

Committee(s): City of London Police Authority Board	Dated: 20/07/2022
Subject: Online Safety Bill – Fraud Provisions	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 5
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Remembrancer	For Information
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Summary

This report provides an update on the fraud provisions of the Online Safety Bill, the Government’s flagship measure to tackle harms online. The City’s main interest in the Bill lies in its provisions to tackle online frauds and scams, though the Bill’s aim is to tackle a wide range of harmful and illegal material online. In consultation with the Chair, the Corporation and City Police have engaged extensively while the Bill was in draft form and during its passage so far in the House of Commons.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The Online Safety Bill is the Government’s flagship legislation to tackle harms online. If passed, the Bill would impose duties on user-to-user services which share user-generated content (eg Facebook) and search services (eg Google) with links to the UK in relation to three types of content:
 - a. illegal content.
 - b. content that is harmful to children.
 - c. content that is legal but harmful to adults.

All regulated services would have to protect users from illegal content. There would be additional duties for services likely to be accessed by children.

2. The Bill seeks to tackle a wide range of online harms, such as cyberbullying, racism, misogynistic abuse, pornography, and material promoting violence and self-harm, as well as disinformation. The City’s main interest in the Bill lies in its provisions which seek to tackle online fraud.

3. The Bill's formulation has been long in the making, with a White Paper first published in April 2019, followed by a draft version of the Bill in May 2021. The Draft Bill was subject to a process of pre-legislative scrutiny by a Joint Committee, made up of members of the House of Commons and House of Lords.
4. In their response to a consultation on the White Paper, the Government said that harms resulting from fraud will not be included in the Bill. While the Government acknowledged the "growth, impact and scale of online fraud," they claimed the issue would be "most effectively tackled by other mechanisms." However, following pressure both from law enforcement agencies and industry, the Government decided to include provisions to tackle "user-generated fraud" in the Draft Bill. While this concession was welcome, it fell short of the wider recognition of the threat of fraud that stakeholders sought.
5. Following the publication of the Draft Bill, and in consultation with the Chair of the Police Authority Board, the City Police, and officers across the Corporate Affairs and Parliamentary teams, and external bodies such as UK Finance, a programme of engagement was activated to argue for the inclusion of paid-for online advertising within the Bill and the fraud to be made a "priority" on the face of the Bill.
6. The exclusion of paid-for advertising from the intended legislation meant that a large proportion of online scams would not be caught, with online platforms being able to continue to benefit from hosting illegitimate adverts on their sites. Illegitimate businesses may also operate under the guise of legitimacy through the use of advertising. Furthermore, in designating fraud as "priority illegal content" in the Bill, online platforms would face greater obligations to prevent individuals encountering fraudulent content, including the speed with which fraudulent material is removed.
7. Engagement activities during the period of pre-legislative scrutiny included oral evidence given by T/Commander Clinton Blackburn to the Joint Committee on the Bill, contributing to a joint statement with financial services and consumer bodies on the inclusion of paid-for advertising, and media engagement led by the Chair, featuring in the *Evening Standard*, *Police Professional* and *City Matters*. This was supported by written evidence submitted to the Joint Committee and a separate sub-committee of the DCMS Select Committee established to consider the Bill.
8. The Joint Committee, referencing evidence given by the Corporation and City Police, recommended the inclusion of paid for advertising within the Bill, and the inclusion of fraud as a priority harm. These recommendations were ultimately accepted by the Government, and accordingly included in the final version of the Bill introduced to the Commons in May 2022.

Current Position

9. At the time of writing, the Bill awaits Report Stage in the House of Commons (scheduled for 12 July). At Second Reading, the Parliamentary Team issued a briefing to MPs highlighting the importance of the Bill's fraud provisions and the

scale and impact of online fraud, and provided a submission reiterating these key messages to the Public Bill Committee.

10. Concerns were raised at Second Reading about the drafting of the Bill which placed different obligations to tackle fraud on online platforms such as Facebook and Twitter, and search services such as Google. As it stood, the obligations faced by search services would have been less than those placed on social media sites. However, assurances were given by Minister Chris Philp that the Bill would be amended to address this discrepancy, which were duly made at Committee stage.
11. The Parliamentary Team will continue to assess the Bill throughout its passage through Parliament and will provide a further report to this Committee at Royal Assent. While the Government has shown an intention to make progress on the Bill, the wide-ranging nature of its provisions may mean that its passage may take a considerable length of time. In collaboration with the Corporate Affairs team, the Parliamentary Team will also continue to engage with financial services and consumer bodies to monitor for any further developments on the Bill.

Wider provisions

12. While the main focus of engagement on the Bill has been on online fraud, the wider provisions contained within the Bill are notable from a policing perspective. As noted above, the Bill sets out a number of types of illegal content as “priority offences” or “priority illegal content”. This requires platforms to take additional steps to tackle the presence of this type of content, including preventing users from encountering priority illegal content, minimising the length of time this content is present, and swift removal of such content when reported by users.
13. The Bill sets out a number of specific priority offences in a number of areas, including content relating terrorism, child sexual exploitation and abuse, assisting suicide, threats to kill, public order offences, harassment, stalking and fear or provocation of violence, drug related offences, firearms and weapons offences, assisting illegal immigration, exploiting prostitutes for gain, offences relating to sexual images (include revenge and extreme pornography), proceeds of crime, inchoate offences, as well as fraud and financial services offences.
14. In early July the Government announced that it would be adding “foreign interference” as a priority offence through an amendment to the Bill. The move reflects national security concerns about state-sponsored disinformation and is contingent on the creation of such an offence with the passage of the Government’s National Security Bill. Examples given as to what such a move would seek to tackle include Russian attempts to interfere in UK elections, attempts by state actors to manipulate court proceedings, and the spread of false information to undermine UK democratic institutions. As with other priority offences, online platforms would have to take steps to prevent and remove such material.

Conclusion

15. As currently drafted, the fraud provisions of the Online Safety Bill will help to tackle the growing issue of online fraud. The Bill's progress will continue to be closely monitored for any further developments in this area, with relevant developments reported to the City Police and the Police Authority Board.

Appendices

None

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