

# CMA investigation spurs Google to crack down on fake reviews



In a world where 89% of consumers rely on online reviews to make purchasing decisions, the integrity of these reviews has never been more crucial.

Put under the spotlight by a Competition and Markets Authority (CMA) investigation, the end of January delivered a step forward in delivering greater protection for consumers with Google - one of the most used review platforms in the world - agreeing to implement significant measures to tackle fake reviews and increase consumer trust and fairness.

### **Background**

Should I buy the market leading air fryer or will this own-brand model which is much cheaper do much the same job? Is this hotel any good for families, or should I stay in the one 10 minutes down the road? Which local hairdresser provides the best services and value for money? Can I trust Joe Bloggs to fit my new boiler? Is this new smartphone everyone is raving about really all that or should I go with a tried and tested model?

With many pondering questions like this on a daily basis, research has estimated 89% of consumers will use online customer reviews to help make a decision when looking to buy a product or service.

With the pandemic accelerating the trend towards online shopping, the CMA was concerned that online service providers may be breaching consumer law by taking insufficient action to protect shoppers from fake reviews.

Having leveraged pressure on Facebook, Instagram and eBay to implement measures to tackle the trading of fake reviews (including the improved detection and removal of offending content and the suspension and banning of repeat offenders); 2021 saw the CMA open an investigation into Google (and Amazon) over concerns that not enough was being done to:

- · identify misleading reviews or suspicious patterns of behaviour;
- · investigate and remove fake and misleading reviews; and
- impose adequate sanctions on reviewers/businesses to stop them and other from posting fake or misleading reviews.

### Google's commitments

Recognising the validity of the CMA's concerns, Google has committed to several key undertakings, which include:

- an enhanced approach to tackling fake reviews so it can identify and investigate businesses/reviewers that profit from fake reviews faster;
- consequences for rogue reviewers worldwide repeat offenders of fake or misleading reviews for UK businesses will have their posts deleted and a ban on future reviews;
- consequences for UK businesses where ratings are found to be inflated through fake reviews, Google will impose a "warning" alert on profiles, which will alert consumers to potential misconduct as well as the deactivation of the review function; repeat offenders will have their reviews deleted for six months or more; and

• easier reporting – a robust reporting system will be put in place to report businesses offering incentives for positive reviews and make it easier for consumers to report suspicious reviews.

Google has also committed to reporting its compliance and progress in combating fake review to the CMA over a three-year period.

# Enhanced consumer protections: The Digital Markets, Competition and Consumer Act 2024

With the CMA set to receive enhanced consumer powers once the Digital Markets, Competition and Consumers Act 2024 (DMCC) is enacted later this year, it is more important than ever for businesses to make sure that their practices are in line with consumer law.

The DMCC will enable the CMA to:

- 1. independently determine breaches of consumer law without the need for court proceedings; and
- 2. impose fines on businesses of up to 10% of their global turnover where consumer law is broken.

While online service providers have a major role to play in tackling fake reviews, it is the responsibility of every business. In fact the DMCC also legislates against the posting or commissioning of fake reviews, obliges businesses to take effective steps to prevent the publication of fake reviews and hidden advertising and to remove them when identified.

To help businesses to assess their own consumer law compliance and ensure they are not engaging in unfair commercial practices, the CMA has recently published <u>draft guidance</u> for businesses, with the final version to be published later this year.

#### **Considerations for businesses**

It is clear that, with the enhanced consumer powers that will be granted to the CMA under the DMCC, it will be looking to take a more assertive approach to tackling misleading reviews.

Businesses should therefore reflect on the commitments Google has agreed to, as well as the CMA draft guidance, and carefully consider whether its own practices require any changes in order to be compliant. Failure to do so could result in a CMA investigation and, in future, a possible fine.

## **Key contact**



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