



BRIEFING PAPER

Number CBP6826, 4 May 2017

Websites charging for government services

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Summary

Copycat websites charge a fee to process or renew official documents, which consumers can do either free or much cheaper for themselves.

Searching on the internet in order to apply for a European Health Card (EHIC), booking a driving theory test or renewing a passport, brings up websites for businesses which offer to check, review and forward applications for a fee. Advertisements for these businesses may feature prominently in search results.

Some Members of Parliament have received letters from constituents complaining about private companies that set up websites deliberately designed to look like official Government sites and then charge people for services that are available directly from the Government either at no cost or for a much lower fee. In many cases, constituents, having searched on the internet, believed they were on an official site until they were charged a processing fee.

It is not unlawful to provide reviewing and forwarding services, but businesses should make it clear on their websites that they are not affiliated to the Government and that consumers will be paying for a service which they could obtain from Government for free or at a lower cost. Unfair and misleading practices are prohibited by the [Consumer Protection from Unfair Trading Regulations 2008](#) (CPRs). The Regulations are enforceable through the civil and criminal court.

This Commons briefing paper provides an overview of the legal position. It also considers the involvement of Trading Standards, the Advertising Standards Authority (ASA) and the Government Digital Service (GDS) in monitoring the operation of third-party websites offering official Government services. Finally, this note looks at the occasions when the issue of copycat websites has been raised in Parliament during debates or as a Parliamentary Question (PQ).

1. Background

1.1 Relevant legislation

The basic position is that it is not illegal for a business to charge for a 'reviewing and forwarding service', even in circumstances where the item might be obtained free elsewhere. The charge is seen to be a fee for providing the service rather than a cost attributed to the item itself. In other words, many of these internet companies are legitimate. It is not against the law for a company to offer a service similar to an official body.

However, it is illegal to deliberately mislead the public and to obtain money by fraud. This means that traders must be clear about the product or service they are offering, and they should not trick consumers into spending money for services they do not want. There is a duty on businesses to trade fairly.

The [Consumer Protection from Unfair Trading Regulations 2008](#) (CPRs), prohibit traders in all sectors from engaging in unfair commercial practices (mainly marketing and selling) against consumers and set out rules that determine when commercial practices are unfair. The regulations are enforceable by Trading Standards through the civil and criminal courts. In August 2010, The Office of Fair Trading (OFT) took enforcement action under the Regulations against four online traders who deceptively sold European Health Insurance Cards (EHICs) to consumers.

1.2 How to identify a copycat website

Instead of searching for government services via a search engine, consumers are advised to go to [GOV.UK](#) and use the search function there. It is the most secure place to find government services and information online.

If a consumer does use a search engine, they are advised by Trading Standards to look out for the differences between natural search results and paid-for search results.

In addition, the consumer body [Which?](#) suggests the following tips on how to identify a copycat website:

- **Is it a paid search engine advertisement?** These are the boxed adverts displayed at the top of search engine result pages. Quite often, the official site is the first or second non-paid-for link that appears below the ads.
- **Read the homepage** - Before filling out an application form, take a couple of minutes to visit the homepage and read the text there. It may even say that the site is not officially affiliated with the official body.
- **Check the web address** – An “.org” web address is no guarantee that it is an official website. Any website claiming to be an official government website should have a .gov.uk address.

- **Https vs http** - Although it's not always a guarantee, the consumer should check for "https://" at the beginning of the website address. On pages where you are entering personal information, this indicates that there is encryption in place to protect your personal details; websites just with http:// don't encrypt the user's personal details.

1.3 Reporting a copycat website

The Government has set up a guide to [reporting a misleading website to search engines](#). Consumers wishing to report a copycat website can find additional information on GOV.UK - [Avoid and report Internet Scams and Phishing](#). This guide provides information for common services affected including tax and passports.

2. Past investigations

2.1 OFT investigation

In July 2011, the Office of Fair Trading (OFT) announced that it would investigate companies that set up websites to charge for free or cheaper Government services, arguing that some sites are deliberately designed to look like official sites. However, in November 2012, the OFT decided on administrative priority grounds to close this investigation. The OFT found that in most instances the sites investigated carried statements explaining the nature of the service provided and disclaiming any official status or affiliation with the government.

On 1 April 2014, [the OFT closed](#).

In March 2014, the [National Trading Standard Board](#) (NTSB) welcomed additional Government funding of £120,000 to investigate copycat websites (see below).¹ The [Chartered Trading Standards Institute](#) (CTSI) has also published guidance notes for members of the public, "[Wise up to the web – avoid being conned by deceptive websites](#)".

2.2 ASA investigation

In certain circumstances, the [Advertising Standards Authority](#) (ASA) will investigate misleading websites that have been brought to its attention by members of the public.

In brief, the content of advertising, sales promotions and direct marketing across all media in the UK is self-regulated by the ASA. It does this by enforcing the [British Advertising Codes](#). There are separate codes in respect of broadcast and non-broadcast advertisements, namely:

- [The UK Code of Non-broadcast Advertising and Direct & Promotional Marketing \(CAP Code\)](#) is the rule book for non-broadcast advertisements, sales promotions and direct marketing communications.
- [The UK Code of Broadcast Advertising \(BCAP Code\)](#) applies to all advertisements (including teleshopping, content on self-promotional television channels, television text and interactive television ads) and programme sponsorship credit on radio and television services licenced by Ofcom.

All advertising and promotional claims that appear on a website must comply with the [CAP Code](#).

In effect, the ASA deals with legitimate businesses that have fallen foul of the Advertising Codes (including using misleading internet advertisements). The overarching principle is that advertisements are expected "to be legal, decent, honest and truthful". Its remit includes acting on and investigating complaints about advertisements as well as

¹ Trading Standards Institute, "[Misleading websites to face the squeeze](#)", online press notice, 4 March 2014, (accessed 20 October 2014)

proactively monitoring and taking action against “misleading, harmful or offensive advertisements”, sales promotions and direct marketing.

According to its website, the ASA has received a steady flow of complaints from members of the public about copycat websites. In particular, the following concerns have been raised:

- It’s unclear from the website whether they’re an official service
- The company has appeared above the official body on Google search results
- Copycat sites charge fees for services that could have otherwise been free or cheaper
- The consumer did not realise until after the transaction that they would have to pay a handling fee in addition to paying for the service.

The ASA can take action against misleading advertisements. Under the Advertising Codes, it is not acceptable for companies to mislead people into paying for products or services. So called ‘copycat’ companies should **not** imply that they are an official service or that they are affiliated with one if that is not the case. In particular, they should not imply that they are an official service through:

- the claims made on the website,
- the company name and/or URL address,
- the use of specific words such as ‘official/Gov’, or
- the overall appearance of the site

Nor should the company imply that they can save the consumer money if they are actually charging more than the official body. Costs should be clear, transparent and upfront. This means that if they are charging a compulsory handling fee they should make that clear.

It is important to note, however, that the role of the ASA is to make sure that all advertisements and claims are “legal, decent, honest and truthful” and are not misleading. There is no direct action which the ASA can take to prevent copycat websites from operating all together.

2.3 Other investigations

[Her Majesty's Passport Office](#) is monitoring these so-called copycat websites. The ASA is working with them and [GOV.UK](#) to counteract misleading advertising claims.

A [Which?](#) investigation into scams in September 2013 revealed that half of those who come into contact with copycat websites are fooled by them.

3. Crackdown on copycat websites

3.1 Possible action by the ASA

The ASA can and has taken action in respect of copycat websites. If a business is in breach of the [British Advertising Codes](#), the ASA has various sanctions at its disposal, including:

- a name and shame section on its website,
- 'ad alerts' advising CAP members² to withhold advertising space, and
- methods for seeking the removal of a companies' paid for search advertisements

A company should not imply they are affiliated with, or that they're offering an official service, if that is not the case.

In effect, if a complaint about an advertisement is upheld, the advertiser must withdraw or amend the advertisement and not use the advertising approach again. All ASA adjudications are published.

The ASA has already taken action against a number of companies that have fallen foul of the rules. For example, the ASA has made rulings against the following 'copycat companies' for misleading advertisements:

- [TAD Services](#) t/a UK-Passport.net (4 September 2013) - implied that they were affiliated with the HM Passport Office.
- [UK Official Services](#) (23 November 2011) - misleadingly implied they were the government's General Register Office (GRO).
- [Trademark Renewal Service Ltd](#) (5 June 2013) - misleadingly implied a mailing they sent out was official correspondence from a company affiliated with the UK Intellectual Property Office (IPO).³

On 13 November 2013, the ASA announced that it had banned two more adverts - one offering to complete driving licence applications and another selling Land Registry data on property deeds.⁴

Any formal complaint about the misleading content of an online advertisement should be addressed to the ASA. Full contact details are given on the [ASA website](#). An online complaints form is also available on the ASA [website](#).

In respect of wider trading practices, for example, where a company is charging consumers above and beyond official service prices, complaints should be made to Trading Standards (see below).

² The [Committee for Advertising Practice](#) (CAP) is responsible for writing and maintaining the UK Advertising Codes and providing authoritative advice on the rules. The CAP is part of the ASA.

³ Advertising Standards Authority, '[ASA Hot Topics – Copycat Websites](#)', [online] (accessed 14 February 2014)

⁴ '[Watchdog bans rogue Land Registry and DVLA adverts](#)', Telegraph, 13 November 2013, [online] (accessed 21 November 2013)

As already mentioned, [Her Majesty's Passport Office](#) is also monitoring these copycat sites and the ASA is working with them and [GOV.UK](#) to counteract misleading advertising claims.

3.2 Action by the Government Digital Service

The ASA has also been working with [Government Digital Services](#), to limit the activity of websites that advertise their services in misleading ways. The ASA has stated that this remains an ongoing priority.

The [Government Digital Service](#) has been working with Google, the largest search engine in the UK, to identify advertisements that mislead consumers and therefore breach Google's policies. As a result, Google took down a series of sponsored adverts from companies running copycat websites. According to Which? [Google](#) is continuing to monitor misleading adverts and will close the accounts of repeat offenders.⁵

3.3 Action by National Trading Standards

The NTSB issues periodic advice to consumers on how to avoid copycat websites. In addition, the [National Trading Standards eCrime Team](#) is investigating, and taking action against, these websites. For example, on 25 June 2015, it was reported that enforcement officers from this team had made a number of arrests and had seized equipment in respect of a copycat website company.⁶

In brief, the National Trading Standards Board (NTSB) was set up by the Government in 2012 as part of changes to the consumer protection landscape and an enhanced role for trading standards. Its remit is to provide leadership, support and resources to help combat consumer and business detriment locally, regionally and nationally.

National Trading Standards also funds the National Trading Standards eCrime Team. This team provides a national resource to support all local authority areas in England and Wales, tackling the increasing threat to businesses and consumers in relation to internet scams. There are separate arrangements in place in Scotland.

3.4 Duty to trade fairly

The [Consumer Protection from Unfair Trading Regulations 2008](#), known as the 'Unfair Trading Regulations', protect consumers from unfair or misleading trading practices, and ban misleading omissions and aggressive sales tactics. The Regulations came into force on 26 May 2008, and implement in the UK the [Unfair Commercial Practices Directive](#) (2005/29/EC). In the main, the Regulations apply to business-to-consumer practices. They also apply to the whole of the UK.

The Unfair Trading Regulations impose a general prohibition on traders in all sectors from engaging in unfair commercial practices with

⁵ "[Google: What we've done to crackdown on copycat websites](#)", Which? website, 2 March 2014, [online] (accessed 4 May 2017)

⁶ National Trading Standards News Articles, "[Copycat websites warning following further arrests](#)", 25 June 2015 [online] (accessed 4 May 2017)

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consumers. It follows from this that there is a duty to trade fairly and honestly with consumers. The Regulations have significant importance in the marketing and selling of goods and services.

As of 1st October 2014, amendments have been made to the Unfair Trading Regulations which give consumers new rights of redress if they have been the victim of misleading actions or aggressive selling.

Further detailed information about the Regulations is provided in a separate Library briefing paper, "[Consumer Protection from Unfair Trading Regulations 2008](#)" (CBP 4678) (dated 26 May 2016).

4. Parliamentary debates and PQs

4.1 Debates

The issue of copycat websites was raised during Second Reading of the [Consumer Rights Bill](#) on 28 January 2014.⁷ Stella Creasy, then Shadow Minister for Consumer Affairs, commented on the lack of clarity about prices and gave various examples including the processing fees charged by unofficial websites. The relevant extract is reproduced below:

Stella Creasy: [The Bill] sets minimum standards that supplied goods must meet, sets out that they should be fit for purpose and satisfactory, and provides a legal right to reject faulty goods within 30 days of receiving them. Again, however, consumers will ask whether that will deal with the real problems with terms and conditions that they face time and time again. [...]

A lack of clarity about prices causes many of us to purchase products that are not suitable. It is about the most basic of consumer needs—to know the cost of the product that we are purchasing and what our money will buy us. Prominent pricing is not the same as transparent pricing. Hidden charges are a problem for too many in our society. One study found that buying insurance through a broker could push up premiums by £500 a year, and that the gulf was caused largely by the added expense of the broker's fees.

Many consumers experience the frustration of signing up for services or goods and then finding that the terms and conditions are varied because the prices are not clear. A constituent wrote to me this week about a website called Tax Return Gateway, a copycat of a Government website that looks suspiciously like the real deal. My constituent was charged £500 for filling in her tax return, and only after she had paid it was she told that that was the fee for the service, not the tax return itself. Such sites exist for a whole range of public services, including passport applications, visa programmes and driving licences. It seems a simple principle that people should be told the price before they purchase something, but again, the Bill will do nothing to provide for that.

Mr MacNeil: The hon. Lady raises an important point. There are scam versions of Driver and Vehicle Licensing Agency sites, and many people do not understand what they are purchasing, far less the costs of it. They do not realise that they are only getting a form to apply for a road tax disc or whatever.

Stella Creasy: The hon. Gentleman is absolutely right, and if the Bill met the test of providing the best consumer rights framework that this country can have, such scams would be addressed. Again, we find the Bill wanting on that point, and we will look to address such challenges in Committee.

Chris Kelly (Dudley South) (Con): Does the hon. Lady agree that Members should encourage their constituents simply to use the Government's own website at gov.uk, and not to google other alternatives that can lead to scam sites?

Stella Creasy: The hon. Gentleman's question reveals one challenge that we face. I would love to sit at a computer with him, google those websites and see whether he could tell the

⁷ Now the [Consumer Rights Act 2015](#) – it come into force on 1 October 2015

difference. Making that difficult is one thing that the companies in question do. It is fair to ask how we can empower consumers, but it is also fair to ask what we can do to ensure that someone knows precisely what they are buying. That does not need to be an unreasonable requirement on terms and conditions, but the Bill does not address that challenge.⁸

The matter was raised again in Public Bill Committee.⁹ In speaking to amendment 69 in Schedule 2, Stella Creasy argued that when a consumer has been mis-sold a service because they believe they are using an official site that should be considered an example of unfair behaviour and be open to legal challenge.¹⁰

The Consumer Minister, then Jenny Willott, agreed that misleading websites that try to palm themselves off as legitimate Government websites needed to be stopped. To this end, the Government had committed an additional £120,000 to the National Trading Standards Board to investigate rogue traders. The Minister said that the Government was also working with search engines to take down misleading websites as they are identified.¹¹ Amendment 69 was subsequently withdrawn. The Opposition agreed to give the Government more time to see if its new approach would work.¹²

4.2 Parliamentary Questions (PQs)

The issue of unofficial websites charging for processing Government services has also been raised in a number of PQs. For example, on 21 January 2014, the following exchange took place between David Davis MP and Mark Harper MP:

Mr David Davis: To ask the Secretary of State for the Home Department what recent assessment she has made of the prevalence of copycat websites for passport applications and renewals; what estimate she has made of the costs to consumers of using such websites; and what steps she is taking to inform the public about such websites. [183165]

Mr Harper [*holding answer 17 January 2014*]: The website www.gov.uk is the only provider of the British passport and passport applicants should use the official Government website.

All third party sites stating that they are offering passport services are required to carry a clear disclaimer that they are not an official passport site or affiliated in any way to Her Majesty's Passport Office. The Government Digital Service is leading a cross-government exercise with organisations such as the Office of Fair Trading, the Advertising Standards Authority, search engine providers and various trading standard bodies to curtail the activity of websites that advertise their services in misleading ways, using existing consumer protection legislation. Where Government have become aware of websites make misleading claims in their advertising they have brought these complaints to the attention of the Advertising Standards Authority.

⁸ HC Deb 28 January 2014 c. 784

⁹ Amendment 69 in Schedule 2, see [PBC 6 March 2014 c479](#)

¹⁰ PBC Deb 6 March 2014 c468

¹¹ PBC Deb 6 March 2014 c485

¹² PBC Deb 6 March 2014 c468

Her Majesty's Passport Office also continues to work with the Association of British Travel Agents to raise public awareness of third party websites.

Mr David Davis: To ask the Secretary of State for the Home Department if she will meet Google to discuss the profits they make from copycat websites which charge for passport renewals and appear above Government department and agency websites in search results. [183798]

Mr Harper: The website www.gov.uk is the only provider of the British passport and passport applicants should use the official Government website.

The Government Digital Service is leading a cross-Government exercise with organisations such as the Office of Fair Trading, the Advertising Standards Authority, search engine providers (including Google) and various trading standards bodies to curtail the activity of websites that advertise their services in misleading ways.

Ministers are planning to meet Google early this year to discuss Google's enforcement of its own terms and conditions for advertising on its search results pages.¹³

On 23 January 2014, Nick Hurd MP provided the following written answer to a PQ asked by Stephen Doughty MP:

Stephen Doughty: To ask the Minister for the Cabinet Office: what estimate he has made of the number of websites charging for access to Government online services in each of the last three years; and if he will make a statement:

if he will take steps to enable the Competition and Markets Authority to be able to take enforcement action on websites found to be charging for access to online Government services irrespective of whether a disclaimer statement is deployed;

what cross-departmental Ministerial meetings he has held since October 2013 relating to websites charging for access to Government online services; if he will report on the progress of the review being led by the Government Digital Service; and how many complaints were received by his Department in each month since October 2013.

Nick Hurd: I have regular meetings with my ministerial colleagues but it has been the practice of successive Administrations that details of internal discussions are not normally disclosed.

Officials in the Government Digital Service (GDS) are leading a cross-government exercise to gather information about the operation of third-party websites offering services associated with official Government services. This research will guide our work to address the issue and the Government's engagement with the internet search, engine providers that carry advertisements for the services of these unofficial providers. Where Government has become aware of websites that make misleading claims in their advertising it has brought these complaints to the attention of the Advertising Standards Authority. Government has and continues to take direct action to prevent the misuse of Government logos or any suggestion of affiliation with Government by these websites.

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From 2014, the Competition and Markets Authority (CMA) will be taking over many of the functions and responsibilities of the Competition Commission and the Office of Fair Trading. The CMA is an independent body.¹⁴

In January 2015, Ed Vaizey, then Culture Minister said that the Government was “committed to stopping” such copycat websites:

Mr Vaizey: We have taken a lot of action. We have worked closely with the search engines to ensure that they implement their terms and conditions on copycat website advertising, and the click-through to Government websites has increased by 30%. There is a problem with blocking transactions for websites that charge. A lot of Government services are free and we would not necessarily know whether other websites were charging. We know what Transport for London has done and we continue to keep the issue under review.¹⁵

Mr Vaizey went on to say that the Government had “made progress with strengthening search engine terms and conditions and started to move away from copycat websites having prominence and seen an increase in people using Government websites.”

On 8 September 2016 there was a Westminster Hall debate on “Scamming: vulnerable individuals”, introduced by Julian Knight MP. During the debate, the issue of copycat websites was mentioned by Stuart C. McDonald MP in the context of the scale losses incurred by consumers as a result of scams:

Tragically, as we have heard, this is the picture all across the country, with the average victim being 74, and the average loss £1,000, but with many losing much more, yet only 5% of victims report being scammed to the authorities. I have been astonished to learn about the scale of the problem—the number of people losing out, the financial losses resulting, the range of industries affected, the different types of scam, and the techniques and technologies employed, from vishing to phishing and cold calling to copycat websites.

The only thing that is less of a surprise is the personal distress and misery caused, which Members have eloquently described. I, too, was horrified to read that victims of mass marketing-type fraud in particular are often placed on so-called suckers lists and their details are then sold on to other fraudsters, increasing their risk of becoming a repeat victim. So anything that can be done to clamp down on that practice must be done.¹⁶

¹⁴ HC Deb 23 January 2014 c.315W

¹⁵ HC Deb 8 January 2015 cc370-1

¹⁶ [HC Deb 8 September 2016 c.519-520](#)

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