

involve

evolve

Advertising Standards Authority
Committee of Advertising Practice

Annual Report 2010



The Advertising Standards Authority (ASA) is the UK’s independent regulator of advertising across all media. We apply the Advertising Codes, written by the Committee of Advertising Practice (CAP) to ensure that advertising in all media is legal, decent, honest and truthful.

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we involve you

2010 has been a year of getting others involved in what we do

Whether it’s been speaking to our staff about how we do things better as a team or asking consumers and industry for their views on our work, we have talked, listened and acted on the outcomes of our conversations.

Along the way we have evolved

ASA Chairman's Introduction

It has been a year of significant change at the ASA. The introduction of new revised Advertising Codes in September; the thorough review we undertook of all our processes and ways of working; the preparations for the extension of our remit into marketing on websites; the assumption of responsibilities for video-on-demand; and in the wider world, the election of a new government, with new priorities. It has been a very busy year for us.

This has been especially true as we have had to keep staff numbers tight, in light of constrained financial circumstances. And through it all, we have kept doing a highly professional day job of handling 13,074 cases and meeting all our performance targets. We owe a huge amount to our dedicated staff, in achieving so much.

important our work is, and also of how responsible the overwhelming majority of advertising is.

We've been taking a broader look, too, at the way we communicate with consumers. We want to be as accessible and transparent as possible. Following the review of our operations and processes, we've been looking at how we express our

“We have been determined to achieve change through conversation and **engagement** with consumers, industry and the public.”

Our ability to undertake such momentous change wouldn't have been possible, however, without our determination to achieve change through conversation and engagement with consumers, our industry stakeholders, and with the wider public realm.

Recently I was in Cardiff, spending an afternoon talking with fifth- and sixth-formers and their teachers about a range of ads and the issues that they raised. I know I learned a lot; I hope the students did too. I was left with a firm impression of how media literate and savvy these young people were, and how fiercely they felt, as well, about what was acceptable and what wasn't within the ads they encountered every day. It was a reminder of how

adjudications, and we've been working to improve our leaflets and complaints forms. And we've been putting a new consumer advertising campaign in place, to highlight our work generally, but in particular our remit extension to websites. We've had wonderful help in this from ad agency AMV BBDO and media planning agency OMD; and we are very grateful for their pro bono support. And our thanks must also go to the very many media owners who have donated space and airtime to our campaign.

I have been particularly delighted that we've brought back our much-loved strapline of 'legal, decent, honest and truthful'. We had consigned it to the back burner for far too long, and its reappearance in all our communications is truly welcome.

In order to regulate well, we have to share views and progress, and to communicate effectively, with everyone who has a stake in what we do – whether it's consumers, or business, or politicians, or civil society more widely. And it's vital that as part of that dialogue we listen to what others tell us, and act on it when appropriate. In undertaking the review of our operations and processes we directly invited a cross-section of organisations and individuals representing consumer groups, industry and policy makers to provide their views. And we have been taking on board many of the ideas and proposals that emerged. Our aim is not just to become more efficient and cost-effective, but also to find smarter ways of working.

As we look forward to the year ahead, we can reflect with some pride on what has been achieved during the past year.

And whilst we don't expect to carry on making quite such big changes all the time, we will certainly want to continue to listen, to engage and to adapt.

Chris Smith



Rt Hon Lord Smith of Finsbury, ASA Chairman

legaldecenthonesttruthful

2010 has been a momentous year for the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP): the industry bodies that write and enforce the UK Advertising Codes.

CAP Chairman's Introduction

In March, after full public consultation, we launched new Advertising Codes following a two-year review, which solicited views from every section of society. In recognition of our work and its quality, particularly by Andrew Marsden and his team, we were delighted to receive the *Best Practice Gold Award* from the European Advertising Standards Alliance.

In September we extended the remit of the non-broadcast Code to organisations' marketing communications on their own websites, and in other non-paid-for space online under their control, and assumed responsibility for regulating ads in video-on-demand media services. These developments testify to the industry's commitment to self-regulation and the system's ability to respond effectively to the challenges of technological and social change.

I would like to record my thanks to the Advertising Advisory Committee (AAC), which is expertly chaired by Elizabeth Filkin. The AAC provides a consumer perspective to BCAP's work and its advice has been invaluable when formulating broadcast advertising policy.

I would also like to thank the Chairmen and the expert practitioner members of the General Media Panel and the Sales Promotion and Direct Response Panel. I am extremely grateful to them and their employers for their hard work, which is unpaid.

2010 marks my last full year as Chairman of CAP and BCAP. I joined CAP in 1993, becoming Chairman in 1999, and have chaired BCAP since its inception in 2004.

Advertising is one of those business sectors that has always attracted 'views'; hardly surprising when one considers that an advertisement's first duty is to be noticed. However, over my time this has become transformed into a position where some 'representative' bodies now claim an understanding of its effects well beyond those held either by the business or by the evidence. We have been involved in many discussions with such bodies, for which, whether in agreement or otherwise, we are grateful. I believe sensibly and despite pressure, we have remained committed to being an evidence based regulator.

The result is a single system of advertising content regulation, sensitised in its responsibilities through such dialogue, and unrecognisable from ten years ago in its scope through its necessary response to changes in society and legislation.

Importantly, however, the principles behind our system have remained unchanged: credible and inclusive rules that protect the consumer, particularly those most vulnerable; independent, trusted and binding adjudications; and effective 'arm's length' industry funding. The media landscape has changed beyond recognition but adherence to these principles has ensured the

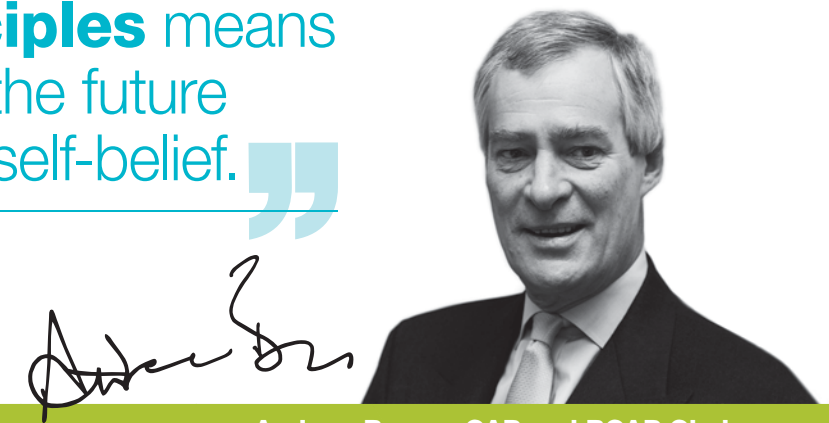
continuing fit-for-purpose characteristics of our system: it faces the future with confidence and self-belief.

None of this would have happened without the commitment and energy of every trade body, company and individual determined to contribute constructively to the changes necessary. They have been assisted by a wonderful staff whose professionalism has enabled this evolution to take place with competence.

The wider advertising business, whose primary function is as a tool of fair competition (with the added benefit of media plurality), is indebted to them all as am I. It has been a privilege to work for an open-minded system that serves both the interests of the consumer and the business better than any alternative.

I wish my successor, James Best, and his team every success over the coming years. Thank you all.

“Keeping to our **principles** means the system can face the future with confidence and self-belief.”



Andrew Brown, CAP and BCAP Chairman

effective now and for the future

ASA news

Before we take a closer look at some of the bigger projects we worked on in 2010, here's a round-up of some of our other highlights.

01 All creatures great and small
People got in touch with us on nearly 2,000 occasions about animals in ads. And an ASA ruling against the Little Pig Farm, a 'micro-pig breeder' drew considerable national media interest when they could not prove their claim that all their pigs would remain 'little'.

Many of the other complaints related to animal welfare issues and three particular campaigns feature in our most complained about ads of the year (see pages 24-25). Paddy Power's TV ad of a blind footballer accidentally kicking a cat tops the list with 1,313 complaints. John Lewis' Christmas ad showing a dog in a snow-covered kennel attracted 316 complaints, and AG Barr's cartoon animals being led to a butcher's shop prompted 204 complaints.

The UK is obviously a nation of animal lovers, and we make sure that ads don't encourage or condone cruelty. We seek assurances that a vet or other qualified animal welfare expert was present during the production of the ad. When judging whether an ad has breached the rules we assess the whole context of the ad, such as the use of special effects; if the animals are highly trained; and whether they feature in fantastical or light-hearted scenarios.

02 Transparency
We know people want to know about what we do and how we do it. This is one of the reasons why we publish detailed information and rulings on our website – it puts things on the public record. We also make a lot of other information public, like the statistics we collect and our standards of service. Nonetheless, in 2010 we started a project to review how we might become even more open and transparent. We'll let you know the results in 2011.



04



04



01



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03 Condoms
On 1 September, the rule that kept TV ads for condoms after 9 pm (or 7.30 pm on Channel 4) was changed. This means that condoms can now be advertised at any time of day, but not around programmes targeted at the youngest viewers.

The rule was changed in response to concerns about high rates of teenage pregnancy and rising sexually transmitted infections in the UK. The first ad to air after the rule change prompted 151 people to get in touch with us. We didn't uphold the complaints, but receiving feedback on the new rule was important to us. By the end of the year complaints about TV advertising of condoms totalled 152.

04 New directors
We welcomed the arrival of two new directors. Miles Lockwood became our new Director of Complaints and Investigations – he joined us from the Law Society. And Trevor Ellis became our Director of Corporate Services, joining from Voluntary Services Overseas.

05 Alcohol
We responded to public concerns by continuing to keep an active watch over alcohol ads. Our latest compliance report, published in 2010, showed that more than 99% of the surveyed ads were compliant with the rules.

“We're reviewing how we might become even more **open** and **transparent**.”

listeningengagingresponding

CAP's work on a new online remit for the ASA and the new Advertising Codes stole many of the headlines in 2010, but here's what else we've been up to.

CAP news

01 Working with the OFT

The vast majority of advertisers adhere to the rules, but for the small handful who don't, we can work with our colleagues at the Office of Fair Trading (OFT) to help bring them into line. Following a referral from our Compliance team to the OFT, First Class Trading Ltd (a business promising consumers paid work in the modelling and entertainment industries) signed undertakings that it would not mislead people into believing that by paying up-front fees they would have a realistic chance of obtaining work.

02 Body confidence

We are always open to considering calls for change in light of evidence. So when The Campaign for Body Confidence presented us with 172 studies, we were pleased to engage with the debate and assess the evidence. The Campaign for Body Confidence is looking at the role that media images play in low body confidence amongst young people. We concluded that the evidence did not merit a change to the Advertising Codes, because it didn't suggest a problem with advertising. But we welcomed the Campaign's submission and look forward to their continued engagement with us.

03 Broadband and telecoms

The ASA asked us to review 'up to' speed claims in broadband ads and 'unlimited' usage claims in telecommunications ads. This was in response to concerns about whether consumers could actually achieve the speed and usage claims being advertised. We are consulting with the intention of producing guidance to help advertisers promote their services, in a way that avoids the potential to disappoint consumers.

04 CAP Chairman

In July, Andrew Brown, the Chairman of CAP and BCAP, announced his retirement. Andrew has been a champion of consumer protection, placing the public (particularly young people and the vulnerable) at the heart of our work and the ASA's regulatory responsibilities. He became Chairman of CAP in 1999 and BCAP in 2004 and we are grateful to him for his unwavering commitment to advertising self-regulation.

He will be succeeded by James Best in April 2011 – previously Chairman of ad agency DDB UK. He will leave his current membership of the ASA Council when he takes up his new role.

05 EASA Best Practice Award

CAP and BCAP won the European Advertising Standards Alliance *Best Practice Gold Award 2010* in recognition of the comprehensive and highly successful review of the UK Advertising Codes. The Advertising Codes were subject to a comprehensive two-year review including a full 12-week public consultation. Our objective was to ensure the Advertising Codes remained fit-for-purpose, easy to use and effective for the benefit of consumers and advertisers. The EASA Best Practice Awards recognise projects and initiatives that achieve the highest standards in advertising self-regulation across Europe.



consistenttransparentaction

new advertising codes



On 1 September 2010, after a comprehensive three-year process of review, consultation and training, the new UK Advertising Codes came into force.

We set out to make the rules fit-for-purpose now and for the future. It was particularly important to make sure that we worked collaboratively with everyone who had an interest in the Advertising Codes. We sought and received the views of a wide range of stakeholders including government, other regulators, parents and children's groups, charities and religious organisations, as well as the advertising industry. Their helpful and constructive input was integral to the process.

Clear and simple

We listened and responded to the plea from business for simpler and more user-friendly rules. We created a single broadcast Code for TV and radio in place of the existing four. This means we now have just two Advertising Codes: the UK

Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (The CAP Code) and the UK Code of Broadcast Advertising (The BCAP Code). We also created a greater level of consistency across the Advertising Codes and laid out the rules in an easy-to-use format.

Legal, decent, honest, truthful

Our main objective was to keep a strong level of consumer protection and social responsibility at the heart of the Advertising Codes – and it was clear that our stakeholders shared that objective. This means that the 50 year-old principles – that all ads should be legal, decent, honest and truthful – have been maintained and strengthened. This led to some important changes to the rules.

“Our main objective was to keep a strong level of consumer **protection** and social responsibility at the heart of the Advertising Codes.”

We introduced an over-arching social responsibility rule into the new BCAP Code, a rule that's been present in the CAP Code for many years. This catch-all rule requires advertisers to think carefully about the impact of their ads on consumers and society.

Children

As always, the protection of children was high on our agenda and this led to several changes, such as the introduction of a new rule to make sure that ads don't exploit the special trust that children place in parents, guardians, teachers or others. We responded to a recommendation in Dr Tanya Byron's report *Safer Children in a Digital World* by introducing a TV and radio rule to prevent ads for age-restricted computer and console games from appearing around programmes made for, or likely to appeal to, children.

Spreading the word

The publication of the new rules in March marked a new phase in the project. There was a six-month period of grace in which we worked to make sure that advertisers, agencies and media were getting to grips with the changes.

Our focus was to make sure that everyone was prepared for 1 September – the date that the new rules came into effect.

We provided a comprehensive range of training and advice tools and set about raising awareness of the new rules through the trade press. Our training schedule was intensive, as well as hosting training events at our offices, we visited different companies and ran training sessions there. It was important to us that everyone had the opportunity to access our advice, so we updated our free online advice and placed a video of one of our training seminars on our website.

The first simultaneous review of the UK Advertising Codes in nearly 50 years of their history has been a success. The ASA has been administering the new rules effectively and industry has shown its professionalism in getting to grips with the new requirements. By involving everyone in the future-proofing of the Advertising Codes, we have made sure that business can continue to market responsibly and consumers can trust the ads they see.

“The new Advertising Codes show **self-regulation** at its best.”

Andrew Brown
Chairman of CAP and BCAP

futureproofing selfregulation

“Consumers will enjoy the same level of **protection** on websites as they do in paid-for space.”

1 September 2010 was a significant day for the ASA and CAP. As well as being the day that the new Advertising Codes came into force, we announced that our responsibilities in the digital space were changing.

a new remit



Video-on-demand

We started regulating ads in video-on-demand (VOD) services under a co-regulatory relationship with Ofcom. Although we already regulated VOD ads under the CAP Code on a self-regulatory basis, a new EU law, the Audiovisual Media Services Directive, required the UK to regulate, more formally, some aspects of VOD ads.

The UK Government and Ofcom agreed that the ASA remained the best place for regulation and on 1 September, the new co-regulatory structure went live.

We upheld a complaint about a VOD ad for the very first time in 2010. An ad for the 15 rated film 'Carriers' was shown before and during the X Factor final on ITV Player. We ruled that the ad contained content that was frightening for younger viewers and should be targeted more carefully away from family programmes.

Online

The big story of the year was the decision to extend the ASA's remit even further online. We already covered online ads in paid-for space and sales promotions wherever they appeared, but nearly two-thirds of the complaints we received about online marketing activity sat outside that remit. It was clear that the regulatory gap needed to be plugged to make sure consumers could enjoy the same level of protection on websites as they did in paid-for space.

In March 2010, the advertising industry's wide and rigorous discussions on how to extend our remit drew to a conclusion and they passed their recommendation to CAP for approval and implementation. On 1 September it was announced that the ASA would start regulating companies' marketing communications on their own websites and in other non-paid-for space they control from 1 March 2011. New funding and sanctions to support the remit were also announced.

We spent the rest of the year preparing for our 'go live' date. We reviewed our internal processes, trained our staff and, importantly, provided advice, training and guidance to the industry.

We're determined to get this huge change right.

We're keeping the lines of communication firmly open. Part of our announcement on 1 September was of a two-year active review period. We're asking those who are affected by our new remit to get in touch and share their experiences. We want to know what is working and what isn't. By listening and responding to what you say, together we can make this a success.

New remit

The CAP Code will apply in full to:

- Advertisers' own marketing communications on their own websites
- Marketing communications in other non-paid-for space under their control, like on the social networking sites Facebook and Twitter

Additional sanctions

- **Enhanced name and shame** – advertisers that won't comply with our rulings could be listed on a special area of the ASA website
- **Removal of paid-for search advertising** – ads that link to a page hosting a non-compliant marketing communication may be removed with the consent and co-operation of the search engines
- **ASA paid-for search ads** – the ASA could place advertisements online highlighting an advertiser's continued non-compliance

New funding

The standard 0.1% levy will be extended to paid-for search ads placed by agencies on internet search engines. The levy will be supplemented initially with seed capital from Google.

extending protections online

“Our philosophy is that prevention is better than cure. And our customers agree. 92% would **recommend** Copy Advice to a colleague.”

training and advice

Created by industry for industry, CAP Services is a range of advice, training events and online resources to help practitioners get their ads right. As well as increasing awareness and understanding of the Advertising Codes, CAP Services also help advertisers to avoid the reputational or commercial damage that could result from breaching the rules.

CAP Services brings all our training and advice services under one roof, making it easy for all those involved in the production of ads and other marketing communications to find expert advice on the rules.

Much of our advice and guidance in 2010 was rightly focused on supporting advertisers, agencies and the media in getting to grips with the new Advertising Codes and our new online remit. But that didn't stop us from also providing advice and support on many other topics such as alcohol advertising, health and beauty claims and environmental advertising. This meant that we delivered our busiest ever training and awareness programme.

We delivered:

- 11 Advice:am seminars
- 18 bespoke seminars to companies
- 30 industry presentations
- 2 agency graduate training seminars
- The review of more than 400 AdviceOnline entries in line with the new Advertising Codes
- 12 newsletters giving advice and guidance on topics like video-on-demand advertising, the royal wedding and the VAT rise
- 2 online videos of our Advice:am seminars on the new Advertising Codes and our new online remit

Overall, we provided advice and training on 45,462* occasions.

*The number of discrete occasions where training or advice was provided.

Premium services

Our core services remain free to use, but our range of premium services, which carry a charge, have continued to be popular amongst marketers. Given their popularity, we decided to look at ways of expanding our premium services to give advertisers, agencies and media more choice than ever over how they access our expertise.

Website audits – In preparation for the ASA's new online remit, we worked on plans for a new website audit service. We knew that responsible advertisers would want the peace of mind of knowing that their online marketing was compliant with the rules. The new audits provide tips and tools on how to get online marketing right. In particular, the audits provide an expert assessment of dedicated website content, including advice on what material falls within the new remit and which claims might require amendment.

Express Copy Advice – The Copy Advice team provides confidential, free advice to advertisers, agencies and media on their non-broadcast marketing campaigns prior to publication. One of the outcomes of the recent review of our processes was to consider introducing a charge for some aspects of the service. We remain committed to maintaining free access to the Copy Advice service, but we have been considering how we might introduce a charge for receiving a response substantially faster than our standard 24-hour turnaround. We will be announcing the outcome of our review in 2011.

Our philosophy is that prevention is better than cure. And our customers agree. In our 2010 survey 92% of Copy Advice users said they were pleased with the quality of the service they received and would recommend it.

To find out how you might benefit from CAP Services please visit www.cap.org.uk.

safeguarding your reputation

taking action

Protecting consumers

Whether it's protecting children from inappropriate material or stopping irresponsible financial ads, one of our top priorities is making sure we protect the vulnerable.

Children

The Advertising Codes contain lots of rules to protect children and most advertisers comply. But if an advertiser gets it wrong, we don't hesitate to step in.

In February we upheld complaints about children's clothing company No Added Sugar, because their catalogue showed child models placing plastic bags over their heads. We judged the approach to be irresponsible because children might copy it.

Ads are required to be carefully targeted, so that inappropriate or distressing content is kept away from children. Young children were scared by London Dungeon's 'Bloody Mary: Killer Queen' poster ads and Premier Inn's TV ad parodying the horror film 'The Shining', which appeared on a children's channel. In both cases we ordered the ads to be removed and targeted more carefully.

Some ads are irresponsible because of sexual content. In November we acted against two ads. The first, a poster for the lap dancing club Spearmint Rhino, showed women dressed in school uniforms and described as 'sexy schoolgirls'. We banned it because it sexualised school-aged girls. The second was a perfume ad featuring Beyoncé Knowles dancing seductively. We ruled that it could only be shown on TV after 7.30 pm, because it was inappropriate for younger children.

Listening to the views of children, their parents, and their carers is important, so we initiated a project to get feedback on our work regulating advertising to children. The project included focus groups with parents, teachers and young people and a series of interactive sessions in schools and colleges in the Cardiff area. We'll report our findings in 2011.

Gambling

The strict rules in the Advertising Codes make sure gambling ads don't mislead and that the vulnerable and children are protected.

We did a lot of work in 2010 to tackle misleading ads for 'free bets'. These promotions typically offered customers money to gamble for 'free'. We upheld complaints against William Hill and Bet365.com for not making the terms and conditions of their offers clear. Typical problems included not letting consumers know that in order to access the 'free bet' they had to deposit their own money in an account with the company – sometimes as much as £200. We also upheld complaints that, unlike other bets, if the customer won, the 'free stake' would not be returned to them.

On the back of these rulings, our Compliance team undertook a large amount of work across the sector to make sure that 'free bet' promotions were advertised fairly. Our work means that significant terms and conditions have to be stated prominently and, in online ads, should be no more than one click away.

Listening to the views of children, their parents, and their carers is important.

Recession

When times are tough, the importance of our work keeping ads responsible and truthful comes into sharp focus. This year we've been quick to take action when financial ads haven't added up.

We took action against Borro.com, whose TV ad offered short-term loans but didn't state the substantial rate of interest payable. We also acted on 63 complaints about a TV ad by Wonga.com, another short-term loan company, whose light-hearted ad we ruled was likely to mislead vulnerable consumers about the nature and implications of the product. We also acted against AdvMoney.co.uk whose text messages were irresponsible and misleading because they implied the recipient had already been accepted for a loan.

All our rulings are available on www.asa.org.uk.



maintaining high standards

“There are no major process changes that would make the ASA and CAP more efficient, but there are **opportunities** to create a more dynamic and motivated organisation.”

Berkshire Consultancy's findings

The Process Review is about getting better at what we do. Being more effective, efficient, cost-effective and in tune with our stakeholders. This meant that we embarked on a big conversation with all our stakeholders – consumer groups, industry, other regulators, and government. We asked them about their experiences of how we do things. Here we detail just a few of the many recommendations that we are working on.

process review

commitment to improvement

We worked with independent experts from Berkshire Consultancy and overall the news was good. Berkshire reported that there were “... no major process changes that would make the organisation more efficient – as the current state is streamlined and well understood”. But after talking to our stakeholders and observing the way we work, they did make a number of challenging recommendations on how we could improve.

Speeding up our investigations

We're streamlining our processes so that we can deal with cases even more quickly. We now set clear timetables for our complex investigations and we're improving the way we communicate so that industry and complainants can understand and navigate our processes better. We're also increasing our use of informal procedures to resolve complaints, which allows us to reach quicker outcomes. Given that advertising is a fast-paced industry, there are obvious benefits to consumers and the industry of doing this.

Consistency

We're committed to acting consistently in our decision making. When the Process Review indicated that we could do more to demonstrate that commitment, we set about looking at how we do things. One strand of work has been to establish a common pool of experts on cosmetic claims with Clearcast and the Radio Advertising Clearance Centre (RACC), the bodies that pre-clear TV and radio ads. We sometimes use external independent experts to help us interpret the scientific evidence that underpins claims. Using the same experts as Clearcast and the RACC will give greater certainty to advertisers about the evidence we find acceptable to support particular claims. If the approach is successful, it may be copied in other areas.

“We want to develop positive **working** relationships with our stakeholders.”

Consistency with Trading Standards

We've been looking into concerns that we may be inconsistent with Trading Standards when judging whether an ad is misleading. Although we haven't found evidence that we are inconsistent, we'll be making our commitment to consistency clearer. We now plan to invite advertisers to submit Trading Standards advice as part of our complaints and investigations process; provide an inbox that invites stakeholders to bring inconsistencies to our attention and establish regular meetings with Trading Standards and the Office of Fair Trading to share views on how to judge misleading practices.

Better relationships

We want to develop positive working relationships with our stakeholders. Sometimes a lack of understanding – on either side – can cause confusion and slow things down. We started planning this strand of work throughout 2010 and we hope our stakeholders will start to see the results in 2011.

Our Process Review has shown that, by taking many small steps to involve our stakeholders, we can get better at what we do – which is a large step in the right direction.

complaints and cases

Consumers and businesses can get in touch with us if they think they have seen an ad that breaches the rules and we'll look into it for them.

Complaints and cases received

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

Listening and responding to complaints and concerns about advertising is a vital part of our work. As is making

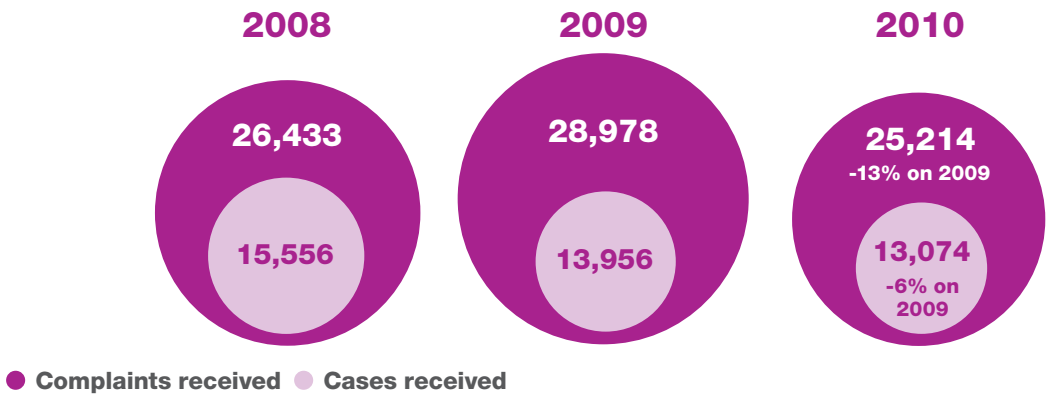
In 2010 we received **25,214 complaints** about **13,074 ads**, slightly fewer than in 2009.

Our **action** led to **2,226** ad campaigns being **changed** or **withdrawn**.

Complaints from the **public** represented **96%** of the complaints received and those from **industry** accounted for **4%** of the total.

sure that our action is targeted where it's needed. That's why every single complaint we receive is carefully assessed.

We can act on just one complaint. But with any complaint we receive, our focus is on providing a fair and thorough process for all involved.



Complaints and cases resolved by outcome

	Non-broadcast		Broadcast		Overall totals	
	Complaints	Cases	Complaints	Cases	Complaints	Cases
No investigation	1,625	1,545	1,418	812	3,043	2,357
No investigation (after preliminary work)	5,650	4,783	6,133	3,444	11,783	8,227
No investigation (after Council decision)	1,118	205	2,614	222	3,732	427
Total not investigated	8,393	6,533	10,165	4,478	18,558	11,011
Informally resolved	1,329	1,191	258	176	1,587	1,367
Formal investigation	1,315	465	4,102	195	5,417	660
Of which:						
Upheld	964	348	1,388	116	2,352	464
Not upheld	216	74	2,706	71	2,922	145
Other	135	43	8	8	143	51
Total investigated	2,644	1,656	4,360	371	7,004	2,027
Totals	11,037	8,189	14,525	4,849	25,562	13,038

Turnaround performance % on target for different case types (target = 80%).

	Non-broadcast		Broadcast	
	2009 %	2010 %	2009 %	2010 %
No investigation in 5 days	90	87	88	88
No investigation after preliminary work in 10 days	82	81	90	88
No investigation after Council decision in 25 days	95	92	92	93
Informal investigation in 35 days	92	91	97	98
Standard investigation in 85 days	93	96	98	98
Complex investigation in 140 days	91	90	87	95

Action we can take

No investigation
We may decide there is no problem under the Advertising Codes and take no further action. We only do this after carefully assessing the ad and the complaint. In some cases this includes making further enquiries and asking the ASA Council if they would like us to investigate. In other cases we are unable to investigate because the complaint or the advertising material falls outside of our remit.

Informal resolution
We prefer to work by persuasion and consensus and, where appropriate, we will resolve issues informally. For example, where a minor or clear-cut breach of the Advertising Codes has been made and the advertiser agrees to change or withdraw their ad straight away.

Informally resolved cases are not put before the ASA Council and no adjudication is published, so it means we can resolve problems far more quickly than through formal investigation.

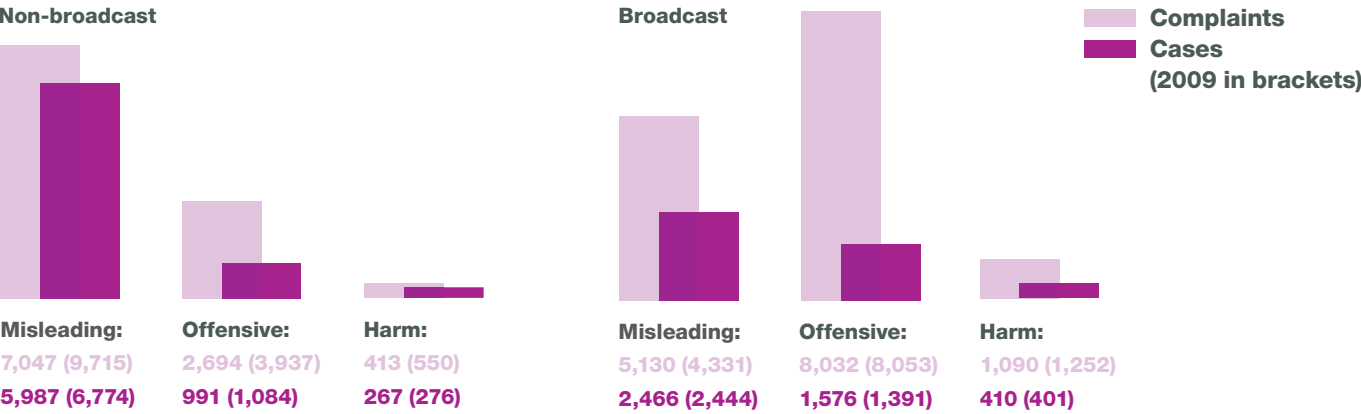
Formal investigation
If the ad raises concerns under the Advertising Codes, we can conduct a thorough investigation in which all sides are given the opportunity to comment. Advertisers will be asked to provide their rationale or relevant evidence to support their advertising approach and the claims they have made. Final adjudications are made by the ASA Council and are published on our website in full each week.

assessing concerns carefully

Complaints and cases resolved by issue

Misleading advertising is the biggest reason for complaint in non-broadcast media.

Offensiveness is the most common cause for complaint in broadcast media.



Complaints and cases resolved by sector

Leisure was the most-complained about sector of the year. This grouping contains all entertainment services, such as gambling, dating, movies, DVDs and computer games. There was a decrease in cases, indicating that a

number of ads in this sector received multiple complaints, in fact two of the most complained about ads of the year fell within this sector.

Sector	Complaints	Complaints	% Change	Cases	Cases	% Change
	2009	2010		2009	2010	
Leisure	3,774	5,287	40	2,664	2,551	-4
Non-commercial	5,479	4,124	-25	1,049	840	-20
Food and drink	2,729	2,512	-8	881	816	-7
Retail	1,731	2,349	36	1,241	1,370	10
Health and beauty	3,053	2,080	-32	1,311	1,233	-6
Computers and telecommunications	1,861	1,565	-16	1,243	1,184	-5
Financial	1,389	1,519	9	934	940	1
Household	1,898	1,172	-38	605	558	-8
Holidays and travel	1,689	1,057	-37	1,015	825	-19
Motoring	1,823	1,037	-43	517	608	18
Business	1,034	951	-8	810	621	-23
Publishing	749	660	-12	651	559	-14
Utilities	557	283	-49	188	185	-2
Property	242	242	0	222	217	-2
Clothing	249	211	-15	119	123	3
Alcohol	201	203	1	140	148	6
Employment	212	120	-43	186	103	-45
Education	116	87	-25	111	76	-31
Unknown	88	40	-54	73	35	-52
Industrial and engineering	30	20	-33	24	18	-25
Agricultural	20	19	-5	20	19	-5
Tobacco	10	8	-20	10	8	-20
Electrical appliances	16	1	-94	13	1	-92

Complaints and cases resolved by media

Television continues to be the medium attracting the most complaints about the highest number of ads. The drop in internet complaints was driven by us making it clear on

our complaint form that we couldn't deal with complaints about website content.

Media	Complaints	Complaints	% Change	Cases	Cases	% Change
	2009	2010		2009	2010	
Television	13,109	14,112	7.7	4,330	4,577	5.7
Internet	3,546	2,648	-25.3	2,823	2,327	-17.6
Outdoor	2,774	1,856	-33.1	589	660	12.1
National press	1,823	1,488	-18.4	1,354	1,210	-10.6
Direct mail	964	932	-3.3	829	676	-18.5
Magazine	809	878	8.5	657	779	18.6
E-mail	730	739	1.2	612	616	0.7
Regional press	801	726	-9.4	644	644	0.0
Radio	785	625	-20.4	444	412	-7.2
Leaflet	397	356	-10.3	329	334	1.5
Point of sale	347	342	-1.4	328	303	-7.6
Other	368	320	-13.0	263	307	16.7
Circular	355	266	-25.1	241	230	-4.6
Brochure	205	232	13.2	201	231	14.9
Cinema	280	194	-30.7	75	78	4.0
Transport	1,535	179	-88.3	120	129	7.5
Insert	129	147	14.0	114	118	3.5
Text message	123	145	17.9	113	143	26.5
Catalogue	192	137	-28.6	172	130	-24.4
Press general	208	101	-51.4	143	98	-31.5
Packaging	184	86	-53.3	175	85	-51.4
Mailing	47	82	74.5	38	78	105.3
VOD	4	69	1625.0	3	53	1666.7
Directory	73	58	-20.5	72	57	-20.8
Mobile	39	10	-74.4	30	10	-66.7
Ambient	35	9	-74.3	26	8	-69.2
Facsimile	6	5	-16.7	5	5	0.0
In-game advertising	1	1	0.0	1	1	0.0
Voice-mail	3	1	-66.7	3	1	-66.7

“We resolved **25,562** complaints about **13,038** ads.”

Here are the ads that generated the biggest response to the ASA in 2010.

top ten

When it comes to complaints, we don't play a numbers game. Our concern is whether the Advertising Codes have been breached. So an appearance in the top ten most complained about ads doesn't necessarily mean an ad is problematic.

01

Paddy Power plc
1,313 complaints
Not upheld

Viewers complained that this ad, which showed a cat being kicked across a pitch by a blind football player, was offensive to blind people and could encourage animal cruelty. We felt the ad was surreal and light-hearted in tone and was unlikely to encourage or condone cruelty to animals or cause serious or widespread offence.

02

Marie Stopes International
1,088 complaints
Not upheld

This TV ad offering sexual and reproductive health advice, information and services attracted complaints for various reasons, including that it promoted abortion. We felt it was clear that the advertisers were promoting their post-conception advice service and was neither advocating one course of action over another, nor trivialising the dilemma of an unplanned pregnancy. In addition to the complaints detailed above, we received over 3,600 other objections, some prior to broadcast and some via petitions.

03

Department of Energy and Climate Change
939 complaints
Upheld in part

We received objections that this 'Act on CO₂' TV and press campaign, which raised awareness of climate change, was misleading and scaremongering. We did not agree with the majority of the objections, but did uphold some complaints that claims in some of the press ads exaggerated the likelihood and impact of extreme weather conditions.

04

Global Personals Ltd
420 complaints
Not upheld

A poster for maritalaffair.co.uk attracted complaints that it implied extra-marital affairs were acceptable and desirable. It was clear that people found the concept of the website distasteful and immoral. However, we can only consider the content of the ad and not the service being advertised. We felt the ad itself was unlikely to cause serious or widespread offence.

05

John Lewis Partnership plc
316 complaints
Not upheld

This ad featuring a dog outside in his kennel on a windy and snowy Christmas day attracted complaints about irresponsible pet ownership. Complainants objected that it suggested it was acceptable to leave a family pet outside in cold conditions. We disagreed, and felt the ad did not endorse or encourage animal cruelty or neglect.

06

HomePride Ltd
273 complaints
Not investigated (previously 'not upheld' in 2009)

Both men and women complained about the gender stereotypes portrayed in this ad for an oven cleaner which claimed "so easy, even a man can do it". We concluded the ad took a light-hearted and comical approach to its portrayal of 'traditional' gender stereotypes, and was unlikely to cause serious or widespread offence.

07

AG Barr plc
204 complaints
Not upheld

Viewers objected to this ad which featured cute cartoon animals, cheery music and a 'Pied Piper' type figure. Things turned more sinister when the animals were led to a butcher's shop. The ad already had a restriction which meant it couldn't be shown around programmes targeted at children, but we still received a number of complaints that the ad was offensive, irresponsible and distressing to children. On balance, we felt the ad with its existing scheduling restriction was acceptable.

08

Cardell Media Ltd
185 complaints
Upheld

This mailing consisted of a torn magazine or newspaper page with a handwritten Post-it note, which stated "Hi, I saw this and thought you'd find it useful - he's really good! J". Complainants objected that the mailing was masquerading as personal correspondence and challenged claims being made within it. We upheld the complaints and told the advertiser to change their approach.

09

Unilever UK Ltd
154 complaints
Not upheld/Referred to Ofcom

Continuing their 'you either love it or hate it' themed campaigns, Marmite ran two TV ads parodying party political broadcasts. Some complaints related specifically to the political aspect of the campaign and these were referred to Ofcom. Other objections related to racism, denigration and offence. We felt the ads were delivered in a light-hearted way and therefore were not in breach of the rules.

10

SSL International plc
151 complaints
Not upheld

Complainants, who had seen this TV ad for condoms before 11 am and in the early evening, objected that it was offensive and inappropriate for broadcast when young children might be watching. We accepted that the ad might not be to all viewers' tastes, but there were no explicit sexual scenes or images. We considered its existing scheduling restriction, which prevented it from appearing in or around programmes targeted at children, was appropriate.

All formally investigated rulings can be found on our website www.asa.org.uk.

considered and proportionate

independent review

We take every step to make sure our processes are fair, which is why there is an Independent Review procedure that allows complainants and advertisers to request a review of an adjudication.

Here, the Independent Reviewer of ASA adjudications, **Sir Hayden Phillips GCB DL**, reports on his work.

2010 was my first year as the Independent Reviewer and it is right that I should begin this report by paying tribute to my predecessor, Sir John Caines. He carried out the role for over ten years and, during that time, won great respect for his perceptive analysis, lucidity of explanation, legendary efficiency and genuine independence. I shall do my best to maintain the standards that he set.

During the year I received 33 requests for review, a substantial decrease on the previous two years. Only three of these requests proved to be ineligible.

I received 23 requests to review adjudications or decisions about complaints against non-broadcast advertising. Two of these were ineligible, so I reviewed 21 cases, the same number as in 2009. In eight of these cases I concluded that the request had raised issues which justified my asking Council to think again. Three of these cases are still in progress.

I received ten requests to review adjudications or decisions about complaints against broadcast advertising, which was back to the same level as in

Review cases 2009 – 2010

Non-broadcast	2009	2010	Broadcast	2009	2010
Total cases received	26	23	Total cases received	20	10
Of which			Of which		
Ineligible/withdrawn	5	2	Ineligible/withdrawn	3	1
Not referred to Council	15	13	Not referred to Council	13	8
Referred to Council	6	8	Referred to Council	4	1
Of which			Of which		
Unchanged	0	1	Unchanged	0	0
Decision reversed	3	1	Decision reversed	1	0
Wording changed	3	3	Wording changed	3	1
In progress	0	3	In progress	0	0

2008 as opposed to the exceptionally high number (20) that my predecessor dealt with in 2009. Only one of these cases was ineligible, so I reviewed nine cases.

Overall, 21 cases were not referred to Council. In many of these cases I have to explain that it is by no means unusual for complainants or advertisers, on the one hand, and the ASA Council, on the other, to reach differing conclusions on the same material. This is especially the case when those conclusions are a matter of judgement rather than proof, such as the way an advertisement is likely to be perceived. I also often have to explain that my role requires me to understand the basis of the judgements reached by Council and form my own view as to whether a complainant or an advertiser has produced persuasive arguments that Council has acted unfairly or unreasonably. It would be wrong for me to seek to substitute my own judgement for that of the ASA Council, whatever my personal view might be.

For reviews not referred to Council I achieved an average turnaround of 28 calendar days. Cases which involve reference back to Council inevitably take much longer, especially if Council decides to ask the ASA Executive to re-open its investigation. I dealt with only three such cases in 2010 but one merits a particular mention as it concerned an investigation that Council decided to re-open for a second time – the first time this has

happened since the Independent Review procedure began. Exceptionally, and with the agreement of Council, I concluded that this re-investigation should be conducted directly under my leadership, rather than being done by the ASA with the Independent Reviewer's role being to give Council his advice as to whether the re-investigation had been conducted thoroughly and satisfactorily. The case took a long time and required the fullest consultation with the advertiser and the complainant to ensure that the process was entirely fair.

As a newcomer to the world of advertising regulation, I have been struck by the enormous range of economic, social and ethical issues with which the ASA has to deal and by the professionalism with which it tackles them. Anyone who cares to glance at the adjudications section of the ASA's website will be able to see both that range and that quality. I have found my first year engaging and rewarding.

More information on the Independent Review procedure can be found on www.asa.org.uk.



Sir Hayden Phillips, Independent Reviewer

ensuring our processes are fair

standards of service

We want you to feel happy with the service you receive from us. We set ourselves high standards and here we report on how we're doing.

If you want to share your experiences of dealing with us please get in touch.

Our commitment	Measurement	Performance Jan – Dec 2010 (Jan – Dec 2009)
Accessibility Be accessible to members of the public and the ad industry.		
Publish our contact details on all our literature	Twice yearly Customer Satisfaction survey: "Is accessible to the public"	82% (80%)
Ensure our switchboard is open during normal office hours (9.00 am – 5.30 pm)	Customer Satisfaction survey	See above
Ensure our website is available at all times	Customer Satisfaction survey	See above
Accept complaints online, by e-mail, SMS, letter, fax and telephone	Customer Satisfaction survey	See above
Ensure members of the public know of us and our role, and recognise our name and logo	Spontaneous name awareness and logo recognition measured by a biennial Attitude and Awareness survey	Name: 19% in 2009 (17% in 2007) Logo: 19% in 2009 (15% in 2007)
Responsiveness Resolve complaints promptly. Complaints that require investigation can take longer than the average.		
Acknowledge complaints within five working days. Reply to all other correspondence within ten working days. Keep complainants advised of progress	Twice yearly Customer Satisfaction survey: "Time taken to acknowledge complaint" and "Keeping you informed throughout the complaint process"	Time taken: 83% (83%) Keeping informed: 64% (64%)
Turn around complaints, on average, within 12 working days, with at least 80% being within target. Where a formal investigation is required, resolve them within 60 working days, recognising that complaints by commercial competitors can be protracted	Achieve 80% of target or better in quarterly turnaround statistics published on our website	Overall average turnaround: 13 days (13) Within target: 76% (77%) Investigation average: 44 days (47) Within target: 75% (72%)
For complaints outside of our remit, advise complainants within ten working days and suggest other organisations that may be able to help	Customer Satisfaction survey results for 'outside remit' complaints	45% (43%)
Respond to e-mail enquiries within 48 hours during the working week	80% of sample replied to within 48 hours	69% (87%)

Our commitment	Measurement	Performance Jan – Dec 2010 (Jan – Dec 2009)
Effectiveness Meet the needs of our customers, whether members of the public or industry.		
Achieve the highest possible scores in our Customer Satisfaction surveys, whilst recognising that we operate in circumstances where around 80% of complaints result in a 'not upheld' decision	At least 50% overall satisfaction from complainants	54% (59%)
Achieve the highest possible satisfaction scores from the advertisers with whom we deal in resolving complaints	At least 60% overall satisfaction from advertisers	73% (75%)
Quality Deliver a high quality and professional service.		
The Chief Executive will respond within ten working days to correspondence from complainants or advertisers who are concerned that we are not meeting our standards of service when dealing with complaints	80% of sample replied to within ten working days	75% (70%)
We will offer an Independent Review process for advertisers or complainants who can establish that a substantial flaw of process is apparent in an ASA Council adjudication	Reports from the Independent Reviewer in the Annual Report and Annual Statement	See 2010/2011 Annual Statement and pages 26–27 of this Annual Report
Transparency Be open about our procedures and our decision making, and accountable for our performance.		
We publish our adjudications each week on our website	Publication every Wednesday	Target met
Our website will provide full information on who we are, how we operate and our consumer research	Customer Satisfaction survey: "Usefulness of information on website"	72% (75%)
Publish our performance statistics on our website on a quarterly basis	Publication in April, July, September and January	Target met
Publish an Annual Report in April/May each year reviewing the activities of the previous year	Publication by end of May	Target met
Publish an Annual Statement in October each year updating our performance reporting (January-June) and setting out our objectives for the coming year	Publication in October	Target met

delivering a first class service

Senior management team



01



02

Our senior management team sets the direction for the organisation and ensures we deliver on our core responsibilities. This year we welcomed Miles Lockwood and Trevor Ellis to the team.



03



04



05

01 Guy Parker
Chief Executive

02 Shahriar Coupal
Director of Advertising Policy and Practice and CAP Secretary

03 Trevor Ellis
Director of Corporate Services

04 Esra Erkal-Paler
Director of Communications, Policy and Marketing

05 Miles Lockwood
Director of Complaints and Investigations



Rt Hon Lord Smith of Finsbury
ASA Chairman

our team

The ASA Council is the jury that decides whether ads have breached the Advertising Codes. Independently chaired by Lord Smith, the Council is made up of two panels – broadcast and non-broadcast – with some members sitting on both.

ASA Council

01 Sally Cartwright OBE
Chairman, Audit Bureau of Circulation

02 Elizabeth Fagan
Executive Marketing Director, Boots UK

03 James Best
Chairman, CREDOS; Vice-Chair, The Deborah Hutton Campaign

04 John Mayhead CBE
Non-executive member, Aviation Board at Department for Transport; Former Marketing Director and Chairman of the Marketing Society

05 Nigel Walmsley
Chairman, Broadcasters' Audience Research Board

06 Sir Andrew Motion
Professor of Creative Writing, Royal Holloway College, University of London

07 Colin Philpott
Director, National Media Museum

08 Gareth Jones
Chair of Christian Theology, Canterbury Christ Church University

09 Diana Whitworth
Board member, Big Lottery Fund and The John Ellerman Foundation

10 David Harker CBE
Non-executive Director, Gas and Electricity Markets Authority; Member of the Financial Services Consumer Panel

11 Ruth Sawtell
Non-executive Director, Hertfordshire Partnership NHS Foundation Trust; Non-executive Director, Metropolitan Housing Partnership; Lay-member, Nursing and Midwifery Council

12 Neil Watts
Consultant Headteacher, Suffolk County Council

13 Anthony Earle Wilkes
Managing Director and Senior Equality & Diversity Consultant, Crystal Education and Training Consultants Ltd; Council (Additional Panel) member, General Teaching Council; Advisory Council member, Institute for Learning

14 Louisa Bolch
Head of Education and New Media, CTVC/Rank Foundation

15 Alison Goodman
Head of Major Giving, Ambitious about Autism

Non-broadcast Council



Two-thirds of the 15-strong Council are independent of the advertising industry and the remaining members have a knowledge of the advertising or media sectors. Collectively they offer a wide range of skills and experiences, representing perspectives across society, including young people, families, charities and consumer groups.

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 requested from the Company Secretary.

Broadcast Council

expertise is valued and shared

The advertising industry’s continued commitment to advertising self-regulation is central to the success of the system. Its ongoing contribution to various committees and panels helps the system run smoothly.

industry representation



“In 2010, the industry extended our responsibilities to cover marketing communications on websites. That decision shows considerable faith in the expertise of the Panel, which I am privileged to chair.

The Panel brings together advertisers, creatives, media planners and publishers to give peer advice on marketing communications. I would like to thank the members for the time and effort they volunteer. It is a commitment we give in good faith because of the enormous value that self-regulation brings to our industry.”

Farah Ramzan Golant, Chair, General Media Panel



“In my view, the Panel has two key roles. Firstly, it enables those subject to an investigation to request a reference to the Panel in the confident knowledge that the issue will be examined by their peer group. Secondly, it enables guidance on difficult points to emerge which is rooted in real practical understanding of the issues.

It is an honour and privilege to chair the Panel and I am profoundly grateful to all Panel members for their dedication, commitment and, above all, for their wise counsel. They render an invaluable service to self-regulation and to the marketing world in general.”

Philip Circus, Chair, Sales Promotion and Direct Response Panel

Committees of Advertising Practice

CAP and BCAP are responsible for writing and updating the UK Advertising Codes. The committees are made up of representatives of advertisers, agencies, media owners and other industry groups, all of which are committed to upholding the highest standards in advertising.

In 2010, as well as publishing new UK Advertising Codes, CAP and BCAP considered a wide range of issues such as broadband advertising, post-production techniques in cosmetics advertising, nutrition and health claims in food ads and sound levels in ads. CAP also worked on extending further the ASA’s online remit.

Committee of Advertising Practice

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

- Clearcast
- Radio Advertising Clearance Centre

Broadcast Committee of Advertising Practice

- Advertising Association
 - British Sky Broadcasting Ltd
 - Channel 4 Television Corporation
 - Channel 5 Broadcasting Ltd
 - Commercial Broadcasters Association
 - Direct Marketing Association
 - Electronic Retailing Association UK
 - Incorporated Society of British Advertisers
 - Institute of Practitioners in Advertising
 - ITV plc
 - RadioCentre
 - S4C
 - Teletext Ltd
- Clearcast
- Radio Advertising Clearance Centre

CAP Panels

The ASA and CAP Executives receive invaluable support from two industry panels – the Sales Promotion and Direct Response Panel and the General Media Panel.

The Panels provide an objective opinion on advertising regulatory matters from an industry perspective. They both advise CAP, and the General Media Panel advises BCAP, in the development of the Advertising Codes and the ASA in its interpretation of them.

During 2010, the Panels discussed matters as diverse as the ASA’s new online remit, the new Advertising Codes, gambling advertising and how sales promotions are administered, for example the use of limited quantity offers.

General Media Panel

- Farah Ramzan Golant (Chair)
- Tess Alps
- Sarah Bennison
- Helen Buck
- Shahriar Coupal (Secretary)
- Tim Evans
- Carol Fisher
- Peter Gatward
- Steve Goodman
- Nick Hudson (Assistant Secretary)
- Gareth Jones (ASA Council)
- John Laidlaw
- Andrew Melsom
- Mike Moran
- Sue Oake
- Steve O’Meara
- Mike Parker
- Simon Rhodes
- Karen Stacey
- Gillian Wilmot

Sales Promotion and Direct Response Panel

- Philip Circus (Chair)
- Peter Batchelor
- Mark Challinor
- Shahriar Coupal (Secretary)
- Daphne DeSouza
- Mark Dugdale
- Michael Halstead
- Caroline Roberts
- Bruno Sheldon (Assistant Secretary)
- Paul Whiteing
- Nigel Walmsley (ASA Council)

professional and supportive

the AAC report

The Advertising Advisory Committee (AAC) gives independent advice to BCAP on potential changes to the BCAP Code and the development of associated guidance. The members of the AAC reflect the interests of citizens and consumers and are independent of the advertising industry.

The AAC met five times in 2010, advising BCAP on a wide range of issues, such as potential changes to the Code arising from research, changes in law and the views of stakeholders expressed through BCAP's public consultations.

In February we completed our work on the review of the four broadcast advertising codes. We advised BCAP throughout the review, from their formulation of rule change proposals to their evaluation of consultation responses. The review was

a major undertaking which presented considerable administrative and policy challenges. I am pleased to report that, in the AAC's view, BCAP met those challenges. The review was well structured, evidence based and took proper account of stakeholders' views. In many instances we agreed with BCAP's proposals. Where we didn't, BCAP usually accepted our advice. Overall, I am pleased to report that BCAP took careful account of our advice and the review benefitted from the check and balance provided by our input.

Many of the final rules differed from those originally proposed because the consultation responses merited modification of the proposals. The 30,000 responses to BCAP's proposed rule for post-conception advice services were unprecedented. In this case, we agreed with BCAP that many of the responses raised views and evidence that couldn't satisfactorily be addressed during the review. We have worked with BCAP to address the responses and draft a new consultation, which we understand will be launched in the first half of 2011.

“The review was well structured, **evidence based,** and took proper account of stakeholders' views.”

Although the BCAP Code is comprehensive, the rules cannot address in detail every unacceptable advertising practice and that is where guidance can help advertisers to comply. During the year, we advised BCAP on guidance to support the Code's 'misleading rules' in three areas: production techniques in cosmetics ads; 'unlimited' claims in ads for telecommunications services; and, 'up to' speed claims in broadband advertising. In all cases, we were concerned about the potential for consumer detriment. To date, the AAC's views have been properly reflected in BCAP's ongoing work in these areas. We look forward to advising BCAP on its evaluation of responses to its joint consultation with CAP on 'up to' and 'unlimited' claims.

In December we advised BCAP in its assessment of 172 studies concerning the effects of media images on body image and behaviours. In our view, when responding to the evidence, BCAP was correct to try to isolate the impact of advertising images from the impact of other

factors. We agreed with BCAP that the evidence didn't compel a change to the Code. Our view is that the rules on the protection of children and the new rule preventing socially irresponsible advertising, which we strongly endorsed in the Code Review, should be used to address potentially harmful body images in advertising.

In the same month we advised BCAP about reflecting in the Code the advertising provisions of the Energy Labelling Directive. This work is at an early stage and we look forward to advising BCAP as this policy issue develops.

I would like to record my thanks to three people who have contributed significantly to the work of the AAC since its inception in 2004 and who no longer serve the Committee. Dr Michael Wilkes who provided expert advice, particularly on policy relating to health and social welfare matters. Ian Blair, Ofcom's observer on the Committee, whose contributions to Committee matters were always finely judged and helpful. Finally, Andrew Brown, who as Chairman of BCAP, conveyed very clearly BCAP's policy objectives and proposals and, in turn, faithfully represented the views of the AAC back to BCAP. We wish all three the very best in their future endeavours and welcome Andrew's successor, James Best, and Ian's replacement, Peter Bourton, to the Committee.

AAC Members:

Elizabeth Filkin (Chair)
John Bradford
Colin Cameron
Dr Michaela Jordan
Stephen Locke
Angela McNab
Dr Michael Wilks



Elizabeth Filkin, AAC Chair

providing an independent voice

financial report

We are funded by advertisers through an arm’s length arrangement that guarantees the ASA’s independence. Collected by the Advertising Standards Board of Finance (asbof) and the Broadcast Advertising Standards Board of Finance (basbof), the 0.1% levy on the cost of buying advertising space and the 0.2% levy on some direct mail ensures the ASA is adequately funded to keep UK advertising standards high. We also receive a small income from charging for some seminars and premium industry advice services.

Year to 31 December 2010

Audited income and expenditure figures for the combined non-broadcast and broadcast activity in 2010 (see table) are the total of the amounts recorded in the Report and Financial Statements of the two companies. These were adopted by the Non-broadcast and Broadcast Councils at their respective Annual General Meetings held on 15 April 2011.

Income

Compared with 2009, total income received from asbof and basbof fell by £701,925 (9.5%) to £6,693,075. Similarly, interest received also fell by £8,436 (53%) due to lower interest rates. Additional income increased considerably by £35,498 (123%).

Expenditure

The budget setting and forecasting of expenditure for the combined non-broadcast and broadcast operation continued to be prepared and managed on a cash basis. The budget initially proposed was £6,916,000 net of interest receivable and other income. At the year-end, audited expenditure on a cash basis was £6,733,365, an under spend of £182,635 (2.6%) against the budget.

The Report and Financial Statements for ASA and ASA(B) reflect a split of costs, determined by asbof/ basbof to reflect the workload between non-broadcast and broadcast activities, of 63% and 37% respectively, and applying them to the non-specific costs – overheads, general office costs and the like. Specifically identifiable costs were allocated in full to the relevant function.

Profit/Loss

On a Profit and Loss basis, the audit confirmed expenditure of £6,873,509: a decrease of £421,043 (5.8%) compared with 2009.

The combined loss before tax of both non-broadcast and broadcast activity was (£115,839), £132,316 in 2009. After tax the combined loss was (£130,055), £101,535 in 2009.

Non-broadcast and broadcast combined for the year ended 31 December 2010

	2009 £	2010 £
Income		
Cash received from the Advertising Standards Board of Finance Ltd	4,610,000	4,213,075
Cash received from the Broadcast Advertising Standards Board of Finance Ltd	2,785,000	2,480,000
Total	7,395,000	6,693,075
Expenditure		
Salaries and direct staff costs	4,753,744	4,343,811
Other staff costs	242,396	269,380
Rent and accommodation costs	849,224	1,020,306
Travel, subsistence and entertaining	51,663	22,405
Consultancy and professional fees	419,324	371,528
CRM project costs	110,357	25,307
Depreciation	192,723	190,635
Telephone, postage, printing, stationery and other general expenses	433,527	408,563
Advertising and promotion	241,594	221,574
Total	7,294,552	6,873,509
Operating Profit/(Loss)	100,448	(180,434)
Profit/(Loss) on sale of tangible fixed assets	(665)	0
Interest receivable	15,779	7,343
Pension finance	(12,000)	(7,000)
Other income (i.e. seminars)	28,754	64,252
Profit/(Loss) on ordinary activities before tax	132,316	(115,839)

entirely funded by the industry

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