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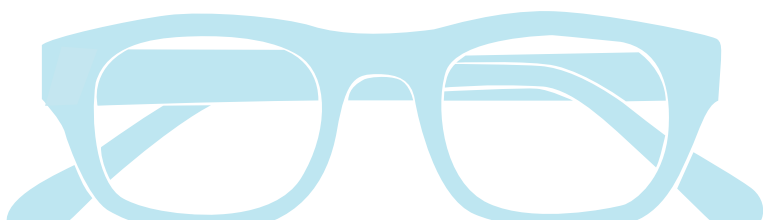
Making ads clear

The Advertising Standards Authority (ASA) is the UK's independent regulator of advertising across all media. We apply the Advertising Codes that are written by the Committees of Advertising Practice (CAP).

Contents

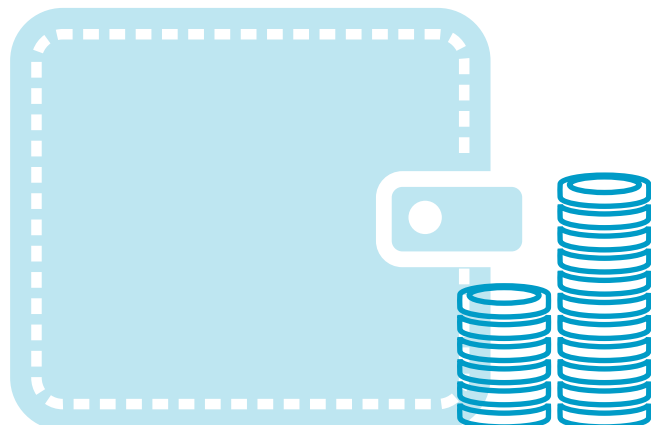
 Our remit 4	 ASA Council 24
 A word from the ASA Chairman 6	 Committees of Advertising Practice 27
 A word from the CAP Chairman 7	 Industry panels 28
 An overview of the ASA and CAP system 8	 Senior Management team 29
 Making ads clear 10	 Complaints and cases 30
 Tackling misleading ads 12	 CAP's online remit report 37
 Making sure ads are socially responsible 14	 Independent Reviewer's report 38
 Providing advice and training to the industry 16	 Advertising Advisory Committee report 40
 Online advertising 19	 Financial report 41
 Every UK ad a responsible ad 21	 Standards of service 44

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Each year, the UK public sees many millions of advertisements, promotions and direct marketing communications.

Our job is to make sure they're responsible. And that means legal, decent, honest and truthful.

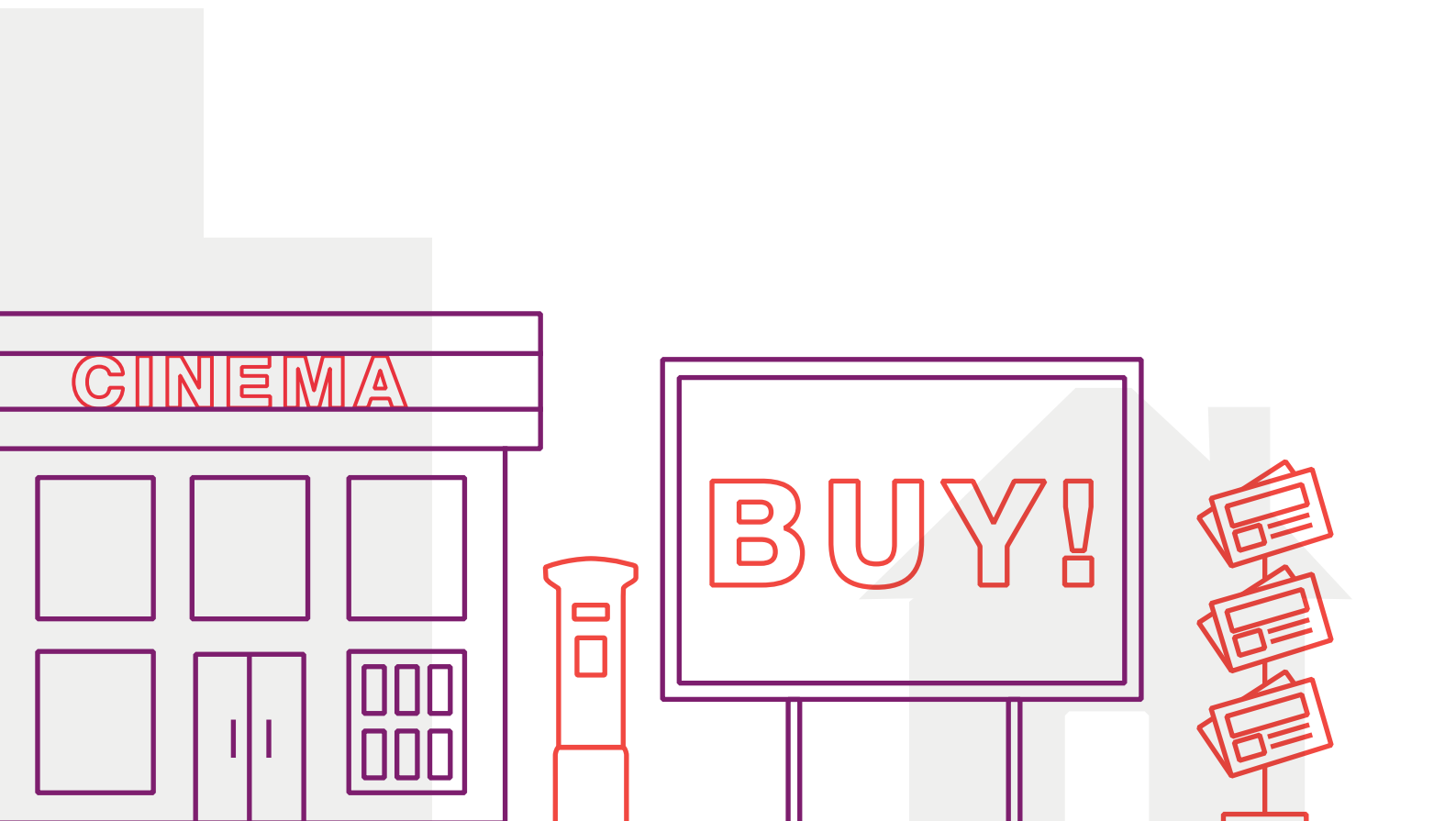




Our remit

As the UK's independent regulator we're responsible for ensuring that ads are not misleading, harmful or offensive.

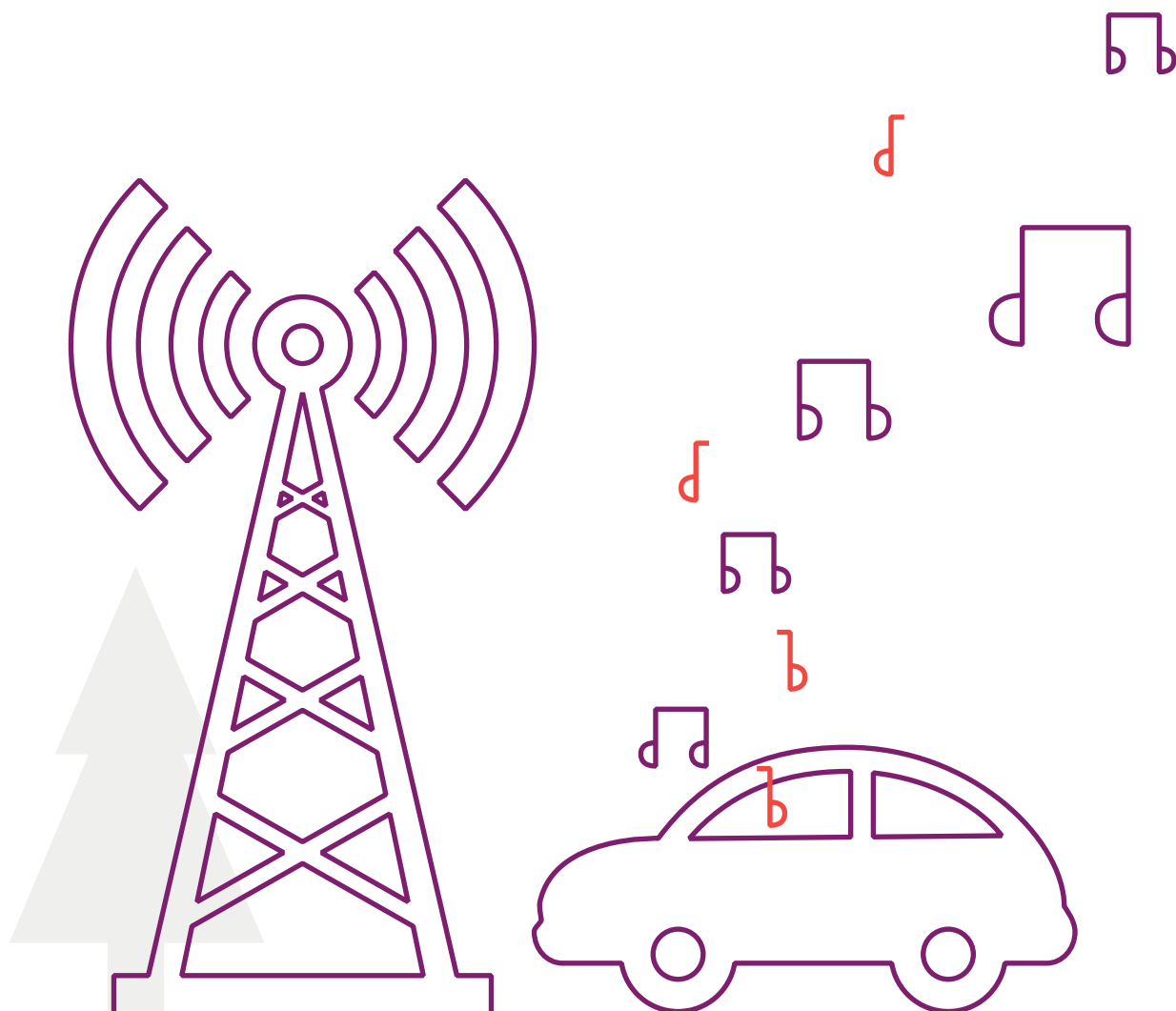
We regulate ads across all UK media, so that everyone can be confident about the ads they see and hear.





We regulate ads in:

- Magazines and newspapers
- TV and radio
- Television shopping channels
- Posters
- Cinema commercials
- Direct mail
- Internet (including on a company's own website and in paid-for space)
- Leaflets and brochures
- Email and mobile messages
- DVDs, video and faxes
- Sales promotions (special offers, prize draws and competitions)





A word from...

Rt Hon Lord Smith of Finsbury
ASA Chairman

This has been a busy year for the ASA, its Council and its staff. Although the number of complaints and cases received were roughly level with 2012, the number of investigations again increased as a proportion, to 25%, driven by complaints and cases relating to online ads, around 40% of which we investigated. A combination of more investigations and more compliance cases contributed to a 12.5% rise in ads amended or withdrawn, to a record 4,161.

Overall, of course, UK advertising is creative, impactful and economically important, and overwhelmingly responsible. Our task remains one of ensuring that all ads are indeed legal, decent, honest and truthful – for the benefit of consumers and advertisers alike. And our ambition is big: we want to make every UK ad a responsible ad.

We've continued our focus this year on the protection of consumers from misleading or harmful advertising, and our work has achieved some significant changes in marketing practice as a result.

Following complaints about the websites of letting agents, for example, we investigated the lack of transparency in the fees and charges faced by customers. We have insisted on seeing all the charges up front, rather than buried behind successive clicks, and this is now becoming standard practice. We took a similar view in relation to the booking of theatre tickets online, where administration add-ons tended to be concealed until the last minute. They now have to be clear from the outset.

“
Our ambition is big: we want to make every UK ad a responsible ad. ”

Legal, decent, honest and truthful

There has also been a lot of public concern about the advertising of payday loans, and we have tackled a succession of cases where payday lenders give the impression that taking out a loan (at eye-watering levels of interest) is something other than a serious undertaking requiring thought and care. Jaunty tunes, dancing figures, and the impression of jockey ease, can add up to irresponsibility in the marketing of the product, and we have said so on a number of occasions where we have upheld complaints about such ads.

During the year we introduced new rules for Online Behavioural Advertising to provide the public with notice of, and control over, this form of targeted advertising. This is a growing area, and although our overall complaint figures have been low, it is something that will, I suspect, feature more strongly as the next few years unfold.

During the course of 2013 we said goodbye to Sally Cartwright, who had been an invaluable member of our Council for six years, and welcomed David Hepworth in her place. And we remain hugely indebted to the work of our dedicated and professional staff, who have continued – through a period of substantial change – to achieve real success for the ASA. ●





A word from...

James Best

CAP Chairman

Advertising enables – in fact it compels – companies to compete. To compete on price, on quality, through innovation and by understanding what most appeals to people.

CAP's role is to ensure that competition is fair and responsible, both to consumers and companies. Through its Advertising Codes and by educating the industry about them, advising advertisers and agencies on how to follow them and, where necessary, enforcing compliance with them, CAP helps advertisers act responsibly. The vast majority do. The exceptions, when judged by the ASA to have crossed the line into irresponsible territory, nearly always remedy their behaviour swiftly. The recalcitrant few amongst those exceptions are sanctioned.

It starts with the Codes and the constant need to keep them up-to-date. In the year under review, we published new guidance on the advertising of cosmetic surgery and non-surgical interventions; we engaged the nascent e-cigarettes industry and concerned health groups in discussions leading to a public consultation on new rules for this new category; we updated our rules and guidance on gambling, another 'live' sector in terms of public debate; we agreed revised rules for certain medicines and remote treatment services; and we developed much-expanded guidance for broadcasters on how to limit the exposure of children to alcohol advertising.

These changes to rules and guidance required thorough consultation with industry, other regulators, relevant government departments and in many cases, consumer groups and NGOs.

“CAP's role is to ensure that competition is fair and responsible.”

But they are the tip of the iceberg. Day in, day out, the CAP Executive is engaged with advertisers, agencies, media owners and a panoply of business groups in delivering training and advice. In fact, there were just over 160,000 such 'touchpoints' during the year, with use of CAP's online resources, newly updated and promoted, up by 90%. The professional quality of these advice services are reflected in the customer satisfaction ratings for the year: all above 90%.

But not every ad complies and, especially now that the regulatory system includes marketing claims on company websites, the enforcement aspect of CAP's work has also been very evident.

Some 1,250 cases of initial non-compliance with ASA rulings were successfully resolved, with a new focus on sector compliance projects that dealt effectively with, for example, pricing anomalies on hotel, travel, theatre, letting agent and web hosting sites.

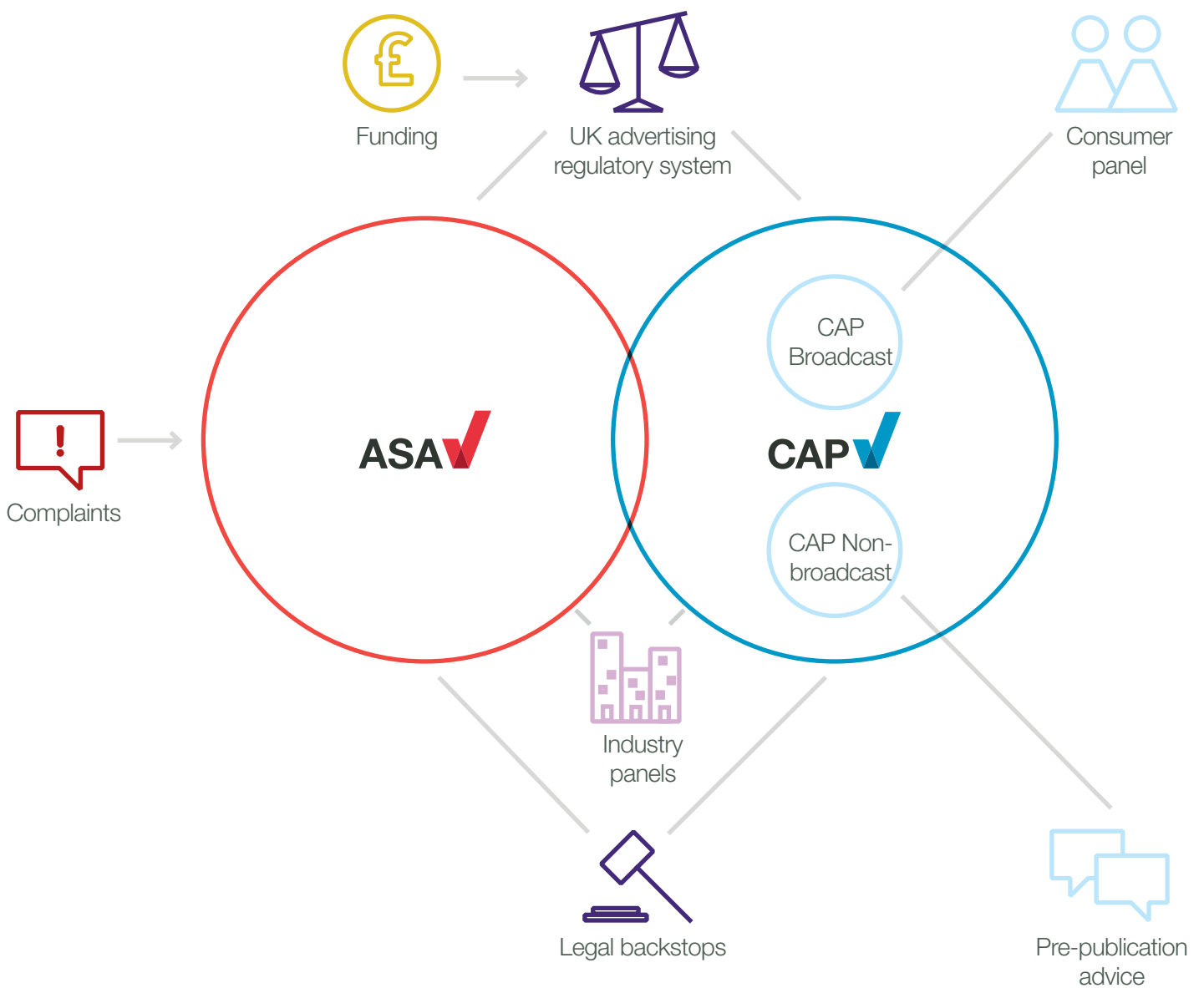
Far better for all concerned to avoid such problems in the first place. And to that end, CAP has been particularly busy increasing its profile amongst the small business community through involvement in relevant exhibitions and conferences, and contacts with organisations like Companies House and the Chartered Institute of Marketing.

CAP is a regulator in touch not only with its responsibilities, but its stakeholders and, thanks to its expert and tireless Executive, one that can demonstrate continued effectiveness. ●





An overview of the ASA and CAP system





The UK advertising regulatory system is a mixture of self-regulation for non-broadcast advertisements and co-regulation for broadcast advertisements. There are a number of bodies involved in making the system work, which include the ASA, CAP and Asbof (who collects our funding), various advisory panels and our legal backstops.

Glossary of terms

Advertising Standards Authority (ASA)

Independently administers and enforces the UK Advertising Codes across all media. Responds to and investigates complaints about ads made by the public and advertisers.

Committees of Advertising Practice (CAP)

Two industry bodies, the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP) write and help enforce the Advertising Codes, and also provide training and advice to the industry.

Funding

The system is funded at arm's length by advertisers through a voluntary levy of 0.1% on display advertising expenditure, airtime and paid-for search charges collected by agencies, and 0.2% of the Royal Mail's Mailsort and Advertising Mail contracts. The levies are collected by the Advertising Standards Board of Finance (Asbof) and the Broadcast Advertising Standards Board of Finance (Basbof).

Pre-publication advice

Advertisers can seek pre-publication advice from CAP Copy Advice for their non-broadcast communications. Advertisers producing ads for broadcast can contact Clearcast for television commercials or the Radio Advertising Clearance Centre (RACC) for radio commercials.

Industry panels

There are three industry panels that provide non-binding opinion on regulatory issues from an industry perspective. The Sales Promotion and Direct Response Panel, the Online Publications Media Panel, and the General Media Panel (GMP) all advise the Executive on non-broadcast matters. The GMP also advises on broadcast matters.

Consumer panel

The Advertising Advisory Committee (AAC) advises BCAP on potential changes to the UK Code of Broadcast Advertising and associated guidance.

Legal backstops

Trading Standards is the ASA's legal backstop for misleading or unfair advertising. The Office of Communications (Ofcom) is the ASA's co-regulatory partner and legal backstop for regulating TV and radio advertisements. ●

We don't know who pays the levy so it cannot affect our judgments and we receive no public funding from the tax payer.



Making ads clear

The majority of the hundreds of millions of ads that are published each year in the UK are responsible.

Our role involves tackling those who don't play by the rules, which means we can help create an environment in which responsible UK ads – and businesses – can flourish.

Our work includes acting on complaints and proactively checking the media to take action against misleading, harmful or offensive advertisements.

An important part of our work is listening to what consumers and businesses have to say about advertisements through the complaints they lodge with us. If we judge an ad to be in breach of the Codes, it must be withdrawn or amended and the advertiser must not use the approach again. In 2013, we received 31,136 complaints about 18,580 ads and we actively checked thousands more advertisements.

Tackling misleading advertising is particularly important in economically tough times, so it's remained a strong focus in 2013. Whether it's making letting agents state administration fees up front, getting websites that sell theatre tickets to declare additional fees from the start of the process or tackling copycat websites (sites that mislead people into paying a premium for accessing Government services), our focus has been firmly on making sure ads are clear and responsible.

01 Tackling misleading ads

In the past year we've tackled misleading pricing in ads so people can work out the true cost of a product or service from the beginning. We've also been working on creating new co-operation arrangements with Trading Standards and corresponding authorities across the UK, so we can refer businesses that refuse to work with us to them for legal enforcement. See pages 12 – 13.

02 Making sure ads are socially responsible

As well as making sure ads aren't misleading, we also make sure that UK ads are responsible. This year we've been tackling problematic payday loan ads, responding to concerns about advertising food to children, and following up on our 2012 research on Public Perceptions of Harm and Offence in UK Advertising. Read more on pages 14 – 15.

03 Providing advice and training to the industry

The creative judgments made by advertising practitioners go a long way towards ensuring that ads aren't misleading, harmful or offensive. It's our job to support them in that process. By providing advice and training, and extensive online resources we help them get their ads right first time.

Last year, we gave advice and training on 160,003 occasions, a 47% increase on last year and a record high. Read more on pages 16 – 18.



31,136

complaints received.

04 Online advertising

Online transparency has been a key theme of the year. Many people love the anonymity that the online world can bring, but not telling the truth online can mean that you'll be served with irrelevant ads or, if you're a child who has registered with a false age, age-inappropriate ads. This year we've been taking a closer look at children's social media use. We've also been regulating Online Behavioural Advertising (OBA) and looking at online disclosure practices so that people know when they're reading an ad. Read more on pages 19 – 20.

05 Every UK ad a responsible ad

In this section we're putting the spotlight on some of the proactive action we've taken over the year. We also talk about our new five-year strategy and how we'll be placing even more emphasis on proactive work over the next five years. Read more on pages 21 – 23. ●

160,003

occasions when we provided
advice and training to the industry.



Tackling misleading ads

The vast majority of people get in touch with us because they're worried they've seen an ad that's misleading. The potential consequences of such ads are that they give an unfair advantage to businesses who don't play by the rules and they erode trust in advertising.

Clear and transparent advertising gives us the choice to make better buying decisions. None of us, business or consumer, wants to pay more than we need to for a product or service, so it's perhaps not surprising that at a time when household budgets are squeezed, two of the big issues we dealt with in 2013 related to consumers being misled over pricing.

Stopping unexpected costs

After a landmark ruling against Your-move.co.uk Ltd, for not including compulsory fees and charges in their quoted prices, we took action to require all letting agents to be up front in their ads about the fees they charge.

To ensure compliance, CAP produced detailed guidance and worked with the relevant trade bodies for the lettings sector. Now non-optional fees like reference costs or administrative fees have to be given up front and broken down alongside quoted costs whether they appear in print or online.

We upheld complaints against Your-move.co.uk for not including compulsory fees and charges in their quoted prices.

“These pricing practices are simply not fair. They draw us in on a false promise. They make us less likely to shop around for the best deal. Our rulings send a clear signal to advertisers: sort out your pricing so we all get a fair deal.”

Guy Parker, ASA Chief Executive

We also ruled against four theatre ticket providers: AKA Group, the Old Vic, the Charing Cross Theatre and the Ambassador Theatre Group, for not including compulsory administrative fees in prices on their websites until late in the purchasing process. As with the letting sector, we've undertaken comprehensive compliance work to make sure that ticket sellers are clear about any administrative fees that will be charged from the first point they quote a ticket price. We've assessed 130 websites, which included the major ticket agents and London theatre websites, and have worked directly with 55 businesses to correct the pricing on their sites. We're now conducting the same exercise with regional theatre websites.



Price claims don't have to be taxing

Following consultation, CAP amended the Advertising Codes to allow advertisers to make VAT-exclusive price claims, provided the claims are clearly addressed to those who pay no VAT or can recover it. Previously, VAT exclusive price claims could only be used when advertisers could be sure that most or all of the audience paid no VAT or could recover it. The new rules acknowledge that the content of ads can be clearly directed at one group, without causing confusion to others, for example by stating: business price £100, excl. VAT at 20%.

Maintaining an effective backstop

In 2013, Trading Standards became our new legal backstop for non-broadcast misleading advertising, taking over the responsibility from the Office of Fair Trading, our backstop since 1988.

Any advertiser who persists in breaking the rules through misleading, aggressive or otherwise unfair non-broadcast advertising will now face referral to Trading Standards, who can consider taking action against advertisers under consumer and business protection laws.

This new arrangement will help us become more joined-up with Trading Standards, as well as giving consumers and businesses confidence that any advertiser who doesn't play by the rules will face consequences. ●





Making sure ads are socially responsible

Whilst the majority of complaints we receive about advertising relate to potentially misleading ads, it tends to be on matters of social responsibility that advertising most often comes under public scrutiny; particularly where concerns relate to children and vulnerable people.

We work hard to be proactive in addressing societal concerns about advertising. By tackling problematic ads when they appear and, crucially, by helping advertisers to understand their responsibilities under the rules, we can prevent problematic ads from appearing in the first place.

Food advertising to children

We responded to concerns about the rules governing the advertising of food to children, particularly online, and our approach to administering the rules. After careful assessment of complaints statistics and our decisions, we considered that the rules applied are working effectively. However, as advances are made in the online space, it's important that we continue to assess our work in this area to make sure we draw the line in the right place. Read more about our approach on pages 21 – 23.

Payday loan advertising

In 2013, the 'payday loan' industry was subject to significant political and media interest. In the five years since the financial crash the number of people using short-term, high interest credit has increased markedly. This has resulted in concerns that advertising may be encouraging people to take out loans that aren't suitable for them. The ASA banned a number of payday loan ads on the grounds of social responsibility, including an ad by Cash Lady that featured the celebrity Kerry Katona. The ad implied it was more convenient, and desirable, to take out a payday loan than visit a high street bank.



73

food advertising rules – 31 relate to advertising to children.



We understand though that it isn't enough simply to ban ads. To help stop problem payday loan ads from emerging in the first place, CAP published new guidance for advertisers that clearly sets out what they must do to ensure their payday loan ads are responsible. We also recognise that given the complex regulatory arrangements that govern payday loan ads, the public could struggle to know where to turn if they had a concern about an ad they'd seen. That's why we've published clear information on the ASA's website, and we encourage anyone uncertain about who can deal with their concerns to make a complaint to us.

Charity ads

Ensuring that ads are responsible doesn't just mean looking at advertising by commercial businesses. One of the unexpected findings to come out of our research on Public Perceptions of Harm and Offence in UK Advertising was a public sentiment that charity ads can sometimes go too far in using distressing content, particularly imagery, prompting concern over the impact these ads were having on children. We decided to look into matters further, analysing our complaint data between 2010 and 2013 for trends. We specifically investigated the kinds of ads that were appearing around children's television programmes, and initiated discussions with the charity sector to get their views and perspectives.

We've decided to place complaints about charity ads under closer scrutiny for six months and will review the effect of this in 2014.

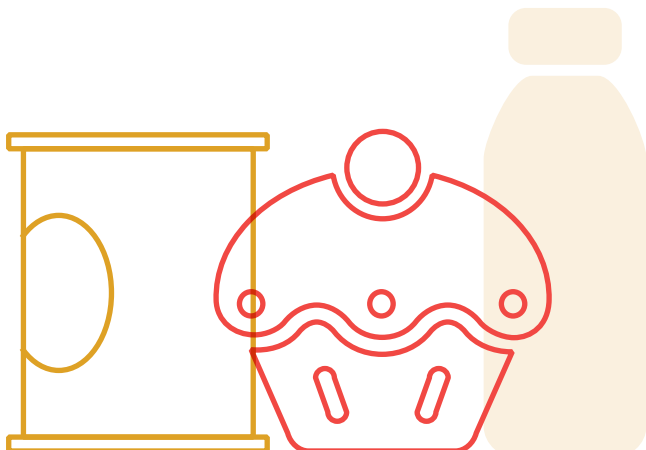
Body confidence

Another important issue to emerge from our harm and offence research was an unease about the effect 'idealised' images in media – including advertising – were having on body confidence, particularly amongst young girls. It's a complex issue, but interestingly, our research results suggested that whilst there are concerns about the impact of media imagery, respondents didn't think that individual ads ought to be banned. Concerns were broader and related to the cumulative effect of idealised imagery as the backdrop of our lives.

We'll continue to take action against ads that use unhealthily thin models, but there are no easy regulatory solutions to the wider concerns articulated. For example, we cannot ban 'beautiful' people from ads if they're a healthy weight. The findings from the research instead prompted us to facilitate an event with the industry, charities and policy stakeholders to discuss the issues more widely. ●



An ad by Cash Lady featuring Kerry Katona implied it was more convenient, and desirable, to take out a payday loan than visit a high street bank.





Providing advice and training to the industry



8,465

views of our
AdviceOnline guidance
for letting agents.

CAP provides a range of advice, training events, online resources and newsletters to help practitioners get their ads right. As well as increasing awareness and understanding of the Advertising Codes, our advice and training helps advertisers avoid the commercial or reputational damage that results from breaking the rules.

The UK Advertising Codes apply to anyone, large or small, advertising their products and services. With over two million businesses registered in the UK, we've been looking at ways to improve access to our advice and training for businesses of all sizes including start-ups and small and medium enterprises (SMEs). Because responsible advertising builds businesses.

As a starting point, we reached out to over 20,000 visitors at the 2013 Business Show and Business Start Up exhibition. There we talked to start-ups and SMEs about how they can create responsible ads by following our five top advertising tips – don't mislead, be fair, support your claim, don't offend and be responsible.

We've seen both at The Business Show, and with our *Advice:am* breakfast seminars, that using online advertising as a channel to reach audiences is a top priority for practitioners, regardless of the size of their organisation. In fact, according to a report by the Internet Advertising Bureau, online advertising now accounts for nearly 32% of total ad spend. We also recognise that the extension of our online remit has brought us into contact with a wider industry audience and we are committed more than ever to helping advertisers get their ads right the first time across all media – including online.

In response to our growing contact with businesses of all sizes, we have created online resources and presentation materials, and have reached out to organisations like Companies House to promote our training and advice services.



The Companies House website is now one of the top referral sites to the CAP website so we can see that awareness of the support tools available to advertisers is on the rise.

We're now looking to broaden the reach of our training even further by introducing e-learning modules in 2014. We're keen to hear your ideas on the types of training resources practitioners would find most valuable, so please get in touch with your feedback and suggestions.

Guidance

We have seen a dramatic increase, 47%, in the access to our advice and training resources, in particular AdviceOnline. This online database is updated (and its entries duly tweeted) in response to the latest emerging advertising practices. For example, our guidance on compulsory costs and charges for letting agents was our most viewed entry in 2013. Renting is a big financial commitment, so stopping unexpected costs by disclosing fees in ads is beneficial for tenants, letting agents and private landlords who will be able to build trust with their customers.

CAP's Help Notes provide proactive advice on topical industry issues to assist advertisers with creating responsible ads. Following the Government's review of cosmetic products and procedures, we published an updated Help Note on Cosmetic Interventions to give clear guidance on how advertisers can ensure their ads, for both surgical and non-surgical procedures, are responsible.

Advertisers can keep up-to-date with our latest news and guidance by subscribing to *Insight*, our advice e-newsletter.

Visit www.cap.org.uk to access our advice and training or follow us @CAP_UK ●





Advice and training on **160,003** occasions*, up 47% on last year.

47 industry training presentations.

22 *Insight* articles.

7,288 requests for Copy Advice.

98,825 visits to online advice resources.

96% would use Copy Advice again.

*The number of discrete occasions where, for example, Copy Advice was sought, AdviceOnline entries were read or individuals attended training events.



Online advertising

The extension to our online remit was a significant development for us in 2011, increasing our workload and bringing us into contact with a whole host of new businesses. A measurement of its success is that, like other media, online advertising is now part and parcel of our everyday work. It now makes up 31% of our case load, up from 28% in 2012. A two-year review of the impact of the online remit is explained in more detail on page 37.

Technological advances mean that advertisers are able to make use of data to make their online ads more relevant to viewers by using a practice known as Online Behavioural Advertising (OBA).

OBA collects viewing behaviour information from a computer's web browser, so that it can be used to deliver online ads that are more likely to be of interest to the user of that computer. New rules require ad networks delivering behaviourally targeted ads to make clear they are doing so. Most do that through an icon in the corner of online ads. They must also allow consumers to exercise control over receiving targeted ads by providing an opt-out tool. The bulk of our work to date has involved educating people about how to exercise control.



New rules mean online advertisers have to make clear that they're using targeted ads, usually with the use of this icon in the corner.

Copycat websites

The internet has made mundane tasks, like filling out applications and ordering goods, quicker and more convenient. But in our increasingly busy lives it can be easy to overlook who we're dealing with online.

We've been looking into the problem of 'copycat websites': companies offering services like passport or driving licence renewals using websites and ads that make it appear as though they are official or authorised.

Many of these companies use tools to achieve high positions in search engines often ranking them higher than the official site, and the majority charge a premium for a service that is often provided much cheaper or even free by Government departments.

We've taken action against a number of companies, but our work in this area is on-going. We're working with Government to clamp down on misleading ads as well as working with search engines to have problem ads removed. We published consumer information on our website to increase awareness and we've commissioned consumer research to understand how these sites cause confusion and help us tackle poor practice.



We're clamping down on misleading websites that don't make clear they aren't the official provider.



When is an ad an ad?

The answer might seem straightforward but it can be a grey area online. It's a question that formed part of our work last year, talking to bloggers who are paid to write about a product or service.

We were keen to stress that we're not here to regulate opinion or freedom of speech. It's perfectly legitimate for a blogger to accept payment in return for promoting something in their blog. However, if they are, it's important they're up front with their followers by making clear that it's advertising.

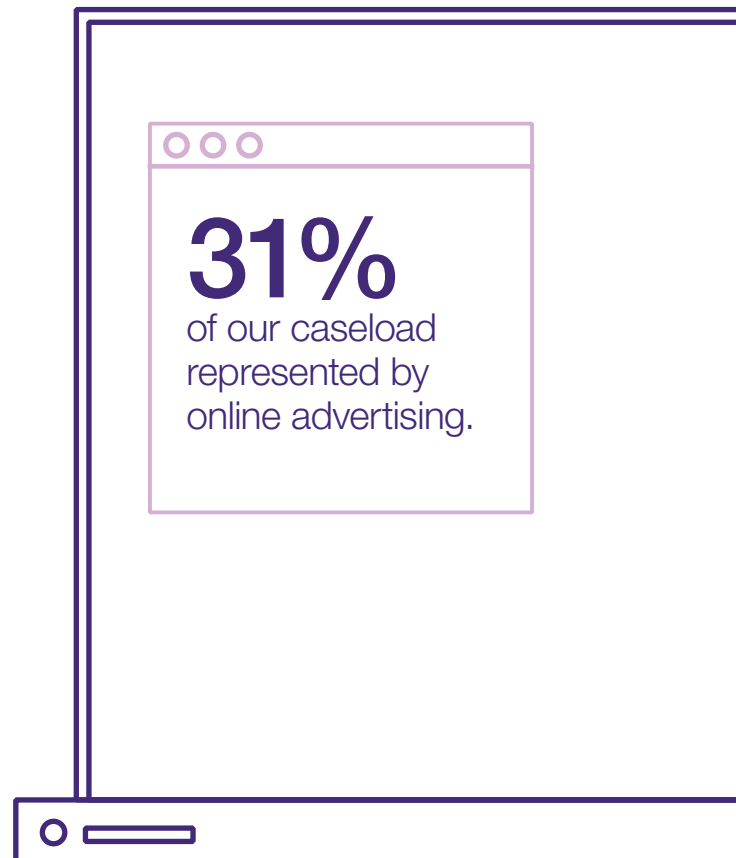
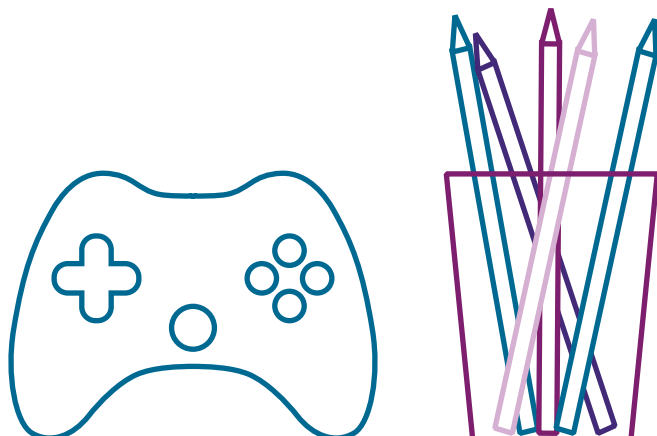
Signposting it as 'ad', 'advertorial' or 'sponsored content' is a simple, hassle-free way to make it immediately clear to readers.

Children and social media

As with other media, the protection of children from potentially harmful or inappropriate ads is at the heart of our work online. To make sure we remain up-to-speed with technology and changes in media consumption, we commissioned research to help improve our understanding of what ads children see when they use social media.

Our research revealed that advertisers are taking account of the registered age of social media users when delivering their ads. However, as a result of registering under a false age, some children in our survey were presented with ads for age-restricted products including for gambling, alcohol, slimming aids and overtly sexual dating services. This clearly presents a regulatory challenge as well as one for social media companies, parents and guardians.

We're working with industry on ways to prevent children from accessing age-restricted ads on social media sites and considering whether new guidance for advertisers on targeting ads online is needed. ●





Every UK ad a responsible ad

Responsible ads give our society value and choice. They fund the media, sport and culture we all enjoy.

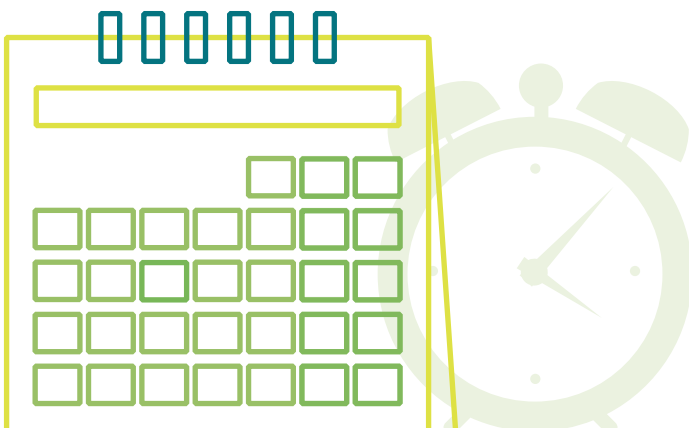
Responsible ads can be a force for social good, encouraging us to contribute to good causes and put our seatbelts on. And they help power the economy.

Our ambition is for every UK ad to be a responsible ad. By making advertisements responsible we protect consumers, helping them feel more confident in the ads they see and hear.

That's why making UK advertisements responsible is at the heart of the new five-year strategy we developed during 2013. In order to achieve our ambition, we must make sure that we spend more time tackling problems in a swift and proactive manner. Our approach will shift over the next five years but, as our work last year shows we've already started increasing our focus on new and proactive ways of working.

E-cigarettes

It was only in January 2013 that the first e-cigarette TV ad was broadcast, yet by the end of the year, e-cigarette ads were regularly seen across all media. E-cigarettes have received a cautionary reception from the likes of public health experts because although they could help to reduce tobacco consumption, there are worries about whether they're safe, indirectly promote smoking, and appeal to young people.





Regulators and politicians in the UK and EU have been working on a regulatory framework for e-cigarettes, but no implementation is expected for at least a further two years. In the meantime, we know that it's important to ensure the right advertising protections are in place, so CAP has taken swift action to hold discussions with relevant parties and develop new rules for the sector.

The proposed rules are currently out for full public consultation, but the quick timetable around this piece of work means that we'll ensure responsible regulation of advertisements, while wider discussions and changes to product regulation are being worked through.

Alcohol scheduling

BCAP published new, strengthened guidance on the scheduling of TV advertisements to help broadcasters better identify which television programmes should exclude ads for alcohol and other age restricted products.

In May, Ofcom published research into children's exposure to alcohol advertising on TV. They asked the ASA and BCAP to consider the data in light of our shared policy objective to ensure that alcohol ads are appropriately targeted to minimise their exposure to children and young people.

The advertising rules prohibit alcohol from being advertised in or adjacent to programmes commissioned for, principally directed at or likely to appeal particularly to audiences below the age of 18.

In response to Ofcom's research, the ASA launched a full compliance investigation and commissioned further research to establish whether there had been breaches of the scheduling rule. Ten adjudications were published, nine of which recorded breaches of the scheduling rule in the Code.

BCAP examined the lessons from those rulings, the experiences of broadcasters and the exposure data and decided to update its guidance to make it clearer and easier to follow.



E-cigarette ads first appeared in 2013, and immediately sparked concerns regarding safety and appeal to young people.





The guidance will be actively enforced by the ASA, which has committed to conducting further research and monitoring in 2014 and BCAP will, again, review the outcome of that exercise to understand whether further guidance changes are needed.

Food advertising to children

During the second half of 2013, the ASA and CAP actively assessed complaints statistics, decisions and other information about food and soft drink advertising to make sure that our regulation remains effective, particularly when it comes to protecting children.

In light of changes to our remit online and advances in digital media, CAP has commissioned Dr Barbie Clarke and Family, Kids and Youth to carry out a comprehensive literature review of the impact of digital and online marketing of food and drink products to children. The review will explore the extent of the available evidence and assess what conclusions can reasonably be drawn from it.

The ASA has also committed to undertake a survey of food ads, with a focus online, to assess whether there are any problem areas and to take action to bring into line advertising that breaks the rules. CAP also updated its guidance to advertisers to provide greater clarity on how to comply with the rules.

This sort of proactive work is important to maintain public confidence and ensure that every UK ad is a responsible ad. ●



We're reviewing the impact of digital marketing of food and drink to children.





ASA Council

The ASA Council is the jury that decides whether or not ads have breached the Advertising Codes.

Independently chaired by Lord Smith of Finsbury, the Council is made up of two panels – broadcast and non-broadcast – with almost all members sitting on both.

Two-thirds of the Council members on each panel are independent of the advertising and media industries and the remaining members have a professional background in the advertising or media sectors.

Collectively, they offer a wide range of skills and experiences, representing perspectives across society, including young people, families, charities and consumer groups.

In 2013, we welcomed David Hepworth as a new Council member, as we said farewell to Sally Cartwright, to whom we are grateful for her thoughtful and insightful contributions over the last six years.

Visit our website to find out more about the ASA Council and read their full biographies: www.asa.org.uk

01 Rt Hon Lord Smith of Finsbury

ASA Chairman

Chairman, Environment Agency
Non-executive Board Member of Phonographic Performance Ltd
Honorary Fellow of Pembroke College Cambridge

01



02 Anthony Earle Wilkes

Independent member

Managing Director, CETC Ltd
Fellow & Professional Standards Regulatory Panel Member, Institute for Learning
Chair of UKIED

02



03 Sir Andrew Motion

Independent member

Professor of Creative Writing, Royal Holloway College, University of London
President, The Campaign to Protect Rural England
Co-founder and Co-director, The Poetry Archive

03



04 Louisa Bolch

Independent member

Writer/Broadcaster
Head of Education and New Media, CTVC/Rank Foundation

04



-  Broadcast Council
-  Non-broadcast Council

Council members are appointed for a maximum of two, three-year terms and receive an honorarium of up to £17,500 p.a. A Register of Members' Interests may be requested from the Company Secretary.



05 David Harker CBE

Senior Independent member*

Non-executive Director, Gas and Electricity Markets Authority
 Non-executive Director, Financial Conduct Authority
 Associate, Civil Exchange

06 Alan Bookbinder

Independent member

Director, Sainsbury Family Charitable Trusts

07 Ruth Sawtell

Independent member

Non-executive Director, PhonepayPlus

08 Rachel Childs

Independent member

Home Tutor, The Reintegration Service, West Berkshire County Council
 Former Junior School Headteacher, Hampshire County Council
 Approved Subject Expert in Primary English Assessment, OfQual

09 Sir Martin Narey

Independent member

Director, Martin Narey Ltd
 Consultant and Writer
 Non-executive Director, Fabrick Housing Association
 Adviser on children's issues to G4S plc
 Chairman, Portman Group

05



06



07



08



09



-  Broadcast Council
-  Non-broadcast Council

*The Senior Independent member sits in place of the Chairman, when the Chairman is unable to attend the meeting or has a declared interest in the case being discussed.



10 John Mayhead CBE

Advertising industry
background member
Non-executive member, Aviation
Directorate at Department
for Transport
Former Marketing Director and
Chairman, The Marketing Society

11 Roisin Donnelly

Advertising industry
background member
Corporate Marketing Director,
Procter & Gamble (UK & Ireland)
Fellow and Past President,
The Marketing Society
Chair, Cosmetic Executive Women

12 Hamish Pringle FIPA

Advertising industry
background member
Strategic Advisor, 23red
Partner, Pringle and Pringle LLP

13 David Hepworth

Non-broadcast industry
background member
Writer and broadcaster
Director, Development Hell Ltd

14 Ray Gallagher

Broadcast industry
background member
Communications & Public Affairs
Consultant
Specialist Adviser, House of
Commons Culture, Media and Sport
Select Committee

10
 



11
 



12
 



13




14




 Broadcast Council
 Non-broadcast Council



Committees of Advertising Practice

CAP and BCAP are responsible for writing and updating the UK Advertising Codes. Chaired by James Best, the Committees are made up of representatives of advertisers, agencies, media owners and other industry groups, all of which are committed to upholding the highest standards in non-broadcast and broadcast advertising.

During 2013, the Committees issued guidance to advertisers on a range of topics including cosmetic surgery and wind energy, and strengthened guidance on the scheduling of alcohol advertisements on television.

They also consulted on and made amendments to the medicines and the financial sections of the Advertising Codes.

Committee of Advertising Practice

CAP writes the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing.

CAP Members

Advertising Association
 Atvod Industry Forum
 Cinema Advertising Association
 Direct Marketing Association
 Direct Selling Association
 Incorporated Society of British Advertisers
 Institute of Practitioners in Advertising
 Institute of Promotional Marketing
 Internet Advertising Bureau
 Mobile Broadband Group
 Mobile Marketing Association
 Newspaper Publishers Association
 Newspaper Society
 Outdoor Media Centre
 Professional Publishers Association
 Proprietary Association of Great Britain
 Royal Mail
 Scottish Newspaper Society

Clearcast
 Radio Advertising Clearance Centre

Broadcast Committee of Advertising Practice

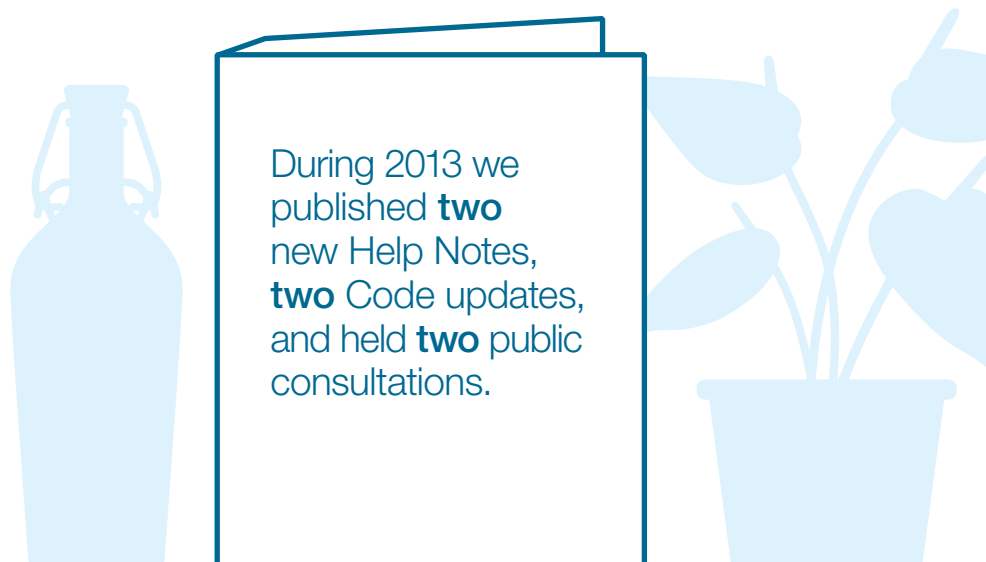
BCAP writes the UK Code of Broadcast Advertising.

BCAP Members

Advertising Association
 British Sky Broadcasting Ltd
 Channel 4 Television Corporation
 Channel 5 Broadcasting Ltd
 Commercial Broadcasters Association
 Direct Marketing Association
 Electronic Retailing Association UK
 Incorporated Society of British Advertisers
 Institute of Practitioners in Advertising
 ITV plc
 RadioCentre

Clearcast
 Radio Advertising Clearance Centre
 S4C

N.B. Where indicated Clearcast, Radio Advertising Clearance Centre and S4C have observer status.



During 2013 we published **two** new Help Notes, **two** Code updates, and held **two** public consultations.



Industry panels

The General Media Panel, the Sales Promotion and Direct Response Panel, and the Online Publications Media Panel bring together advertisers, creatives, media planners and publishers who volunteer their time to give peer advice on marketing communications and also provide a forum for information exchange between the industry and the ASA and CAP Executive.

General Media Panel

In 2013, the Panel provided an industry perspective on the general tone and content of gambling ads and the role of advergames in promoting food and soft drinks to children. It advised the ASA on tricky remit issues, mostly about non paid-for ads online and one case relating to the respective remits of the ASA and the BBC. The Chairmanship of the Panel transferred from Chris Macdonald, now President, McCann Erickson New York, to Tim Duffy, Group Chairman, M&C Saatchi. The Panel also said goodbye to Claire Serle who served as Assistant Secretary to the Panel during a wonderful and long career at the ASA.

Dominic Allon
Tess Alps
Sara Bennison
Louisa Bolch (ASA Council)
Shahriar Coupal (Secretary)
Tim Duffy (Chair)
Tim Evans
Peter Gatward
Steve Goodman
Chris MacDonald (Chair until 2013)
Andrew Melsom
Mike Moran
Sue Oake
Steve O'Meara
Mike Parker
Simon Rhodes
Claire Serle (Assistant Secretary)
Karen Stacey
Andrew Walmsley

Sales Promotion and Direct Response Panel

The mechanics of online prize promotions was one of the main issues discussed by the Panel in 2013. Without tight administration these promotions are prone to entrants gaining an advantage by using automated or semi-automated methods to submit hundreds or even thousands of entries. The Panel also looked at 'free postage' claims and lent their expertise to discussions on a proposed ban on promotions for cosmetic surgery.

Peter Batchelor
Mark Challinor
Philip Circus (Chair)
Shahriar Coupal (Secretary)
Mark Dugdale
Michael Halstead
Hamish Pringle (ASA Council)
Caroline Roberts
Bruno Sheldon (Assistant Secretary)
Paul Whiteing

Online Publications Media Panel

When needed, the panel advises on the distinction between editorial and advertising in online publications.

Lord Black of Brentwood, Chairman, Pressbof
Sir Chris Powell, Chairman, Asbof



Senior Management team

The Chief Executive and Senior Management team run the day-to-day affairs of the ASA, reporting to the ASA Chairman and Council and, on certain matters, the CAP Chairman and Committees of Advertising Practice.

01 Guy Parker

Chief Executive



02 Shahriar Coupal

Director of Advertising Policy and Practice and CAP and BCAP Secretary



03



03 Trevor Ellis

Director of Corporate Services

04 Miles Lockwood

Director of Complaints and Investigations



05



05 Lynsay Taffe

Director of Communications, Marketing and Public Affairs



Complaints and cases

Listening and responding to complaints and concerns about advertising is a vital part of our work, as is making sure that our action is targeted where it is needed. So every complaint we receive is carefully assessed against the Advertising Codes.

To improve on our complaint handling process, we have been placing notices on our website informing potential complainants when we have received what we consider to be a sufficiently high number of complaints (typically around 100) about an ad that we're investigating. This process, which we put in place in 2012 allows us to deal with 'big complaint groups' more quickly and efficiently.

- In 2013 we received **31,136** complaints about **18,580** ads, slightly fewer than in 2012.
- Our action led to **4,161** ad campaigns being changed or withdrawn, up 12.5% from 2012.
- Complaints from the public represented **97%** of the complaints received.

Complaints and cases received

Some ads receive multiple complaints so we report on both the total number of complaints received and the number of ads (cases) to which these complaints relate.

	Complaints	Cases
2011	31,458	22,397
2012	31,298	18,990
2013	31,136	18,580

Our action on misleading, harmful or offensive ads

Anyone can contact us if they think they have seen an ad that breaks the advertising rules. And with all complaints we receive our focus is to provide a fair and thorough process for all involved. There are three types of action we can take as a result of an investigation:

No additional investigation

After carefully assessing a complaint about an ad, we may decide there is no problem under the Advertising Codes and take no further action. In some cases our assessment will include making further enquiries and asking the ASA Council if they would like us to investigate. In other instances we are unable to investigate because the complaint or the advertising material falls outside of our remit.

Informal resolution

We can, if appropriate, resolve issues with ads informally. For example, where there is a minor or clear cut breach of the rules and the advertiser agrees to change or withdraw the ad straight away. Informally resolved cases are not put before the ASA Council and no ruling is published, so issues are resolved far more quickly than by formal investigation.

Formal investigation

If the ad raises concerns under the Advertising Codes, we conduct a thorough investigation in which all sides are given the opportunity to comment. Advertisers are asked to provide their rationale or relevant evidence to support their advertising approach and/or the claims they have made. A final decision on whether the ad has breached the advertising rules is made by the ASA Council and a full report of their decision is published on the ASA website.



Complaints and cases resolved by outcome

	Non-broadcast Complaints	Non-broadcast Cases	Broadcast Complaints	Broadcast Cases	Overall total Complaints	Overall total Cases
Outside remit	1,693	1,603	654	487	2,334	2,078
No additional investigation	7,978	7,243	6,313	4,314	13,904	11,248
No additional investigation (after Council decision)	943	258	4,743	306	5,576	509
Total no additional investigation	10,614	9,104	11,710	5,107	21,814	13,835
Informal investigation	3,619	3,351	317	197	3,892	3,514
Formal investigation of which:	2,024	967	2,206	268	4,117	1,176
Upheld	1,468	621	886	152	2,298	740
Not upheld	356	168	1,300	99	1,602	244
Withdrawn	200	178	20	17	217	192
Total investigated	5,643	4,318	2,523	465	8,009	4,690
Totals	16,257	13,422	14,233	5,572	29,823	18,525

N.B. (1) Both non-broadcast and broadcast figures include multimedia figures which appear only once in the 'overall totals' column.

(2) Complaints figures in this table are lower than our overall complaints figure because 'big group complaints' are processed differently, meaning they don't have a formal outcome that fulfils the criteria of this table, even though the issues raised are addressed.



Turnaround performance

% on target for different case types (target = 80%)

	Non-broadcast 2013 (%)	Non-broadcast 2012 (%)	Broadcast 2013 (%)	Broadcast 2012 (%)
Outside remit	77	73	89	84
No additional investigation in 10 days	81	81	92	92
No additional investigation after Council decision in 25 days	90	90	93	95
Informal investigation in 35 days	94	93	94	93
Standard investigation in 85 days	92	88	94	88
Complex investigation in 140 days	80	72	72	66

Complaints and cases resolved by issue

(2012 in brackets)

	Non-broadcast Complaints	Non-broadcast Cases	Broadcast Complaints	Broadcast Cases
Misleading	12,432 (12,742)	10,994 (10,996)	4,460 (4,783)	2,874 (3,111)
Offensive	2,565 (2,933)	1,237 (1,075)	8,146 (7,304)	1,900 (1,985)
Harm	1,191 (874)	764 (617)	2,838 (1,961)	1,054 (769)



Complaints and cases resolved by media

Television remained the most complained about media channel in 2013, followed by the internet. The number of internet related complaints received increased slightly (up 2%) as did the number of cases (up 5%). This was driven in part by complaints about copycat websites.

As more people access marketing communications via smartphones whether through web browsers or apps, complaints for this channel increased by 260%, and the number of ads complained about increased by 207%, albeit from a very low base.

	Complaints 2013	Complaints 2012	% Change	Cases 2013	Cases 2012	% Change
Television	13,179	11,945	10%	5,063	5,234	-3%
Internet	9,988	9,754	2%	8,813	8,368	5%
Outdoor	1,180	1,627	-27%	530	585	-9%
Email	987	1,139	-13%	930	1,048	-11%
National press	969	1,318	-26%	756	801	-6%
Radio	867	969	-11%	503	546	-8%
Regional press	655	741	-12%	484	578	-16%
Direct mail	529	665	-20%	493	595	-17%
Point of sale	522	526	-1%	463	461	0%
Magazine	477	673	-29%	434	518	-16%
Brochure	380	393	-3%	325	353	-8%
Transport	378	301	26%	161	137	18%
Leaflet	330	374	-12%	303	307	-1%
Other	265	188	41%	245	168	46%
Text message	246	412	-40%	224	396	-43%
VOD	193	128	51%	117	84	39%
Press general	177	164	8%	129	135	-4%
Circular	166	185	-10%	143	163	-12%
Catalogue	133	124	7%	97	115	-16%
Cinema	118	86	37%	76	72	6%
Packaging	116	112	4%	106	106	0%
Insert	78	133	-41%	71	88	-19%
Ambient	74	57	30%	49	47	4%
Mobile	54	15	260%	46	15	207%
Mailing	45	49	-8%	38	44	-14%
In-game advertising	42	24	75%	37	21	76%
Directory	22	50	-56%	22	50	-56%
Voicemail	2	2	0%	2	2	0%
Fax	1	2	-50%	1	2	-50%



Complaints and cases resolved by sector

Leisure, which comprises all entertainment services such as movies, DVDs, computer games and gambling continues to be the most complained about sector, though the number of complaints has decreased by 6.5% from 2012.

2013 once again saw a high number of complaints related to food and drink. Complaints in this sector increased by 58% and were driven by six ad campaigns that attracted a high number of complaints about harm and offence and subsequently feature in the top ten most complained about ads.

	Complaints 2013	Complaints 2012	% Change	Cases 2013	Cases 2012	% Change
Leisure	5,119	5,476	-6.5%	3,526	3,694	-5%
Retail	4,467	3,607	24%	2,897	2,807	3%
Food and drink	3,988	2,526	58%	947	1,056	-10%
Health and beauty	2,692	2,489	8 %	1,902	1,755	8%
Business	2,365	1,985	19%	1,887	1,765	7%
Financial	2,364	4,239	-44%	1,497	1,693	-12%
Non-commercial	2,127	2,058	3%	922	887	4%
Computers and telecommunications	1,836	1,686	9%	1,245	1,313	-5%
Holidays and travel	1,510	1,701	-11%	1,300	1,276	2%
Household	771	819	-6%	598	649	-8%
Publishing	587	659	-11%	416	544	-24%
Motoring	564	561	1%	295	274	8%
Alcohol	378	448	-16%	193	240	-20%
Property	352	329	7%	341	316	8%
Utilities	149	251	-41%	135	199	-32%
Education	134	181	-26%	127	175	-27%
Agricultural	118	236	-50%	24	29	-17%
Clothing	110	121	-9%	96	109	-12%
Employment	68	120	-43 %	62	112	-45%
Unknown	62	48	29%	58	48	21%
Industrial and engineering	38	67	-43%	35	54	-35%
Tobacco	22	16	38%	20	11	82%
Electrical appliances	2	1	100%	2	1	100%



Top ten most complained about ads

The number of complaints we receive is not the deciding factor on whether or not we investigate or uphold complaints. However, some ads clearly provoke a strong reaction and can generate high numbers of objections, even if they do not necessarily break the rules.

01 Must Have Ltd t/a VIP Electronic Cigarette 937 complaints – Upheld in part

Two TV ads and YouTube videos for e-cigarettes, one featuring a man and the other a woman talking directly to camera, prompted complaints that the use of sexual innuendo was offensive because it was inappropriate for children, glamorised smoking and was sexist and degrading. Although it appeared post-9 pm we thought a post-11 pm restriction was more appropriate.

02 Unilever UK Ltd 738 complaints – Not upheld

A TV and online ad campaign set in the style of a fly-on-the-wall documentary, followed 'rescue officers' visiting people's houses looking for neglected jars of Marmite. Viewers objected that the ads trivialised the work of child and animal abuse services and were irresponsible. We thought that it was light-hearted in tone and people were likely to understand that the ads were a spoof.

03 Unilever UK Ltd 513 complaints – Not upheld

An animated TV and online ad for Flora Buttery margarine featured two young siblings who, having prepared breakfast-in-bed for their parents, entered into their bedroom to find them 'wrestling'. We did not agree that the mild sexual references were irresponsible, offensive or inappropriate for children.

04 Home Office

251 complaints – Upheld in part

An ad that appeared on the side of vans driven through six London boroughs featured the text "In the UK illegally?"... "GO HOME OR FACE ARREST" and quoted arrest statistics. After careful consideration, while the ad may have been distasteful to many, we didn't think it was likely to cause serious or widespread offence. However, we did consider the ad was misleading because the arrest figures were not properly qualified or presented clearly.

05 AG Barr plc

223 complaints – Not upheld

A mother embarrassing her son by wearing a push-up bra and pressing his head against her bosom in front of his friends generated complaints that it was offensive, inappropriate, sexist, demeaning to women and unsuitable for children to see. We thought the humour in the TV, YouTube, video-on-demand and online ad would not be to everyone's taste but was unlikely to cause serious or widespread offence.

06 Unilever UK Ltd

201 complaints – Not upheld

A TV and YouTube ad for Bertolli spread depicted a young man being left naked and covering his modesty after a group of older women, who were watching him change on the beach, got their dog to steal his towel. Complainants thought the ad condoned sexual harassment and bullying, objectified the man, was inappropriate for children and portrayed the women negatively. Overall, we thought the ad was light-hearted and mischievous, rather than sinister or predatory.



07 Red Bull Company Ltd

179 complaints – Not upheld

The central concept of this TV ad was that the captain of the Titanic should have allowed crates of the energy drink, Red Bull, on board as it “gives you wings”. We received objections that it was offensive and inappropriate in light of the lives lost. In our view the ad referenced the well-known story that the Titanic was unsinkable rather than making light of the tragedy.

08 Reckitt Benckiser Healthcare (UK) Ltd

167 complaints – Not upheld

When a young woman, sat in a darkened room, began talking about being “hooked” on a moisturising product this TV ad provoked an angry response that it made light of, normalised and glamorised drug use. On the back of feedback it received from its customers the advertiser took the decision to withdraw the ad. On that basis we didn’t take any further action.

09 Pussy Drinks Ltd

159 complaints – Upheld in part

Posters and the website for the energy drink generated complaints that the use of the word ‘Pussy’ was a sexually explicit reference and was therefore offensive, degrading to women and unsuitable for children. We agreed that one of the posters, which featured the word in large bold text, was likely to cause serious offence and was inappropriate in an untargeted medium.

10 Cancer Research UK

154 complaints – Not upheld

This TV ad featured cancer sufferers and survivors addressing the camera and saying “Cancer, you prat” and “Up yours, Cancer” as well as an X-ray of hand making a ‘v’ sign. Some viewers thought it was offensive as well as being unsuitable for children. As the ad had a scheduling restriction that kept it away from children’s programmes and because viewers were likely to interpret the phrases as a positive sign of defiance or courage when faced with the disease we found it did not break the rules.



CAP's online remit report

When, in 2011, the CAP Code's remit was extended to cover ads in non paid-for space online under the advertiser's control, CAP understood well the size of the task and the challenges ahead. More than two years had been spent consulting with the ad industry and with the ASA to put in place the following foundations for success:

- a remit carefully drafted to cover advertising and to avoid regulatory creep into other areas of online content;
- a set of new sanctions to tackle non-compliance in the online space; and,
- a new stream of funding to help ensure that CAP and the ASA were sufficiently resourced to regulate ads across all media.

In 2013, CAP, the ASA and the boards of finance, undertook a general review of the extended remit to reflect on its organisational impact and to assess whether its foundations remain solid.

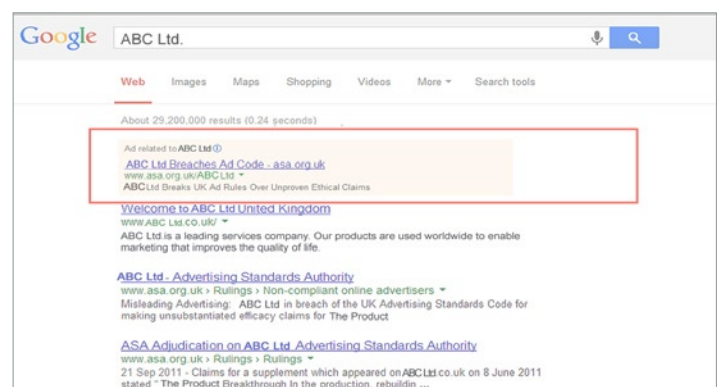
The impact has been significant. Over the two-year period the ASA has dealt with 25% more complaints and has undertaken twice as many investigations. In addition our Compliance team has dealt with over 35% more obvious breaches of the Advertising Code. This has been achieved with the introduction of new procedures to tackle high complaint numbers, an increased budget to accommodate extra staff, and the hard work and dedication of everyone at the ASA and CAP.

As a result, we're pleased that the remit extension is working effectively. In particular, the test to distinguish material covered by the Code from other online content, namely by being 'directly connected with the supply or transfer of goods and services', has worked very well and is supported by CAP guidance and an increasing number of ASA rulings. Likewise, we're content to exclude from the extended remit ads for 'causes' or 'ideas' given the continuing absence of calls for regulatory action in this area.

From the beginning we pledged to tackle any unforeseen consequences of extending the advertising rules to non paid-for space online. In response to stakeholder feedback, particularly about consistency with statutory online enforcement regimes, we made changes during the review period to the rules or guidance in areas such as: distance selling, VAT-exclusive pricing, tobacco products, betting, infant formula and prescription-only medicines.

We're determined to ensure our rules are proportionate to all media covered by the Advertising Code, including online, and we'll continue to consider any concerns about inconsistency and ambiguity.

In terms of enforcement, the early signs are encouraging. We've successfully brought into compliance over 85% of online ads referred to us by the ASA or picked up in proactive monitoring. In addition, the 'choking effect' of name and shame measures is proving effective as it reduces consumer traffic to misleading sites. But we have yet to determine the full impact of our compliance strategy and the consequences of an online advertiser referral to Trading Standards, the ASA's new legal backstop. As such, we've agreed to review again our online sanctions in 2014.



Our online sanctions include launching a Google AdWords campaign to warn consumers about a non-compliant online advertiser when they search for them on the internet.



Independent Reviewer's report

Sir Hayden Phillips GCB DL

Independent Reviewer of ASA Adjudications

The Independent Review process enables consumers and advertisers to question whether the decisions of the ASA Council are fair and reasonable. It therefore plays a part in the accountability of the Council for its responsibilities for consumer protection and for fair competition. In 2013, I considered 64 cases arising out of 71 requests for review. The average turn-around time for cases which I did not refer back to the Council was 26 days, but this average masks a considerable variation.

During the course of the year I was asked what I thought the motivation was for the complaints I had considered. I classified them, broadly, into five categories. The largest number of cases, about 26%, came from special interest or campaigning groups or individuals against, for example, wind farms or fracking, and for and against plain packaging of cigarettes. Other review requests, again about 26%, came from ordinary concerned, offended or otherwise critical consumers. This seems to me very healthy: readers or viewers alert to advertising without necessarily having a particular pre-set agenda.

The next largest group, were commercial competitor complaints, especially between media companies but also between fertility clinics, retail stores and vacuum cleaner manufacturers. Around 17% of requests came from consumers who felt strongly that the service or product they had purchased had been misleadingly advertised, often in relation to holidays. Finally there was a smaller but interesting group of complaints, from experts or professionals critical of advertisements in their special field; for example, in what circumstances could a dentist be described as a Dr, and other issues in relation to health or medical treatment.

I offer two examples of cases from 2013 which concerned well intentioned advertisements for a cause but which could have misled consumers. One was advertising about the perceived dangers of fixed odds betting terminals. These ads contained some objective claims which, under the Advertising Codes, require objective substantiation. This had not been required. I returned the case to the Council who agreed that these claims should have been challenged.

Another concerned a set of posters encouraging health screening for a particular medical condition using very stark examples of what might otherwise happen. One complainant persuaded me that these were misleadingly alarmist and that screening would not necessarily solve the problem. The Council agreed that the case should be re-opened to fully examine her arguments.

My work as the Independent Reviewer remains varied and absorbing and I believe it can contribute positively to the reputation of advertising regulation. ●





Review cases 2012 - 2013

Non-broadcast	2012	2013
Total cases received of which:	57	51
Ineligible/withdrawn	13	6
In progress	1	1
Not referred to Council	29	29
Referred to Council	14	15
of which:		
Unchanged	0	0
Decision reversed	2	3
Wording changed	10	4
Re-opened investigation	2	6
In progress	0	2

Broadcast	2012	2013
Total cases received of which:	9	13
Ineligible/withdrawn	2	1
In progress	0	0
Not referred to Council	4	8
Referred to Council	3	4
of which:		
Unchanged	0	0
Decision reversed	0	2
Wording changed	3	1
Re-opened investigation	0	1
In progress	0	0



Advertising Advisory Committee report

Stephen Locke
AAC Chairman

This was my second year as Chairman of the Advertising Advisory Committee. Our core purpose is to advise BCAP on the consumer and public interest issues arising from the advertising rules for TV and radio. Our relationship with BCAP can be described as a 'critical friend'. Our meetings are also attended by the CAP Chairman and an Ofcom observer.

Our involvement in policy development is varied: we can have input to early consideration of the general principles underlying a particular issue, the drafting of the relevant Code provisions and evaluation of consultation responses to proposed rules. One general requirement is for the Committee to be able to probe the issues in some depth – successful advertising regulation depends on getting the detail right, and on understanding the full range of perspectives. In practice, many of our suggestions are accepted, and all are carefully considered.

Our agendas in 2013 followed some high profile public concerns, with health and medical issues at the forefront. An example was the advertising of cosmetic interventions, both surgical and non-surgical, following the Government's Keogh Review. We contributed in detail to the preparation of BCAP guidance covering this area, our concern being to ensure that its provisions were effective in dealing with identified consumer harm whilst ensuring that they were proportionate to the nature of the problem. Meanwhile the rise of the electronic cigarette market has spurred detailed discussion of how these should be treated in advertising, ahead of expected wider moves to change their regulation as a product. We contributed to discussion on how to ensure that the advertising of these products is socially responsible, and made detailed input to the consultation document that was subsequently published.

Other key issues have included the scheduling of alcohol advertising on TV, remote prescription services, harm reduction claims for smoking cessation products and gambling guidance, notably including new guidance on the marketing of free bet offers.

One significant milestone in 2013 was the publication of the CAP and BCAP document on evidence-based policy-making, to which our Committee contributed at draft stage. It is a very helpful guide to all seeking to influence advertising issues and provides an important reminder of the need to ensure that all calls for regulatory change – whether for more or less regulation – are properly backed by evidence that stands up to challenge and scrutiny. This is a principle the Committee strongly supports.

I am very grateful to my colleagues on the Committee and also to colleagues on the BCAP Executive for their excellent support.

AAC members:

John Bradford
Colin Cameron
Alison Goodman
Dr Michaela Jordan
Angela McNab
Claire Whyley





Financial report

We are funded by advertisers through an arm's length arrangement that guarantees the ASA's independence. Collected by the Advertising Standards Board of Finance (Asbof) and the Broadcast Advertising Standards Board of Finance (Basbof), the 0.1% levy on the cost of buying advertising space and the 0.2% levy of the Royal Mail's Mailsort and Advertising Mail contracts ensures the ASA is adequately funded without revealing to us which companies are contributing. We also receive a small income from charging for some seminars and premium industry advice services.

Year to 31 December 2013

Audited income and expenditure figures for the combined non-broadcast and broadcast activity in 2013 (see table) are the total of the amounts recorded in the Report and Financial Statements of the two companies. These were adopted by the Non-broadcast and Broadcast Councils at their respective Annual General Meetings held on 25 April 2014.

Income

Compared with 2012, total income received from Asbof and Basbof increased by £360,500 (5%) to £8,129,000. Interest received decreased by £939 (16%) due to reduced interest returns from invested funds. Other income increased by £96,278 (112%) which is a combination of revenue generating seminars delivered and one off reimbursements for costs.

Expenditure

The budget initially proposed was £8,105,418 net of interest receivable. At the year-end, audited expenditure on a profit and loss basis was £8,364,261, an over spend of £258,843 (3.2%) against the budget. In 2013 an internal restructuring resulted in one off costs which are included in these figures.

Profit/Loss

The combined loss before tax of both non-broadcast and broadcast activity was £48,167 (£73,132 gain in 2012). After tax the combined loss was £43,845 (Profit £63,040 in 2012).

The Report and Financial Statements for ASA and ASA(B) reflect a split of costs, determined by Asbof/Basbof, to reflect the workload between non-broadcast and broadcast activities, of 61% and 39% respectively, and applying them to the non-specific costs – overheads, general office costs and the like. Specifically identifiable costs were allocated in full to the relevant function.

**Non-broadcast and broadcast combined for the year ended 31 December 2013**

	2012 £	2013 £
Income		
Cash received from the Advertising Standards Board of Finance Ltd	4,893,500	5,295,000
Cash received from the Broadcast Advertising Standards Board of Finance Ltd	2,875,000	2,834,000
Total	7,768,500	8,129,000
Expenditure		
Salaries and direct staff costs	5,039,141	5,515,948
Other staff costs	208,696	339,606
Rent and accommodation costs	1,119,231	1,164,978
Travel, subsistence and entertaining	25,212	31,826
Consultancy and professional fees	402,973	333,782
CRM project costs	34,125	80,639
Depreciation	183,993	173,242
Telephone, postage, printing, stationery and other general expenses	414,192	377,664
Advertising and promotion	359,560	346,576
Total	7,787,123	8,364,261

**Non-broadcast and broadcast combined for the year ended 31 December 2013 (continued)**

Operating Profit/(Loss)	(18,623)	(235,261)
Interest receivable	5,770	4,831
Other income (i.e. seminars)	85,985	182,263
Profit/(Loss) on ordinary activities before tax	73, 132	(48,167)



Standards of service

Accessibility

Being accessible to members of the public and the ad industry.

Our commitment	Measurement	Performance Jan – Dec 2013 (Jan – Dec 2012)
Publishing our contact details on all our literature.	Twice yearly Customer Satisfaction survey: 'Is accessible to the public'	83% (82%)
Ensuring our switchboard is open during normal office hours (9.00 am – 5.30 pm).	Customer Satisfaction survey	As above
Ensuring our website is available at all times.	Customer Satisfaction survey	As above
Accepting complaints online, by email, SMS, letter, fax or telephone.	Customer Satisfaction survey	As above
Ensuring members of the public know of us and our role, and recognise our name and logo.	Spontaneous name awareness and logo recognition measured by a biennial Attitude and Awareness survey	Name: 21% in 2013 (16% in 2011) Logo: 25% in 2013 (17% in 2011)



Responsiveness

Resolving complaints promptly. Complaints that require investigation can take longer than average.

Our commitment	Measurement	Performance Jan – Dec 2013 (Jan – Dec 2012)
Acknowledging complaints within five working days. Replying to all other correspondence within ten working days. Keeping complainants advised of progress.	Twice yearly Customer Satisfaction survey: 'Speed of receiving reference number' and 'Keeping you informed throughout the complaint process'	Reference number: 87% (85%)* Keeping informed: 64% (59%)
Turning around complaints, on average, within 12 working days, with at least 80% being within a target. Where a formal investigation is required, resolving them within 60 working days, recognising that complaints by commercial competitors can be protracted.	Achieve 80% of the target or better in quarterly turnaround statistics published on our website	Overall turnaround: 14 days (14 days) Within target: 69% (73%) Investigation average: 46 days (41 days) Within target: 76% (79%)
For complaints outside of our remit, we will advise our complainants within ten working days and suggest other organisations that may be able to help.	Customer Satisfaction survey results for 'Outside remit complaints'	43% (45%)
Responding to email enquiries within 48 hours during the week.	80% of the sample replied to within 48 hours	90% (91%)

*Question added in May 2012



Effectiveness

Meeting the needs of our customers, whether members of the public or industry.

Our commitment	Measurement	Performance Jan – Dec 2013 (Jan – Dec 2012)
Achieve the highest possible scores in our Customer Satisfaction surveys, whilst recognising that we operate in circumstances where around 80% of complaints result in a 'not upheld' decision.	At least 50% overall satisfaction from complainants	58% (57%)
Achieve the highest possible satisfaction scores from the advertisers with whom we deal in resolving complaints.	At least 60% overall satisfaction from advertisers	79% (80%)



Quality

Delivering a high quality and professional service.

Our commitment	Measurement	Performance Jan – Dec 2013 (Jan – Dec 2012)
The Chief Executive will respond within ten working days to correspondence from complainants or advertisers who are concerned that we are not meeting our standards of service when dealing with complaints.	80% of sample replied to within ten working days	95% (100%)
We will offer an Independent Review process for advertisers or complainants who can establish that a substantial flaw of process is apparent in an ASA Council ruling (adjudication).	Reports from the Independent Reviewer in the Annual Report and Annual Statement	See page 38 of the report and our Annual Statement 2013



Transparency

Being open about our procedure and our decision-making, and accountable for our performance.

Our commitment	Measurement	Performance Jan – Dec 2013 (Jan – Dec 2012)
We publish our rulings each week on our website.	Publication every Wednesday	Met
Our website will provide full information on who we are, how we operate and our consumer research.	Customer Satisfaction survey: 'Usefulness of information on website'	74% (74%)
Publishing our performance statistics on our website on a quarterly basis.	Publication in April, July, September and January	Met
Publishing an Annual Report in April/May each year reviewing the activities of the previous year.	Publication by the end of May	Met
Publishing an Annual Statement in October each year updating our performance reporting (January – June) and setting out our objectives for the coming year.	Publication in October	Met



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