

Advertising Standards Authority

**Broadcast Advertising
Adjudications**

15 February 2006



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ADVERTISER: Central Office of Information and Department for Education and Skills

AGENCY: Delaney Lund Knox Warren & Partners Ltd (DLKW & Partners Ltd)

Date: 15 February 2006

Media: Television and Radio

No. of complaints: 4

COMPLAINT:

A TV and radio ad for the Department of Education and Skills (DFES) promoted student loans for tuition fees.

The voiceover in the TV ad said "Is the thought of paying back your university tuition fees preying on your mind? Because, from next September, full-time students can get a tuition fee loan and you only start paying it back when you're in work and earning over £15,000. And even then you could be paying just £5.19 a week. To find out more just get in touch." On-screen text said "Terms and conditions apply. England only. Repayments and duration dependent on earnings. Based on graduate level job average starting salary of £18,000."

The radio ad said "Is the thought of paying back your university tuition fees preying on your mind? Because, from next September, full-time students can get a tuition fee loan and you don't start paying it back until you're in work and earning over £15,000. On a salary of 18,000 that means repayments of just £5.19 a week. Study first, pay back when you're earning. To find out more call 0800 587 8500."

1. Three complainants said the TV and radio ads omitted key information required by the Consumer Credit Act (CCA) 2004 which included the typical interest rate (APR) and the fact that interest would accrue from the point of taking out the loan, not just when repayments started.
2. One of the complainants also said that, to comply with the CCA, the ads should not have included an example of a weekly repayment amount if this was not an actual repayment option for employees.
3. Another complainant said the radio ad implied the total repayment for all student loans was £5.19 a week or the equivalent. He said that, because most students would need to borrow money to cover more than just their tuition fees and because the ad failed to mention the additional sums likely to be involved, it was misleading.

ADJUDICATION:

1. Complaints not upheld

The DFES said the ads were exempt from the CCA regulations because the loans being advertised were low interest and the payments were income contingent. They provided a letter from the Office of Fair Trading (OFT) confirming this. They said the ads focused on

making potential higher education students aware that there were student loans available to cover their tuition fees which they would only have to repay once they were in work and earning over £15,000 a year.

The Broadcast Advertising Clearance Centre (BACC) said they understood the TV ad was exempt from the CCA regulations and as such was not required to state the APR or to confirm when the interest would start to accrue.

We accepted that the ads were exempt from the requirements of the CCA. Furthermore we did not think the APR or the start date from when interest would accrue were significant conditions that might have misled consumers into making enquiries they otherwise would not have made. We also considered that most consumers would expect the (low level) interest to accrue from the point of taking out the loan rather than when repayments started. We did not consider the APR or the start date from when interest would accrue needed to be stated in the ads.

2. Complaint not upheld

The Radio Advertising Clearance Centre (RACC) said there was little material difference to people whether they made weekly or monthly repayments and this information could be fairly conveyed to students when they took out a loan. They said the ad was not intended to give students a detailed account of the way the loans worked and the repayment information was included simply to provide a rough idea of the likely financial commitment.

The BACC said the TV ad stated "you could be paying £5.19 a week" which made it clear that the weekly repayment was only one option depending on your circumstances.

We noted that the CCA did not permit credit ads to state a "weekly equivalent" repayment schedule (i.e. £5.19 a week) unless such a repayment schedule was provided for under the agreement. We noted this would not be the case for all students as repayments towards the loans would, in most cases, be taken directly from an employee's earnings and the payment frequency was therefore determined by that. However, we were already satisfied that the ads were exempt from the CCA requirements. On balance we did not consider the example used in the ads was likely to mislead viewers as £5.19 a week was an actual repayment schedule for employees who were paid weekly and most viewers would understand that a monthly repayment schedule would involve a proportionally higher repayment amount.

3. Complaint not upheld

We noted that the ad specifically mentioned the purpose of the loans was for tuition fees. We did not consider that listeners would infer that the total repayment for all student loans would be the equivalent of £5.19 a week on a salary of £18,000. Nor did we consider an ad for a tuition fee loan needed to mention that students may need to borrow money for more than just their tuition fees.

We considered the TV ad under CAP (Broadcast) TV Advertising Standards Code rules 5.1 (Misleading advertising) and 9.8 (Lending and credit) but did not find it in breach.

We considered the radio ad under CAP (Broadcast) Radio Advertising Standards Code section 2, rule 3 (Misleadingness) and section 3, rule 1.8 (Lending and Credit Advertisements) but did not find it in breach.

ADVERTISER: Famosa Toys Ltd
AGENCY: Famosa Toys Ltd
Date: 15 February 2006
Media: Television
No. of complaints: 2

COMPLAINT:

A TV ad for a radio-controlled Disney Heroes Peter Pan pirate ship featured the ship being attached to a wheeled base and moved around in water with a radio control. A number of action figures were on-board the ship and it was shown interacting with other toys such as a raft and island. The words "Around £44.99" and "Each sold separately" appeared on-screen at the end of the ad while the voiceover said "New pirate ship with radio control. By land or by sea". The final shot was a pack shot of two items with a child's hands holding the radio control and the ship moving across in front of the packs.

1. Two viewers complained that the ad did not make clear that the "floatability kit", the radio control which was required to use the ship as shown in the ad, was sold separately from the ship itself.
2. One of the complainants said that the floatability kit was not widely available.

ADJUDICATION:

1. Complaints upheld

The Broadcast Advertising Clearance Centre (BACC) said that the ad included text that clearly stated that the two parts of the toy were sold separately and that this text was on-screen during the final shot of the ad which showed two different packs.

We noted that the ad included on-screen text that stated "Each sold separately" and a shot including two separate packs. We considered, however, that even with these visuals the ad did not make it sufficiently clear that the ship and the floatability kit were separate items. The floatability kit was not explicitly referred to as a separate item and the text "Each sold separately" could have been taken by viewers as referring to the action figures shown (only three of which came with the ship) or the other toys. We also considered that the voiceover "New pirate ship with radio control" gave the impression that the radio control was included with the ship.

We noted that the ad included onscreen text that said "Around £44.99". This referred to the price of the ship only. We considered that including only one price could have reinforced the impression that the toy as shown, the ship and the radio control, was sold as a single item.

The ad breached CAP (Broadcast) TV Advertising Standards Code rules 5.1 (Misleading advertising) and 5.2.2 (Implications) on this point. It must not be shown again in this form.

2. Complaint not upheld

Famosa Toys Ltd said that they had supplied their products to a number of independent retailers and also an on-line retailer. They said that they had received no complaints from consumers about non-availability of the floatability kit.

We noted that the ad had not made any claims about availability in specific stores and were satisfied that Famosa Toys Ltd had made the product available to an adequate number of retailers.

The ad was investigated under CAP (Broadcast) TV Advertising Standards Code rules 5.1 (Misleading advertising) and 5.2.3 (Qualifications) but was not found in breach on this point.

ADVERTISER: Shepherd Homes Ltd
AGENCY: Cravens Advertising Ltd
Date: 15 February 2006
Media: Radio
No. of complaints: 1

COMPLAINT:

A radio ad for Shepherd Homes said "Shepherd Homes luxury two bed apartments at the Laurels, West Monkseaton are a great place to live. Newcastle and Sunderland are in easy reach and yet you're only five minutes walk from the beach; great for a stroll on a Sunday. And for runners, well it's just paradise. Best of all, we'll pay your 5% deposit for you. That's worth at least £7,500. It's a breath of fresh air. For more information call 01 ... or visit shepherd-holmes.co.uk." The background sound effects included the sound of waves and seagulls.

A listener said that the ad was misleading because the advertised apartments were between a mile and a mile and a half from the nearest beach, making them significantly longer than five minutes walk from the sea.

ADJUDICATION: Complaint upheld

Metro Radio, the station that cleared and aired the ad, said that they took particular care to stress to advertisers that the claims made in their ads must be properly substantiated and would ensure that in the future advertisers were made aware that all similar claims must be accurate. They said that they had not received any complaints from listeners about the ad, which had only been broadcast for four days and would not be aired again, and that they did not feel that it was likely that the complainant would have suffered any detriment as a result of hearing the ad.

Cravens Advertising Ltd said that there was no deliberate attempt to mislead listeners and that the claim was made as a result of casual research which had not been verified. They acknowledged the error and said that they would ensure that all of their future ads would be thoroughly vetted for accuracy.

We noted and welcomed both the broadcaster and agency's undertaking to ensure the accuracy of claims in future ads. We considered that the claim in the ad that the apartments were a five-minute walk from the beach was inaccurate and could have misled listeners into taking action that they may not otherwise have taken, such as making enquiries about the development or visiting the properties.

The ad breached CAP (Broadcast) Radio Advertising Standards Code section 2, rule 3 (Misleadingness). It must not be broadcast again in its current form.