# Reality TV Stars Charged Over Unauthorised Forex Scheme Promotion



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In a recent development involving social media influencers, popular UK reality TV stars have been charged with promoting an unauthorised foreign exchange scheme. The Financial Conduct Authority (FCA) has taken action against stars from "Love Island," "Geordie Shore," and "The Only Way is Essex." These influencers face one count each for issuing unauthorised communications of financial promotions and are scheduled to appear in court in June 2024. This marks the FCA's first prosecution against influencers for breaches related to financial promotions.

Financial influencers, or "finfluencers," have gained popularity, particularly among Generation Z, for offering financial advice through social media platforms like Instagram and TikTok. A 2022 study revealed that 62 percent of UK individuals aged 18 to 29 follow finfluencers, with 74 percent trusting their advice, and 90 percent altering their financial behavior based on this guidance. While some finfluencers offer helpful tips on budgeting and pensions, others push high-risk and potentially misleading investments, such as cryptocurrencies and get-rich-quick schemes.

The FCA has expressed concerns over the lack of transparency and qualifications among some finfluencers, with half of the financial promotions reviewed by the FCA failing to disclose that they were ads. In the previous year, the FCA requested the removal or edit of 10,000 finance-related promotions, a 17 percent increase from the prior year.

The involvement of celebrities and reality stars further complicates the landscape, as their financial expertise often doesn't extend beyond personal wealth. In 2021, Kim Kardashian faced legal action for promoting the cryptocurrency token EthereumMax without disclosing a $250,000 payment, resulting in a $1.26 million settlement with the United States Securities and Exchange Commission.

The FCA's regulation requires all financial promotions to be approved by authorised individuals. Failure to comply constitutes a criminal offense. The FCA has also introduced clarified guidelines to ensure that risk warnings in video promotions are clear and consistently communicated.

This ongoing case involving reality TV stars highlights the FCA's efforts to regulate the promotion of financial products on social media and protect consumers from potential financial harm.