



On the move



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Every year, a handful of advertisements prompt large numbers of complaints to the Advertising Standards Authority. In 2003, most concern was expressed about a national press campaign, but the imagery and wording used on several posters also led to a heavy postbag for the ASA. It is the ASA Council's task to evaluate whether or not an advertisement breaches the CAP Code, taking into account the detail of the complaint and evidence supplied by the advertiser. Here we list the campaigns that received the most complaints during the year.

The ASA's full adjudications, together with further ads from the campaigns, are on our website at www.asa.org.uk

Top ten most complained about campaigns >>

The Advertising Standards Authority and the Committee of Advertising Practice are the twin pillars of advertising self-regulation. CAP is the industry body that writes the rules and enforces them. The ASA is the independent body that investigates breaches and adjudicates on complaints.



02 ASA Chairman's statement



The range of media available to advertisers is changing every year. The ASA is working to keep pace with both the advertising industry and technology to ensure effective and timely regulation in a digital age.

Lord Borrie, QC, ASA Chairman.

Self-regulation in a digital age

Moving forward

Once again, our Annual Report chronicles a record caseload for the ASA. But the volume of complaints outlined on pages 4 – 7 of this Report tells only a tiny part of the story. More detailed analysis of the reasons why people turn to the ASA reveals an organisation on the front line of consumer and industry concerns: alert to shifting public sensitivities, adapting to technological developments and in touch with changing business environments.

We have moved quickly to respond to public concerns about the promotion of alcohol and advertising to children. Few people outside the industry will know of the specific rules controlling advertisements in both sectors, and during the year we have worked to ensure maximum compliance with the Code in both categories.

But any ill-considered kneejerk reaction to media hue and cry about such issues would confuse advertisers and consumers as to where the line of acceptability lies. Instead, the ASA is listening directly to the public. In November, we were literally on the move, as we travelled to Newcastle for our annual consumer conference. Parents, teachers, community workers, religious

leaders and local business people joined us to express their views on advertising content.

As the case study on page 8 explains, we have responded to specific complaints from parents by instructing companies to change or withdraw advertising targeted at children that breaks the Code. The impact of our rulings extends beyond the individual advertiser, and, as our compliance action against the airline industry illustrates, we will not shy away from tackling an entire industry sector to ensure compliance with the Code.

The ASA is an organisation on the front line of consumer and industry concerns

In March, the eleventh edition of the ad industry's code of practice, the CAP Code, was launched. Its new requirements – that advertisers should have the explicit consent of consumers before marketing to them by e-mail and SMS – anticipated the Privacy and Electronic Communications Regulations that came into force in December. The Code's scope also covers new non-broadcast advertising formats,

contributing to a total of 26 different types of media adjudicated on by the ASA last year, compared with just five at our inception over 40 years ago.

As ever, I am indebted to my colleagues on the ASA Council, whose commitment and sound judgement have been at the core of much of the progress outlined in this Report. Three Council members – Diane Yeo, Harry Rich and Dianne Thompson – moved on during the year. In their place, we were delighted to welcome Sunil Gadhia, Jean Coussins and Susan Murray.

As the final pages of the Report indicate, much of the year has been spent preparing for change. Many of the foundations for the future have been laid in the last few months, and much detailed planning is already under way. My appreciation is extended to the management and staff of the ASA, who have shown a willingness to tackle their heaviest caseload yet, whilst demonstrating a vision for the future that will take us forward in 2004.

Barnardo's ads generated more complaints than any other national press campaign in the ASA's history

Barnardo's This press campaign, intended to draw attention to child poverty, generated complaints that it was offensive and unduly distressing. The ASA Council judged that the charity had used unduly shocking images to attract attention and that the photographs used were likely to cause serious or widespread offence. Despite Barnardo's assertion that the campaign caused distress with good reason, the complaints were upheld.

475 Complaints. Upheld



TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

1

Review of the year 03

Key events of the year

1 ASA's ninth consumer conference

Parents, teachers, students, community workers, religious leaders and local business people met the ASA at St James' Park in Newcastle and gave us their views on advertising content.

2 New religious offence help note

Guidance for advertisers planning to use religious imagery in campaigns was launched, distinguishing between light-hearted references to religion and disrespectful ones.

3 Complaints about 118

The deregulation of directory enquiries services led to a rush of complaints about the new services and their advertising claims.

4 Young people, media and personal relationships

Research published jointly with the ITC, BBFC, BSC and BBC revealed that the media is as important a source of sex education for young people as their mothers.

5 Legal backstop catches out offenders

Eight advertisers were referred to the OFT under the Control of Misleading Advertisement Regulations – more than in any previous year.

6 Training the industry's new recruits

Over 150 new recruits to advertising agencies took part in the ASA's annual training seminars for graduates held at the IPA.

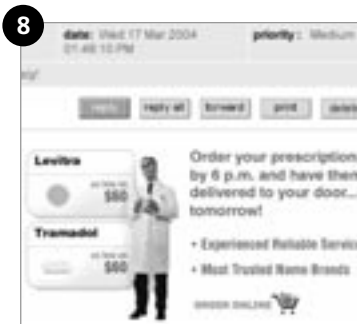
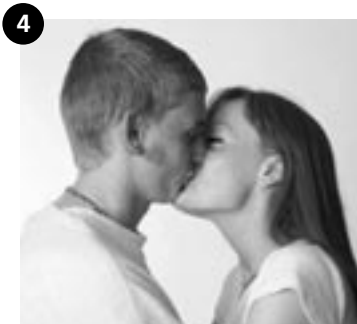
7 Soup claim doesn't count

The ASA ruled that an ad for Heinz Tomato Soup exaggerated the product's contribution to a healthy, balanced diet by implying that it counted as two of the recommended daily five portions of fruit and vegetables. Heinz is dropping its healthy eating logo from cans of baked beans and soups.

8 Canning spam

The ASA gave evidence outlining action against misleading commercial e-mails to the All Party Internet Group Spam enquiry.

Visit our website – www.asa.org.uk – for more information about our work and rulings in 2003.





04 Complaints

Record number of complaints resolved

The increasing popularity of e-mail and SMS marketing campaigns means more work for the ASA. As the number of advertisements produced and distributed in the UK increases with every new technological development, it is inevitable that complaints figures will rise.

During 2003, the ASA resolved more complaints than at any other time, with nearly half of those complaints arriving at the ASA via our website – www.asa.org.uk

Complaints received and resolved

It was another record year for the ASA, with 14,277 complaints received, relating to 10,754 advertisements – a rise of 2.3% compared with 2002. More complaints than ever before were resolved by the year-end. A total of 1,613 investigations were conducted and 86% of these resulted in an 'upheld' verdict.

The number of 'informally resolved' complaints, where the advertiser agreed to amend or withdraw their advertisement without an investigation, rose by 18%, suggesting that a focus on persuasion and negotiation is reducing the need for formal action. The ASA decided there was no case to answer for 29% of all

the complaints resolved. A further 2,124 were outside the ASA's remit.

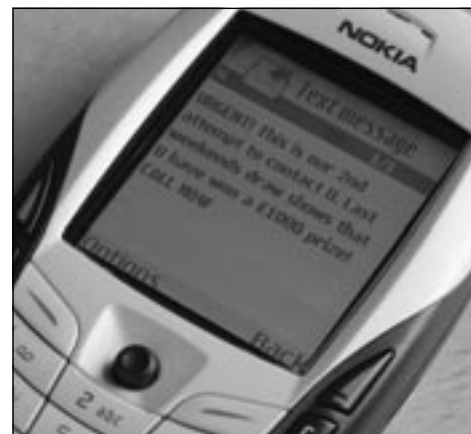
The number of advertisements complained about increased by over 5% in comparison with last year, the latest rise in a trend that has led to 27% more ads being brought to the ASA's attention in 2003 than in 2000.

Most complained about campaigns

The ten most complained about ad campaigns generated a total of 1,623 complaints, 11% of the overall total for complaints received during the year. Complaints about two of the campaigns – Barnardo's and Channel Four – were upheld, while Council decided that a formal investigation was not justified under the Code for six of the campaigns. Complaints about two more campaigns – Jews for Jesus and easyJet – were not upheld following a formal investigation. Once again, posters featured heavily in the most complained about ads, with seven of the ten campaigns featuring outdoor poster advertising.

Competitor complaints

Complaints from companies about their competitors' advertising fell for the second year



Mini case study – Tornado

Complaints about SMS messages rose by 500% compared with 2002. In one typical case, messages sent to mobile phones announced: 'URGENT! This is our 2nd attempt to contact U. Last weekends [sic] draw shows that you have won a £1000 prize!' Recipients were urged to call a premium rate number to claim their prize.

Despite the quoted £1,000, none of the people who complained to the ASA had received any money. One man objected that the advertiser had not contacted him before as claimed.

When challenged by the ASA, Tornado Exec Ltd said that many messages got lost before reaching the recipient, yet they failed to prove that they had tried to contact anyone before. The ASA upheld complaints that the message was misleading in implying that the recipient had won a cash award, when the prize was £1,000 worth of discount vouchers, and told Tornado not to repeat the promotion.

2,241 complaints were received about posters, a fall of 27% compared with 2002

SCA Hygiene UK Ltd (Velvet) The ASA Council had to judge whether posters for Velvet toilet tissue showing naked bottoms were appropriate for public display. People complaining about the campaign objected that the ads were both offensive and demeaning. Despite the high volume of complaints to the ASA, the Council decided that there had been no breach of the Code and a formal investigation into the advertisements was not justified.

375 Complaints. Not justified



TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

2

Complaints 05

in succession and now comprise just 7% of the ASA's total case load.

Misleading claims

Misleadingness – that is complaints relating to honesty, truthfulness and substantiation – continued to be the most common reason for complaining to the ASA. A total of 4,717 complaints fell into these three categories.

Taste and decency

Objections to offensive advertisements rose in comparison with 2002, with 3,707 complaints received about 638 advertisements, an increase of 18%. 26% of the total number of complaints received related to taste and decency in advertisements. Each of the top ten most complained about campaigns generated objections that they were offensive – accounting for just under half of all complaints about taste and decency.



Tesco's campaign: not justified

Complaints resolved by sector

	2002	2003
Leisure	3,625	3,929
Computers and telecommunications	1,725	1,578
Holidays and travel	818	1,288
Non-commercial	500	1,166
Health and beauty	1,401	888
Motoring	614	613
Financial	475	610
Retail	419	539
Food and drink	1,222	489
Household	569	452
Publishing	311	409
Business	554	396
Clothing	277	335
Not specified	360	302
Alcohol	168	230
Employment	148	210
Property	144	147
Utilities	78	118
Electrical appliances	134	100
Industrial and engineering	90	85
Education	62	64
Agricultural	59	35
Tobacco	24	30
Unknown	11	28
Total	13,788	14,041

Complaints resolved by media type

	2002	2003
Direct mail	2,710	2,521
National press	1,782	2,327
Poster	3,053	2,241
Magazine	1,424	1,199
Internet	1,015	1,100
Leaflet	918	889
Regional press	780	874
Media not specified	644	585
E-mail	17	455
Text message	65	393
Brochure	312	311
Point of sale	182	174
Press general	71	168
Directory	182	152
Catalogue	81	150
Packaging	140	128
Other	3	102
Mailing	107	97
Cinema	120	96
Insert	74	84
Circular	51	70
Facsimile	102	68
Electronic	82	59
Transport	28	34
Ambient	22	31
Voicemail	0	6
Video	0	3
Computer games	1	0

Upheld or not justified?

Six of the top ten campaigns received a 'not justified' verdict. What does this mean?

Complaints about offensive or socially irresponsible ads can be the most challenging for the ASA to judge. What one person is offended by may not concern other people. While most complaints about misleading claims can be assessed on the facts, sometimes a complainant may interpret an ad in an unusual way.

The ASA Council sees all such complaints and is asked to decide if a formal investigation is justified. If they decide that the issue raised

by the complainant does not warrant a formal investigation and there has been no breach of the Code, a 'not justified' verdict applies.

In judging a complaint that Tesco's claim 'Helping you spend less every day' was misleading because ultimately a day would come when there was nothing left to spend, the ASA Council decided that a formal investigation was not justified, because the claim was unlikely to be interpreted in that way by most readers.



06 Complaints

Areas of complaints investigated in 2003

	Complaints	Ads complained about
Legality	95	64
Decency	3,707	638
Honesty	527	288
Truthfulness	2,678	1,767
Substantiation	1,512	1,103
Comparisons	736	593
Denigration	108	60
Imitation	33	14
Matters of opinion	181	124
Fear and distress	1,537	147
Safety	632	40
Violence and anti-social behaviour	767	86
Political advertising	10	10
Protection of privacy	44	30
Testimonials and endorsements	108	79
Free offers	46	19
Availability of products	109	90
Guarantees	43	43
Identifying advertisers and recognising advertisements	131	50

The main concern about national press ads was offensiveness, with 118% increase in complaints about this issue

Complaints by media type

Direct mail

The medium attracting the most complaints was direct mail, although the 2,521 complaints received represented a drop of 7% in comparison with 2002. While only 17% of those complaints were investigated by the ASA (compared with an average of around 40% for other main media), 94% of the investigations resulted in an 'upheld' verdict.

National press

In contrast, complaints about national press ad campaigns rose by 31% to 2,327, although this increase can be attributed principally to the large number of objections to the Barnardo's campaign. The main concern raised by consumers was offensiveness, with 118% increase in complaints about this issue.

Posters

Complaints about posters declined by 27% to 2,241 although they ranked as the third most complained about medium after direct mail and national press. The number of poster complaints investigated by the ASA fell to just a third of the 2002 level.

Electronic media

The number of complaints about ads sent by e-mail and SMS continued to rise sharply reflecting the continuing use of new technologies by advertisers. The Internet now ranks fifth as the most complained about medium, ahead

of regional press. Nearly 30 times as many complaints were received about commercial e-mails than in 2002: this increase is likely to have been influenced by publicity relating to ASA action on spam following the launch of the new CAP Code.

Complaints by sector

As in 2002, leisure remains the most dominant category for complaints, comprising 28% of all objections. The second place ranking for computer and telecommunications is also unchanged but complaints about holidays and travel have risen by over 50%, placing this sector third. In contrast, food and drink complaints have more than halved in comparison with 2002 with this sector now ranking ninth after motoring, financial and retail.

Sources of complaints

Industry complaints represented 7% of the total number, continuing the downward trend in complaints about competitor advertising. Despite this drop, 30% of all formally investigated complaints were sourced from industry.

It is evident that an increasing number of complaints are being received via e-mail. Last year 45% of complaints to the ASA arrived via the complaints form at www.asa.org.uk compared with 28% the year before.

Making a complaint

Complaints about the content of non-broadcast advertising should be made to the ASA in writing – by post, fax or via the online complaints form on the ASA website.

Summaries of the complaints and full details of the complaints procedure are available online at www.asa.org.uk, or from the Communications team on 020 7580 5555.

The most complained about medium was **direct mail**, although the number of complaints about mailings fell by 7%

EasyJet Airline Co Ltd

This national press and poster advertisement generated objections that it was offensive, demeaning to women and that it trivialised the war in Iraq. Noting the humour in the advertisement, the ASA considered that the ad was light-hearted and unlikely to cause serious or widespread offence.

190 Complaints. Not upheld

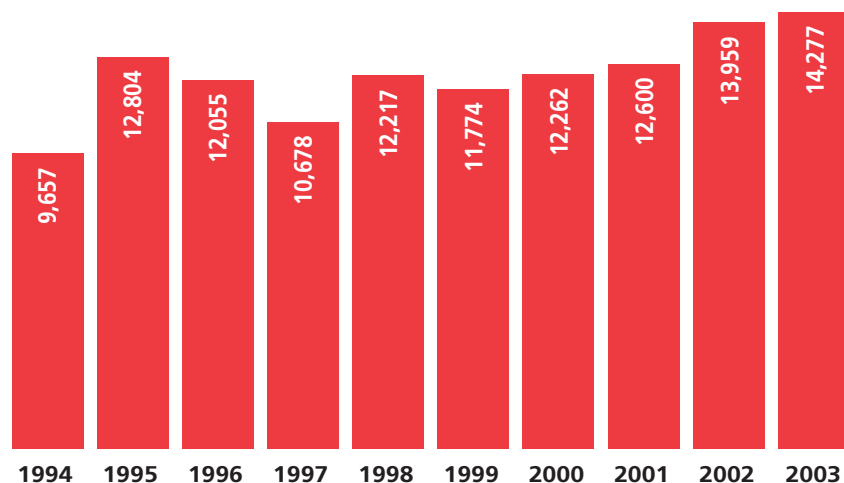


TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

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Complaints 07

Complaints received by the ASA: 1994 – 2003



Complaints figures				
	Complaints	2002 Ads complained about	Complaints	2003 Ads complained about
Work brought forward	768	516	936	689
New work received in year	13,956	10,212	14,277	10,754
Total work considered	14,724	10,728	15,213	11,443
Formally Investigated Upheld	2,535	685	1,855	581
Formally Investigated Not upheld	669	239	757	233
Resolved informally	767	672	908	799
Total investigated	3,971	1,596	3,520	1,613
No case to answer	3,514	3,499	4,069	4,032
Withdrawn	1,679	1,655	1,610	1,556
Outside remit	2,198	2,197	2,124	2,124
Not justified	2,019	685	2,290	773
Total not investigated	9,410	8,036	10,093	8,485
Mail order	86	86	156	156
Database	321	321	272	272
Total direct marketing	407	407	428	428
Work resolved	13,788	10,039	14,041	10,526
Work outstanding at year-end	936	689	1,172	917



Mini case study – Minority Report

New voice message ad confuses consumers

Advertisers turning to new technology for novel and innovative ways of attracting attention should be careful not to alienate or confuse consumers. When Twentieth Century Fox sent out an ad promoting the film Minority Report, the ASA received a series of complaints that the message was offensive, distressing and unclear that it was an ad.

The voice message, sent to recipients' mobile phones, included a sound clip of heavy breathing and a scream taken from the film. The advertisers argued that the approach was futuristic, innovative and personalised and that recipients would recognise Tom Cruise's voice and understand the reference to the film.

The ASA disagreed and upheld the complaints, ruling that the ad was likely to be seen as menacing and to cause offence, fear or distress. Despite a voiceover at the end of the message confirming that it was an ad, the ASA ruled that this should have been made clearer earlier.



08 Key issues: advertising to children

Keeping a check on what children see

Today's consumer sees hundreds of advertising messages each day. Adults can view these with a discerning eye, but children can be more vulnerable. During the summer, the ASA took a closer look at advertising aimed at children by conducting a snapshot survey.

Over the month of July, the ASA Compliance team assessed a sample of nearly 900 non-broadcast ads aimed at under-16s, including press ads, posters, Internet and cinema ads, and on pack promotions. Just seven ads were found to breach the CAP Code and all the breaches were due to a lack of, or incomplete, terms and conditions of entry for special offers or competitions.

Despite such high compliance rates, the ASA is not complacent about public and parental concern. Parents who complained to the ASA during the year about two ads aimed at children were responsible for securing changes in both companies' advertising methods.

Cereal offender

One mother, whose young son had spotted a promotion for a Beyblade toy on the back of a Kellogg's cereal packet in the supermarket and asked her to buy it, complained to the ASA that although details of the promotion were on the box of cereal, there was no toy inside.

The ASA pursued her complaint with Kellogg's who explained that the words '8 to collect inside special packs' appeared on smaller cereal boxes, but the toys were only available inside larger packs. Kellogg's said that the reverse of the smaller packs displayed information about the promotion while the larger packets containing the toy had the words: 'Free Inside' printed on the front and the bottom of the pack.

Despite Kellogg's arguments, the ASA Council concluded that the promotion was misleading, implying that the smaller packs also contained the Beyblade toy. As a result of the 'upheld' complaint, Kellogg's has been asked to seek CAP Copy Advice before preparing future promotions.

Lesson learnt

Another complaint, from a father, led to an 'upheld' adjudication against Letts Educational who sent out promotional postcards to schools about an educational challenge. The postcards

stated: 'I AM A WIMP' and 'I AM A BIG WUSS' and instructed pupils to stick them on the back of friends who didn't 'have the bottle for the Letts Challenge'. In contacting the ASA, the father expressed his concern that the postcards might encourage bullying.

Letts explained that they had researched teachers' opinions of the postcards before distributing them and that the teachers had recognised the humour and innocence of the cards. Nevertheless, the ASA shared the father's concern and upheld the complaint, ruling that the postcards were an irresponsible way to target children and might encourage bullying.



The compliance rate of on-pack sales promotions is 94%, according to ASA research

Nestlé UK Ltd (Yorkie) Men and women complaining about this poster campaign argued it was offensive and that it reinforced unacceptable sexist attitudes towards women. But the ASA Council judged that the light-hearted humour of the ads mitigated any offence and that a formal investigation was not justified.

129 Complaints. Not justified



TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

4

Effective across borders

UK's Christopher Graham takes part in an EASA self-regulation roadshow in Budapest in September. Hungary is one of the ten new member states joining the EU in 2004. The ASA Director General was elected EASA Chairman for 2003-5



Why should UK consumers and companies be concerned about what happens about advertising elsewhere in Europe? Why is the ASA involved in the European Advertising Standards Alliance (EASA)?

EASA was established in 1992 with the beginning of the Single Market – to facilitate the resolution of cross-border complaints about advertising on the basis of mutual recognition and the Country of Origin principle. More than a decade later, the Single Market has developed, the Euro has arrived, and the Internet and satellite broadcasting are driving cross-border trade. Naturally, the ASA has to work with equivalent self-regulatory bodies in other Member States to get action for European consumers and competitors, whether in the UK or elsewhere.

In 2003, the ASA resolved 18 cross-border complaints referred to us from other countries. In turn, the ASA referred 88 complaints by UK consumers to our opposite numbers abroad. A small total, but we believe that effective self-regulation across the Single Market will be of increasing importance in the years ahead.

The priority in 2003 was extending the effectiveness of self-regulation throughout the Single Market. EASA developed a Best Practice model to encourage the less developed

self-regulatory systems. A Responsibility Pledge programme committed advertisers, agencies and media to accept and implement the adjudications of self-regulatory bodies.

EASA took its 'roadshow programme' to Spain, Austria, France, Portugal, the Netherlands, and to Hungary – the Budapest event responding to the challenge of EU enlargement. Of the ten Enlargement Countries, Hungary, the Czech and Slovak Republics, and Slovenia are members of EASA; Poland, the Baltic States, Cyprus and Malta are in the process of establishing advertising standards authorities.

The EU is debating an Unfair Commercial Practices Directive to govern advertising across the Single Market. EASA seeks to show how effective self-regulation can deliver the objectives of high standards of consumer protection and the benefits of the free market without heavy-handed legislative intervention. EASA would welcome action to achieve better co-operation between EU enforcement bodies – an essential backstop to self-regulation.



More information on effective self-regulation in Europe is available at www.easa-alliance.org

Reports published in 2003

On-pack sales promotions survey

This ASA compliance research found that over a quarter of on-pack sales promotions might not be administered in line with the CAP Code. While the content of the promotions was 94% compliant, most of the problems were found in the way in which prize draws and instant win promotions were organised.

Young people, media and personal relationships

The ASA joined with the BBFC, BBC, BSC and ITC to research the role of the media as a source of information about sex and relationships for young people, and to identify the judgements young people make about what they see, hear and read.

Marketing communications targeted at children

A high compliance rate for ads aimed at children was identified by ASA research. Of nearly 900 ads assessed, just seven were found to breach the CAP Code. All the breaches were a result of inadequate terms and conditions for sales promotions. But the survey also raised concerns about ads with adult content appearing in magazines popular with under-16s.

Internet banner and pop-up ads

Just 1% of Internet banner and pop-up ads fall foul of the CAP Code according to ASA compliance research. Out of 600 banners and pop-ups assessed for the survey, only one broke the Code. The research suggests that the simple messages and basic information contained in many pop-ups and banners helps avoid the pitfalls of more detailed claims that appear in other media.

All these reports are available at www.asa.org.uk/research



10 ASA Council

Three new members

ASA Council

1 Lord Borrie

Appointed Chairman of the ASA in January 2001.

2 Jean Coussins

Chief Executive of the Portman Group. Appointed to the ASA Council in April 2003.

3 Christine Farnish

Chief Executive of the National Association of Pension Funds. Appointed to the ASA Council in May 2002.

4 Sunil Gadhia

Chief Executive Officer of and a Partner in solicitors Stephen Harwood. Appointed to the ASA Council in April 2003.

5 Mike Ironside

Advertising and marketing consultant. Appointed to the ASA Council in February 2001.

6 David Lipsey

Labour Peer. Appointed to the ASA Council in April 1999.

7 David McNair

Chief Executive of international marketing consultancy, Food From Britain. Appointed to the ASA Council in January 2000.

8 Lizzie Marsden

English and Classics teacher at Rugby School. Appointed to the ASA Council in January 1998.

9 Susan Murray

Former Chief Executive of Littlewoods High Street Stores. Appointed to the ASA Council in May 2003.

10 Dan O'Donoghue

Head of Strategic Planning at Publicis Worldwide. Appointed to the ASA Council in June 2001.

11 Martyn Percy

Director of the Lincoln Theological Institute at the University of Manchester and Adjunct Professor at Harvard Seminary, Connecticut. Appointed to the ASA Council in September 1999.

12 Pauline Thomas

Magistrate in Central London and trustee of the Windsor Fellowship. Appointed to the ASA Council in June 1998.

13 Donald Trelford

Visiting Professor at the University of Sheffield and regular columnist and broadcaster. Appointed to the ASA Council in May 2002.

Senior Management Team

1 Christopher Graham

Director General

2 Phil Griffiths

Director of Finance and Support Services

3 Alan Chant

Director of Development

4 Guy Parker

Director of Investigations

5 Roger Wisbey

Director of Advertising Practice and CAP Secretary

Council members are appointed for a three year renewable term and received an honorarium of £12,000 p.a. A Register of Members' Interests may be inspected on application to the Company Secretary.

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7



8



13



1



Just 31 complaints were received about advertisements in ambient media

Channel Four Television Corporation This campaign for the TV series 'Six Feet Under' appeared on posters, in the press and online. Because the identity of the advertisers and the product was unclear, complainants argued that the ads were misleading. The ASA considered that most readers of the press ads would realise the stylised images were spoof cosmetic ads, but ruled that unless they were familiar with the TV programme they were likely to be confused or misled about who the advertisers were. Complaints that the poster ads were offensive and shocking were upheld.

122 Complaints. Upheld



TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

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The ASA Council is appointed by its Chairman and two thirds of its members are independent of the advertising industry. Three members – Dianne Thompson, Harry Rich and Diane Yeo – left the Council during the year and we were delighted to welcome a new industry member, Susan Murray, and independent members Sunil Gadhia and Jean Coussins.

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new

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new

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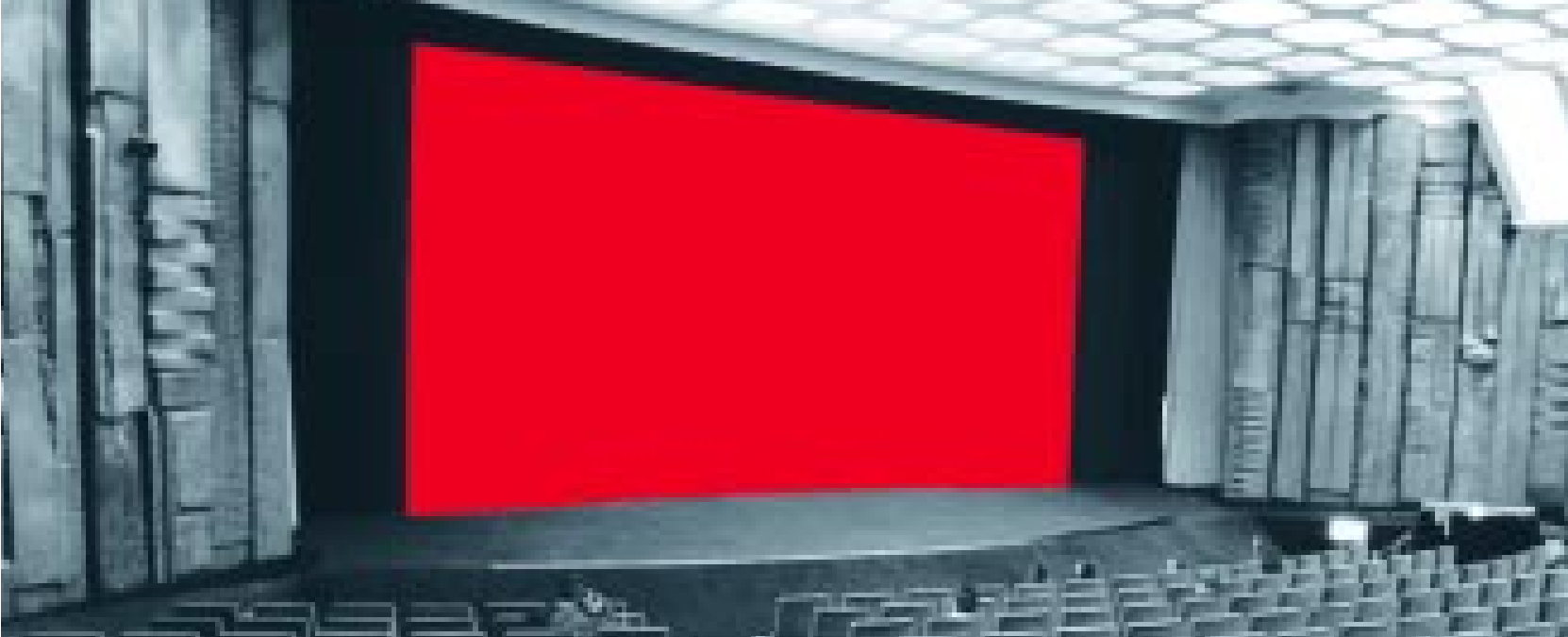
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12 Compliance

Enforcement

In 2003, 123 advertisers did not supply the ASA with a signed assurance that their ads would change after an upheld verdict. 103 of those cases were resolved speedily and satisfactorily after compliance action. Of the remaining 20, sanctions were applied in 11 instances. These included distributing nine AdAlerts – warning publishers and media owners of problems with the advertiser – and two referrals to the Office of Fair Trading. Only nine cases had not been resolved satisfactorily by the end of the year.

Sanctions

Self-regulation works primarily through responsible members of the advertising industry acting responsibly, exercising self-restraint or changing their plans as a result of negotiation and persuasion but, if advertisers refuse to co-operate with the ASA or CAP, sanctions are invoked. Working with the Compliance team, Royal Mail removed the bulk-mailing discount from six direct marketers who had repeatedly breached the Code and the team tackled 14 advertisers who agreed to ensure their future compliance with the Code. A total of eight companies were referred to the OFT for legal action under the Control of Misleading Advertisements Regulations – more than in any other year since the introduction of this legal backstop in 1988.

But those cases formed just a small proportion of the team's workload. Pro-active measures to ensure compliance with the CAP Code focused on nine different areas, ranging from telecoms and utilities to misleading ads for sports and muscle supplements, premium rate scratchcards and advertising for clairvoyants and psychic services. A major compliance project focused on the airline industry after concerns about ads for airfares that did not include compulsory taxes and charges. Advice on future compliance with the Code was given to over 300 airlines.

If advertisers refuse to co-operate with the ASA or CAP, sanctions are invoked

Monitoring

The Compliance team check about 4,500 advertisements each week. Most of them are national press ads but monitoring includes all the main media within the ASA's remit, including posters, sales promotions, direct mailing and online ads. More detailed compliance research took place for on-pack sales promotions, online ads and marketing communications targeted at children (see page 8).

Research

The On-pack Sales Promotion survey surveyed nearly 300 different promotions from supermarkets and established a compliance rate of 94%. Although the compliance of the content of the sample was high at 96%, the administration of promotions was less satisfactory: 26% of the promotions were not administered properly. The results were made available to 1,000 sales promotions companies and the industry was warned of the need to improve administration.

The results of a compliance survey on Internet banner ads and pop-ups was even more encouraging, with only one of 600 ads sampled found to breach the CAP Code. And that ad – a banner for a car – had already had complaints about it upheld by the ASA Council.

The Compliance surveys can be accessed via the 'Research' section of the ASA website at www.asa.org.uk

Complying with the rules

Most advertisers who breach the CAP Code amend their advertising quickly after an ASA ruling. The few who don't withdraw or change their ads are referred to the Compliance team, who can invoke sanctions against advertisers that refuse to co-operate with the self-regulatory system.



Complaints about cinema advertising fell by 20%

BBC A formal investigation into two posters featuring the model Sophie Dahl lying in a bed of red noses was deemed not justified, despite complaints that the posters were sexually provocative. The ASA recognised that the posters, for Comic Relief programmes, were mock-ups of the well-known film 'American Beauty' and decided that the approach was unlikely to cause serious or widespread offence, or harm children.

69 Complaints. Not justified



TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

Independent Reviewer 13



More complainants appealed to the Independent Reviewer of ASA adjudications last year. But, warns Sir John Caines, KCB, quantity is not the same as quality.

Under review

The volume of review requests increased in 2003 to 52 – over four per month as against about three per month in the previous two years. To a large extent this reflects the fact that for the first time I have received more than one request for review about the same adjudication. Just three (out of a total of 41) adjudications this year gave rise to a third of all the requests for review. One of these three adjudications was that about the Jews for Jesus advertisements. Remember, though, the key factor affecting a decision by me to accept a request and refer an adjudication back to the Council is the quality of the case made, rather than the quantity of times that case is repeated.

The main source of the increased volume of requests is complainants, rather than advertisers. In the previous four years complainants accounted on average for about a quarter of all review requests. This year they have accounted for almost a half.

The increased quantity of requests has not been matched by increased quality – assuming that the quality of a request is indicated by some subsequent change to the published adjudication. In 2002 one-third of all the requests resulted in some change to either the verdict or the wording. In 2003 only one-fifth did.

Summary analysis on calendar year basis	1999	2000	2001	2002	2003
Total cases received	46	53	37	38	52
Of which					
Cases withdrawn etc	4	16	9	9	9
Cases dismissed	22	21	17	12	24
Cases to Council	20	16	11	17	19
Of which					
In progress					5
Verdict unchanged	7	10	1	4	3
Verdict reversed	4	2	4	4	3
Wording only changed	9	4	6	9	8

About one-third of all review requests continues to be about adjudications on complaints brought by one marketer against the advertising of another. The other two-thirds are about adjudications on complaints brought by members of the public. From 1999 until 2001 the majority of such requests came from the advertiser. Since then the position has reversed. Twenty-six such requests came from members of the public in 2003, as against only ten from advertisers. Of those 26, only ten qualified for reference back to the Council. So far only three of them have resulted in some change to the adjudication. Four others are still in progress. Of the ten requests from advertisers, only three went to the Council and all resulted in some change to the adjudication.



14 CAP Chairman's statement



With the launch of the eleventh edition of the CAP Code taking place in the first quarter of the year, the plan for 2003 was always going to be an ambitious one. But much was achieved to plan and more besides.

Andrew Brown, CAP Chairman.

Reconciling rights and responsibilities

The successful launch of the new Code has been documented elsewhere in this Report, together with the new requirement of 'explicit consent' before marketing to consumers via e-mail and SMS. While these new Code clauses anticipated European legislation that came into force in the UK later in the year, they also ensure that consumers receive fewer unwanted commercial messages, thus helping to safeguard the effectiveness of e-mail and SMS that individuals have opted in to receive.

Support and training

With a three-month window between the launch and implementation of the new Code, providing support and training to the industry was a priority. Copy Advice staff were kept busy advising on the new Code, providing training and answering a growing number of enquiries. General training sessions were held at CAP's offices in London and members of the Executive travelled from Scotland to Bristol providing tailored training for companies, agencies and media owners.

The high rates of compliance amongst advertisers using banner ads and pop-ups and those targeting marketing communications at children are an encouraging sign of self-regulation's effectiveness. But such snapshots are no cause

for complacency. As cigarette advertising disappeared from billboards and print media, increasing public concern brought alcohol advertising and the promotion of food to children under the spotlight. Advertisers are required to observe the spirit as well as the letter of the CAP Code and the industry's observance of every aspect of the Code is crucial to secure advertising freedom in the future.

Illegal promotion

CAP is not prepared to defend tactics that bring conventional advertising into disrepute. During the year, CAP took a firm stand against flyposting, an illegal activity that, regrettably, has been used by blue-chip companies as well as smaller ones. Campaigns that feature flyposting are prohibited from entering industry awards and CAP has been in close contact with local councils who are stepping up their enforcement activities. Westminster City Council has already successfully prosecuted several blue-chip companies affiliated to CAP as well as a larger number of smaller record companies and event organisers. Flyposting devalues the legitimate outdoor advertising industry and undermines the rights of commercial freedom of expression for law-abiding advertisers.

The strength and success of self-regulation for non-broadcast advertising is a result of the hard work and commitment of CAP's trade body members, its Panel Members and Executive. My thanks go to them all for their contribution in maintaining the confidence of both consumers and the government in the self-regulatory system.

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CAP Copy Advice
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copyadvice@cap.org.uk



393 complaints were received about commercial text messages, an increase of over 500%

Shepherd Neame Ltd This national press campaign was accused by complainants of being xenophobic, offensive and trivialising the events of the Second World War. Referring to past decisions on similar campaigns by the advertisers, the ASA Council decided that a formal investigation was not justified and that the advertisements were unlikely to cause serious or widespread offence.

66 Complaints. Not justified



TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

CAP services 15



Providing help and support for advertisers

The number of complaints from companies complaining about competitors' ads has fallen over the last two years.

New guidance for advertisers issued by CAP during 2003 might help to reduce that number even more. The CAP Help Note on Retailers' Price Comparisons sets out the parameters for making price comparisons. Marketers are advised to use media relevant to the frequency of price changes in their particular sector for ads and to avoid media with long copy deadlines if their competitors are likely to respond by changing prices quickly. It also states that advertisers should make it clear if prices featured in comparisons are promotional ones. Another important inclusion is that marketers should compare prices that apply to the same sales channel, unless they state otherwise clearly and state any costs involved (such as delivery charges).

Another Help Note covers a very different issue. Marketers have long made use of religious imagery in ads and the Help Note on Religious Offence helps identify whether such references might cause offence. When launching the Help Note, CAP stressed that it was not its intention to make advertising a 'religion-free zone' but the Help Note urges advertisers to avoid dismissive or irreverent depictions of sacred figures, symbols, texts and places. It suggests that links between religion and sex or nudity are likely to cause serious or widespread offence, as is using religion to advertise inappropriate products.

Both Help Notes are available on the CAP website at www.cap.org.uk and more guidance is available from the Copy Advice team on 020 7580 4100.

General Media Panel

Grant Duncan, Chairman, Publicis Worldwide
 Stephen Allan, MediaCom
 Tess Alps, PHD Group UK
 Teresa Brookes, Newspaper Publishers Association
 Carol Fisher, The Ingram Partnership
 Bruce Koster, Consultant
 John Laidlaw, Staples UK
 Andrew Melsom, Agency Insight
 Mike Moran, Thames Water plc
 Chris Nadin, Consultant
 Martyn Percy, ASA Council
 Simon Rhodes, Liverpool Friendly Society
 Claire Watson, Marketing Society
 Gillian Wilmot, Blackwell

Sales Promotion and Direct Response Panel

Clive Mishon, Chairman
 Jane Asscher, 23red Ltd
 Peter Batchelor, Storm
 Mark Challinor, Associated Newspapers Ltd
 Philip Circus, Institute of Sales Promotion
 Mark Dugdale, Flying Brands
 Lesley Godwin
 Oliver Hickson, Central Office of Information
 Caroline Roberts, Direct Marketing Association
 Jane Rose, John Lewis Partnership
 Pauline Thomas, ASA Council
 Paul Whiteing, ICSTIS

CAP organisations

Advertising Association
 Cinema Advertising Association
 Direct Marketing Association

Direct Selling Association

Incorporated Society of British Advertisers
 Institute of Practitioners in Advertising
 Institute of Sales Promotion
 Interactive 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

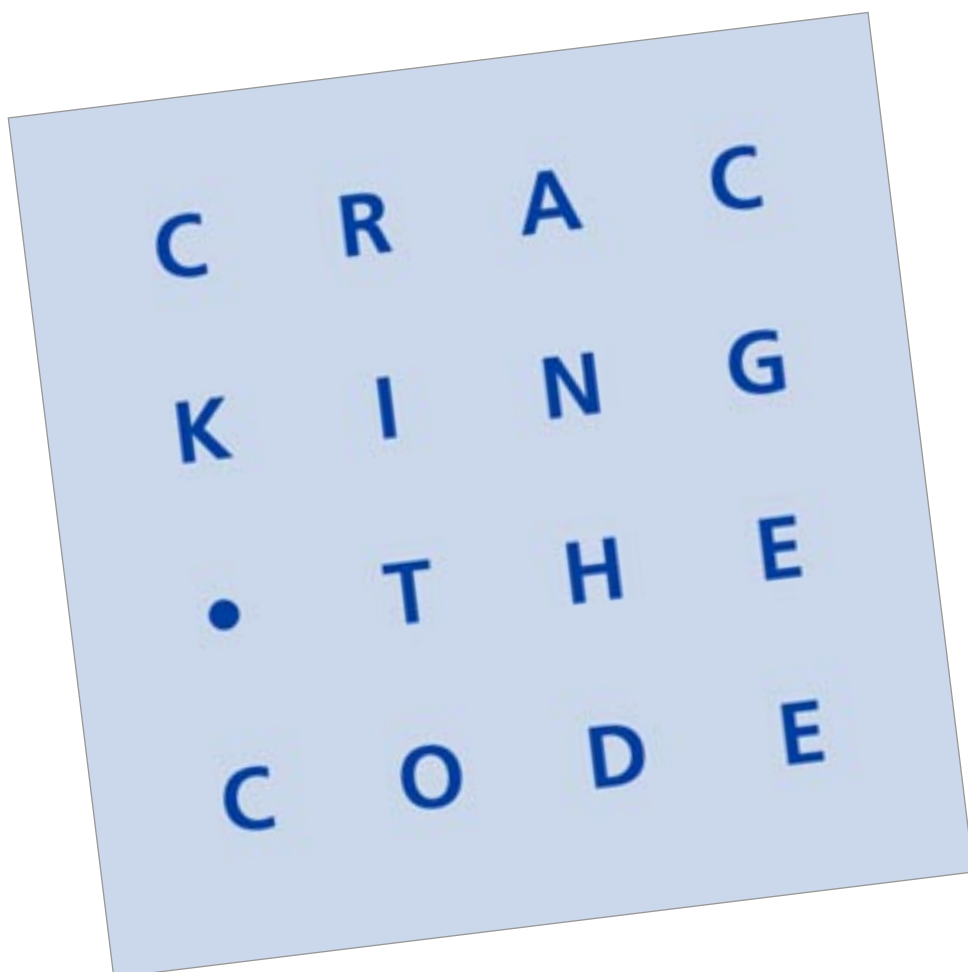
Broadcast Advertising Clearance Centre
 Radio Advertising Clearance Centre



16 The new CAP Code

Launching the new CAP Code

The introduction of the eleventh edition of the new CAP Code was the highlight of CAP's year. Formally launched on 4 March 2003 at the Royal Society of Arts in London, the new Code reflects the changing face of marketing and advertising in the 21st century.



Over 100 marketers and representatives from the industry and other regulators were present to hear CAP Chairman Andrew Brown praise the past effectiveness of the industry's code of practice: 'Effective self-regulation is paramount to ensuring that consumer confidence in marketing is maintained,' he said. 'Over the past 40 years, the marketing business has shown that it can successfully regulate itself in the non-broadcast arena – a fact that has been acknowledged by the government in its deliberations for the creation of OFCOM. For this to continue, we have to ensure that marketers have clear guidelines on how to keep their marketing communications legal, decent, honest and truthful. The new CAP Code will be indispensable in helping all marketers do that.'

Effective self-regulation is paramount in ensuring that consumer confidence in marketing is maintained

In the eleventh edition, three codes have become one. The new, unified Code, endorsed by the ASA Council and the Office of Fair Trading, brings together three separate codes under the banner of the British Code of Advertising,

Ads on videos generated just three complaints to the ASA in 2003

Triumph International Ltd Two posters for Sloggi underwear, each featuring women wearing g-strings, generated complaints about offensiveness. But the ASA Council decided that an investigation was not justified because in the context of an advertisement for underwear, the posters were unlikely to cause serious or widespread offence.

Poster a (shown main). 63 Complaints. Not justified

Poster b (shown small). 50 Complaints. Not justified



Sales Promotion and Direct Marketing, or the CAP Code. Although the key rules relating to serious or widespread offence, social responsibility, truthfulness and honesty remain unchanged, the new Code reflects changing legislation on data protection, distance selling, comparative advertising and financial advertising.

20,000 copies of the new Code were printed and nearly half of these were distributed to the advertising industry in March. Both the ASA and CAP websites were substantially updated to reflect the Code changes and an online tutorial was launched to provide an 'at a glance' guide to the new Code clauses. A training programme provided detailed, tailored advice on the Code's new requirements for the industry. Three months after the launch, on 4 June, the new Code came into force and the ASA Council now judges all complaints according to the eleventh edition.

Consent required

One of the most significant changes in the new Code is the requirement for marketers to have 'explicit consent' before marketing to consumers by e-mail or SMS. The only exception is that marketers may use e-mail and SMS to communicate similar products to their existing customers. This new rule pre-empted the European Directive on Privacy and Electronic Communications that was implemented in December 2003.

Although it is unlikely to end spam sent out by traders who are determined to circumvent all regulations and restrictions on their activities, the new CAP Code provides clarity for UK marketers who are developing e-mail or SMS campaigns. About 90% of the worst of the spam that clutters UK in-boxes is sent from outside the EU. It will take a concerted effort from regulatory authorities and internet service providers to even begin to tackle the situation on a global level.

Last puff

Although the popularity of e-mail and SMS marketing communications has been reflected in the new CAP Code, one form of advertising has disappeared entirely. For over 25 years the advertising industry's self-regulatory code for non-broadcast ads included a section on cigarette and tobacco advertising. After the introduction of the Tobacco Advertising and Promotion Act 2002, those rules no longer appear in the eleventh edition. All tobacco advertising and promotion is prohibited by the Act, although advertisements for rolling papers, filters and some point of sale advertising are not covered by the ban.

Before the ban, all advertisements for tobacco advertisements had to be pre-approved by the CAP Copy Advice team and over 10,000 certificates on finished artwork were issued to tobacco advertisers. Because of the effectiveness of this system, the number of complaints has been minimal. In the last ten years, tobacco advertising has attracted just 350 complaints and only six of those led to upheld decisions by the ASA.

Keep up to date

The new CAP Code reflects a changing industry. When the tenth edition was launched in 1999, few could have predicted how far or how fast technological developments would impact on advertising. But the eleventh edition of the Code is not the end of the story. CAP continues to provide up-to-date information and support for marketers through its Copy Advice service, its quarterly e-mail Update and the publication of guidance and Help Notes on key issues. Those services can all be accessed via the CAP website at www.cap.org.uk.

For a full list of changes in the eleventh edition of the CAP Code go to www.cap.org.uk. To find out more about the new Code's requirements, call Copy Advice on 020 7580 4100.

Code in brief

A new name

The new Code covers all non-broadcast marketing communications and its new name – the British Code of Advertising, Sales Promotion and Direct Marketing – reflects this. The term 'marketing communication' is used to refer to advertisements, promotions and direct marketing.

Comparative advertising

There are new requirements for comparative advertising, particularly those covering comparisons with identified competitors and their products.

Sales Promotion and Direct Marketing

A new Sales Promotion section means it is easier to ensure promotions comply with the CAP Code and a new Direct Marketing section brings the Code in line with current legislation.

Unsolicited e-mail/SMS

Explicit consent is required before marketing to consumers by e-mail or SMS.

Alcohol

Marketers should not suggest that drinking can overcome boredom, loneliness or other problems or that alcohol has therapeutic qualities.

Tobacco

The Cigarette Code has been removed following the ban on tobacco advertising and promotion.

Sanctions

A new section has been added on the sanctions available to tackle marketers who refuse to comply with the CAP Code, including mandatory pre-vetting for poster advertisers who use shock tactics.



Spending under control



The ASA and CAP are funded by the Advertising Standards Board of Finance Ltd (Asbof), which collects a small levy on display advertising and direct mail contracts.

Accounts

For the year ended 31 December 2003

	2003 £	2002 £
Income		
Cash received from Asbof	4,565,000	4,340,000
Interest receivable	32,035	48,567
Total	4,597,035	4,388,567
Expenditure		
Salaries and staff costs	2,770,103	2,680,698
Rent and accommodation costs	343,898	336,161
Travel, subsistence and entertaining	54,975	60,284
Consultancy and professional fees	284,644	265,955
Council honoraria and expenses	160,381	146,977
Depreciation	134,304	123,806
Telephone, postage, printing, stationery and other general expenses	521,949	470,383
Advertising and promotion	314,995	286,381
admark scheme	3,907	8,387
Total	4,589,156	4,379,032
Excess/(shortfall) of income over expenditure	7,879	9,535

Year to 31 December 2003

Audited income and expenditure figures for 2003 are shown here: these figures are reflected in the finalised accounts that were adopted by the Council of the Authority at its Annual General Meeting held on 2 April 2004.

Income

Compared with 2002, income received from the Asbof rose by £225,000 (5.2%) to £4,565,000. Interest received fell by £16,532 but produced additional income of £32,035. The total income for 2003 was £4,597,035 – up 4.8% on 2002.

Expenditure

The budget agreed for 2003 was £4,584,000, which represented an increase of £207,000 (4.7%) over the actual costs incurred in 2002. An increase in direct staff costs of £66,000 (2.4%) had been budgeted and a total of £162,000 for the production, distribution and launch of the eleventh edition of the British Code of Advertising, Sales Promotion and Direct Marketing. Other expense categories were budgeted broadly in line or less than the costs incurred in 2002. The audited expenditure figure for the year was £4,589,156 – an increase of 4.8% on the costs incurred in 2002.

Total staff costs exceeded budget by some £52,300 (1.8%). Salaries slightly exceeded budget by some £8,000 and higher than usual staff turnover resulted in an increase of approximately £35,000 in temporary staff costs and an increase of £25,000 in recruitment costs. These were offset to some extent by savings of £13,000 on private health insurance (BUPA) and £6,000 on permanent health insurance costs. Premises costs also exceeded budget, by some £30,000, due to two increases in service charges: one for improved security measures including CCTV, and a further increase in the last quarter to fund a major overhaul of the electrical circuitry.

To a large extent these increases were offset by savings of some £53,000 in external (promotion) and research costs, and a reduction in depreciation charges of some £20,000 as a result of deferring the provision of a document management system.

The final position was that expenditure overall was slightly over budget by £5,200 (0.11%). In terms of profit and loss and the accounts, a pre-tax profit of £7,000 – £10,000 was anticipated.

Profit/loss

The profit before tax was £7,879. The profit after tax was £4,210.

The Internet is now the fifth most complained about advertising medium

EasyJet Airline Co Ltd Some complaints were about the use of language in this press ad, while others objected that the advertisement condoned cruelty to animals. Recognising that bullfighting is a traditional sport in Spain and that the language used was clearly a play on the content of the photo, the ASA Council ruled that a formal investigation was not justified.

55 Complaints. Not justified



TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

9

Standards of service 19

Key performance indicators 2002

13,959 complaints received
13,784 complaints resolved
27 days average time taken to deal with complaints (target 25 days)
£147.44 cost per complaint
4,371 Copy Advice cases
90% of Copy Advice cases handled within 24 hours (on target)
9,033 telephone public enquiries dealt with
263 written public enquiries dealt with
4,112 e-mail public enquiries dealt with
54% of complainants satisfied or very satisfied
62% of advertisers satisfied or very satisfied

Key performance indicators 2003

14,277 complaints received
14,041 complaints resolved
27 days average time taken to deal with complaints (target 25 days)
£153.10 cost per complaint
4,594 Copy Advice cases
88% of Copy Advice cases handled within 24 hours (target 90%)
8,745 telephone public enquiries dealt with
145 written public enquiries dealt with
5,395 e-mail public enquiries dealt with
58% of complainants satisfied or very satisfied
76% of advertisers satisfied or very satisfied

Committed to improvement

We are committed to publishing information on our performance and the average time taken to deal with complaints. We also set out year-on-year improvement targets.

In 2003, 84% of telephone calls to the ASA were answered within four rings. Our rolling customer satisfaction research showed that 77% of callers were satisfied with the speed with which their call was answered, and 82% with the politeness of the staff.

We aim to acknowledge all complaints within ten days, and 84% of people were satisfied with the time we took to do this. The average time taken to resolve complaints was 27 days, the same as in 2002. This was outside our 25-day target, reflecting a record number of complaints. We shall retain the 25-day target, though it may need to be reviewed if complaints levels continue to rise. Nevertheless, 73% of complainants were either satisfied or very satisfied with the speed with which we act.

68% of people complaining to the ASA were satisfied with the clarity with which the

complaints procedure was explained, and 62% said they were satisfied that they were kept informed throughout the process. (These ratings were an improvement of 2% and 4% respectively on 2002 figures.) 56% of complainants expressed satisfaction with the knowledge and professionalism of the ASA staff they dealt with, compared with 53% in 2002.

Three new members joined the Council. The customer satisfaction survey found that 59% of complainants considered the ASA to be independent of the advertising industry, compared with 57% in 2002. 81% of advertisers also agreed that the ASA was independent, a significant improvement on 2002's 75% figure.

The service standards we set ourselves can be found in the 'About Us' section of the ASA website at www.asa.org.uk



20 Self-regulation of broadcast advertising

The year saw new communications legislation, a new regulator and a new challenge for advertising self-regulation. Will 2004 see a 'new' ASA taking responsibility for TV and radio ads alongside non-broadcast advertising?

The Communications Act established a single regulator for telecommunications and broadcasting. The Office of Communications, better known as Ofcom, replaced the former broadcast advertising regulators – the Independent Television Commission (ITC), Radio Authority and the Broadcasting Standards Commission (BSC). The Act requires Ofcom generally to promote and facilitate the development and use of effective self-regulation. It allows Ofcom to contract out its functions where appropriate, using the Deregulation and Contracting Out Act 1994. Ofcom should have regard to the extent to which its duties are likely to be furthered or secured by effective self-regulation, and also to what extent it would be appropriate to remove or reduce regulatory burdens.

Self-regulation of broadcast advertising

'I've never known where to complain. It's as simple as that.'

Female participant in Broadcasting Standards Regulation research published by the ITC and BSC, November 2003

Public consultation for the ASA to regulate broadcast advertising launched by Ofcom

Decision to proceed?

Parliamentary approval for contracting out?

New ASA gets down to work?

OCTOBER 2003						
M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

MAY 2004						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JULY 2004						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

OCTOBER 2004						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

25% of the public think mistakenly that the ASA regulates TV ads and 18% think we regulate radio advertising

Jews for Jesus A national press and poster campaign received complaints objecting that the ads were offensive and racist because they stereotyped Orthodox Jews as people who were unable to think for themselves. While recognising that many Jews had found the message of the ads highly offensive, the ASA concluded the campaign did not imply that Orthodox Jews could not think for themselves and that it was acceptable under the CAP Code.

**44 Complaints.
Not upheld**



TOP TEN MOST COMPLAINED ABOUT CAMPAIGNS

10

Self-regulation of broadcast advertising 21



Shown above:
Wrigley's X-cite TV ad received
860 complaints from viewers

A 'one-stop shop' for ad complaints?

- Ofcom to contract out day-to-day responsibility for TV and radio ads
- Pre-clearance of TV and radio ads to continue
- ASA to be the single portal for ad complaints in all media
- Expanded ASA Council to adjudicate
- Separate legal entity ASA(B) Ltd for broadcast
- Broadcast equivalent of CAP to run codes – BCAP
- Funding by advertiser levy, collected by Basbof
- Co-regulatory partnership for broadcast ads. Non-broadcast stays independent of Ofcom
- BCAP to operate existing TV and radio ad codes
- Ofcom to act as backstop. Licensees must respect the codes
- Codes must reflect public policy
- No code changes without Ofcom consent

Up to now, TV and radio advertising standards have been set and enforced by the statutory regulators, while standards in non-broadcast advertising have been maintained by effective self-regulation. In October 2003, Ofcom launched a public consultation exercise on the future regulation of broadcast advertising. Ofcom proposed a 'co-regulatory partnership', with the ASA as the 'one-stop shop' for advertising complaints regardless of media. The codes would become the responsibility of the broadcasters and the advertising business, through a Broadcasting Committee of Advertising Practice (BCAP). But Ofcom would remain the backstop regulator and all broadcaster licensees would have to continue to respect the codes. More information about how such an approach might work was set out on an industry website www.adconsult.info

There are compelling reasons for the change, which will become even more urgent as new forms of advertising emerge that are hard for consumers to recognise as either 'broadcast' or 'non-broadcast'.

- Research found that the ASA is the best-known advertising regulator.
- ITC's own research showed that more people thought that the ASA regulated TV advertisements than correctly credited the ITC. Further research for the ITC, Radio Authority and BSC showed deep confusion about how and where to complain.
- In fact, the ASA had to turn away 3,773 TV complainants, who approached us about TV advertising during 2003. Similarly, we turned away 1,043 radio complainants. But the Radio Authority itself only considered a total of around 500 complaints.

Research for the ASA also showed 69% supporting the Ofcom plan for a 'one-stop shop', compared to 16% who were opposed and 14% who did not know.

Parliament will have the final say on the contracting out proposal and any new system would only begin later in 2004.



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