

TikTok – Written evidence (FDF0071)

Crypto currencies

As I made clear during the session, TikTok's current advertising policies do not allow (either first party advertising or user generated 'branded content') relating to crypto currencies (with some minor exemptions). In response to this answer, you asked me how this differed from our policies on general non-branded user generated content and whether creators on the platform can post about crypto currencies.

In short, the answer is yes. TikTok's users are allowed to create organic content related to crypto currencies. We believe it is right that people should be free to share their opinions on this issue on our platform. However, we do have a number of additional safeguards in place to ensure that conversation around such products does not become a method for promoting or encouraging investment in potentially risky digital currencies. These protections are as follows:

- **Community Guidelines:** Our Community Guidelines specifically prohibit content (including organic content) that promotes "investment schemes with the promise of high returns". The guidelines also ban content that encourages engagement in pyramid or multi-level marketing schemes. Videos that seek to give an unrealistic view of crypto currencies may be subject to moderation under these policies.
- **Financial Services PSA:** In addition to removing content from the platform that which breaches the above Community Guidelines, we also actively seek to actively remind users to treat any financial content skeptically. As part of this, we will surface a banner notification for any user who searches for TikTok content containing certain key terms (such as "investment", "daytrading", "fintok" or "cryptocurrency trading"). The banner states "Keep in mind that all investments involve risks. Please consider doing your own research." Our aim is to remind the user that investment involves risk, and they should view any content with caution. This "PSA" has been viewed over a million times by users.
- **Literacy campaigns:** As mentioned during the committee, we also run regular media and financial literacy campaigns to educate users on these kinds of issues. Last year, our #FactCheckYourFeed campaign produced a range of content, including on financial literacy, working with credible creators such as Dragons Den's Tej Lavani. This campaign saw more than 15 million views with user dwell time (the time spent interacting with the content) four times higher than similar types of content.

Terms and Conditions: Fraud

Lord Browne asked a specific question about whether the term 'fraud' is covered in our Terms and Conditions (or Terms of Service).

In short, the answer is not the term fraud does not appear in our Terms of Service but rather it is listed, and our policies for this type of content, in our Community Guidelines.

It is important to note that TikTok's Terms of Service are a legally binding contract with the user and as such, are required to contain specific contractually enforceable rules. One of those rules is that usage of our platform is subject to the user abiding by our Community Guidelines. More specifically, our Terms of Service state:

"In addition to the above, your access to and use of the Services must, at all times, be compliant with our Community Guidelines."

It is our Community Guidelines which then detail how we approach frauds and scams in user-generated content. To that end, our Community Guidelines state:

"Frauds and scams

We do not permit anyone to exploit our platform to take advantage of the trust of users and bring about financial or personal harm. We remove content that deceives people in order to gain an unlawful financial or personal advantage, including schemes to defraud individuals or steal assets.

Do not post, upload, stream, or share:

- *Content that promotes phishing*
- *Content that promotes Ponzi, multi-level marketing, or pyramid schemes*
- *Content that promotes investment schemes with promise of high returns, fixed betting, or any other types of scams"*

In addition, and as mentioned during the Committee session, there are other areas of the Community Guidelines that may relate to fraudulent content. For example, our rules around fake and spam engagement further state that users may not "Operate multiple TikTok accounts under false or fraudulent pretences".

GDPR and information sharing with the police

Lord Browne also asked for further details from our legal team about the risks associated with sharing personal data both with law enforcement and with other institutions (such as banks) in relation to GDPR. He also asked if we could provide evidence that such data sharing resulted in GDPR fines.

When users provide us with their personal data, we have obligations to ensure we protect that data and process it for permitted purposes. As you will know, non-compliance with the GDPR, including for certain data disclosures, can result in a range of sanctions, including significant fines. As I said at the Committee, in the absence of a clear legal or other framework, the challenge is that there is a significant burden of risk placed on companies like ours. This includes taking unilateral decisions about whether it is appropriate to share personal data, what data can be shared, with whom, and in what circumstances. We think greater legislative clarity would help to address this situation for the benefit of all parties.

As discussed, we also believe there is merit in exploring a "good samaritan"-type exemption that could reduce the burden of risk for sharing such material with

law enforcement, whereby companies such as ours would be protected from legal liability if they act reasonably and in good faith. Similar provisions exist in other jurisdictions (for example, under the EU's eCommerce Directive, which is expected to be retained in the EU's forthcoming Digital Services Act).

Going beyond the FCA list

Lord Allan rightly noted that TikTok goes above and beyond verifying any financial institution which chooses to advertise on TikTok against the FCA's list for financial products. I committed to providing further detail on exactly how we do this and those details are below.

TikTok's approach to advertising starts with a 'safety first' principle. That means we will not allow advertising categories of products or sectors (even in unregulated areas) if we do not believe we can ensure safety and integrity for advertisers and users.

This means, there are several financial products that we do not allow by default on the platform. These include products that relate to multi-level marketing and gambling (including fixed odd betting and casino products). As mentioned above, we also have prohibitions against advertising crypto currencies, which, while currently not specified investments under the Financial Services and Markets Act 2000, we believe should be subject to restrictions on our platform.

It is worth noting that we continue to keep these prohibitions under review and assess whether certain categories of content can be delivered safely on our platform. For example, while we prohibit gambling advertising, we have run pilot programmes with national lottery schemes, to test whether adverts can be appropriate and safe for our users. However, these are narrow and target exceptions, and we will continue to be significantly more restrictive than our competitors as to the types of online advertising we allow.

Advertising Standards Authority/Take Five

On a technical point, I wish to make a minor correction to the record on one aspect of my testimony. During my answer to the first question, I mentioned that we had recently run an educational campaign with [Take Five To Stop Fraud - Stop, Challenge, Protect](#). I inadvertently suggested that the Take Five campaign is run by the Advertising Standards Authority (ASA), and this is not the case. The campaign, which came out of the work of the Online Fraud Steering Group, is independent and facilitated by UK Finance.

We, of course, continue to work closely with the ASA on other matters including as part of the upcoming Intermediary Platform Principles pilot, but I wanted to clarify this point to correct this point.

Online Safety Bill

Finally, I noted the understandable interest you, and the whole Committee, have in the Online Safety Bill. TikTok is supportive of the Bill and its outcomes-based approach, but we do have some outstanding concerns about certain provisions within it. Specifically, we are concerned that some elements of the Bill are designed for the largest platforms on the market today and those based on a

"social graph" rather than a "content graph" (like TikTok). There are aspects of the Bill which, if not amended or altered, will make it difficult for the Bill to be future proof.

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