sup>90</sup> Ipsos, Ipsos iris online audience measurement service, (BG) Ixxx, September 2024, age: 18+, UK internet users.

<sup>91</sup> For details of duties that apply to “search services”, see paragraph 3.4 above (in ‘Scope of Regulatory Regime’ section)

## Future trends and developments

- 1.62 Because rapid innovation is an inherent feature of the online sector, new types of internet services will emerge and grow over time. For example:
- As online virtual worlds (from gaming to the Metaverse) and immersive technologies (such as Augmented Reality<sup>92</sup>, Virtual Reality<sup>93</sup>, and Mixed Reality<sup>94</sup>) develop, they offer the potential to significantly impact how users engage with other users and content.
  - The way that online services are created and delivered will continue to change. For instance, increased use of blockchain<sup>95</sup> databases could lead to greater decentralisation of the technology behind online services.
  - AI (artificial intelligence) already powers several online services, for example, across social media, messaging and search. The development and integration of GenAI across online services will bring new opportunities for both users and services to interact or create and search for content. ChatGPT was the highest reaching GenAI service reaching 12% of UK online adults in September 2024.<sup>96</sup>
- 1.63 This means that the illustrative examples we have given in previous chapters only reflect the sectors as they stand now, and we expect their features and models to evolve, alongside other developments and new entrants to the landscape. To effectively regulate services, we must regularly scan the horizon for new developments. We expect our approach to regulation to evolve with those developments.

---

<sup>92</sup> Augmented Reality involves overlaying digital content, such as sound, video, text, and graphics, onto a real-world environment using a headset or a device with a camera, such as a mobile phone.

<sup>93</sup> Virtual Reality involves the use of a headset to access a virtual experience, which could be digitally created or a captured 360° photo or video.

<sup>94</sup> Mixed Reality blends physical and virtual worlds to produce new environments where physical and digital objects co-exist and interact in real-time.

<sup>95</sup> Blockchain technology is a decentralised, distributed ledger that stores the record of ownership of digital assets.

<sup>96</sup> Ipsos, Ipsos iris online audience measurement service, ChatGPT, September 2024, age: 18+, UK internet users.