



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

23 December 2021

Mrs Lucy Wicks MP
Chair
Select Committee on Social Media and Online Safety

via email: smos.reps@aph.gov.au

Dear Mrs Wicks

Social media and online safety

Small business owners must be considered when examining susceptibility to online harm among the Australian population.

Fake Reviews

Our Office is particularly concerned by the posting of negative reviews that are not founded in real customer experiences ('fake reviews'). These reviews damage business reputations and cause significant distress to staff and business owners. Our Office has assisted more than 30 businesses dealing with fake reviews in recent years.

Fake reviews often receive prominence on online platforms used by the public to find business services, such as Facebook, Google and UberEATS. Fake reviews may contribute to a loss of sales over an extended period causing economic loss. Further, as a small business owner's identity is often intrinsically linked to their business, fake reviews contribute to mental health strains.

Earlier this year in the United States, Google acted to protect the economic interest of the investment application, *Robinhood* by removing hundreds of thousands of unwarranted fake reviews on its Google Play Store.¹ Small businesses should be afforded similar protection of their interests.

We recommend that digital platforms build out tools that prevent fake reviews as well as create a more accessible and transparent review system. This should include giving small businesses more transparency on the evidence they need to provide a digital platform to have a fake review reviewed and removed.

Access to Justice

Small Business owners in dispute with more powerful organisations, such as digital platform providers, should be encouraged to defend their own economic interests. To that end, this Office has undertaken significant work in promoting systems that enable small business access to justice.

We note and are encouraged by policy discussions through 2021 that followed the Australian Competition and Consumer Commission's Digital Platform Inquiry recommendation to establish "an ombudsman scheme to resolve complaints and disputes with digital platform providers."² This Office currently manages the dispute resolution functions of a range of industry codes designed to protect small businesses including the Franchising, Dairy, Oil, and Horticulture Codes, and would welcome the opportunity to provide insights into the most effective management of small business disputes.

¹ <https://www.theverge.com/2021/2/1/22261178/robinhood-google-play-store-app-rating-one-star-reviews-stocks-gamestop-reddit>

² Australian Competition and Consumer Commission. June 2019. *Digital Platforms Inquiry Final Report*. Page 37.

We also note international public policy responses to protect the interests of small businesses trading online, including in Japan where the *Act on Improving Transparency and Fairness of Digital Platforms* has recently been legislated.³

The Committee might also consider this Office's recommendation that a Federal Small Business Claims List (the List) be formed as part of the Federal Circuit Court of Australia to provide affordable, determinative, dispute resolution services to small businesses.⁴ The List could provide a low-cost solution for small businesses to pursue their own economic interests in relation to online defamatory remarks where they would otherwise have to resort to costly litigation.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Eamon Sloane [REDACTED]

Yours sincerely

[REDACTED]

The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman

³ https://www.meti.go.jp/english/policy/mono_info_service/information_economy/digital_platforms/tfdpa.html

⁴ Australian Small Business and Family Enterprise Ombudsman. November 2020. *Access to Justice Report*. Page 7.