European Commission - Press release





Investigation of the Commission and consumer authorities finds that online influencers rarely disclose commercial content

Brussels, 14 February 2024

Today, the European Commission and national consumer protection authorities of 22 Member States, Norway and Iceland released the results of a screening ("sweep") of social media posts from influencers. The sweep found that nearly all (97%) of these influencers posted commercial content but only one in five systematically indicated that their content was advertising. The objective of the sweep was to verify whether influencers disclose their advertising activities as required under EU consumer law. Posts of 576 influencers published on major social media platforms were checked.

Findings of the sweep

- 97% published posts with commercial content, but only 20% systematically disclosed this as advertising;
- 78% of the verified influencers were exercising a commercial activity; however only 36% were registered as traders at national level;
- **30% did not provide any company details** on their posts, such as e-mail address, company name, postal address or registration number;
- 38% of them did not use the platform labels that serve to disclose commercial content, such as the "paid partnership" toggle on Instagram, on the contrary, these influencers opted for different wording, such as "collaboration" (16%), "partnership" (15%) or generic thanks to the partner brand (11%,);
- 40% of the checked influencers made the disclosure visible during the entire commercial communication. 34% of influencers' profiles made the disclosure immediately visible without needing additional steps, such as by clicking on "read more" or by scrolling down;
- 40% of influencers endorsed their own products, services, or brands. 60% of those did not consistently, or at all, disclose advertising;
- 44% influencers had their own websites, from which a majority was able to sell directly.

Next steps

As a result of the sweep, 358 influencers were earmarked for further investigation. National authorities will now contact them to request that they follow the rules in place. Further enforcement action may be taken if necessary, in accordance with national procedures.

The Commission will analyse the results of the sweep also in light of the legal obligations of the platforms under the DSA and will take the necessary enforcement action as appropriate.

Problematic marketing practices illustrate the importance of having modern robust legislation that is adequate to ensure digital fairness for consumers online. This is why the results of the sweep will also feed into the <u>Digital fairness fitness check on EU consumer law</u>, launched in Spring 2022 by the European Commission. The purpose of this fitness check is to assess the problems that consumers face in the digital markets and to determine whether applicable EU law is sufficient to ensure a high level of consumer protection, or whether it would need targeted changes to better address these issues.

The Fitness Check evaluates the Unfair Commercial Practices Directive, the Consumer Rights Directive and the Unfair Contract Terms Directive. It examines the adequacy of these Directives in dealing with consumer protection issues such as dark patterns, personalisation practices, influencer marketing, contract cancellations, marketing of virtual items, or the addictive use of digital products, amongst others.

Background

The following EU Member States participated in the sweep: Austria, Belgium, Cyprus, Czech

Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden as well as Iceland and Norway. The Belgian Directorate General for Economic Inspection, having solid expertise in the field of influence marketing, took a very active role in the preparation of this sweep. 82 influencers had over 1 million followers, 301 over 100,000 and 73 between 5,000 and 100,000.

Several influencers were active on different social media platforms: 572 had posts on Instagram, 334 on TikTok, 224 on YouTube, 202 on Facebook, 82 on X (formerly Twitter), 52 on Snapchat, and 28 on Twitch.

The main sectors of activity concerned are, in decreasing order, fashion, lifestyle, beauty, food, travel and fitness/sport. 119 influencers were considered to be promoting unhealthy or hazardous activities, such as junk food, alcoholic beverages, medical or aesthetic treatments, gambling, or financial services such as crypto trading.

The <u>Consumer Protection Cooperation</u> (CPC) is a network of national authorities responsible for the enforcement of EU consumer protection laws. Authorities cooperate with each other to tackle infringements of consumer law impacting the Single Market. <u>"Sweeps"</u> are coordinated by the European Commission and carried out simultaneously by national enforcement authorities.

In 2023, the European Commission launched the <u>Influencer Legal Hub</u>, where influencers can find practical information on compliance with EU law.

EU consumer law provides that commercial communications need to be transparent. In their posts, influencers should not mislead consumers with false or untruthful information on the promoted products or services that fall under the <u>Unfair Commercial Practices Directive</u>. Any promotion of the products or services of a brand in a post that earns its influencer revenues or other types of benefits must be disclosed as an advertising activity.

In addition, influencers who sell products or services for their own account have the same legal obligations as online shops, such as providing consumers with legal guarantees or withdrawal rights as required by the <u>Consumer Rights Directive</u>.

On 17 February 2024, the <u>Digital Services Act</u> will enter into application in the whole EU for all online platforms. The DSA harmonises obligations for all online platforms in the EU to reinforce the safety and trustworthiness of the online space. As a result, influencers uploading content need to declare whether such content contains commercial communications. Furthermore, influencers that qualify as traders need to provide information to ensure their traceability before they use an online platform to promote or offer their products or services. These obligations already apply as regards the first designated very large online platforms (such as the above mentioned Instagram, TikTok, Youtube, Facebook, X and Snapchat). Smaller platforms will have to respect these rules also as from the 17 February.

Finally, under the Audiovisual and Media Services Directive, influencers offering audiovisual content and meeting the criteria to be considered audiovisual media service providers need to comply with specific rules on audiovisual commercial communications, incitement to violence and hatred and harmful content for minors. For example, audiovisual commercial communications of influencers need to be readily recognizable and must not be prejudicial to health or safety; influencers' content must not exploit minors' inexperience or credulity, and must not unreasonably show minors in dangerous situations.

For More Information

Influencer Legal Hub

Previous sweeps

Consumer Protection Cooperation Network

Digital Services Act

Audiovisual and Media Services Directive

Digital fairness fitness check

Consumer Rights Directive

<u>Unfair Commercial Practices Directive</u>

Quotes:

"With the sprawling development of social media platforms, the influencer scene has become a full-fledged business. Today, most influencers get revenues from their posts. However, our findings show that they do not always disclose it to their followers. Influencers hold considerable sway over their followers, many of which are minors. I call on them to be much more transparent to their audience."

Didier Reynders, Commissioner for Justice - 14/02/2024

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