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Dossier

Numerous fraudulent ghost stores on Facebook and Instagram

In recent months, the Austrian Institute for Applied Telecommunications (ÖIAT) has observed increasing activity by fraudulent dropshippers — also referred to as „ghost stores“ — on Facebook and Instagram. These operations disguise themselves as local, family-run fashion retailers. They use emotional narratives about store closure and claims of strong ties to local heritage to deliberately lure consumers into making purchases. Once an order is completed and the payment is made, customers typically receive low-quality goods — if they receive anything at all — while fundamental consumer protection rights are systematically disregarded. To assess the scale of this problem, the ÖIAT conducted a focused investigation. This dossier provides insight into the findings.

The examined ghost stores rely on the same tactics to attract victims:

(1) Emotional appeals through narratives about closure
(2) Promises of high quality and exceptional service
(3) Emphasis on regional identity

With phrases like “After 29 wonderful years, we’re closing our doors” or “After a beautiful journey, it’s time to say goodbye,” supposed fashion retailers based in Austria, Germany, or Switzerland announce their closures on social media. These alleged family-run businesses express gratitude to their loyal customers, recount emotional founding stories, and explain the reasons for shutting down—often citing personal tragedies such as illness or death. Another common theme is the narrative that “big corporations have won,” and that the small Austrian shop is now giving up “the fight” after decades in business.

Store names are often formulated to create an association with Austria or Germany, for example by including city names like Salzburg or Vienna. AI-generated images of storefronts are designed to look like actual locations in those cities. The websites include statements such as “Our heart beats for our beautiful homeland, Austria,” and the online shops market themselves as destinations for “high-quality, modern, and trendy clothing.” They promise products that “not only meet but exceed your expectations.”

Methodology: With the assistance of a crawler connected to Meta’s Ad Library API, the ÖIAT identified keywords associated with advertisements for so-called ghost stores. An initial test run revealed 17 key phrases and the names of 22 ghost stores as effective search terms. These were used to locate relevant Facebook and Instagram pages, which were then manually reviewed. Through an iterative process, additional phrasing patterns were identified, incorporated into the dataset, and refined. This approach resulted in a validated data set, which formed the basis for further analysis.

International: This phenomenon is known internationally as “ghost stores.” In 2025 the Australian Competition and Consumer Commission (ACCC) published a study on the issue and identified 140 ghost stores using similar deceptive tactics to those found in Austria.

Findings

Between January 1st and April 30th 2025, the ÖIAT identified 36,725 ads targeted at Facebook and Instagram users in Austria. These ads led to 71 distinct landing pages, each representing a fraudulent ghost store. In total, 84 different Facebook pages were identified, with multiple of those pages linking to the same deceptive store websites.

A major concern is the scale of reach: across the EU, these ads were seen by approximately 85.9 million people, with nearly 30 million of those impressions occurring in Austria. The ads were especially visible among women aged 45 to 65.

A detailed analysis of the 20 shop pages with the widest reach on Facebook and Instagram revealed that eight of them had already begun advertising in 2024. For example, "Kruger Mode" published its first ad on August 3rd 2024. Despite the deletion of some ads due to prohibited business practices, the account was able to continue running the majority of its approximately 2,200 ads. As of May 2025 — ten months after the first ad appeared — many of these ads remain active.

36.725 ads
with fraudulent intent were shown to users in Austria between January 1st and the end of April.

71 deceptive ghost stores
were promoted via these ads.

61% women
- the misleading ads primarily targeted female users.

85,9 million people
were reached by the fraudulent ads across Europe. In Austria alone, nearly 30 million impressions were recorded.

Case Example: schneidersalzburg.at

70 additional ghost stores, including:

Bauer Parndorf
Bauer Wien
Berlin Couture
Cécile Wien
Eleganz Mode
Gunther Berlin
Heidi Wien
Keller Mode
Kramer Mode
Kruger Mode
Mayer Wien
Meier Modehaus
Mia München
Miravo Berlin
Schneider Vienna
Schutz Modewelt
Steiner Wien
Stilwerk Salzburg
Vienna Modehaus

One of the most prominent deceptive ghost stores in Austria is "schneidersalzburg.at". During the investigation period, 2,785 ads were placed on Meta platforms promoting this store, reaching more than 5 million people across the EU, most of them in Austria. As in other cases, the ads rely on emotional narratives of closing the store, expressions of "love for the homeland," and heavily discounted offers to attract customers. The website features AI-generated images, including one of a supposed brick-and-mortar store in Salzburg.

The ÖIAT became aware of this ghost store in February 2025 and reported the associated page to Meta. Following the report, the page was removed. However, within a short time frame, nine new account variations appeared, continuing to run deceptive ads and linking to "schneidersalzburg.at". All of these account variations were reported again at the end of April. By the end of May, Meta had not responded, and the pages remained active — still publishing more fraudulent ads.

Reporting Process

Between the end of April and mid-May 2025, the ÖIAT reported all identified shop pages to Meta in an effort to prevent the further distribution of their ads to consumers. As a Trusted Flagger under the Digital Services Act (DSA), ÖIAT is recognized as a reliable notifier, and its reports are required to be prioritized by platforms like Meta. However, as of the end of May 2025, none of the reported pages had been removed or blocked. As a result, they were still able to run deceptive ads. During this processing period — lasting at least three weeks — these fraudulent advertisements are estimated to have reached an additional five million people in Austria.

Legal Context

Dubious Dropshipping Providers

Dropshipping is a retail model in which products are shipped directly from the manufacturer or wholesaler to the customer, bypassing the online shop operator. This allows retailers to save on storage and logistics costs, and consumers often benefit from lower prices.

However, dropshipping can lead to significant problems, especially when products are shipped from outside Europe. Disreputable sellers often fail to provide clear information about customs fees, shipping costs, or delivery times, which violates legal requirements under the Online and Distance Selling Act (FAGG). The products received often don't match the promotional images or descriptions, and returns or refunds are frequently delayed, complicated, or outright denied. If the website lacks a proper legal notice (imprint), as required by the E-Commerce Act, it becomes very difficult for consumers to assert their rights.

Misleading Business Practices

One key legal concern is the deceptive narrative claiming that these shops are local, often family-run businesses from Austria or Germany. It is illegal to mislead consumers about the geographical or commercial origin of a product, as well as about the identity and characteristics of the business operator. Likewise, it is prohibited to claim that a business is about to close or relocate if that is not actually the case. These tactics exploit consumer trust in regional businesses and violate laws against unfair competition (section 5 of the Unfair Competition Act – UWG).

Recommendations for Meta

Based on the analysis, the following actions are recommended for Meta:

Comprehensive Page Review: The analysis of the top 20 shop pages revealed that some ads had already been removed due to "prohibited business practices," yet the associated pages remained active. Once a defined threshold of blocked ads is reached, Meta should conduct a full review of the respective page and, if necessary, suspend it.

Automated Blocking: Although Meta already uses automated systems to proactively monitor ads, these tools must be enhanced to prevent the recreation of previously flagged shop pages under slightly altered or identical names. The same applies to pages whose ads link to the same domains (such as "schneidersalzburg.at"). This would align with the requirements of the Digital Services Act (DSA), which obliges platforms to mitigate systemic risks.

Faster Processing of Trusted Flagger Reports: According to the DSA, reports submitted by Trusted Flaggers must be given priority. Establishing a fixed response timeframe, for example seven business days, would help prevent fraudulent ads from being shown unchecked for weeks at a time.

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