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BEUC acts against social media platforms for facilitating misleading crypto asset promotion

Today BEUC and nine of its members* (in Denmark, France, Greece, Italy, Lithuania, Portugal, Slovakia and Spain) filed a complaint with the European Commission and consumer authorities against Instagram, YouTube, TikTok and Twitter for facilitating the misleading promotion of crypto assets.

These social media companies are responsible for allowing misleading advertisements of crypto assets ('crypto') to multiply on their platforms (both through advertising and influencers). This constitutes an unfair commercial practice, as it exposes consumers to serious harm i.e., the loss of significant amounts of money.¹

Due to its high volatility and speculative nature, crypto remains a highly risky investment product not suitable for many consumers. Unlike traditional investments, crypto is not backed by tangible assets and is mainly based on speculation, making it highly volatile. It is also well-documented that crypto may expose consumers to scams and unfair commercial practices resulting in heavy financial losses.

Published today, our report, '[Hype or harm? The great social media crypto con](#),' provides ample evidence of the misleading promotion of crypto on Instagram, YouTube, TikTok and Twitter, in contravention of the platforms' own advertising policies.

That is why we are calling on the Consumer Protection Cooperation Network to request the following from the social media platforms:

- Stricter advertising policies (and enforcement of them) platforms on the advertising of crypto,
- The adoption of measures to prevent influencers from misleading consumers as to the nature of crypto,
- To inform the European Commission about the effectiveness of the measures put in place to protect consumers against such unfair practices,
- In addition, European consumer authorities should cooperate with European Supervisory Authorities for financial services to ensure the platforms adapt their advertising policies to prevent the misleading promotion of crypto.

BEUC Director General Monique Goyens said: "Consumers are increasingly being promised 'get rich quick' investments by ads and influencers on social media. Unfortunately, in most cases,

¹ Under the EU's Unfair Commercial Practices Directive, social media platforms need to exercise a certain level of care to ensure their users are not harmed by others, including influencers.

these claims are too good to be true and consumers are at a high risk of losing a lot of money without recourse to justice.

"Crypto will be regulated soon with the new Market in Crypto Assets Regulation but this legislation does not apply to the social media companies benefiting from the advertising of crypto at the expense of consumers. This is why we are turning to the authorities in charge of protecting consumers to ensure Instagram, YouTube, TikTok and Twitter fulfil their duty to protect consumers against crypto scams and false promises."

The rise in popularity of crypto

Crypto has rapidly been [gaining in popularity](#) across the EU in recent years, with 12% of consumers in the Netherlands owning (or having owed) crypto assets; this figure rises to 18% in Slovenia. Despite the risks, crypto assets seem to be gaining mainstream acceptance; in [the UK](#), fewer crypto users regard them as a gamble (38%, down from 47%) and more see them as an alternative to mainstream investments.

More information:

Report: 'Hype or harm? The great social media crypto con'

*BEUC is launching this action today together with nine of its member organisations: ASUFIN and OCU, Spain; Altroconsumo, Italy; DECO, Portugal; Forbrugerrådet Tænk, Denmark; KEPKA Greece; Vartotojų aljansas, Lithuania; SOS Poprad, Slovakia; UFC-Que Choisir, France.

