

Written evidence submitted by Google

Dear Mr. Stride

Thank you for inviting me to give evidence to the Treasury Committee as part of your inquiry into economic crime. I welcomed the opportunity to share our work in this area and to discuss how we can collectively tackle this important issue. I am writing in response to your letter of October 1st, 2021, to provide you with further detail on some of the topics addressed in the session.

Expenditure by the Financial Conduct Authority to protect consumers

We are investing significantly in measures to prevent scams from taking place on our platform and have worked closely with the Financial Conduct Authority (FCA) over the last 18 months to do so. Due to contractual obligations we do not provide information on specific advertiser accounts or spend. However, in order to support the FCA on the most effective response and their future work in this area, we have offered to provide a \$3m ads credit to them, for use on our platform, to help amplify their message to protect consumers from scams.

We have pledged a further \$2m in ads credits to support industry scam awareness campaigns. As part of this commitment, alongside other tech platforms in the Online Fraud Steering Group, we have offered credits to support "Take 5", the scam awareness campaign run by UK Finance.¹ We have also donated ad credits to the Advertising Standards Authority (ASA) to drive awareness of their Scam Ads Alert scheme.²

We believe that the ad credits we have offered to the FCA and others will play a significant role in amplifying these important messages and educating consumers on how to stay safe online. However, we know that advertising alone won't be sufficient to tackle this problem, which is why we are investing in developing new policies and measures to prevent scammers using our services.

Advertising policies for financial services

In June of this year we publicly announced our decision to introduce new certification requirements for financial services advertisers. To show financial services ads to UK users, advertisers must demonstrate that they have FCA authorisation or qualify for a very limited number of exemptions. Once an advertiser has completed an identity verification process and we have confirmed their entry on the FCA register we issue them with a certificate, allowing them to advertise financial services in the UK. We also provide a means by which FCA authorised advertisers can identify the domains of companies whose marketing they approve. Advertisers are unable to advertise financial services in the UK unless they have been issued a certificate or have been deemed exempt under a strict set of criteria.³

The updated Google Ads Financial Products and Services policy was published on 30th August,

¹ <https://www.ukfinance.org.uk/press/press-releases/tech-companies-join-banking-industry-tackle-fraud>

² <https://www.asa.org.uk/make-a-complaint/report-an-online-scam-ad.html>

³ <https://support.google.com/adspolicy/answer/10770884?hl=en>

with enforcement taking effect seven days later on 6th September, and applies to all new and existing advertisers wishing to advertise financial services in the UK. I am pleased to see this new system being acknowledged as industry leading by Charles Randell, the Chair of the Financial Conduct Authority.⁴

The certification program follows a number of other actions taken over the course of the last 18 months. Through our previous work we have:

- Removed and actioned ads for any company on the FCA's alert list and regularly receive and action new additions. We have found that the vast majority of these domains were never advertised on our platforms but have taken action to prevent them from advertising in the future.
- Introduced new forms of verification checks for financial services advertisers.
- Updated our policies to include the right to pause financial services advertiser accounts while they complete our Business Operations Verification process.
- Updated our financial advertising policies to restrict the rates of return a firm can advertise and ban the use of terms that make unrealistic claims. This update prohibits making unrealistic promises of large financial return with minimal risk, effort or investment.

Policy about promotion of tax avoidance schemes

To ensure a safe and positive experience for users, Google requires that advertisers comply with all applicable laws and regulations in addition to the Google Ads policies.⁵ Ads that violate these policies can be blocked on the Google Ads platform and associated networks, including Ads on YouTube. YouTube also prohibits scams, such as exaggerated promises to get rich quickly, pyramid schemes, and cash gifting schemes.

As outlined above, we have introduced strict new certification requirements for advertisers wishing to advertise financial services in the UK. We also have policies prohibiting ads for products or services that help users mislead others.⁶

Revenue from unauthorised advertising of regulated products

It is very much in Google's business interest to do the right thing. Our business is heavily dependent on the proper functioning of the ad-supported ecosystem and the continued trust of users in that ecosystem. In 2020, globally, we took down 3.1 billion bad ads, including over 123 million ads for violating our financial services policies.⁷

Given the global nature of our products and operations we do not track enforcement costs on a country-specific basis. While not all activity that sits outside the FCA's regulatory perimeter is necessarily a scam, we take the FCA's standards and feedback very seriously. As such, our certification program for UK financial services advertising has followed a very conservative approach, which means that some legitimate advertisers who sit outside the regulatory perimeter

⁴ <https://www.fca.org.uk/news/speeches/risks-token-regulation>

⁵ <https://support.google.com/adspolicy/answer/6008942?hl=en>

⁶ https://support.google.com/adspolicy/answer/6016086?hl=en&ref_topic=1626336

⁷ https://services.google.com/fh/files/misc/ads_safety_report_2020.pdf

may be impacted and no longer able to advertise on our platforms. While we are aware of the impact this may have on legitimate British businesses, our number one commitment in tackling this issue has been creating a safer experience for our users.

Data transfer to identify and prevent fraud and other economic crime

We have a dedicated operations team employed to process requests received from law enforcement and/or government authorities in a secure and efficient manner and we assess all requests made to Google for user/customer information to ensure they are submitted in compliance with applicable laws and Google's policies and procedures. We have put in place resources, including through our work with the College of Policing's "Knowledge Engagement Team" related to how to request data from Google and what we require in order to produce relevant information. We have also engaged directly with law enforcement agents and the FCA on an ad-hoc basis in relation to specific high priority requests related to their investigations. This outreach ensures that law enforcement is aware of when and how to submit requests to Google. In the second half of last year we produced data for 89% of requests that we received in the UK, on a total of almost 8,000 requests - we report this information through our Transparency Report.⁸

We act promptly when made aware of illegal content and have created a streamlined way to receive the FCA's warning list and scam ad alerts from the ASA. We have been receiving and actioning the FCA's warning list for the last 18 months and, although we have found the vast majority of domains did not use Google Ads to advertise, we have taken action to prevent them from using our advertising platform in the future.

Through the Online Fraud Steering Group and our membership of Stop Scams UK we will continue to explore further areas for industry collaboration and actively seek ways to develop and share best practices with members from the financial services and telecoms industries.

Online Fraud Steering Group

The Online Fraud Steering Group was established in April 2021.⁹ Co-chaired by techUK, UK Finance and the National Economic Crime Centre, it aims to bring together the banking and tech industries to form collective solutions to online fraud. Members include Google, alongside other tech platforms, and representatives from the banking industry.

The group consists of four workstreams: enhancing communications and education, addressing fraud through online advertising, developing a threat assessment and identifying innovative and preventative solutions.

Since being formed, the group has agreed operational principles and governance, including how it will engage with the Home Office's Joint Fraud Taskforce. Through the work of the Education and Awareness sub-group we were one of the technology companies to collectively donate \$1m worth of advertising to the UK Finance scam awareness campaign "Take Five". We look forward to driving forward further meaningful cross-industry commitments and action through this forum.

⁸ <https://transparencyreport.google.com/>

⁹ <https://www.nationalcrimeagency.gov.uk/what-we-do/national-economic-crime-centre>

To date, the groups have met as follows:

- Online Fraud Steering Group: 3 meetings
- Online Fraud Delivery Group: 3 meetings
- 11 x sub-group meetings (1 x innovation, 4 x education, 3 x threat, 3 x online advertising)

Meetings with government departments about economic crime

Over the course of the last eighteen months we have met with Ministers and officials from HM Treasury, The Department for Work and Pensions, HM Revenue and Customs, The Home Office and the Department for Culture Media and Sport to discuss online fraud and financial crime. We have held a number of ministerial meetings and attended a ministerial roundtable on online fraud in April 2021. This is in addition to regular meetings at a working level with officials.

Compensation of customers for financial fraud

We are very aware of the damage that scams can cause to individuals and their families, as well as the wider economy, and so we are devoting sustained attention and resources to addressing this. We are operating in a fast-moving environment, often populated by very sophisticated scammers. Because we recognise the difficulties scams can cause for users, we invest significantly in both industry-leading ML systems and human reviewers, to enforce our policies which we are continually updating against the latest threats.

We're confident that our new FCA certification scheme will substantially reduce the number of scams on our platforms and protect our users, but unfortunately due to the sophisticated and dynamic nature of the area, we can't guarantee that no scams will ever be shown. That is why we have coupled industry-leading policies and strict enforcement with investment to limit the demand side, through grants and raising awareness of users, to help ensure that consumers are better informed of how to stop the tactics of scammers both online and offline.

I hope the information shared here is helpful to the committee and your inquiry. Thank you again for providing us with the opportunity to provide evidence on this important issue.

Yours sincerely

Amanda Storey
Director, Trust & Safety
Google

October 2021