



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

16 April 2020

Australian Competition & Consumer Commission  
23 Marcus Clarke Street  
Canberra ACT 2601

**By email:** [adtechinquiry@acc.gov.au](mailto:adtechinquiry@acc.gov.au)

Dear Sir/Madam

### Digital Advertising Services Inquiry

Two reoccurring issues have come to the attention of our office that warrant the consideration of this inquiry:

1. **Impact of power imbalance between small businesses pursuing digital marketing and large technology companies that host online advertising:** Theoretically the size and reach of technology companies such as Facebook and Google allows businesses to reach larger and more targeted audiences. That size and reach however, creates near-monopoly status for Facebook and Google, leaving advertising businesses no similarly sized alternative options should the advertiser-publisher relationship deteriorate.

Our assistance team has received multiple calls from businesses who have had difficulty in resolving issues with these large publishers, including locked accounts and ineffective advertising products. These problems could be mitigated at first instance by including compulsory internal and independent external dispute resolution processes in contracts between advertisers and publishers. Consideration should also be given to a mandatory industry code that sets standards of behaviour and provides enforceable mediation and arbitration, such as with the Dairy Code of Conduct.

2. **Poor conduct by entities providing digital advertising, masquerading as advertising agencies:** While these services can include products outside the remit of this inquiry such as "search engine optimisation", our office has assisted with numerous cases where entities assume the direct control of Facebook or Google advertising accounts of small businesses. The effect is that small businesses are then either locked in to contracts with these or required to pay a "ransom" to escape.

The impact of this lock-in is made worse since it is common for services paid for either not being rendered or being provided at such a low level that they are ineffective. The conduct of these entities amounts to little more than scamming small business operators. The ACCC should consider including such scams on the [scamwatch.gov.au](http://scamwatch.gov.au) page. The ACCC should also consider launching further investigation into this industry, as the COVID-19 pandemic is likely to produce an increase in small business in need of online advertising being targeted by these entities.

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

Yours sincerely

**Kate Carnell AO**  
Australian Small Business and Family Enterprise Ombudsman

T 1300 650 460 E [info@asbfeo.gov.au](mailto:info@asbfeo.gov.au)  
[www.asbfeo.gov.au](http://www.asbfeo.gov.au)

Office of the Australian Small Business and Family Enterprise Ombudsman  
GPO Box 1791, Canberra City ACT 260