



How we're doing

2,241

Number of ads changed or withdrawn as a result of ASA action in 2005

56%

Overall customer satisfaction non-broadcast complainants

26,236

Total number of complaints

62%

Overall customer satisfaction broadcast complainants

11,865

Total number of ads complained about

23 days

Average time taken to deal with non-broadcast complaints

3,894

Number of Copy Advice cases (written)

92%

Number of Copy Advice cases handled within 24 hours

1,172,553

Number of visits to the ASA website

Our mission

To apply the advertising codes and uphold standards in all media on behalf of consumers, business and society.

How we're doing

How the self-regulatory system works

Inside flap

ASA

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**We're committed
to publishing our
objectives and
our performance
against them**

Donna Mitchell,
Press Officer

How the self-regulatory system works

The Advertising Standards Authority (ASA) is the independent body that investigates and adjudicates on complaints about advertising. The Committees of Advertising Practice (CAP and BCAP) write and enforce the advertising codes.



Advertising Standards Authority

Rules on complaints about advertisements in all media. The ASA works in the public interest to keep advertising standards high. It is independent of the Government and the advertising industry.

ASA Non-broadcast

Oversees self-regulation for print, press, direct marketing, cinema and some new media ads. Is independent of Ofcom and funded by Asbof.

Advertising Standards Board of Finance (Asbof)

Funds self-regulation of non-broadcast advertising by a levy on display advertising and direct mail. The arm's length system keeps the ASA independent from its funders.

www.asbof.co.uk

ASA Broadcast

Regulates TV and radio commercials under contract from Ofcom. Is funded via Basbof.

Broadcast Advertising Standards Board of Finance (Basbof)

Funds broadcast advertising co-regulation by a levy on advertising airtime costs. Basbof's contribution to the ASA's income means that the ASA has been able to expand to take on its new responsibilities for TV and radio.

www.basbof.co.uk



Committees of Advertising Practice (CAP and BCAP)

Two separate advertising industry bodies write and enforce the codes of practice with which all advertising in the UK must comply.



The industry's non-broadcast committee comprises advertisers, agencies, publishers and other non-broadcast media owners and suppliers. Writes the Code for non-broadcast ads, sales promotions and direct marketing and enforces ASA rulings.



The industry's broadcast committee, legally known as BCAP, comprises advertisers, agencies and broadcasters. The committee is responsible for the broadcast advertising codes and enforces ASA rulings.

Advertising Advisory Committee (AAC)

Provides independent advice to CAP (Broadcast) on broadcast advertising issues. See page 35.

The ASA is here to ensure that all advertising, wherever it appears, meets the standards laid down in the advertising codes. You can submit a complaint online and find out more about the rules for advertising and our work to keep advertising standards high. Sign up for our free quarterly newsletter – Agenda – or register for our weekly adjudications e-mail alert.

www.asa.org.uk

Admired around the world for its creativity, the UK advertising industry sets the standard in successful self-regulation. The ad industry is governed by codes of practice that are designed to ensure all advertising, wherever it appears is honest, decent and responsible. CAP's codes of practice safeguard consumers and create a level playing field for all advertisers.

Sign up online for CAP's free quarterly newsletter – Update@CAP and keep up to date with the latest rulings and changes to the advertising codes.

www.cap.org.uk

ASA Council

Non-broadcast council

Broadcast council

The ASA Council is appointed by the Chairman and two-thirds of the members are independent of the advertising industry. Industry members are pictured in the right-hand column below. Two panels operate within one Council, judging broadcast and non-broadcast ads separately.



01 Lord Borrie QC
Chairman

02 Donald Treford
Visiting Professor, University of Sheffield

03 Diana Whitworth
Co-director, Grandparents Plus

04 Mike Ironside
Partner, Media Liaisons
Non-executive Director, Shopcreator plc

05 Christine Farnish
Chief Executive,
National Association of Pension Funds

06 Colin Philpott
Head, National Museum of Photography,
Film and Television

07 Dan O'Donoghue
Worldwide Strategic Planning Director,
Publicis Worldwide

08 Martyn Percy
Principal, Ripon College Oxford
Visiting Professor, King's College London

09 Jean Coussins
Chief Executive, The Portman Group

10 David McNair
Chief Executive, Food from Britain

11 Neil Watts
Head Teacher, Northgate High School

12 Sunil Gadhia
Chief Executive Officer, Stephenson Harwood

13 Susan Murray
Non-executive Director, Imperial Tobacco
Group plc, Enterprise Inns plc,
SSL International plc, Morrison Supermarkets plc

14 Alison Goodman
Fundraising Manager, Terrence Higgins Trust

15 Chitra Bharucha
Registered medical specialist in Haematology

16 Nigel Walmsley
Chairman, Broadcasters' Audience
Research Board



Council members are appointed for a maximum of two three-year terms and receive an honorarium of £15,000 p.a. A Register of Members' Interests may be inspected on application to the Company Secretary.

**Vena Raffle,
Head of Investigations**

Vena joined the ASA from Ofcom at the launch of the one-stop shop in November 2004. With six years' experience of regulating broadcast advertising at the ITC and Ofcom, she co-ordinates the Investigations teams, ensuring high quality, timely and consistent investigations across all media.

A woman with dark curly hair is holding a large white sign in front of her. The sign has red text that reads '01. Delivering the benefits of a one-stop shop'. She is wearing a light-colored sweater and dark trousers. To her left, there is a potted snake plant on a desk.

01. Delivering the benefits of a one-stop shop

Chairman's introduction



Keeping advertising standards high. Regulators do not normally try their hand at the very activity they regulate. But the ASA's own advertising campaign, launched last year, and our first for a decade, was intended to support, not compete with, the high standards already established in UK advertising. As our ads point out: "We leave good advertising to the professionals." In any case, there was much else going on in 2005 to keep us busy.

The number of complaints received during the year has risen by 16% compared with the combined total of complaints to the ASA and Ofcom in 2004. Not, I believe, because advertising standards have deteriorated, or because the public has become more inclined to object, but rather because the one-stop shop has made it easier and simpler to lodge a complaint.

Of course, such an increase in objections has been both a test for the ASA staff and a challenge for the advertising industry in working with a new and unfamiliar regime. But effective regulators are not there to be popular with the industry they regulate. The advertising industry does not back self-regulation out of charity or sentiment. Instead, self-regulation supports the integrity of marketing messages and the freedom to advertise responsibly.

In this Annual Report, you can read about the ASA's performance against the objectives we set ourselves for the first full year of operation for the one-stop shop – established in 2004 when Ofcom contracted out responsibility for regulating TV and radio advertising. We have been working to raise public awareness of our new role, to achieve greater consistency in decision making across media and to communicate effectively with industry. It has not all been straightforward: in the past 12 months new rules and guidance for alcohol advertising have been introduced, while planning has begun for a similar review of food advertising. We have faced significant challenges to the regulatory system in the form of the Unfair Commercial Practices Directive and the Hampton Review. But the story is of targets reached, standards achieved and objectives met.

My thanks go to the ASA Council and staff who have been tackling a more complex regulatory structure, adjudicating on and working with five advertising codes instead of one. A constructive dialogue with the advertising clearance centres – the BACC and RACC – has made this task much easier, and we look forward to continuing to work with them to minimise regulatory risk for broadcast advertisers.

A Better alternative

As we prepare for Ofcom's review of the two-year probationary period for contracting-out, my priority is that the ASA should operate a regulatory system that is fair, proportionate and responsive to consumer concerns. We know from four decades of experience in non-broadcast advertising that self-regulation delivers this. I believe that the co-regulatory broadcast partnership that the ASA and the Broadcast Committee of Advertising Practice have built with Ofcom also presents a Better Regulation alternative to heavy-handed legislative intervention.

Later this year, Ofcom will decide whether or not to renew the one-stop shop's co-regulatory contract. This Report reviews our performance in 2005, but the task in the future is an even bigger one. Increasingly, ad spend is being diverted to new media channels, where consumers expect the same standards of honesty as in traditional media but where the regulatory status is unclear. The European Commission requires the same level of self-regulation across the single market, while the Unfair Commercial Practices Directive threatens to criminalise misleading advertising claims, raising the prospect of protracted and expensive legal challenges. Only an effective self-regulatory system, where the ad industry is engaged and compliance is encouraged, can promote competition, safeguard consumers and protect future advertising freedoms. The one-stop shop is right for the future.

Lord Borrie QC
ASA Chairman



01 Bad ads

A new advertising campaign raising awareness of the ASA's role in keeping advertising standards high was launched in the autumn. The campaign, the ASA's first for a decade, appeared on TV and in non-broadcast space donated by the media industry. Regional and national newspapers and outdoor owners all ran the campaign which played on the ASA's expertise at removing misleading and offensive ads, rather than creating good ones.

02 Listening in Leeds

ASA staff and Council members answered questions from the public at the ASA's Annual Consumer Conference held in Leeds in November. The free event gave members of the public the chance to find out how and why the ASA makes its decisions and to have their say about advertising standards. Community group workers, teachers, religious leaders, business people and students came together to discuss ads and where to draw the line on misleading and offensive advertising.

03 Cosmetic surgery prize irresponsible

A competition in Zoo magazine headlined "Win a boob job for your girlfriend" was judged irresponsible by the ASA because of concern that it could coerce women into having a serious surgical procedure. The ASA ruled that it was not clear that the winner could spend the £4,000 prize money on whatever they wanted. However, complaints that the promotion was offensive were rejected by the ASA Council who decided that it was unlikely to cause offence to the magazine's readers.

04 Food studies

A new-look awards scheme for students was launched in the autumn. School pupils and further education students were encouraged to research the rules controlling advertising aimed at children, either by devising their own ad campaign for a soft drink or by critiquing ASA adjudications. Winners Emma Anne James of Amman Valley School and Ross Cockton from the University of Sunderland both devised campaigns encouraging children to be physically active and make healthy choices.

05 Bad rap for Reebok

An ad for sportswear company Reebok, featuring American rapper 50 Cent, was banned on the grounds that the commercial glorified gun culture and could encourage violence or make it seem acceptable. In the TV ad, 50 Cent (who has been shot at nine times) was shown sitting in a large darkened room while various sounds were heard including rap music, sirens and different voices saying he had been "gunned down". The voiceover said "shot nine times" and 50 Cent slowly counted from one to nine. The commercial ended with another voice asking: "Who do you plan to massacre next?" In its ruling, the ASA considered the subject matter unsuitable, especially because of the recent concern about specific gun-related crime in some areas of Britain as highlighted by complainants.

Review of the year

A man with a shaved head, wearing a light blue button-down shirt and dark trousers, is holding a large white rectangular sign in front of his face. Only his eyes and the top of his head are visible above the sign. The sign has bold red text on it. The background is a plain, light-colored wall.

02. Building awareness and understanding of the new system

Matt Wilson, Press Officer

Bad publicity for advertisers who break the rules is one of the most effective sanctions available to the ASA. Matt's role includes answering questions from journalists about ASA adjudications and promoting the self-regulatory system in the media.



**03.
Acting in
the public
interest at
all times**

**Deborah Lawson,
Complaints Handler**

Each complaint to the ASA, from public or industry, is carefully considered according to the advertising codes. Deborah helps resolve complaints about ads and lets complainants and advertisers know if the ASA will take further action.



06 European forum

The ASA hosted a lunch forum for MEPs at the European Parliament in June to mark the start of the UK Presidency of the European Union. ASA Chairman Lord Borrie joined MEPs from the Parliament's Internal Market and Consumer Protection Committee and representatives from the advertising industry. The event was also supported by the Chairman of the European Advertising Standards Alliance (EASA), Jean-Pierre Teyssier (see page 21).



07 Regulatory awareness

Awareness of the ASA amongst the public is rising, according to a recent survey conducted by an independent research company. Up to 38% of the public could spontaneously name the ASA as the organisation to contact about misleading or offensive advertising – a significant rise compared with 2004. Most respondents were content with the amount of regulation for press, poster, TV and radio advertising, although there was less confidence about controls for direct mail and Internet advertising.

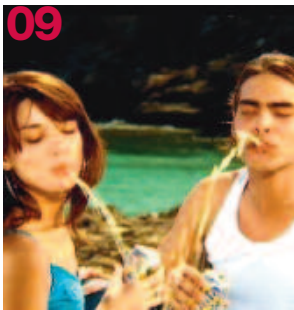
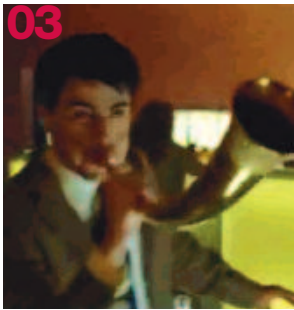


08 Safe surfing

Consumers expect all ads to be truthful and honest, no matter where they appear, according to research into public attitudes to the Internet and new media advertising. The research results show that only a very small proportion of the public support less regulation for advertising in new media formats, although consumers are more accepting of risqué material appearing online provided it is clearly signposted. The research suggests that consumers will rely on well-known brands in the future to help identify 'safe zones' where new media content can be trusted. For more information see www.asa.org.uk/asa/research.

Health Select Committee clarification

An error in the Health Select Committee's Obesity Report (published May 2004) was corrected in the House of Commons, when Committee Chairman David Hinchliffe acknowledged that the Report had mistakenly attributed approval of a TV advertising campaign to the ASA. Introducing the Report to the House of Commons in February, Mr Hinchliffe said: "The Committee's report inadvertently confused the responsibilities of the Advertising Standards Authority and the Independent Television Commission (ITC). The reference in paragraph 111 to the ASA's approval of an advertising campaign for Wotsits should have been a reference to the ITC's approval. The ITC has of course now been subsumed by Ofcom, and I have written to the ASA about the matter on the Committee's behalf."



**01 Yum! Restaurants (UK) Ltd t/a KFC
1,671 complaints. Not upheld.**

In the most complained about ad of 2005 we see three women working in a call centre, singing the praises of KFC's Zinger Crunch salad, but with their mouths full. The overwhelming concern was that the ad encouraged bad manners among children.

We took the view that teaching children not to speak with their mouths full is a continual process needing frequent reminders; this ad was unlikely to have an adverse effect on their behaviour. Some also complained that the ad was simply unpleasant, although we found it had been carefully shot to suggest, rather than reveal, mouths full by showing bulging cheeks.

**02 Living TV
650 complaints. Not upheld.**

Was the fine line between tasteful sexual imagery, and something offensive and demeaning, crossed by this poster campaign for Living TV?

The 'L Word' is a TV drama about a group of glamorous gay women. Complaints ranged from the posters being offensive and degrading to women, to being unsuitable to be seen by children. We agreed with Living TV that while some people would object to the depiction of homosexuality, this was not in itself against the Code. We also felt these posters were unlikely to cause widespread offence, or be seen as demeaning to women.

**03 Unilever Foods UK
620 complaints. Not upheld.**

Blatant sexual references – or just a bit of harmless 'Carry On' humour? In one "Have you got the Pot Noodle horn?" ad, a man in a bar struggles to conceal a big brass horn in his trouser pocket. Later we see him returning to the bar, dishevelled and sauce-stained. In another, we're in an office, and see the horn in a man's pocket cause the desk to rise up.

The complainants saw the ads as tasteless and offensive. However, while agreeing that the punning and innuendo could be seen as crude, we did not accept that the ads were explicit or offensive, or inappropriate for older children post-9pm.

**04 Mazda Motors (UK) Ltd
425 complaints. Not upheld.**

We see a man putting his female 'passengers' – lingerie-clad mannequins – into a Mazda. They drive around a city and, as the car stops a mannequin's nipples are now erect. Complaints ranged from the reference to sexual arousal being offensive, to women being portrayed as sexual objects.

We felt that the humour was based on a mild sexual reference, and was unlikely to cause widespread offence. We also felt the absurd notion of an inanimate object being turned on did not demean women as sex objects.

Top 10 most complained about ads 2005

05 Ryanair Ltd
319 complaints. Not upheld.

Eight days after the 7 July bombings, many found this ad to be offensive and distressing. They objected to using the terrorist attacks to gain commercial advantage; others found it disrespectful to Winston Churchill and those who died in the Second World War. Ryanair responded that they would not make any profit from the sale of these flights. They also said the ad was in keeping with the authorities' call that London should get back to normal as soon as possible.

While we understood the strength of feeling surrounding the ad, we judged it in tune with commentators' reading of the mood of Londoners and unlikely to cause widespread offence. We also accepted that Churchill's response to the Blitz had been one of defiance and 'business as usual', and the reference was not disrespectful in these circumstances.

06 Jamba! AG t/a Jamster
298 complaints. Upheld.

This TV campaign, featuring the Crazy Frog and other characters, offered realtones, video-ringtones, screensavers, games and software for mobile phones. What was not clear to many viewers was that they were signing up for a subscription, and not a one-off payment for a single ringtone. Others complained that the ads appealed to children, with some receiving large bills as well as being unwittingly drawn into a subscription commitment.

We upheld the complaints on both counts, and rejected Jamster's assertion that the ad was targeted at 18-49 year olds. In our view, both the ad and the product had a broad appeal to children, and an 'ex-kids' 9pm restriction should be applied in future.

(For more on this case, see p17.)

07 Barclays Bank plc
293 complaints. Upheld.

When does farce and slapstick overstep the mark and become offensive and upsetting? We see a man on a summer's day, taking a drink from a can and being stung in the mouth. He then leaps up and rushes to a lake to splash his face; he falls in; he emerges covered in slime and weeds, looking like a B-movie monster; he lurches towards a restaurant, causing chaos as diners flee.

Although the ad was clearly meant as farce, we agreed that it could offend people who suffer from allergies to stings – a potentially fatal affliction. However, we didn't uphold other complaints concerning worries of scaring children – the ad already had an 'ex-kids' restriction on when it could be shown.

08 Damart Group
273 complaints. Upheld.

Damart ran into trouble with a mailing that, at first sight, appeared to imply that its recipients were in debt. On closer inspection, it turned out that this was a "final reminder" about "outstanding items" that were still on offer and needed "attention". Complaints came from both the public and the Institute of Sales Promotion, concerned that the mailing was misleading and, for many, upsetting. We upheld the complaint that the mailing was misleading and distressing, and received assurances from Damart that it would not be repeated.

09 Coca-Cola Great Britain t/a Fanta Z
272 complaints. Upheld.

Fanta went on air to announce that its Fanta Light drink had not been universally liked, and that it was being replaced with Fanta Z. In the ad we see a series of people taking a drink of Fanta Light, and then calmly spitting it out again. Objections were that the ad condoned spitting, and encouraged bad manners and anti-social behaviour, particularly among young children and young adults. Complainants said some people had copied the ad.

Although light-hearted, we fully understood the problem of children copying what they had seen, and ruled that the existing restriction – keeping the ad away from kids' programming – was not enough. It was amended to a post-9pm restriction.

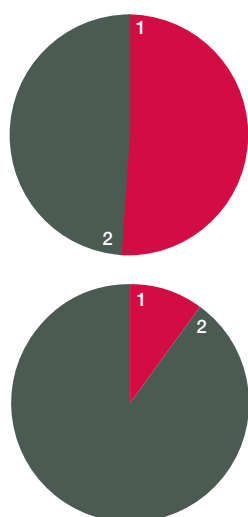
10 Channel 5 Broadcasting Ltd
197 complaints. Upheld.

Rope marks on a man's neck; bloodstained forensic gloves; your own name suggested as a murder victim. Five went to great lengths to create a direct mail 'dossier' campaign to publicise CSI:NY. Complaints centred on two issues: the extensive dossier was distressing in its portrayal of a brutal crime, while others complained that they did not at first realise it was only a marketing piece.

Five argued that the recipients had previously expressed an interest in receiving information on crime programmes. However, we upheld the complaint that this mailing was distressing and that, despite the presence of Five branding, it was insufficiently clear that the dossier was marketing material. (For more on this case, see p15.)

For full adjudications see www.asa.org.uk.

ASA complaints



Split of complaints

- 1 Broadcast complaints **51%**
- 2 Non-broadcast complaints **49%**

Source of complaints

- 1 Non-broadcast complaints by competitors **10%**
- 2 Non-broadcast complaints by the public **90%**

2,241

Total number of ads withdrawn or changed as a result of ASA action in 2005

Complaints and investigations

The Advertising Standards Authority acts to ensure that advertisements that are misleading, offensive or harmful do not appear in paid-for media. During 2005, 2,241 advertisements had to be changed or withdrawn as a result of ASA action – following formal investigations, pro-active monitoring or informal resolution of complaints. Where appropriate, the ASA tries to resolve complaints by persuasion and consensus: this approach tends to be quicker and more straightforward than a formal investigation.

Rise in complaints

The total number of complaints received during the year rose by nearly 4,000 in comparison with the total number of complaints received by the ASA and Ofcom in 2004. (Until November 2004, Ofcom managed the regulation of broadcast ads. Now, complaints about advertising in almost all media are handled by the ASA). The one-stop shop is working, providing an accessible and straightforward route for consumers wishing to complain about advertising in any medium.

Public and industry

The vast majority of complaints come from members of the public who feel misled or offended by an advertisement they have seen or heard. In 2005, 10% of non-broadcast complaints received came from industry complainants objecting to their competitors' ads. While still a small proportion of the total, industry complaints can be complex and protracted to resolve. There has been an increase year on year since 2003, when just 7% of complaints were from competitor companies.

Fall in ads

Despite the rise in complaints, the number of advertisements complained about fell slightly in comparison with the year before. A handful of ads each generated a large number of complaints, including KFC's Zinger Crunch Salad TV commercial which became the most complained about ad of all time (see page 8). While 51% of all complaints are about broadcast ads, the number complained about is far fewer than non-broadcast. This is because TV and radio ads are pre-cleared before they go on air. On average, 5.91 complaints are received for each TV advertisement brought to the ASA's attention, in comparison with non-broadcast advertisements where the comparative figure is 1.33.

Total number of complaints received

2005	26,236
2004	22,570

Total number of ads complained about

2005	11,865
2004	12,450

A man with short dark hair, wearing a light blue long-sleeved shirt and dark trousers, is holding a large white rectangular sign in front of his chest. The sign has red text on it. The background is a plain, light-colored wall. To the right, a small round wooden table holds a stack of white teacups and saucers.

04. Monitoring our performance and customer satisfaction

**Ryan O'Connell,
Complaints Handler**

A year into his role at the ASA, Ryan assesses advertisements that are the subject of complaints and determines whether further investigation may be necessary. Once a decision has been made, Ryan informs advertisers and complainants of the reasons behind it.

Non-broadcast complaints

The number of non-broadcast complaints received by the ASA was similar to 2004, but the number of non-broadcast advertisements complained about was at the lowest level for four years. Similarly, the number of non-broadcast complaints investigated was more than 20% higher than in 2004, but the corresponding number of ads fell by the same amount. A small number of advertisements generating high numbers of complaints accounts for this apparent anomaly.

Complaints about offensiveness in non-broadcast advertising increased by 16% to 3,309. Objections to ads on the grounds of truthfulness fell by 5%.

Investigated complaints

In total, nearly 30% of all non-broadcast complaints were pursued by the ASA, either formally or informally. The number of ads subject to formal investigation fell by over a quarter to 598, but 75% of these investigations led to an 'upheld' adjudication by the ASA Council. A greater number of ads – 698 – were subject to an informal investigation by ASA staff where appropriate. Informal investigations are a co-operative and expeditious way of ensuring that an advertisement is changed or withdrawn without the need for a formal adjudication by the ASA.

Total number of non-broadcast complaints received

2005	12,727
2004	12,710

Total number of non-broadcast ads complained about

2005	9,581
2004	10,059

Non-broadcast statistical summary

	2005		2004	
	Complaints	Ads complained about	Complaints	Ads complained about
Work brought forward	792	517	1,154	880
New work received in year	12,727	9,581	12,710	10,059
Total work considered	13,519	10,098	13,864	10,939
Formally investigated				
Upheld	1,554	446	1,698	628
Not upheld	1,436	152	433	191
Total formals	2,990	598	2,131	819
Resolved informally	803	698	962	860
Total investigated	3,793	1,296	3,093	1,679
No case to answer	4,186	4,183	4,459	4,439
Withdrawn	1,026	1,021	1,317	1,302
Outside remit	2,441	2,431	2,114	2,083
Not justified	1,120	363	1,751	581
Total not investigated	8,773	7,998	9,641	8,405
Mail order	130	130	129	129
Database	155	154	209	209
Total direct marketing	285	284	338	338
Work resolved	12,851	9,578	13,072	10,422
Work outstanding at year-end	668	520	792	517

Sukh Walia,
Investigations Executive

Sukh has worked at the ASA for nearly three years. When investigating complaints about ads, she liaises with advertisers, media and independent experts. Once an investigation is complete, Sukh prepares a recommendation for the ASA Council. The Council may accept her recommendation, or come to a different view.

A woman with long dark hair is holding a large white rectangular sign in front of her. The sign has red text on it. She is looking directly at the camera. The background is a plain light-colored wall. To the left, there is a red metal structure, possibly a staircase railing.

05.
Managing
caseloads
promptly
and efficiently

Non-broadcast complaints continued

Non-broadcast complaints received according to code clause. Comparison with 2004.

Decency	
2005	3,309
2004	2,844
Honesty	
2005	397
2004	548
Legality	
2005	51
2004	78
Truthfulness	
2005	2,334
2004	2,463
Substantiation	
2005	1,168
2004	1,478
Comparisons	
2005	237
2004	248

Non-broadcast ads complained about according to code clause. Comparison with 2004.

Decency	
2005	429
2004	635
Honesty	
2005	232
2004	308
Legality	
2005	18
2004	35
Truthfulness	
2005	1,368
2004	1,794
Substantiation	
2005	933
2004	1,047
Comparisons	
2005	169
2004	188

Non-broadcast complaints by code clause

	Complaints	Ads
Legality	51	18
Decency	3,309	429
Honesty	397	232
Truthfulness	2,334	1,368
Substantiation	1,168	933
Comparisons	237	169
Denigration	85	54
Imitation	6	5
Matters of opinion	65	40
Fear and distress	1,280	132
Safety	81	39
Violence and anti-social behaviour	537	86
Political advertising	137	30
Protection of privacy	353	25
Testimonials and endorsements	102	79
Free offers	103	66
Availability of products	36	31
Guarantees	35	31
Identifying advertisers and recognising advertisements	615	52
Prices	245	187

Non-broadcast complaints by media

	2005	2004
National press	2,302	2,267
Direct mail	2,293	2,229
Poster	2,236	1,823
Internet	1,557	1,265
Magazine	946	1,033
Regional press	778	889
Leaflet	620	832
E-mail	313	405
Brochure	272	403
Unknown	232	308
Point of sale	182	214
Press general	158	117
Catalogue	152	217
Packaging	152	162
Insert	140	175
Directory	124	130
Cinema	120	84
Other	108	103
Text message	97	225
Mailing	96	98
Circular	91	165
Transport	82	162
Ambient	33	21
Facsimile	31	76
Electronic	19	41
Voicemail	5	16
Video	1	2
Computer games	0	1

Non-broadcast complaints by sector

	2005	2004
Leisure	3,822	3,338
Computers and telecommunications	1,280	1,320
Holidays and travel	1,191	952
Health and beauty	1,044	1,284
Publishing	822	622
Retail	625	761
Non-commercial	599	657
Financial	585	628
Motoring	511	579
Household	411	449
Business	378	615
Food and drink	282	290
Alcohol	241	144
Utilities	221	192
Property	210	240
Clothing	178	305
Employment	164	216
Electrical appliances	88	73
Education	63	65
Agricultural	57	27
Industrial and engineering	35	101
Unknown	33	14
Tobacco	7	17
Not specified	4	183

Not investigated complaints

The majority of complaints about non-broadcast ads (8,773) were not pursued by the ASA. The most common reason for this was because there was no case to answer under the advertising codes (4,186 complaints), followed by the complaint being outside the ASA's remit (2,441 complaints). An investigation was judged to be not justified for complaints about 363 ads: these are usually complaints about perceived offence or harm in ads that the ASA Council decide do not need to be taken further because the issues are clear cut or involve questions of judgement.

Complaints by media

Complaints about national press ads, direct mail and posters – the top three most complained about media – combine to account for over 50% of all objections to non-broadcast advertising. Poster complaints rose by 23%: the main reason for this is objections to a single campaign, Living TV's The L Word which generated over 650 complaints (see page 8). Complaints about Internet advertising have increased for the third year running although complaints about misleading or offensive commercial text messages and e-mails have decreased by 57% and 23% respectively.

Complaints by sector

Leisure remains the most complained about sector, generating 30% of all complaints within non-broadcast media. Complaints about holidays and travel increased by 25%, partly as a result of over 300 objections to Ryanair's "London Fights Back" press ad (see page 9). Alcohol ads attracted 67% more complaints than in 2004, perhaps as a result of public awareness of the new rules for alcohol advertising introduced in the autumn. One sector where the number of public objections fell was health and beauty advertising, where complaints decreased by 19% in comparison with 2004.

CSI, Channel Five Moving fast to stop foul play



It's not every day you open an e-mail to find you're on a killer's 'hit list'. But that's just what greeted some 50,000 people when they opened their in-boxes, as part of Five's viral campaign to promote the TV crime series CSI:NY.

In a second element to the campaign, 30,000 people received elaborate mailing packs which again named the recipient as an intended victim of the "Carbon Copy Killer". The pack, which carried branding by the TV channel, announced the transmission date of the new series. However, it also contained the paraphernalia of a murder investigation: Polaroids of alleged crime scenes and rope marks on a man's neck; a coroner's report and psychological profiling of the 'killer'.

It was a campaign that would go on to generate nearly 200 complaints, centred on offence and distress. Many people also argued that it was far from clear that the dossier was in fact a piece of marketing. It also sparked numerous press headlines. One woman's view that "it is such a sick thing to do ... I was reading about a maniac who was killing people with my name" was fairly typical of local press coverage throughout the UK.

Whether these complaints would prove justified was, initially, a secondary consideration. The first was for the ASA to order Five to suspend the campaign, pending further investigation. Guy Parker, Director of Investigations at the ASA says: "It was clear that this frightening subject matter had the potential to alarm and cause real distress. We therefore fast-tracked our procedures and ordered an immediate halt to this campaign until we could investigate it further."

In the subsequent investigation, Five said that no complaints had been received following the initial e-mail campaign. They also maintained that the mailing list they had bought for the dossier pack was compiled exclusively of people who had indicated crime programmes as a subject that caught their interest.

We upheld the complaints we had received, both that the campaign was offensive and distressing, and that it was not sufficiently clear that the mailing packs were merely a piece of direct marketing. In doing so, we also sent a signal to the industry at large that marketing material should not attempt to masquerade as something it is not.

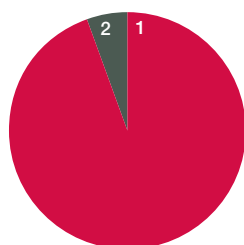
Broadcast complaints

The number of broadcast complaints received rose by 37% during the year, in comparison with the combined total of complaints received by Ofcom and the ASA in 2004. There is no doubt that the creation of the one-stop shop for all advertising complaints has made it easier for consumers to object to advertising they find offensive or misleading. Prior to the launch of the one-stop shop, the ASA was turning away approximately 5,500 complaints a year about TV and radio commercials: now we are able to assist those complainants directly.

However, the number of broadcast advertisements brought to the ASA's attention fell slightly to 2,284 (-4.5%) and the majority of objections (52%) were resolved without the need for an investigation. Of those complaints that were investigated, 74% were not upheld by the ASA Council. Pre-vetting by the Broadcast Advertising Clearance Centre and the Radio Advertising Clearance Centre means that broadcast commercials are much less likely to breach the advertising codes. Just 21% of complaints about broadcast commercials were about misleadingness, a significant difference from non-broadcast media. The main cause of complaint about broadcast ads was offensiveness (40% of total complaints). While pre-clearance ensures advertisers have substantiation for the claims they make in ads, it can be much more difficult to predict what is likely to cause offence in ads. Few could have expected the KFC's Zinger Crunch Salad TV ad to become the most complained about ad of all time because of objections to people singing with their mouths full. The ASA Council did not uphold the complaints, deciding that this ad was unlikely to have an adverse effect on children's behaviour. For more information on this ruling see page 8.

Television advertisements generated the majority of broadcast complaints, accounting for 95% of the total, with just 734 complaints received about radio ads.

The ASA is accountable to Ofcom for its performance in handling and resolving complaints about television and radio commercials. During the year, we reported quarterly to Ofcom on our performance against agreed targets.



Split in complaints

- 1 TV complaints received **94.6%**
- 2 Radio complaints received **5.4%**

Jamster Upheld in court



The explosion in the popularity of ringtones and mobile phone software is one of many new services which the ASA must track, and make sure that innovation doesn't also lead to confusion or the risk of consumers being misled by advertising.

Jamster is a producer of ringtones, games and other software for mobile phones. Their campaign, featuring the Crazy Frog and other characters, was one of the most complained-about broadcast campaigns of 2005. We upheld complaints that their advertising attracted customers who unwittingly signed up for a subscription service, believing they were buying a one-off ringtone. We also upheld complaints that the advertising appealed to children, with 33 complainants saying their children had received large phone bills.

Jamster rejected the complaints made against them and challenged our judgement in upholding them.

They exercised their right to use the appeals mechanism and have their case referred to the Independent Reviewer of ASA Adjudications.

While waiting for the Independent Reviewer's decision, Jamster also challenged our intention to publish our adjudication and sought an injunction to prevent us doing so. The High Court dismissed the application, saying that it was in the public interest to publish the ASA adjudication regardless of the review in progress.

The ASA's Director General Christopher Graham commented that the verdict "reminds the advertising business that the ASA carries out certain public law functions – and that it will be supported by the courts".

Following the Independent Review, the ASA Council decided that the overall 'upheld' adjudication should stand although the wording was amended.

Total number of broadcast complaints received

2005	13,509
2004	9,860

Total number of broadcast ads complained about

2005	2,284
2004	2,391

Broadcast complaints resolved by code clause

Offensive	5,348
Harmful	3,983
Misleading	2,833
Miscellaneous	1,318

Figures for 2004 include complaints received by both ASA and Ofcom.

ASA compliance

Keeping compliant. Food, phones and flights advertisements all came under scrutiny from the Compliance team during another busy year. Our work in those and other sectors continued to ensure a level playing field for UK advertisers.

The team monitors about 4,500 ads every month in the national and regional press, magazines, posters and direct mail. This year, the team successfully ensured the withdrawal of 504 non-compliant ads. Of that total, 346 were problem ads picked up during monitoring work and believed to breach the CAP Code. Assurances were successfully secured in 75% of cases that the advertisers would withdraw and amend their ads. Another 135 were ads by advertisers who had not provided a written assurance of future compliance at the end of an ASA investigation. In 23 cases, sanctions were invoked, four advertisers were referred to the health regulator, Medicines and Healthcare products Regulatory Agency (MHRA), and two to the Office of Fair Trading (OFT).

Sector compliance

If an ASA adjudication against a single advertiser has ramifications across a sector, the Compliance team contacts all advertisers in that sector to advise them of changes that they need to make to their ads to ensure a level playing field. In the travel sector, the team wrote to more than 1,500 travel agents asking them to state in their ads if availability of advertised offers is extremely limited. It also asked airlines to make sure they made savings claims against prices that included taxes and charges. In telecommunications, the team asked the creators of the ubiquitous Crazy Frog and other mobile phone advertisers to make clear, in the body copy, how much consumers would pay each week for subscribing to their download services. The team also asked advertisers to be clear about broadband speeds as well as not calling telephone packages “free” if they were actually inclusive.

Food

With the advertising of food, in particular to children, continuing to cause debate throughout the UK, the Compliance team surveyed food ads in the national press, magazines and television. Assessing the 1,022 ads under the current advertising codes, the team found 99.5% complied with the rules.

Online

The Compliance team went online this year and a section dedicated to its work was created on the CAP website. As well as reading about the team’s day-to-day activities, people could find out that a survey of the national press in 2004 had yielded a commendable 99.3% compliance rate, but a survey of slimming ads in the regional press and women’s magazines had shown, worryingly, that half breached the Code.

Sanctions

The controversial subject of magnotherapy continued to cause conflict between the team, publishers and advertisers. Despite issuing an Ad Alert asking the media not to accept ads featuring unproven efficacy claims for magnotherapy, the team noted that 16 ads for magnetic treatments were still published. The team issues Ad Alerts as a quick and easy way of drawing the media’s attention to a problem advertiser. It circulates them, in confidence, to CAP members and to individuals responsible for accepting ads for publication. Of the 52 Ad Alerts issued in 2005, seven were about general subjects, such as magnotherapy, and the remainder were issued against specific companies.

Legal backstop

If the ASA exhausts its sanctions, the Compliance team can refer an advertiser to the OFT. The OFT can seek undertakings from an advertiser that it will change its ads; it can also seek injunctions from the Court to prevent advertisers from making misleading claims. Two advertisers – Fones4Free and Tower House Promotions – were referred this year.

A man with short dark hair, wearing a blue long-sleeved shirt and dark trousers, is holding a large white rectangular sign in front of his chest. The sign has red text on it. The background is a plain, light-colored wall. To the right, a wooden coat rack is partially visible.

06. Challenging ads that break the codes

**Dan Ware,
Compliance Executive**

Dan monitors advertising in the national press, magazines and regional press for compliance with the CAP Code. Previously a member of the Complaints team, now Dan works directly with advertisers to ensure their advertising is honest and truthful.

ASA Council

The ASA Council is responsible for deciding if advertisements meet the requirements of the advertising codes. Here, two Council members reflect on the challenges posed by complaints about misleading, harmful and offensive ads.

Cordial, critical and constructive

Advertising, besides being a highly intriguing art form, is also a tool for marketing; it triggers desire, and engages individuals and societies at their deepest levels. It is partly for this reason that a self-regulating body like the ASA exists. Such is the power and persuasion of advertising, the industry needs a body that has a cordial, critical and constructive interface with it, in order to ensure a degree of consumer protection. There is, after all, only a wafer thin gap between meaning and intention; truth and exaggeration; and reception and perception.



The ASA Council in session. Two-thirds of the members are independent of the advertising business. One-third have first hand experience of advertising.

Council members will be well aware of these dynamics as they approach their case work each week. Does the 'all new' Satsuma GLS Sports coupé need to be completely redesigned to count as 'new', or can it be the old basic model, but with a few new features added? Does 'you can't beat our prices' mislead customers if the company only sells its own-brand wares? Does the alluring and scantily-clad female model in the poster add value to the product being marketed, or is the advertisement an example of gratuitous sexism? Does a product 'from Scotland' mislead consumers if it was only assembled there, but produced elsewhere? Does FCUK offend you, or merely amuse?

The Council seldom deals with easy right and wrong decisions. Questions of accuracy are relatively easy to resolve, because claims can either be substantiated – or they can't; and the complaints are then upheld or dismissed. But many of the complaints that the ASA addresses are centred in the more subtle arenas of taste, decency and offence. The great strength of the ASA is that it works in those more demanding hinterlands of apparent un-resolvability: the half-light of half-truths.

It is the quality of debate, coupled with an outstanding team, which normally creates the basis for our decisions. In the best traditions of situational ethics, the Council makes its decisions through debate, dialogue and informed conversation. It takes account of the public perceptions and consumer needs – but also of the wider sweep of contemporary cultural and social changes. It is to this process of debate and discernment that Council members bring their wisdom and experience, combining their specialist knowledge with their own insights as ordinary consumers. It is for both consumers and the industry that the ASA ultimately exists – ensuring that creativity can genuinely flourish, but without standards of honesty, taste, decency and truthfulness being compromised.

A handwritten signature in black ink, appearing to read 'Martyn Percy'.

Martyn Percy





Martyn Percy



Chitra Bharucha

ASA in Europe

Beyond borders. Advertising self-regulation in Europe.

Council's challenge

Adjudication is only a part of the role of Council members, but it attracts much public interest. In conversations with members of the public and the advertising industry I have been struck by the genuine surprise expressed when they hear how seriously Council views this challenge. The regulator's duty is to declare and uphold high standards in order to maintain public confidence in the advertising industry. At the same time, we are mindful of the significant impact that our decisions can have on the industry. In the interests of fairness to the complainant(s) and advertiser, it is crucial that we remain objective and impartial. Decisions are not easy because issues are not always straightforward. Debates in Council are wide-ranging because of the breadth of experience and background of members. ASA staff ensure the highest standards of thoroughness, accuracy and fairness in their investigations but views of Council members often bring a wider perspective to the discussion.

I have found that issues of harm and offence are particularly difficult because there is no easy definition of either in a society which is in flux. Very few would dissent from the view that children are vulnerable, but what about other vulnerable groups? What is the right balance between progressive and modernising creativity and misleadingness, offence or harm? There are many reasons why it would be inappropriate to make a judgment on the basis of the number of complaints received about an ad: instead Council's focus is on the content of the ad and its acceptability according to the advertising codes.

My experience in other professional areas has been that any regulatory arrangement will attract criticism, both from those whom it is designed to protect and those who are regulated. Having both parties represented on Council enables the full and frank exchange of informed opinion. In our adjudications over the past year, Council has been able to distinguish the 'interest of the public' from 'the public interest', and in my view, this has been in the best interests of both the advertising profession and the public.

Chitra Bharucha

With the expansion of the European Union to include 25 Member States, creating a Single Market of a potential 300 million customers, advertising self-regulation has to be effective across borders. The ASA continued to play a leading role in the affairs of the European Advertising Standards Alliance (EASA).

During the year, we resolved 12 complaints about UK advertisers targeting consumers in other Member States. Similarly, our colleagues in other Member States resolved 43 complaints from UK consumers that we referred under the cross-border complaints procedure. We have been glad to help the newly established advertising self-regulatory organisations in Poland and the Baltic States. We have contributed to training workshops on copy advice, monitoring and communications. In June, we took the ASA to the European Parliament in Brussels and presented to members of the Internal Market and Consumer Protection Committee. During the UK Presidency, we took part in the Television Without Frontiers conference in Liverpool. Commissioner Viviane Reding said: "I want to insist that [advertising] is an area where co- and self-regulation have made enormous progress in the EU Member States. Look, for example, at the Charter put in place by EASA. The increasing sense of responsibility of the industry could in my view lead to deregulation in the field of advertising." We also took part in a Better Regulation conference in Edinburgh, again as part of the UK Presidency.

We have played a full part in the European Commission's Round Table on advertising self-regulation. In April, our Director General Christopher Graham handed over the chair of EASA at the end of his two-year term. In his foreword to the EASA Blue Book 'Advertising Self-Regulation In Europe', Graham wrote: "EASA and its member advertising self-regulatory organisations (SROs), across Europe and beyond, provide the network that can deliver effective self-regulation of advertising, an alternative to statutory regulation – flexible where law is cumbersome, cost-effective where law is costly, speedy in comparison with the courts, and, above all, practical where too often legislative enactments are simply not enforced." For more information on EASA – and to order a copy of the Blue Book – see www.easa-alliance.org.



Independent Reviewer



Sir John Caines KCB
Independent Reviewer

Under review. Report from the Independent Reviewer of ASA Adjudications, Sir John Caines.

The review process is a valuable safeguard for the integrity of the self-regulatory system. Quite rightly I do not have the power to over-ride the decisions of the Council. But I am able to get the Council to think again if I judge its decisions to have been unreasonable or to have been based on inadequate information about the issues or the result of a flaw in the process of investigation.

Since 1999, when I was appointed as the first ever Independent Reviewer of ASA Adjudications, I have received 297 requests for the review of non-broadcast adjudications. 63 of these were either ineligible or subsequently withdrawn.

Summary analysis of ASA (Broadcast) Review cases received 2005

	2005
Total cases received	9
Of which	
In progress	0
Not referred to Council	8
Referred to Council	1
Of which	
Unchanged	0
Reversed	0
Wording changed	1

In 60% of the 234 cases which I actually reviewed, I concluded that the person making the request had failed to make out a case that there was anything wrong with the adjudication. But in the other 40% the request raised issues which justified my asking the Council to think again. Those issues have been almost equally divided between flaws of substance and wording on the one hand and flaws of process and information on the other. The results show that in three out of every four cases the Council's reconsideration produced either a reversal of the original verdict or a rewording of the reasons for the original verdict.

The year 2005 brought me the first requests for a review of adjudications about complaints against broadcast advertising. It also brought me two surprises. I had expected to receive about 15 broadcast cases whereas I received no more than nine. I had also expected that non-broadcast cases would still come in at about the rate of just under one per week – the average for the previous six years – whereas the flow dropped significantly to a total of only 28.

I suspect that the flow of broadcast cases dried up rather quickly when the outcome of the first eight reviews showed that requests needed to contain rather better arguments to persuade me that there were solid grounds under the Guidance for me to refer a decision back to the Council. Only the ninth request, from Jamster, warranted a reference back to the Council, who decided to change the wording of the adjudication (for more details about the ASA's adjudication on Jamster see page 17).

On the non-broadcast side nearly one-third of the requests received in 2005 contained a well-argued case justifying reference back to the Council. And every one of those resulted in some change to the original adjudication; indeed, three-quarters of them resulted in the original Council verdict being overturned.

It always looks as though advertisers make more use of the review facility than do complainant members of the public. That is not surprising because one-third of the requests concern adjudications of complaints not involving members of the public. In nearly 60% of the 17 non-broadcast cases where the complainant was a member of the public, it was the complainant who sought a review of the Council's adjudication. This was higher than the average of 50% over the past seven years. On the broadcast side only two of the nine review requests came from a member of the public.

Finally a word about the time it takes me to deal with a request. I am glad to be able to report that I have been able to maintain the improved speed of turn round achieved in 2004 – an average of about five weeks for a review not involving reference back to the Council and between 12 and 13 weeks when the Council is involved.

For more information about the Independent Review procedure, see page 40.

Summary analysis of ASA (Non-broadcast) Review cases received 1999 - 2005

	1999	2000	2001	2002	2003	2004	2005	TOTAL
Total cases received	46	53	37	38	52	43	28	297
Of which								
Withdrawn	4	16	9	9	9	10	6	63
Not referred to Council	22	21	17	12	24	28	14	138
Referred to Council	20	16	11	17	19	5	8	96
Of which								
Unchanged	6	10	1	4	3	0	0	24
Reversed	4	2	4	4	4	1	6	25
Wording changed	10	4	6	9	12	4	2	47



07. Co-ordinating our work on broadcast and non-broadcast advertising

**Marlene Dias,
Code Policy &
Monitoring Executive**

Marlene works on the development of the advertising codes, to ensure they are kept up to date and address changing public policy concerns. Her work helps to ensure a consistent interpretation of the rules for broadcast and non-broadcast ads, by advertisers and the ASA staff.

CAP

Chairman's introduction



Making it happen. If the launch of the one-stop shop on 1 November 2004 marked the biggest single change in advertising regulation for over 40 years, in 2005 the changes were more numerous but no less challenging.

Alcohol advertising, food advertising to children on TV, the regulation of new advertising formats and consistency in decision-making across media: the issues were familiar, but the challenges for the Committees of Advertising Practice – both broadcast and non-broadcast – were immediate. At the same time, there were many demands on industry bodies and their members, introducing and familiarising themselves with the operational processes of the one-stop shop.

Certainly, the ASA and the advertising industry have had to find their feet. Few advertisers, particularly those running expensive television campaigns, wish to take risks with code compliance. I welcome the continuing dialogue between the Broadcast Advertising Clearance Centre (BACC) and the ASA, which is helping to clarify expectations regarding substantiation as well as guidance about use of expert advice.

The CAP executive is working hard to develop its own communications with the advertising industry. The new Advice:am initiative (see page 29) – breakfast training seminars run by the Copy Advice team – provides advertisers and agencies with the chance to meet with CAP and ASA staff for briefings on the advertising codes. Another new project, promoting the benefits of Copy Advice for non-broadcast advertising, aims to help advertisers avoid later problems with the ASA.

The range of stakeholders in the self- and co-regulatory system has never been greater. Four decades ago, the Committee of Advertising Practice was established by non-broadcast advertisers, the media where ads appear, and their agencies. Today, under the contracting-out arrangements with Ofcom, they have been joined by broadcasters, the advertising clearance centres (BACC and RACC) and the Advertising Advisory Committee (AAC), who provide expert consumer advice to BCAP (see their report on page 35).

My thanks go to the members of both CAP and BCAP who have been steadfast in their commitment to the smooth running of the one-stop shop. Elizabeth Filkin and her colleagues on the AAC have, within their first few meetings, tackled the issue of both alcohol advertising and food advertising to children. Their sound advice and expertise has been greatly valued. The members of the General Media Panel and the Sales Promotion and Direct Response Panel continue to provide the ASA with an invaluable industry perspective on individual complaints and new or complex issues.

If any of us who worked to achieve the launch of the one-stop shop 18 months ago thought we had completed our task, we could not have been more wrong. Public policy demands, from both Brussels and Whitehall, place advertising under the spotlight. At the same time, there is increasing advertising expenditure in new media formats and the distinctions between broadcast and non-broadcast advertising media are blurring. Later this year, Ofcom will judge the success of the one-stop shop's probationary period. As this Report shows, the advertising industry, through CAP and BCAP, has laid the groundwork for an effective co-regulatory partnership with Ofcom and the ASA in the years ahead. We look forward to making it happen.

A handwritten signature in black ink, appearing to read 'Andrew Brown', written over a white background.

Andrew Brown
CAP Chairman

CAP review of the year

Admired around the world for its creativity, the UK advertising industry also sets the standard in effective self-regulation. The advertising industry is governed by codes of practice that are designed to protect consumers and create a level playing field for advertisers. The codes are the responsibility of two industry Committees of Advertising Practice – one focusing on broadcast advertising, the other on non-broadcast. The following pages outline specific activity in non-broadcast and broadcast media respectively; below is a review of the Committees' work that crosses all media.

01 New spirit for alcohol rules

Revised rules for alcohol advertising on TV and in non-broadcast media came into force in October 2005. The new rules followed a recommendation in the Government's 2004 Alcohol Harm Reduction Strategy that Ofcom, the communications industry regulator, should oversee a review of the rules for alcohol advertisements on TV before the launch of the one-stop shop in November 2004. (The radio rules were not thought to need change.) In June 2005, CAP published revised non-broadcast rules that were broadly similar to the new TV rules.

It has been long-standing public policy that one of the aims of the regulation of TV advertisements should be to reduce any negative impact of alcoholic drinks advertising, particularly on children and young teenagers. The TV rules have been strengthened in four main ways, including prohibiting links between alcohol and sex, appeal to under-18s, irresponsible or anti-social behaviour and handling and serving of alcoholic drinks in ads.

Sexual success

Previously, the rules prohibiting a link between alcohol ads and sexual success were not applied in practice unless actors in the ads were seen drinking alcohol. The new rules are intended to prevent more subtle links between sex and brand image. Nevertheless, scenes of romance or mild flirtation between over 25s are allowed unless the ad is likely to appeal to youngsters or suggests that drinking has smoothed or will smooth the path of passion.

Anti-social behaviour

In the past, a similar approach was taken to the rules about daring, aggressive, irresponsible or anti-social behaviour: they were unlikely to be applied unless protagonists were seen drinking. As with the link between alcohol and sex, behaviour does not have to result from drinking alcohol for it to be judged to break the rules.



A woman with dark curly hair is holding a large white sign in front of her. The sign has red text that reads '08. Responding to public policy debates on sensitive issues'. The background is a plain wall with a corkboard on the right side.

08. Responding to public policy debates on sensitive issues

**Lynsay Taffe,
Policy & Public
Affairs Advisor**

It is important that politicians and officials in the UK and EU understand the value of advertising self-regulation, to inform debates around the legislative environment in which the system operates. Lynsay responds to Government policy consultations and answers any questions that are directed to the ASA by politicians.

CAP review of the year continued



New spirit for alcohol rules continued

Youth appeal

Alcohol commercials likely to have “strong appeal to people under 18” are forbidden under the new TV rules. The previous rule forbade “particular appeal” to under 18s. Previously, therefore, if an advertisement was likely to appeal just as much to over 18s as to under 18s, the test was passed and the advertisement could run. The new rule means that advertisers have to steer clear of “youth culture” and ensure that other elements (such as animation) do not have strong youth appeal, regardless of the strength of appeal to other age groups.

Serving alcohol

The new rule requiring alcohol to be handled and served responsibly aims to prevent any suggestion of reckless abandon in the way that alcohol is handled and dispensed. Although the popping of champagne corks is likely to be acceptable, scenes of party-goers being soaked in champagne are not. Similarly, alcohol should not be thrown or poured over people and no-one may be shown pouring a drink into the mouth of another person.

The new rules for TV and non-broadcast media came into force on 1 October 2005 after a grace period that allowed advertisers and agencies time to consider and plan for their impact.

02 Gambling ads on the cards

Compliance with the advertising codes will be a licensing condition for all gambling operators when the Gambling Act comes into force in September 2007. BCAP, under contract from Ofcom, will draw up new gambling advertising rules for TV and radio and, as a result of negotiations with the Gambling Commission, CAP will do the same for non-broadcast ads. The new rules will ensure that gambling is advertised as a responsible leisure activity and that children and vulnerable people are protected. Complaints about gambling ads, both broadcast and non-broadcast, will be dealt with by the ASA.

Lucozade Sport

One-stop, one ruling

03 Training for industry

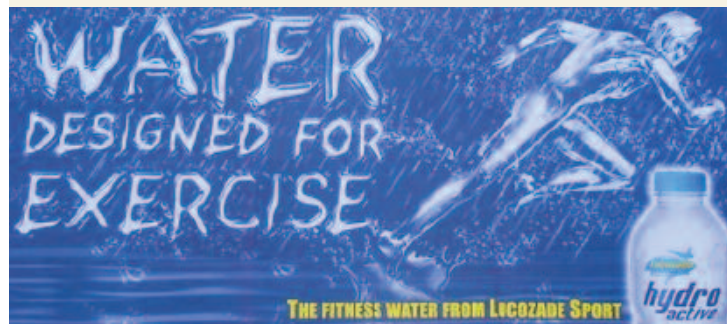
A new series of breakfast master classes for industry was launched in May. Advice:am seminars offer free practical advice and guidance for advertisers, agencies and media. The first Advice:am event, run in conjunction with the Institute of Sales Promotion (ISP), offered expert advice to anyone involved in sales promotions, including the rules that are essential for successful campaigns such as those on availability, free offers and trials, terms and conditions and the administration of competitions.

Subsequent Advice:am sessions covered the new rules and guidance for alcohol advertising and the CAP Code's requirements for the contents of magazine advertisements, in particular ads for health and beauty products. Run with support from the Periodical Publishers Association (PPA), this seminar focussed on the specific rules for health and beauty products, including efficacy, medicinal and scientific claims, anti-ageing and slimming claims.

The format of Advice:am – short breakfast seminars that take minimal time from the working day – has proved popular with its audience and each seminar to date has been over-subscribed. More events are planned for 2006. For more information about forthcoming Advice:am seminars e-mail events@cap.org.uk.

04 Keeping in touch

The CAP website and e-mail newsletter – Update@CAP – had record numbers of users in 2005, giving the advertising industry the latest news about code changes, significant ASA rulings and events. Sign up for Update and keep in touch with all the latest developments at www.cap.org.uk.



The year 2005 was the ASA's first full year as the one-stop shop for complaints about advertising. Before 1 November 2004, we had only looked after non-broadcast advertising while Ofcom addressed TV and radio. We believe that the benefits of the change have become clear, with a single and consistent approach for the numerous campaigns that span broadcast, cinema and print media.

Just one example is Lucozade Hydro Active, whose campaign appeared both on television and on posters.

In the TV commercial, we see a human figure formed of water, running, cartwheeling and doing backflips in a water-drenched environment. The voiceover tells us that the product is better for hydration than water alone, and the commercial closes with the strapline: "The fitness water". This is also the claim in a poster execution, mirroring the TV ad, under the headline "water designed for exercise". We received a complaint from a competitor of Lucozade,

claiming that using the word "water" implied an unprocessed drink with zero calories. The advertisers replied that "fitness water" was always seen in the context of the Lucozade Hydro Active Sport brand name, to convey a new type of product. They added that it was low in calories (10 per 100 ml), and that it fell into the familiar category of flavoured waters. They added that over a year of marketing the brand, they had not received any complaints from people expecting pure natural water.

We upheld the complaint that viewers could get the impression that, like water, this product would contain no calories or additives. With our 'one-stop' brief, this ruling stretches consistently across all media, from TV and cinema to press ads, posters, DM and paid for online ads.

The Committee of Advertising Practice (CAP) is the industry body responsible for the non-broadcast advertising code. CAP writes and enforces the British Code of Advertising, Sales Promotion and Direct Marketing.

Committee of Advertising Practice

Advertising Association
Cinema Advertising Association
Direct Marketing Association
Direct Selling Association
Directory and Database Publishers Association
Incorporated Society of British Advertisers
Institute of Practitioners in Advertising
Institute of Sales Promotion
Internet Advertising Bureau
Mail Order Traders Association
Newspaper Publishers Association
Newspaper Society
Outdoor Advertising Association
Periodical Publishers Association
Proprietary Association of Great Britain
Royal Mail
Scottish Daily Newspaper Society
Scottish Newspaper Publishers Association

Broadcast Advertising Clearance Centre
Radio Advertising Clearance Centre

CAP
non-broadcast

The Committee comprises representatives of advertisers, agencies, media owners and other industry groups, all committed to upholding the highest standards in advertising.

As well as regulating the content of advertisements in print, on posters, in new media and the cinema, CAP's non-broadcast remit covers all sales promotions, the use of personal data for direct marketing and the delivery of mail order goods or refunds.

01 Copy Advice on target

CAP's Copy Advice service helps ensure non-broadcast advertising, sales promotion and direct marketing campaigns comply with the CAP Code. The service is free, fast and confidential from competitors. Marketers can access the service online, by phone or by e-mail.

Concern that too few potential users know about the service was addressed during the year. In particular, the number of enquiries from media sources was low in comparison with previous years. In total, the Copy Advice team responded to nearly 9,000 enquiries during 2005, with an average response time of 6.4 working hours. The team responded to 92% of written enquiries within 24 hours, exceeding its 90% target. Research among Copy Advice users showed a high level of satisfaction with the quality of the service. In total, 92% of enquirers declared themselves to be satisfied with the service provided. Unsurprisingly, the results revealed that the most common reason for using the service is to avoid later problems with the ASA.

Marketers will be hearing more from the Copy Advice team in the months ahead – a new marketing initiative to promote the service was planned in 2005. The Copy Advice team can be contacted on 020 7492 2100 or by e-mail at copyadvice@cap.org.uk.

02 AdviceOnline

Copy Advice is available online via the CAP website – AdviceOnline offers a regularly updated searchable database of advice for non-broadcast marketing communications. A keyword search of over 300 different subjects provides detailed advice for marketers with links to relevant code clauses and past ASA adjudications. The number of subjects covered by AdviceOnline doubled during 2005, including detailed sections on sales promotions and slimming, with numerous entries revised and updated to reflect ASA Council decisions.

03 Targeting marketing

Experts from CAP were on hand at the International Direct Marketing Fair at Earls Court Exhibition Centre in February to offer advice and guidance on how direct marketers can ensure their campaigns, both electronic and paper-based, comply with the CAP Code. The direct marketing rules in the Code include obtaining, compiling, processing and use of personal data for the purpose of marketing products through direct mail as well as the rules to follow when targeting consumers with e-mail and text message marketing. Marketers visited the stand to pick up a handy check list full of tips and reminders to help them avoid distributing poorly targeted material that could mislead or offend. That and other checklists are available on the CAP website, www.cap.org.uk.

04 Wrong number

Advertisers quoting 084 or 087 telephone numbers that suggest a 'local' or 'national' call rate now need to make the cost of calls to those numbers much clearer to consumers. After BT's abolition of its standard rate for the vast majority of its customers, most consumers dialling 084 or 087 numbers have no idea what the cost of those calls will be. As a result, CAP told advertisers who quote 084 and 087 in their non-broadcast ads that they must not describe calls to those numbers as being charged at 'local' or 'national' rate but should state the maximum cost of calls to BT customers and indicate that call costs using non-BT phone lines may vary.

05 Asbof anniversary

The Advertising Standards Board of Finance (Asbof) celebrated its 30th anniversary in November with a reception at CAP's offices in London. Asbof raises the funds for the self-regulation of non-broadcast advertising via a 0.1% levy on display advertising expenditure. At the event, the Minister for the Creative Industries, James Purnell MP (pictured), paid tribute to the founder of the levy, George Bogle, who died in October. Mr Purnell said the levy enabled advertising self-regulation to be effective, robust and to command the trust of both advertisers and the public.

Spread the word

The responsibility of viral marketers to comply with the CAP Code was clarified by a Help Note on viral advertising in December. Many viral campaigns are entirely acceptable but some have the potential to offend or bring advertising into disrepute.

CAP's guidance defines viral ads as e-mail, text or other non-broadcast marketing messages that are designed to stimulate significant circulation by recipients to generate commercial or reputational benefit to the advertiser from the consequential publicity. They are usually put into circulation, or seeded, by the advertiser with a request, either explicit or implicit, for the message to be forwarded to others. Sometimes they include a video clip or a link to website material or are part of a sales promotion campaign.

Editorial content, private correspondence and much website content are exempt from CAP's remit but that does not mean viral ads are also exempt merely by having originated on a website or by being forwarded on by consumers. The Help Note is available at www.cap.org.uk/cap/advice_online/help_notes.



Sales Promotion and Direct Response Panel

Chairman

Philip Circus Institute of Sales Promotion

Jane Asscher 23red Ltd

Peter Batchelor Personal Communications Ltd

Mark Challinor

International Newspaper Marketing Association (INMA)

Mark Dugdale Flying Brands

Lesley Godwin Direct Marketing Consultant

Oliver Hickson Central Office of Information

Caroline Roberts Direct Marketing Association

Paul Whiteing ICSTIS

General Media Panel

Chairman

Grant Duncan Publicis Worldwide

Stephen Allan MediaCom

Tess Alps PHD Group UK

Teresa Brookes Newspaper Publishers Association

Carol Fisher

John Laidlaw

Andrew Melsom Agency Insight

Mike Moran The Orchard Consultancy

Chris Nadin Tomorrow's People Charitable Trust

Martyn Percy ASA Council Member

Simon Rhodes CB Richard Ellis

Claire Watson Marketing Society

Gillian Wilmot Royal Mail

**Lisa Bailey,
CAP Copy Advice Executive**

Lisa provides expert, pre-publication advice on the CAP Code to advertisers, ad agencies and media. By speaking to Lisa and her colleagues, advertisers can help avoid later problems with the ASA by getting their ads right before they appear.

A woman with short brown hair, wearing a white long-sleeved top and a grey corduroy skirt, stands in an office setting. She is holding a large white rectangular sign with both hands. The sign has red text on it. To her left, on a grey desk, is a silver mesh pencil holder containing several pencils. The background is a plain, light-colored wall.

**09.
Explaining
what we
are doing
and why**

CAP broadcast

The Broadcast Committee of Advertising Practice (BCAP) is contracted by the communications regulator, Ofcom, to write and enforce the codes of practice that govern TV and radio advertisements. The Committee comprises representatives of broadcasters licensed by Ofcom, advertisers, agencies, direct marketers and interactive marketers.

BCAP regulates the content of all TV and radio commercials on channels and stations licensed by Ofcom. It also regulates advertisements on interactive television services, TV shopping channels and Teletext services.

Three sets of rules apply to broadcast advertisements – one set for TV, one for radio and another for text services. In broad terms, they state that all types of broadcast advertising shouldn't mislead, offend or cause harm.

Chewing over food

After being asked by the Government to consider proposals for strengthening the TV Code as it applies to the advertising of food and soft drinks to children, Ofcom asked BCAP to draft content restrictions that would be used with volume and scheduling restrictions on advertisements for foods high in fat, salt and sugar. Ofcom is currently consulting on a range of options, which incorporated BCAP's proposed content restrictions, and will announce its decision later in the year.

Keeping consistent

Where relevant, maintaining consistency across the advertising codes has been a priority for BCAP and CAP. Where the meaning of the different codes is the same, interpreting them in a similar way helps the ASA avoid making rulings that contradict one another on complaints about cross-media campaigns. Broadcast code policy was aligned with non-broadcast policy for two types of claim in 2005 – "unlimited use" for telecoms packages and "free", meaning "inclusive", elements of a package. Both types of claim have prompted regular complaints to ad regulators but had been treated differently in broadcast and non-broadcast media.

Broadcast Committee of Advertising Practice

Advertising Association
British Sky Broadcasting Ltd
British Television Shopping Association
Channel 4 Television Corporation
Channel 5 Broadcasting Ltd
Commercial Radio Companies Association
Direct Marketing Association
Flextech Ltd
GMTV Ltd
Incorporated Society of British Advertisers
ITV plc
Institute of Practitioners in Advertising
Satellite & Cable Broadcasters' Group
Teletext Ltd

Historically, TV advertisers had been allowed to describe as "free" part of a package, such as "free" minutes or calls, the cost of which was included in the price of the whole package. But, the ASA had upheld several complaints about such inclusive items in non-broadcast ads. An upheld ASA adjudication on a Vodafone TV commercial that claimed "Free calls between company mobiles" stopped broadcast advertisers from claiming "free" when they really meant inclusive. A six month period of grace allowed TV advertisers time to amend their ads to comply with the new requirements.

Turn down the volume

In September, BCAP informed all Ofcom TV licensees that it was reviewing the BCAP TV rule and guidance note on sound levels in advertisements and how the rule should be applied. The review was prompted by three ASA adjudications that upheld complaints about advertisements considered to be excessively noisy. During the six months review period, BCAP and Ofcom's Broadcast Technical Policy team will informally investigate noise complaints and independently monitor advertisements. The review should provide a good understanding of the extent of compliance with the rule and difficulties and inconsistencies in applying it.

Minimum size for small print

During the year, BCAP issued revised guidance to the industry for advertisers using superimposed text in TV ads. The guidance sets out the minimum standards of acceptability for the amount, size, duration and legibility of on-screen text or 'supers'. The revised guidance is available on the CAP website at www.cap.org.uk/cap/codes/broadcast_codes/Guidance_Notes.

Watching brief

"Want to lose weight without dieting or exercise? Just wear this electric belt while watching TV." "Want to get rid of your wrinkles? Wrap your face up in elasticised bands." BCAP brought claims such as those made on Teleshopping channels to the ASA's attention nine times during the year. An infomercial for a Velform Sauna Belt claimed that using the belt would result in permanent weight reduction to targeted areas of the body, dissolve fat and sweat out toxins. A similar promotion for the Time Reverse Face Support kit claimed that the product resulted in permanent wrinkle reduction from applying a moisturiser and several elasticised support bandages. The ASA decided the infomercials were misleading and in breach of the TV Advertising Standards Code.

Bending our ears on noisy ads



The blandest, most inoffensive ad ever made can still cause real offence – if it's blasted at you at high level during an ad break.

Although our in-box isn't exactly clogged with complaints about the sound level of ads, there's no doubt that it can be a real irritant. In 2005, we therefore investigated three specific complaints concerning over loud ads in breaks on ITV, Bravo and Five.

Although there are clear technical guidelines and rules that ads must follow, many factors affect how loud they seem as you watch them. Imagine a carpet showroom ad, first in the break following on from a deathbed scene in a drama; it's going to seem much louder than it actually is. Also, certain sounds – a scream in a horror movie ad, for example – can seem much louder than a champagne cork, yet register the same volume on a meter.

We enlisted the expert help of Ofcom's technical department, who conducted tests for us. In the case of the ads on ITV, they found that the soundtracks of the ads in question (broadcast in February 2005) had, like many, been 'highly compressed'. This meant that, although they did not peak at higher

levels than their surrounding programmes, their sound levels had been treated artificially to make them stand out. Although ITV had attempted to reduce these levels, they still sounded louder than the programmes around them, and were therefore found to be in breach of the Code.

Similarly, we also upheld the complaint against Bravo, for an ad break that appeared during a re-running of the old Knight Rider series. Although we recognised Bravo's argument that the digital sound of modern ads was very different from the old analogue soundtrack of the programme, we still found that the maximum sound level they allowed was too high, and in breach of the Code. Ofcom also made a similar discovery when assessing Five, and this complaint was upheld also.

In each case, our purpose was not to punish, but to improve. As a result of the investigations, each channel was reminded to make sure that their output levels comply with the Code. Meanwhile, we have embarked on a six-month rolling programme to monitor the sound levels of ads, and to work with the broadcasters to achieve a consistent performance on air.

Check-up on toothpaste claims

Monitoring by BCAP also resulted in ads by two toothpaste manufacturers being withdrawn, even though no complaints had been received by the ASA. Under the TV Code, dentists cannot be used in ads for products. GlaxoSmithKline ran two ads, at the beginning and end of a commercial break. The first featured a dentist talking about toothpaste that could reduce, or cut out, sensitivity in teeth. In the second, a woman said her dentist recommended she should use a toothpaste for sensitive teeth and referred to Sensodyne. The ASA upheld BCAP's challenge to the ads, judging that the use of a dentist to recommend generic toothpastes for sensitive teeth was unacceptable. Viewers who saw both commercials were likely to link the dentist's advice about sensitive teeth in the first commercial with the promotion of Sensodyne in the second and the ASA ruled that the spirit of the codes had been broken.

BCAP also challenged another toothpaste ad, for Colgate Palmolive. That, too featured a woman explaining that she had talked to her dentist about her sensitive teeth. Her dentist had suggested that she should try a sensitive toothpaste and Colgate Sensitive toothpaste was shown. Again, the ASA judged that, by referring to the dentist's recommendation, albeit for an unbranded product, the advertisement implied the dentist had recommended a particular form of treatment.

Political ads out of remit

After consultation with Ofcom, BCAP issued technical updates to the broadcast advertising codes, including basic due diligence and references to new legislation. The amends ensure the TV and Radio Advertising Standards Codes are unambiguous on political advertising remit. Political ads have always been banned from UK television. The setting of standards and the investigation of complaints about political advertising have not been contracted out to BCAP and the ASA and remain matters for Ofcom. Competency for deciding whether an advertisement is political lies with Ofcom and not the ASA. The updated codes are available on the CAP website at www.cap.org.uk.

Advertising Advisory Committee



A consumer perspective.

The Broadcast Committee of Advertising Practice (BCAP) has established a consumer panel under my chairmanship to advise it on the drafting and interpretation of the BCAP Radio and TV Codes. Seven members, Jacqueline Hughes-Lundy, David Jessel, Stephen Locke, Colin Munro, Laura Simons, Jenny Watson and Michael Wilks, are independent of the advertising industry and have been appointed after public advertisement. The eighth member is Andrew Brown, the Chairman of BCAP; he brings to the Committee his long-term experience of the advertising industry.

The committee met six times in 2005 and considered several current topics on which BCAP has asked for our advice. Ian Blair, from Ofcom, attends our discussions as an observer and provides a regulatory context when it is needed. BCAP considers our advice and responds whether it accepts our advice or not.

We considered the BCAP guidance notes to the new TV rules about alcoholic drinks in advertisements that Ofcom introduced after an extensive consultation in September 2005. We advised BCAP on the sense of the guidance and on how the drafting could be improved. BCAP accepted most of the changes we suggested but decided not to incorporate an introductory statement of the intent behind the changes to the Code, similar to the one that Ofcom had used in its consultation. BCAP explained that it did not want to politicise the way the TV Code should be interpreted and that the rules existed for many reasons, not just to contribute towards the Government's solution to the present problems of under-age drinking and young people's behaviour.

We also advised BCAP on the new diet and health alcohol rules and guidance notes for both the Radio and TV Codes. BCAP has accepted all our advice except our suggestion that nutritional content comparisons with competitor products should not be allowed because it felt that all CAP and BCAP Codes allow comparisons that are truthful, fair and responsible. Much of our work in 2005 and so far in 2006 has concerned

the advertising of food and soft drinks to children. Ofcom had asked BCAP to submit proposed changes to content rules for both TV and radio and has now published its consultation on content, volume and scheduling restrictions on food and soft drinks advertisements on TV; we understand the consultation for radio will follow. We have advised BCAP on only the content restrictions but, now we know the context in which the content rules will apply, we shall respond to the Ofcom consultation as a whole.

In our work on food and soft drinks advertising to children, we have had the benefit of discussing Ofcom, FSA and food industry research and we have made several suggestions to BCAP on the proposed new content rules and guidance notes. Our discussions have been hampered by having no clear success criteria for the broadcast advertising changes and by not knowing the proposed volume and scheduling restrictions before the end of March 2006.

We have nevertheless striven to ensure that our content proposal is proportionate and workable and we are encouraged that Ofcom has accepted the BCAP submission unchanged except to suggest changing one of the child age ranges from five to ten years to five to nine. BCAP has accepted most of our advice other than our preference that the content proposal should differentiate between high in fat, sugar and salt (HFSS) foods and non-HFSS foods.

BCAP has asked us for advice on 084 and 087 telephone numbers, premium-rate voice services of a sexual nature, technical updates to the codes and the separation of guidance notes from code clauses and I am pleased to say again that BCAP has accepted most of our advice on these topics.

So, after our first year, I am pleased to report that we have given lots of advice to BCAP on a variety of subjects and BCAP has considered it carefully and has adopted most of it.

Providing a consumer perspective to BCAP through an advisory panel seems to be working well and, I believe, to the benefit of the regulatory system for broadcast advertisements.

A handwritten signature in black ink, which appears to read 'Elizabeth Filkin'. The signature is written in a cursive style.

Elizabeth Filkin
Chair

Developing people

106

Staff benefited from training opportunities during the year

16

Managers received leadership training

44

External training courses taken by staff

2

Presentations to staff by ASA Council members

135

Internal training courses taken by staff

1

All staff company day focussed on reviewing performance

12

Company-wide Knowledge Sharing forums: a formalised exchange of knowledge and experience amongst ASA and CAP staff

6

Industry Awareness sessions, including visits to ad agency AMV BBDO, ITV, ICSTIS and the Portman Group

Creating the ASA one-stop shop has involved a big exercise in change management. New ASA is a bigger operation and our staff had to learn how to do things differently. The one-stop shop has brought together staff with a wide range of experience and skills, including broadcast specialists from Ofcom and elsewhere.

We aim to be an excellent team, alert and aware, working co-operatively and with a commitment to learning and growing professionally. A priority for 2005 was to provide formal and informal opportunities for learning and professional development among all staff and to increase knowledge and understanding of the environment in which the one-stop shop operates. As CAP launched new training for the advertising industry (see page 29), ASA and CAP staff benefited from reciprocal industry visits. Company-wide Knowledge Sharing forums enabled staff and Council members to share expertise. The ASA is creating a Learning Culture; to develop our staff, to improve performance and enhance job satisfaction.

Phil Griffiths
Director of Finance
& Support Services

Finance, human resources, facilities and administration all fall under Phil's remit: he is also the Company Secretary. Phil is responsible for staff recruitment and development, and manages the funds provided by Asbof and Basbof.

A photograph of Phil Griffiths, a middle-aged man with a balding head, wearing a light blue and white checkered shirt and dark trousers. He is holding a large white rectangular sign in front of his chest. The sign has the text '10. Developing our staff' written in a bold, red, sans-serif font. The background is a plain, light-colored wall. To the right, a portion of a coat rack is visible, with a tan jacket and a brown hat hanging on it. A dark wooden umbrella handle is also visible at the bottom right.

10.
Developing
our staff

Financial report

The Advertising Standards Board of Finance (Asbof) and the Broadcast Advertising Standards Board of Finance (Basbof) fund the one-stop shop by collecting a levy on advertising expenditure.

Non-broadcast and broadcast combined For the year ended 31 December 2005

	2005	2004
	£	£
Income		
Cash received from the Advertising Standards Board of Finance Ltd	4,886,000	4,596,128
Cash received from the Broadcast Advertising Standards Board of Finance Ltd	2,125,000	1,467,000
TOTAL	7,011,000	6,063,128
Expenditure		
Salaries and staff costs	4,270,416	3,173,231
Rent and accommodation costs	736,620	672,189
Travel, subsistence and entertaining	56,522	72,857
Consultancy and professional fees	454,696	745,067
Council remuneration and expenses	238,886	277,634
Depreciation	276,093	270,286
Telephone, postage, printing, stationery and other general expenses	497,345	448,633
Advertising and promotion	586,211	395,595
Admark scheme	3,525	2,937
Onerous lease provision	191,413	696,800
Write down of leasehold assets		104,037
TOTAL	7,311,727	6,859,266
Operating loss	(300,727)	(796,138)
Profit on sale of tangible fixed asset	3,000	6,200
Interest receivable	34,209	29,961
Finance charges payable under finance leases	(44,814)	(3,210)
Pension finance	6,000	(1,000)
(Loss)/profit on ordinary activities before tax	(302,332)	(764,187)

Year to 31 December 2005

Audited income and expenditure figures for the combined non-broadcast and broadcast activity in 2005 are given on the opposite page: these figures are reflected in the sum of the finalised Report and Financial Statements that were adopted by the Non-Broadcast and Broadcast councils of the Authority at their respective Annual General Meetings held on 7 April 2006. They represent the first full year of operation of the combined operation whereas, in 2004, the combined operation was for two months only.

Income

Compared with 2004, income received from the Advertising Standards Board of Finance Ltd rose by £289,872 (6.31%) to £4,886,000. Additionally, income received from the Broadcast Advertising Standards Board of Finance Ltd rose by £658,000 (44.85%) to £2,125,000. The total income was £7,011,000; a rise of £947,872 (15.63%) compared with 2004. Interest received rose by £4,248 (14.18%) and produced additional income of £34,209.

Expenditure

The initial budget for 2005 was £7,336,000. Whilst this was agreed in principle by Asbof/Basbof, a contingency of £500,000 from the budget was required to be set aside because of uncertainty over the level of income from the new broadcast levy in the early days, and the potential liability for the former premises at Brook House. Although compliance with paying the new levy had been as high as forecast, the volume of broadcast advertising had been less than anticipated. Nonetheless, funding was sufficiently robust, and expenditure within budget overall at the half-year point, for the contingency requirement to be reduced to £250,000. The budget was revised upwards to account for the £250,000 released from contingency.

During the year significant savings in staff costs were realised largely due to the head-count being less than budgeted. This, coupled with savings elsewhere, meant that the donated space awareness campaign (see page 4) could go ahead, and the unbudgeted costs of Brook House could be accommodated. Overall, the audit confirmed expenditure of £7,311,727 (2004 - £6,859,266), which was considerably less than the costs anticipated in the Business Plan of September 2004 (£7,934,000).

The finalised Report and Financial Statements for the two companies reflect a split of costs between non-broadcast and broadcast activity based on applying 60% and 40% respectively (the actual staff costs ratio for the year) 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.

Profit/Loss

The combined loss before tax for both non-broadcast and broadcast activity was £302,332 (2004 - £764,187). This is indicative of the improved financial position overall and reflects the change in exceptional non-cash items in 2004 and 2005 (the onerous lease provision and write-off of fixed assets at Brook House) and the non-broadcast levy income being better than anticipated. After tax the combined loss was £293,687 (2004 - £789,492).

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The Advertising Standards
Authority Ltd
Mid City Place
71 High Holborn
London
WC1V 6QT
Telephone: 020 7492 2222

Registered in England:

No 733214

Registered office:

The Advertising Standards
Authority (Broadcast) Ltd
Mid City Place
71 High Holborn
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WC1V 6QT
Telephone: 020 7492 2222

Registered in England:

No 5130991



Senior management team

01 Christopher Graham
Director General

02 Guy Parker
Director of Complaints
& Investigations

03 Claire Forbes
Director of Communications

04 Phil Griffiths
Director of Finance
& Support Services

05 Roger Wisbey
Director of Advertising
Policy & Practice and CAP Secretary

06 Alan Chant
Director of Development

Our standards of service

Responding quickly to your enquiries

We shall aim to answer your telephone call to our switchboard within four rings during business hours.

Our aim is to reply to all correspondence within ten working days.

We aim to resolve complaints without undue delay, but complaints that require investigation take longer than the average. The assessment of complaints by commercial competitors can be protracted.

Dealing thoroughly with your complaint

If you decide to complain to the ASA about an advertisement, we are committed to acknowledging your first letter within five days of receiving it. If your complaint is not for us, but for another regulatory body, we shall tell you at this point; otherwise we shall tell you how our procedures will be applied.

If your complaint falls within the remit of the ASA, we shall consider whether there has been a possible breach of the codes. We shall keep you informed of progress with the handling of your complaint at intervals of no longer than 15 working days.

From the point at which we decide to investigate your complaint, a named executive will be in charge of the case and will act as a continuing point of contact with you.

If you are dissatisfied with the ASA's decision on your complaint you may be able to request a review by the Independent Reviewer of ASA Adjudications provided you write to him at Bloomsbury House, 74-77 Great Russell Street, London WC1B 3DA, within 21 days of receiving our formal adjudication. Details of the review procedure are set out in the codes.

Being accessible to complainants

Our website www.asa.org.uk gives access to information about the self-regulatory system and the codes, explains how the ASA operates, gives details of complaints and adjudications, and profiles members of the ASA's Council and staff.

Members of staff will at all times identify themselves by name and endeavour to be as polite and helpful as possible. If you feel that a member of staff is not living up to the high standards we set ourselves, you should write to the Director General who will look into the matter.

The ASA is independent of government and the advertising industry. A majority of our Council are members of the public who are appointed following public advertisement.

The ASA costs the taxpayer nothing. We shall continue to investigate complaints free of charge.

Improving our service

We shall regularly publish statistics showing the number of complaints received and resolved.

We shall publish information on our performance in meeting these standards of service commitments, and the average time taken to deal with complaints.

See www.asa.org.uk/asa/about/standards for a summary of performance indicators showing the standards achieved in 2005.



Advertising Standards Authority

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