

Google makes millions from plight of addicts

Company pulls ads after Sunday Times investigation

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The head of the UK's biggest referral agency is founder of the Amy Winehouse Project, a drug clinic in the US, where referral fees are banned. Google has been profiting from a practice banned in America in which brokers secretly reap millions of pounds from vulnerable people seeking treatment for addictive diseases in the UK. An undercover investigation by The Sunday Times has found that the internet giant charged the middlemen as much as £200 each time someone accesses their website with a single click on the advertised link at the top of a Google search page.

The brokers, known as referral agents, [advertise themselves as free advice helplines](#) but are able to afford the exorbitant Google rates because they can receive as much as £20,000 a month commission by referring only one caller to private rehabilitation clinics. The huge commissions, which are not openly declared to patients, are blamed for increasing significantly the cost of private care for people suffering from addictions. One agency uses 300 websites to lure thousands of addiction sufferers to its call lines. As a result of an Insight investigation, Google today removed all advertisements related to the addiction industry from its UK platforms. Sarah Wollaston MP, who chairs the health select committee, said yesterday: "The level of payments for these referral agents via promoted links cannot be justified in my view especially as those desperate to tackle their addictions are unknowingly picking up the bill."

Google — which made £59bn from advertising in 2016 — [refuses to take ads from referral agents in America](#) where the practice is against the law in several states. But it is not illegal in the UK, and Google compounded the problem by creating a bidding war between referral agencies who want their ads to appear at the top of the opening page of an internet search. Dominic McCann, the development director of the Castle Craig addiction hospital in Scotland, said last week that his clinic now refused to use referral agents, arguing that they lacked transparency. He described them as "parasites targeting sick people at the most desperate time of their lives".

The disclosures come as sufferers of addictive disorders are increasingly being driven to seek private treatment because it is difficult to access similar services after NHS cuts. Drug-related deaths in the UK are at an all-time high. Leading clinic providers such as the Priory Group, Gladstones, Charterhouse, Regain Recovery and Bayberry are all said to have used referral agents. Critics say the large commissions raise the cost of treatment for all patients generally because the referral agents insist the clinics charge the same price to all their clients.

Our undercover reporters filmed two meetings last year of the UK's leading referral agencies discussing their business arrangements with Google and the rehabilitation clinics. The reporters were posing as executives from a new treatment centre that was to be opened in Gloucestershire. They met Daniel Gerrard, the head of the UK's largest referral agency, Addiction Helper, at his offices in Elstree, Hertfordshire, in November. Gerrard is the founder of the Amy Winehouse Project, a drug rehab centre in Florida, where he is happy to abide by the law that bans referrals. But in the UK his Google ads were generating millions of pounds of business.

"It's a very difficult industry to work in," Gerrard admitted to the reporters. "Some might say it's highly unethical" — though he himself denies any wrongdoing. He said his business was spending £350,000 a month on Google advertising each month to ensure people seeking treatment for addiction came to his free helpline first. He said he met Google representatives every three months to ensure that his ads remained "number one" on an internet search.

To increase the "coverage" Gerrard also operates or uses 300 sites that appear when addiction-related search terms are keyed into Google. He demonstrated the effectiveness of this tactic by doing a random Google search for the reporters that brought up five of his sites on the first page. Gerrard said his call-centre staff would say they were paid by the clinic if asked directly, but were under instructions not to reveal the amount. He says his helpline provides a valuable service in finding the best treatment for [addicts](#) and staff are instructed to offer helpful advice to callers regardless of whether they can afford private rehabilitation.

The second referral agent who met our reporters was also reluctant to be open with patients about the huge amounts of money he earns from their treatment fees. Oliver Clark, the director of ADT Healthcare, said he would "definitely not" tell the patients about his 30% cut because they "don't like the idea of paying broker fees". Both said they recommended the best treatments for addicts irrespective of the fees.

A Google spokesperson said today: "We work to help healthcare providers – from doctors to hospitals and treatment centres – get online and connect with people who need their help. Substance abuse is a growing crisis and has led to deceptive practices by intermediaries that we need to better understand. In the US, we restricted ads entirely in this category and we have decided to extend this to the UK as we consult with local experts to update our policy and find a better way to connect those that need help with the treatment they need."

In response to our investigation, the Department of Health said: "It is disheartening that those seeking privately funded help for their addiction are potentially being exploited."

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