CREATOR RISK INTELLIGENCE

The Signal

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Morality clauses have been in creator contracts for years. Most brands believe they provide meaningful protection. This month we examine what the clause actually does — what it covers, what it doesn't, and whether a well-drafted exit mechanism is a substitute for a monitoring process.

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01 — MORALITY CLAUSES: A PRACTICAL GUIDE

Creator contracts · Brand exit rights · November 2025

We introduced morality clauses as a topic in Issue 06 (June 2024) — examining what they are and why they are reactive rather than preventive. Eighteen months of further incident data has sharpened that analysis. This edition provides a practical guide to what morality clauses actually cover, which incidents of 2024-2025 they would and would not have addressed, and what a properly structured risk framework looks like alongside them.

What morality clauses cover

A well-drafted morality clause gives the brand the right to terminate immediately, without notice, and without penalty payment, if the creator: is charged with or convicted of a criminal offence; makes statements that publicly conflict with the brand's stated values; engages in conduct that generates significant negative press coverage by association; or violates specific behavioural standards set out in the contract. The breadth varies significantly — some clauses are narrowly drafted around criminal conduct only, others are broad enough to cover any conduct the brand considers reputationally damaging.

Testing the clause against 2024-2025 incidents

Pandorogate (Ferragni, Dec 2023)	WOULD HAVE APPLIED — Criminal investigation opened. Most morality clauses include criminal charge provisions. Brands that terminated did so quickly. Brands that delayed faced reputational association with ongoing proceedings. The clause worked as intended.
Doritos Spain / Hudson (Mar 2024)	DEPENDS ON DRAFTING — The resurfaced tweets involved offensive historical content, not criminal conduct. A broadly drafted values clause would have covered it. A narrowly drafted criminal conduct clause would not. Most brands terminated under PR pressure rather than contractual right.
Djerf Avenue (Oct 2024)	WOULD NOT HAVE APPLIED — The allegations were employment culture, not creator conduct in the conventional sense. A morality clause requires a specific triggering event. Workplace culture allegations that emerge over time and are denied by the creator are difficult to invoke.
Hypothetical: direct filmed conduct	WOULD APPLY — Where a creator is filmed or recorded engaging in conduct that directly conflicts with brand values, a well-drafted morality clause provides the exit mechanism. The pattern from 2024-2025 incidents shows the clause works reactively — the exit happens after the incident is public, not before. Prevention requires monitoring, not just a contract.

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A morality clause without a monitoring programme is a smoke alarm with no batteries. It tells you when the house is already on fire. The incidents where it works — Pandorogate, Scotty K — are the ones where the incident was already public when the termination happened. The incidents where it doesn't work — Djerf, historical content cases — are the ones where the risk was developing before it became a headline. Monitoring catches the second category. The clause only addresses the first.

RECOMMENDED ACTION

Review your creator contract templates to ensure morality clauses are broadly and clearly drafted. Then ask: do we have a monitoring process that would give us information before the clause needs to be invoked? A well-drafted exit mechanism and a monitoring process are not substitutes for each other — they serve different functions.

02 — ASA TARGETED SANCTIONS: CONFIRMED AND EXPANDING

UK · ASA · November 2025

The ASA confirmed in November 2025 that its targeted sanctions regime is producing results and will be expanded in 2026. The named non-compliers list — launched in June 2025 with four creators — now contains a larger cohort. The ASA has also confirmed the next stage of sanctions available for repeat offenders: advertising restrictions, which prevent named creators from using advertising agencies and media buying services until compliance is demonstrated.

Advertising restrictions are a significant escalation. They mean that a named creator cannot run paid advertising campaigns — removing one of the primary monetisation mechanisms for professional creators. The commercial impact is substantial. For brand partners, a creator under advertising restrictions is also a reputational signal: they have been identified by the regulator as a persistent violator.

The ASA also confirmed it is developing referral protocols to the CMA for cases where DMCCA unfair commercial practices provisions may apply. This creates a pipeline from the ASA's self-regulatory system to the CMA's statutory enforcement powers — with the 10% global turnover penalty ceiling. The self-regulatory and statutory enforcement environments are now formally connected.

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The ASA's named non-compliers list is growing and the sanctions are escalating. For brands, the risk is not only the regulatory association — it is the signal the list sends. A creator on the ASA's list is a creator who has been identified, monitored, warned, and still failed to comply. That is a risk profile that a brand association cannot survive cleanly.

RECOMMENDED ACTION

Check the ASA's named non-compliers list before every UK creator activation. The list is public, searchable, and free. If it is not already a step in your activation checklist, add it today.

03 — REGULATORY SNAPSHOT

Six markets · November 2025

FRANCE	ARPP brand-level enforcement active. Multiple formal actions completed H2 2025. Q4 focus on fashion and beauty category brands. Speech-to-text enforcement continuing. Maximum fine €300,000.
GERMANY	UWG enforcement active. Second major competitor-driven enforcement action in fashion category confirmed November 2025. Private enforcement the dominant mechanism — disclosure failures are a commercial weapon as well as a compliance risk.
ITALY	Ferragni criminal verdict expected before year end — proceedings still active. AGCOM and Ferragni Law frameworks operational. Italy's three-layer regulatory architecture fully active.
UK	ASA named non-compliers list expanding. Advertising restrictions available and confirmed as next-stage sanction. ASA-CMA referral protocol confirmed. DMCCA operational. FCA finfluencer enforcement active.
EU-WIDE	Digital Fairness Act impact assessment in progress — Commission due Q1 2026. EU AI Act and DSA operational. Platform label guidance: brand-level labelling obligations confirmed separate from platform detection.
USA	FTC enforcement maintained. Class action wave continuing — authenticity misrepresentation the growing legal category. FINRA second enforcement action confirmed. Dual liability norm established across FTC, FINRA, and SEC frameworks.

Germany's second major competitor-driven enforcement action in November 2025 reinforces a pattern that brands operating in the German market cannot ignore. In Germany, the primary enforcement risk does not come from a regulator — it comes from competitor brands and their legal teams. A disclosure failure in a German creator campaign is not just a regulatory compliance gap. It is a commercial vulnerability that a direct competitor can exploit through private enforcement.

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The Signal is published monthly by Signal Intelligence. Each issue covers real Creator Risk incidents, regulatory developments, and the intelligence that brand-side teams need before they need it. Subscribe at signalintelligence.consulting — and if this issue was forwarded to you, make sure you're on the list for the next one.