Scam Ads and Your Brand

Criminals use trusted brand names, logos, products and spokespeople to make scam ads appear legitimate. Brands, agencies and platforms each hold different pieces of the evidence. Sharing those signals and agreeing clear reporting routes can make confirmed misuse easier to investigate and remove.

Why now

- On October 22, 2026, Rhode Island's Attorney General filed the first state lawsuit against Meta over scam advertising, following a similar suit by Santa Clara County, California. The claims remain allegations. Rhode Island Attorney General
- In September 2026, the FTC asked for public comment on whether platforms should be expected to vet advertisers, monitor ads, investigate suspected impersonation and remove confirmed scam ads. FTC request for comment

What it costs

For people

- People reported losing **$2.1 billion** to scams that started on social media in 2025, around eight times the 2020 figure. FTC social media scam data
- More than 40% of people who lost money to a social media scam said it began when they ordered something advertised to them. Most received nothing. Others received counterfeit or substantially different products. FTC social media scam data
- Across all contact methods, people reported losing **$3.5 billion** to imposter scams in 2025, including nearly **$1 billion** to business impersonators. FTC imposter scam data

These are reported losses. The FTC says the true cost is likely considerably higher. FTC data

For brands

- In a February 2026 survey of 401 US consumers, **54% said their trust in a brand decreases after encountering a scam associated with it**, even when the brand was not responsible. **58% said they had seen a fake ad impersonating a well-known brand.** Clutch consumer survey
- The cost extends beyond reputation. Customer support, fraud investigations, monitoring, takedowns and legal work all consume time and money.
- There is no reliable public benchmark for these costs. Brands should track complaint volumes, internal hours, external monitoring costs, legal spend and disruption to legitimate campaigns.

Questions or a second opinion: Dave Byrne, TrustRaise | dave@trust-raise.com | trustraise.com

General information only. This is not legal advice.

Five questions for your platform partner

Platforms face persistent criminal groups that change accounts, creative, domains and payment methods quickly. These questions can help establish where brands and agencies can contribute.

1. **What is planned over the next 6 to 12 months to detect ads that impersonate brands, including lookalike domains and AI-generated creative?**

2. **Can we register our official accounts, domains, logos and spokespeople so matching happens before ads run, and what is the fastest route for reporting confirmed misuse?**

3. **When one ad is confirmed as fraudulent, do you review the advertiser's other ads, accounts, domains and payment methods?**

4. **How do you identify stolen cards or hijacked accounts being used to buy ads? What aggregate data can you share about scam-ad spend that is later disputed, reversed or refunded?**

5. **Which external partnerships are producing measurable improvements? How could brands and agencies contribute through pilots or shared signals about known scam accounts and domains?**

Bring one example
If possible, bring a recent screenshot, ad ID, advertiser or page name, landing-page URL, date, market and any previous reporting reference. This gives the platform a clear example to use when explaining its process.

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