LEGAL BRIEF #1: EUROPEAN CONSUMER LAW AND INFLUENCER MARKETING

If you're currently making money by making social media content, you're not the only one. According to the Influencer Marketing Hub, influencer marketing is expected to reach a global value of \$21.1 billion in 2023. And that's just one way in which you can monetize your social media presence. More and more people just like you are creating original content on the Internet for money. Creators are building an exciting new economy, but this work can bring both new and old legal problems. Remember the Fyre Festival Instagram fiasco? Or the pink sauce saga on TikTok? These news headlines have caught the attention of law-makers around the world. Their concern? Making more clear laws for those who need to apply them in practice - that's you, the influencers.

When you do business on a regular basis, European law will see you as a 'trader'. It doesn't matter if you advertise, sell or do both. In the European Union, traders have a lot of responsibilities, and it doesn't matter if you're a one person business or a big tech company these obligations will be the same. When you buy things yourself, you wouldn't want a store to tell you 'sorry, we don't know what your rights are'. Because that's what stores do, they make money by selling you things, so they should know better. The same applies to you you're expected to know guite a lot of information as a trader, such as:

- 1. *Traders need to use advertising disclosures*. If you advertise goods or services, you must make advertising clear to your audience.
- 2. Traders must give consumers the right information about the products they advertise or sell, but also must make sure that the goods or services they offer are what consumers expect. For instance, if you are a trader as an influencer and you sell things online, it means you need to share details such as your address or contact information. Why is that? Because your audience actually has a lot of rights, such as knowing who they're buying products from, the right to send those products back within 14 days, or to get their money back.
- 3. Traders may not advertise or sell dangerous or recalled products. These are products so dangerous that they can't be sold anymore. The European Union has an alert system for dangerous non-food products called <u>Safety Gate</u>. In 2022 alone, consumer protection authorities sent 2,117 notifications to Safety Gate. Most recalled products had to deal with chemical substances, injuries and choking hazards. Recalled products include clothing, furniture, toys or and even cosmetic products, which have been recalled a lot in recent years. This is why it's important to consider product safety when doing sponsored posts or when selling your own products to your audiences. Safety Gate is publicly accessible so you can always consult it before you decide whether it's worth it to sell or advertise a product that may be harmful for your audience.

In 2022, the European Union celebrated <u>50 years of consumer protection policies</u>. In fact, European consumers are some of the best protected consumers in the world! Laws like the <u>Unfair Commercial Practices Directive</u>, or the <u>Unfair Contract Terms Directive</u> have shaped the rights and expectations of European consumers. For influencers based in EU Member



States or targeting European consumers, you have to make sure you understand what these rules are about and what can be done to apply them in a way that is good for your audience while it's also good for yourself as a responsible trader.

This repository focuses on **advertising** and **selling** rules, and it offers you some basic advice on how to follow them. Instead of learning about these rules the hard way, from consumers complaining about their rights, or letters and fines from authorities, the videos and the Influencer Law Hub can be a starting point for the legal help you may need in your business. While they might seem scary at first - it is pretty simple to follow these rules when you know what they are, whatever stage of your career you are at. With a short time investment, here you can learn more about:

- When you have a legal obligation to follow these consumer rules;
- When and how you should disclose advertising appropriately;
- Where you can check whether a product is safe; and
- What information you need to give consumers when they buy goods or services directly from you.

