Buyer Beware in the Celebrity Age

by Theodore Dalrymple

The ancient warning that the buyer should beware (*caveat emptor*) has been almost eliminated from modern life. It's the seller who must take most, if not all, of the risk. This has an infantilizing effect on much of the population.

Of course, a buyer of chocolate, say, should be confident that there's no arsenic in it. Arsenic is tasteless and the purchaser can't be expected to perform complicated chemical tests each time he buys his chocolate (or any other comestible). Besides, arsenic is only one of many possible poisons it might contain. The manufacturer has an obvious duty not to adulterate his products with poison, and the purchaser has a right to suppose that he hasn't done so.

But surely *some* responsibility rests with the purchaser, at least in *some* circumstances? A class action lawsuit has been started in the United States against Cristiano Ronaldo, the

Portuguese soccer star who is one of the highest paid sportsmen in the world, because he promoted some non-fungible tokens (NFTs) created by Binance. The plaintiffs, who claim that they bought the NFTs on Mr. Ronaldo's recommendation, in part allege that he didn't reveal what he was being paid by Binance and that therefore his advice wasn't disinterested. They, the purchasers, promptly lost a great deal of money and are suing him for at least $1 billion.

According to the rules, anyone, including a celebrity, who advertises a financial security—or insecurity would perhaps be a better word for it—is supposed to declare how much he's being paid. The plaintiffs in this case, then, will have to prove that, on the balance of probability, they wouldn't have believed Mr. Ronaldo's endorsement of the NFTs had they known of his financial connection with Binance. Of course, I haven't heard all the evidence, and as I know from being an expert witness in murder trials, the devil is in the detail. What appears to be a hopeless case can turn in the opposite direction in a few seconds.

But, *prima facie*, what are we to think of people who buy financial products because they're endorsed by a soccer star? This makes about as much sense as an endorsement of the theory of relativity by Rocky Marciano. I hesitate to apply the name that comes to my mind to describe such people.
Furthermore, one wonders what mental planet they must have been living on if they thought that Mr. Ronaldo was sharing his opinion of the NFTs through a purely philanthropic desire to do them, his followers and admirers, good. I have no television (and have had none for more than 50 years), and I'm not inscribed on any of the social media, but even *I* know that sports stars endorse products for pay, usually quite a lot of it too. If someone came along and asked me, in return for $100,000,000, or even a somewhat smaller sum, to endorse such-and-such a toothpaste as the best toothpaste on the market, I confess that I might be tempted to agree, even though I had never used the toothpaste and never would use it. So far, at any rate, no one has made such an offer to me.

The efficacy of celebrity endorsement, if it truly exists, is enough to make one despair of humanity. Such endorsement is so patently insincere, or irrelevant even if sincere, that no thinking person could or should be influenced by it.

Clearly, producers wouldn’t pay huge sums unless they thought that endorsement by celebrities and stars had a positive effect on sales. We know that there are upticks in the rate of suicide, especially among the young, if someone is portrayed in a soap opera as having committed suicide, so obviously there’s a tendency to imitation, even unto death. In Sweden, a young man committed suicide live, so to speak, on Facebook and, without necessarily having intended to do so, took several people with him thereafter.

In practice, no doubt, it’s often difficult for the buyer to beware. Recently, for example, I hired a car for a few days in Barcelona. If I had read all the small print of the contract, as well as that of the insurance, I should probably still be in Barcelona airport. If in addition I had sought the most advantageous contract among all the car-hire companies, I should have undertaken a lifetime’s work akin to reading the regulations relating to Medicare.

But investing large sums of money in an ethereal product because a diamond ear-studded billionaire footballer with four or five hundred million followers on social media says it’s a good thing to do is of a foolishness that exceeds even mine in listening to my financial adviser without investigating how far his recommendations are better for him than for me. In fact, I don’t even know how I would go about doing so.

Would I be better following my own instincts, or following the advice of some different adviser? Are the performances of financial advisers distributed around a mean (as is height)? If so, is that distribution the result of chance or of differences in skill and knowledge? And how long does one have to follow an adviser’s performance before concluding that he’s good, bad, or indifferent? An excellent year may be followed by a catastrophic one, or vice versa, and deciding what part the adviser has played in either by comparison with market conditions or the performance of other advisers is a labor that I don’t have enough time or interest to undertake. All I want is that he should good enough, and that my savings, insofar as is possible, should increase rather than decrease in value. I don’t want him to make me rich; I want him only to help me avoid poverty. But unless he commits outright fraud or theft, I can’t blame him if he fails to do so. It’s I who took his advice.

My next-door neighbor in England is, as it happens, a mortgage broker. He remains astonishingly responsible for the decisions that his clients make for many years after they have made them. They try to make him responsible years afterward for their idiotic decisions and improvident behavior by claiming such things as that they didn’t know that interest rates could rise as well as fall or remain low. My neighbor has to spend hours proving to various authorities that he warned his client sufficiently of this many years before; the aggrieved client, now in a financial fix, believes a gross injustice has been done him. My neighbor now has no right to assume or demand minimal common sense in his clients. On the contrary, he must assume that they’re of defective intelligence and utter ignorance—and this after they have undergone 11 years of compulsory education at the least.

Where people have no sense that the buyer should beware, they have only one protection: the government and the law. Thus, roles are reversed: not a government of the people, but a people of the government; and if people aren’t required to use their faculty of judgment, that faculty will atrophy.

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