

LEGAL AND PRIVACY

## UK disinformation report points to more trouble for Facebook, social networks

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*Members of Parliament are accusing Facebook of breaking privacy laws. Image credit: Facebook*

By SARAH RAMIREZ

In a new report released after more than 18 months of investigations, lawmakers in the United Kingdom have accused social network Facebook of violating data privacy laws.

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Parliament's Digital, Culture, Media and Sport select committee found that the platform "intentionally and knowingly" violated both data privacy and competition laws. The committee also publicly requested that social media companies be held liable for harmful content on their platforms and that political advertising laws be updated.

"This is not the first time Facebook has been accused of wrongdoing by governments for its policies related to privacy," said Rania V. Sedhom, managing partner at **Sedhom Law Group**, New York. "The U.S. investigated whether it held its end of the bargain with the FTC regarding improving its privacy practices, with rumors that a settlement could lead to Facebook paying a fine totaling several of billions of dollars."

Facebook accusations

The final "Disinformation and 'Fake News'" report was published on Feb. 18.

Members of Parliament based part of their report on internal documents acquired from technology company Six4Three. The company sued Facebook in the state of California and alleges that the documents show the social network was aware of its own privacy gaps.



*Facebook CEO Mark Zuckerberg declined to attend a disinformation hearing in London*

Facebook founder and CEO Mark Zuckerberg personally drew criticism in the report.

In 2018, the committee had invited Mr. Zuckerberg to attend a hearing featuring lawmakers from several countries, including Argentina, Brazil, Canada and Ireland, focusing on disinformation. Richard Allan, vice president of Facebook's policy for Europe, the Middle East and Africa, attended and was questioned by the international committee in Mr. Zuckerberg's absence.

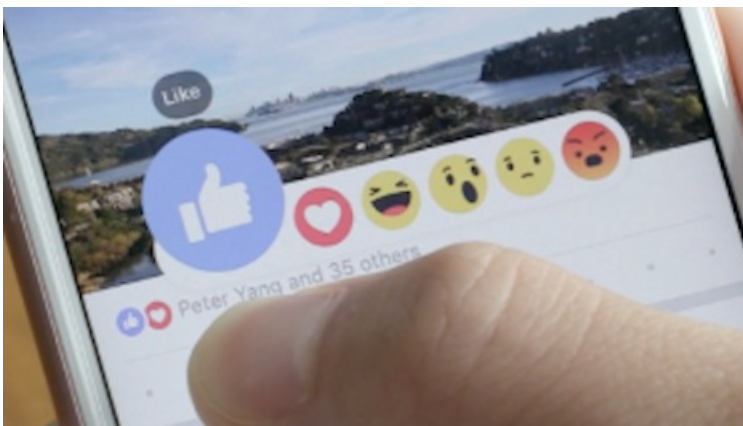
"Facebook used the strategy of sending witnesses who they said were the most appropriate representatives, yet had not been properly briefed on crucial issues, and could not or chose not to answer many of our questions," the committee's report states.

The U.K.'s Information Commissioner's Office previously fined Facebook 500,000 pounds, or about \$653,228 at current exchange, in relation to the Cambridge Analytica scandal. Facebook is appealing the fine.

News of the unparalleled access to personal data afforded to Cambridge Analytica left many aghast at how lax Facebook was with their data. As a result, the company abruptly placed limits on the amount of valuable information that third parties can pull on users on Facebook and its subsidiary platform Instagram ([see story](#)).

The committee also cited a special hearing involving Mr. Zuckerberg as evidence for its report.

Mr. Zuckerberg appeared before a congressional hearing in April 2018 after the Cambridge Analytica data scandal became public. He was emphatic that advertisers and developers will never take priority over consumers' data safety, and announced that Facebook would strictly limit what consumer information advertisers would be able to access ([see story](#)).



*Facebook has more than 2 billion users, making it a valuable advertising tool. Image credit: Facebook*

Included in the committee's report are also recommendations on how social media companies and the British government can manage online disinformation.

These recommendations include establishing a compulsory code of ethics for social networks, an independent monitor who can introduce legal proceedings against such companies and an audit of social media advertising conducted by anti-trust regulators.

"Other networking sites should take notice of the privacy laws in the jurisdictions where they have customers and audit their own practices," she said. "As privacy laws expand and as consumers continue to value their privacy,

social network sites will be obligated to adjust how they do business and how they protect a user's data."

#### Marketing impact

Since last spring, concerns about Facebook's revenue growth and a steady stream of data privacy controversies have contributed to the company's stock falling 40 percent from its record high. The social network is still recovering from the Cambridge Analytica scandal, accusations of disinformation and high-profile departures.

Marketing experts, however, caution against luxury brands giving up on the still-powerful platform. Many of the social network's 2.2 billion users have not necessarily been proactive about safeguarding their personal information on Facebook ([see story](#)).

Repercussions surrounding Facebook's invasive use of data have extended far beyond those directly involved, causing luxury marketers to now be more concerned about their use of customer information.

According to a survey from Kelton Research and SheerID, two to one consumers want brands to request consent before using their personal data. Only 8 percent are comfortable with marketers looking into social channels for individualized information such as likes and activity for promotional purposes, including discounts ([see story](#)).

Now that the European Union's General Data Protection Regulation is in effect, marketers face more hurdles in collecting and using consumers' information.

GDPR recognizes E.U. residents' rights to privacy, giving consumers more tools to oversee how their data is used by marketers.

Since marketers now have to get consumer consent for everything from cookies to third party data sharing, brands can actually use this as an opportunity to get consumers to proactively share more about themselves. For instance, with the right human-centric design, requests for data can be placed at the optimal points in the customer journey to raise the likelihood of participation ([see story](#)).

"Brands need to take privacy laws very seriously," Ms. Sedhom said. "The California Consumer Privacy Act is akin to the GDPR and will take effect in January 2020.

"Luxury brands are built on heritage, craft and legacy," she said. "Luxury brands, therefore, need to do all they can to preserve those attributes while using social media to engage with customers.

"Luxury brands should analyze the efficacy of utilizing Facebook and weigh that against how Facebook is now perceived by the constituents with whom they are engaging on the platform. As more information is available on whether the violations were intentional or unintentional, brands will then have the arsenal they need to make a decision about its continued use of the platform."