

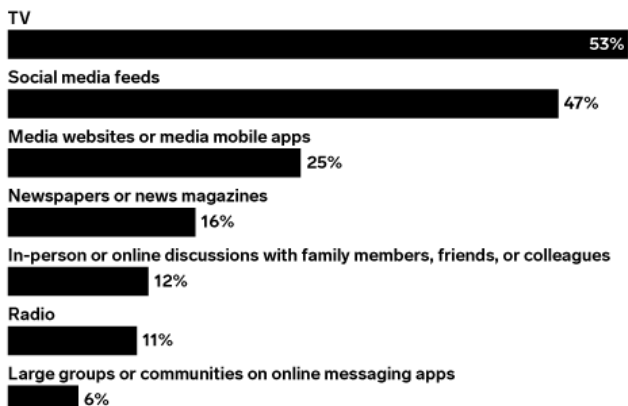
Banks must grapple with social media's inherent risks

Article

Consumers are more reliant than ever on social media to get information. Social media feeds came second only to TV when US consumers were asked for their top sources of news and information, per a September 2023 UNESCO and Ipsos survey.

US Consumers' Main Sources of News and Information, Sep 2023

% of respondents



Note: n=500; Q: "Where do you primarily get your news and information from?"; respondents could choose up to 2 answers

Source: United Nations Educational, Scientific and Cultural Organization (UNESCO) and Ipsos, "Survey on the impact of online disinformation and hate speech," March 26, 2024

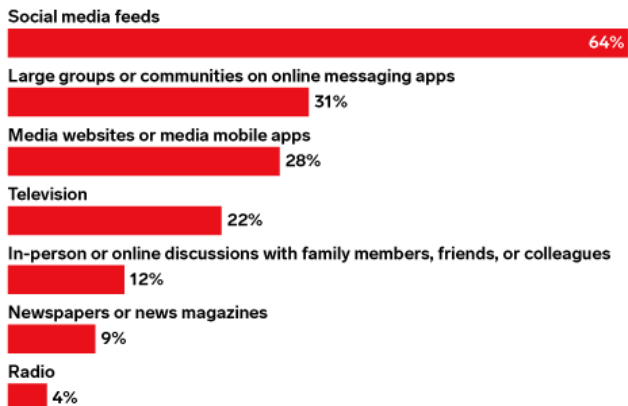
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However, consumers' reliance on social media doesn't mean they trust it. Among US consumers, 64% consider social media feeds a top source of "fake news" and disinformation —far higher than any other channel, per UNESCO and Ipsos. This attitude could translate to information about banks on social media, undermining their perceived trustworthiness and eroding consumer confidence.

Sources Through Which US Internet Users Think Disinformation and "Fake News" Are Most Widespread, Sep 2023

% of respondents



Note: ages 18+; top 2 responses

Source: United Nations Educational, Scientific and Cultural Organization (UNESCO) and Ipsos, "Survey on the Impact of Online Disinformation and Hate Speech," Nov 7, 2023

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Major content and cybersecurity mishaps in recent years demonstrate platforms' limited ability to maintain companies' brand safety.

- In spring 2023, spoofed social media accounts and misinformation posts by bots on **Reddit** and **X (formerly Twitter)** contributed to the collapse of First Republic Bank by causing catastrophic deposit runs. There have also been reports of scammers impersonating banks on **WhatsApp** to defraud customers.
- In January 2024, the official **X** account of the Securities and Exchange Commission (SEC) was hacked and posted misinformation in the regulator's name. X blamed the SEC for not having enabled two-factor authentication, a security feature it limited to its paid subscription tier in March 2023.
- Also in January, Tinder parent Match Group complained to **Meta** that its ads were appearing next to Instagram Reels featuring "disturbing" and "illegal" content, as well as in a Facebook group promoting violence against women. Walmart filed similar complaints.

Despite such high-profile fiascos, social media platforms are weakening their oversight capabilities. X and Meta have reduced their content moderation teams over the past 12 months. And both companies plus YouTube parent Alphabet have gutted or weakened their AI ethics oversight and content moderation teams in the past four years. That's left banks largely flying solo when it comes to maintaining their brand safety on social media.