

Background Briefing

The Advertising Standards Authority (ASA) works to maintain the highest standards in advertising by taking action to prevent ads from being misleading, harmful or offensive. Visit www.asa.org.uk for more information about our activities, to view the Advertising Codes or to access our database of adjudications.

Homeworking

Situations vacant?

Advertisements which offer work from home are generally known as 'homeworking schemes'. A typical example might be: "Earn £50 per 100 mailing envelopes. Send stamped addressed envelope to ...".

Advertisements for homework schemes frequently appear in Situations Vacant or Recruitment columns in newspapers, and tend to appeal to people who are most in need of legitimate work from home, such as the unemployed, single parents and the disabled.

The Authority regularly gives advice to newspapers to encourage them to tighten up on their checking procedures when accepting advertisements. This has meant that some scheme operators have resorted increasingly to placing cards in shop windows - which are not regulated by the ASA.

The rules

People must be able to make an informed choice on the opportunity available.

- Work must be clearly and accurately described. These schemes are not illegal, but the advertiser must ensure that the public are not being misled about the type of work involved, or anything else that would influence their judgement.
 - Any financial outlay required must be made clear. These schemes generally involve a registration fee or a sum of money for a 'starter pack'.
 - Earnings claims must be capable of substantiation and realistically attainable. Forecasts of earnings should not be made if the scheme is new.
 - Although it need not be in the initial ad, all that information must be available, without charge, before participants commit to the scheme.
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Complaints

The ASA received 50 complaints about homeworking schemes in 2008. Many complaints relate to:

- Initial advertisements which do not fully describe the work, or refer to a "one-off registration fee" when subsequent literature demands further payments before any work is offered.
- Work being persistently returned as sub-standard and no payment being made.
- Exaggerated earnings claims.

Pyramid schemes

In June 2008, the non-broadcast advertising Code was updated to reflect the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) which prohibits schemes where earnings are derived primarily from the introduction of other consumers into the scheme (a pyramid scheme).

In 2008, the ASA investigated a complaint about an ad for homeworkers that required respondents to place ads in shop windows asking other consumers to send a stamped addressed envelope to receive details of a homeworking scheme. The ASA considered that, because consumers were being paid primarily for introducing other consumers to it, the scheme was a pyramid scheme and therefore should not be advertised.

Looking for a genuine opportunity?

Not all homework schemes are dishonest. The ASA continues to take action against companies making misleading offers of work from home, and the following advice can help consumers avoid problems in the first place:

- Don't expect to earn vast sums of money for doing very little.
- Don't send any money unless the initial advertisement clearly states how much you will be charged and exactly what this is for. In many instances you may have problems getting a refund if you are not satisfied with the scheme.
- If you are unsure about a particular company, try contacting Consumer Direct or your local Trading Standards Department to see if they have had any complaints about them.
- The National Group on Homeworking is no longer able to offer advice to consumers but you can still access useful information on their website.

ASA action

Direct Marketing UK Ltd, 17 September 2008

A magazine ad stated "HOME WORKERS URGENTLY REQUIRED No Experience Necessary..." It went on to claim that readers could earn £400 for fulfilling 250 envelopes. The ASA upheld against the ad on a number of counts, including on the count that it was considered a pyramid scheme.

ABSS UK Ltd – 25 March 2009

A regional press ad for a home working scheme offered £500+ per week for working from home. In addition to complaints from two consumers who challenged that neither the ad or the follow up material made clear the nature of the work offered, the ASA also challenged the earning figures quoted, the lack of information about obligatory fees and costs and whether the ad was actually for a pyramid scheme.

Further advice

Consumer Direct - government-funded telephone and online service offering information and advice on consumer issues – www.consumerdirect.gov.uk 08454 04 05 06.

National Group on Homeworking – whilst this group is no longer operational, their website still provides useful links and information - www.homeworking.gn.apc.org/home.