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# Briefing Doc

## FCA vs Illegal Finfluencers



## Detailed Briefing Document

### FCA Cracks Down on Illegal 'Finfluencers'

This briefing document summarises a press release issued by the Financial Conduct Authority (FCA) on 22nd October 2024, detailing its targeted action against illegal financial influencers ('finfluencers').

#### Key takeaways:

FCA investigates potential illegal promotions: The FCA is interviewing 20 finfluencers under caution and issued 38 alerts against social media accounts suspected of unlawful financial product promotions.

Concern for vulnerable young people: The FCA highlights the vulnerability of young people to scams and the potential role finfluencers play. Statistics show:

- 62% of 18-29 year-olds follow social media influencers.
- 74% of those trust the advice given by these influencers.
- 90% of young followers have been encouraged to change their financial behaviour based on this advice.
- FCA's message to finfluencers: Steve Smart, Joint Executive Director of Enforcement and Market Oversight at the FCA, warns:
- "Finfluencers need to check the products they promote to ensure they are not breaking the law and putting their followers' livelihoods and life savings at risk."

Previous enforcement actions: This is not the first time the FCA takes action against illegal influencer activity. They previously took action against nine individuals promoting an unauthorised trading scheme.

### **FCA's recommendations to consumers:**

**Consult the FCA Warning List:** Consumers are advised to check the FCA's warning list before making any investment decisions.

**Utilise the FCA InvestSmart resources:** The FCA's InvestSmart page provides valuable information to help consumers make informed investment decisions.

### **Further points:**

The press release clarifies that the individuals under investigation are not FCA authorised and lack the necessary qualifications to provide financial advice.

The FCA cannot disclose the names of the individuals involved in the investigation.

Overall, this press release signals a clear message from the FCA that they are actively monitoring and taking action against illegal financial promotions by influencers, especially those targeting young and vulnerable audiences.

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