‘Stop web giants cashing in on pension scam ads’

Vicky Shaw
Special Correspondent

GLOBAL technology firms such as Google must be held to account for hosting pension scam adverts, MPs have urged.

An “online free-for-all” amid a lack of regulation has allowed scammers to advertise while tech giants “line their pockets”, the Work and Pensions Committee said.

It called for legislation to tackle the issue.

The pension freedoms introduced in 2015 for over-55s have put people at risk of a much wider range of fraud - and the Government and regulators have been left playing catch-up, the committee said.

More than £30 million lost to pension scammers was reported to Action Fraud between 2017 and August 2020 - but the committee said this substantially underestimates the true total.

It said the reputation of Action Fraud, the UK’s national reporting centre for fraud and cybercrime, has been left “in tatters” by a failure to manage the expectations of victims and a lack of action on cases.

The Pension Scams Industry Group estimates a total of £10 billion has been lost by 40,000 people to pension scams since 2015.

The situation is likely to be getting worse, with the coronavirus pandemic providing scammers with new opportunities, it added.

The committee said it had heard

> MPs say Google and other global technology firms must be held to account for hosting pension scam adverts

throughout its inquiry that pension scammers have moved online, with regulators appearing powerless to hold search engines and social media to account for hosting scam adverts.

It said tech firms such as Google are accepting payment to advertise scams and then further payments from regulators to publish warnings - a practice the committee described as “immoral”.

It called for the Government to rethink its decision to exclude financial harms from the Online Safety Bill and use it to legislate against online investment fraud.

In the same way as traditional media, online publishers should be required to ensure that financial promotions are authorised, the committee said. The fragmented way in which scams are dealt with makes tackling the problem more difficult, the MPs added.

The report said a pension fraud taskforce should be strengthened.

The existing Project Bloom should be renamed the Pension Scams Centre and given dedicated funding and staffing to manage an intelligence database and law enforcement, it said.

The Financial Conduct Authority (FCA) should also raise its game, the committee said, after hearing it has not been effective in stopping scams, punishing scammers or retrieving scam proceeds.

Pension liberation scams, which encourage savers to access their pension before the age of 55, can leave people with large unexpected tax bills. The committee said the Treasury should recognise that where a saver has been the victim of a crime and made no financial gain, it may not be in the public interest to demand payment of tax.

Work and Pensions Committee chair Stephen Timms said:“With global firms such as Google being increasingly influential as providers of information, consumers looking for financial advice are being let down by not being afforded the same level of protection they receive from adverts which appear on television or in a newspaper.

“The Government and the regulators have been left playing catch-up following the pension freedom reforms and must now act quickly to protect savers and their hard-earned money.”

According to Google, it has recently updated policies aimed at stopping fraudulent behaviour, has added more layers to its advertiser verification processes, and has also been working closely with the FCA.

A Google spokeswoman said: “We take dishonest business practices and misleading ads very seriously and consider them to be a violation of our policies.

“Last year, we updated our financial services policies and removed 3.1 billion bad ads from our platforms, of which 123 million were ads related to financial services. When ads do not comply with our policies; we take action to remove them.”

Cookies... the tech equivalent of a cockroach

Trevor Law

ARE you concerned about the ‘spies’ in your computer?

Most of us know well the following scenario – you’ve searched the web for a good deal on your favourite make of shoe.

Lo and behold you start being bombarded by ads from other shoe retailers.

Irritating.

But, what if it wasn’t shoes but life insurance, credit cards or mortgages – that might suggest Big Brother knows far too much about your financial background than is healthy.

It happens as if by magic.

In fact, it’s down to that infuriating little blighter, the cookie.

The tech equivalent of a cockroach crawling all over you.

Cookies are little bits of data stored invisibly on your hard drive.

By accepting cookies, you are giving the website concerned permission to track information about you, such as your browsing activity and search history.

Online Sciences states: “Cookies can serve up the personalised content which is geared towards that specific user’s preferences.

Amazon uses cookies to provide you with related products, Google uses cookies to better understand your searches, and Facebook uses cookies to do just about everything.

“Many companies collect data from cookies to run marketing campaigns aimed at a very specific market segment.

“Although cookies make browsing the internet a bit easier they are seen by many as an invasion of privacy.

“Since most websites will not allow their site to be accessed unless cookies are enabled, browsers are set to accept cookies by default.”

Yet cookies are not secure as they are stored in clear text. Anyone can open and tamper with them.

You can delete cookies and you can edit cookies.

Few do. Life is too short and most people just click on accept.

Not surprising given an investigation by consumer champion Which? found that the average length of cookie policies laid out by major companies was 1,388 words.

It noted: “If you wanted to find out all the information about cookies on Legal & General’s website, you’d need to read more than 8,300 words.”

To be fair, most websites collect information about you for legitimate reasons.

Nevertheless, should we be so casual with cookies?

Especially, when you browse websites that contain ads, third-party cookies (from sites you’ve never visited) can be placed on your computer. Information retrieved pushes more sales and clients.

Which? commented: “The fact that your browsing history can be used to offer personalised recommendations is as valuable to advertisers as it is unnerving for many people.

“Of the 1,130 Which? members we surveyed, 70 per cent said they were concerned about retail websites sharing their browsing history with third parties. That figure shot up to 84 per cent when asked about financial websites.

“This is understandable, given that the type of insurance or credit card you’re looking for can reveal a lot about you. The likes of Facebook and Google will use your browsing history in combination with other information, such as your social media activity or your search history. Their aim is to build a detailed profile of you and others like you. While both Facebook and Google stress that they never sell personal information about you, they do sell access to you and people who look like you to advertisers.”

The Competition and Markets Authority has been investigating digital advertising on online platforms. It has recommended a number of interventions, including giving people a choice over whether they receive personalised advertising.

It is a stance backed by Which?

At the end of the day, in this digital age, it’s pretty much impossible to do without cookies.

But is it a case of ‘too many cookies spoil the broth’?

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Colin Rodrigues

UK must cash in in on upturn

A YEAR after the first lockdown and with over half the UK adult population now vaccinated there is light at the end of the Covid tunnel.

But what next? We are surrounded by the same challenges we faced before lockdown: potential trade wars with China and disputes with Europe in a post Brexit world.

Of more concern is the fact we now also have a huge bill to pay for the Covid storm.

One thing for certain is that there will be a recovery. As the UK economy is nothing if not resilient, but the starting point is very low.

I say this with a heavy heart as last year the UK economy contracted by nearly 10 per cent which was the largest contraction since the ‘Great Frost’ of 1709, though the world was very different almost 300 years ago.

The UK has been kept afloat using the usual levers of fiscal stimulus of not increasing the tax burden to pay for increased borrowing, and monetary policy pumping eye watering sums into the economy.

The growth rate for the economy has been forecast to be between 5-6 per cent. If the forecasts are even half true, it could mean we outperform Europe.

This means UK plc has to be ready to capture this spurt of economic growth and turn it into something tangible. It is incumbent on all bosses and the financial sector to ensure firms start look at new prospects which they are able to exploit.

The UK is the eighth biggest manufacturer in the world so we must use that investment to cut through and improve productivity by new methods of working learnt during the pandemic.

There are also new export opportunities given that a lot of businesses who previously traded with Europe have to consider ‘on-shoring’ elements of production to preserve efficiencies.

A lot of employees harbour visions of starting up their own firms because they know they can improve on what they have learned from their employer. It is this entrepreneurial spark that needs to be nurtured.

Investment within businesses and support for employees will reap dividends, especially added to new ways of working to increase productivity.