

For Release

Federal Trade Commission Announces Updated Advertising Guides to Combat Deceptive Reviews and Endorsements

Revised FTC Endorsement Guides strengthen and clarify guidance for advertisers, address emerging market trends

June 29, 2023 Group Consumer Protection Advertising and Marketing Endorsements, Influencers, and Reviews

The Federal Trade Commission today announced it has finalized an updated version of its Endorsement Guides, which provide agency guidance to businesses and others to ensure that advertising using reviews or endorsements is truthful.

The Endorsement Guides advise businesses on what practices may be unfair or deceptive in violation of the FTC Act, and they were last revised in 2009. In May 2022, the FTC announced it was seeking public comments on proposed updates to the Guides to reflect the ways advertisers now reach consumers to promote products and services, including through social media and reviews.

The <u>final revised guides announced today</u> take the public comments received into consideration and make a number of revisions including: 1) articulating a new principle regarding procuring, suppressing, boosting, organizing, publishing, upvoting, downvoting, or editing consumer reviews so as to distort what consumers think of a product; 2) addressing incentivized reviews, reviews by employees, and fake negative reviews of a competitor; 3) adding a definition of "clear and conspicuous" and saying that a platform's built-in disclosure tool might not be an adequate disclosure; 4) changing the definition of "endorsements" to clarify the extent to which it includes fake reviews, virtual influencers, and tags in social media; 5) better explaining the potential liability of advertisers, endorsers, and intermediaries; and 6) highlighting that child-directed advertising is of special concern.

The FTC also issued an updated version of a guidance document that answers frequently asked questions about the Endorsement Guides. Primarily addressing when and how to disclose material connections, the document is entitled, <u>FTC's Endorsement Guides: What People are Asking</u>. Last revised in 2017, the new version includes 40 additional questions and updates dozens of other answers. It adds specific guidance for influencers on when and how to disclose material connections across different kinds of platforms, and it gives FTC staff's views about brand monitoring of influencers and platform disclosure tools. The new version also includes more guidance relating to online reviews, addressing issues such as incentives and treatment of negative feedback.

The Commission vote approving publication of the final revised Endorsement Guides was 3-0. The primary staff member on this matter is Michael Ostheimer in the FTC's Bureau of Consumer Protection.

The Federal Trade Commission works to promote competition and <u>protect and educate consumers</u>. Learn more about consumer topics at <u>consumer.ftc.gov</u>, or report fraud, scams, and bad business practices at <u>ReportFraud.ftc.gov</u>. Follow the <u>FTC on social media</u>, read <u>consumer alerts</u> and the <u>business blog</u>, and <u>sign up to get the latest FTC news</u> and <u>alerts</u>.

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