BCAP Payday Loans Consultation Evaluation of responses

1. Introduction

The Broadcast Committee of Advertising Practice (BCAP) has decided not to introduce scheduling restrictions on the television advertising of high-cost short-term credit (HCSTC) following a period of consultation. BCAP has published a separate Regulatory Statement setting out the rationale for its decision. This document provides more detailed responses on specific comments received in relation to the consultation question.

1.1 How to use this document

This document should be read alongside the consultation document.

2. List of respondents and their abbreviations used in this document

	Organisation	Abbreviation
1	Consumer Finance Association	CFA
2	Institute of Practitioners in Advertising	IPA
3	BCCA	BCCA
4	Incorporated Society of British Advertisers	ISBA
5	Anonymous HCSTC lender 1	HP1
6	Anonymous HCSTC lender 2	HP2
7	Chartered Trading Standards Institute	CTSI
8	Leeds County Council	LCC
9	Money Advice Trust	MAT
10	Children’s Society	CS
11	The Money Charity	TMC
12	Money Saving Expert	MSE

3. Evaluation of consultation responses

Respondents were asked which of the following statements they agreed with and to give reasons for their answers.			
1.	**The imposition of additional restrictions, including 120-index scheduling restrictions is not necessary or proportionate**		
	Respondent agreeing with the statement: CFA, IPA, BCCA, ISBA, HP1 and HP2	**The organisations listed on the left agreed with the statement above. A summary of other significant points follows below:**	**BCAP's evaluation:**
1.1	CFA	Lenders and advertisers go to great lengths to ensure HCSTC ads are not seen by children. Voluntary measures based on the 120-index are in place to do this.	BCAP notes the CFA's *"Additional commitments to responsible advertising and marketing"* but this does not contain a commitment to scheduling advertising in accordance with the 120-index; the relevant commitment is to "*working with broadcasters during media planning to avoid programming where children are expected to form more than 25% of the audience*", a different standard. BCAP welcomes any initiative that aims to make advertising practices responsible but BCAP must make its own assessment of whether scheduling restrictions are necessary rather than a desirable sign of advertisers' good faith.
		The HCSTC market has changed significantly since increased Financial Conduct Authority (FCA) regulation and a change in advertising techniques since CS research means that content of ads is responsible; Ipsos Mori research is more up-to-date and robust.	BCAP will carry out a further content review, which will gather evidence on borrowing behaviour (including consumer research) to allow it to examine whether there are advertising techniques that might promote irresponsible lending behaviour in ways which exploit vulnerabilities, and which can be addressed in guidance.

		Calls for restrictions appear to be based more on personal views about HCSTC as a product rather than any precise harm that might be caused by the ads themselves.	BCAP has received personal views on HCSTC as a product but such views would not justify the introduction of scheduling restrictions.
		It is difficult to see how advertising of a heavily regulated product could cause harm.	BCAP regulates the advertising of products that are already regulated (for example, gambling advertisements); such regulation tacitly accepts the premise that advertising of regulated products can cause harm. BCAP must consider the need for scheduling restrictions under its statutory duty (under the Communications Act 2003) to prevent the inclusion in broadcast of advertising that harms, offends or misleads; this applies just as much to financial advertising as it does to other categories of advertising.
		Normalisation of responsible use of a regulated product should not warrant regulatory intervention. There is evidence of normalisation but it is less prevalent for HCSTC as it is for other financial products.	The prevention of normalisation is not a policy objective for BCAP. BCAP's position on normalisation is set out in full in section 5.4 of its consultation document.
		Ads that encourage responsible use are unlikely to result in pester power. A small proportion of parents say that children have influence about their decisions about financial products. Even if there was evidence of pester, there is no causal link between this and taking out a loan because of the number of stages of assessment for eligibility.	BCAP notes the findings on pester power and that parents were asked what influence children had over their purchasing decisions but it did not ask whether their children made any attempt at influence in the first place.
		Use of HCSTC is not widespread; it represents less than 1% of the total market for consumer credit.	BCAP notes the findings that use of HCSTC is a very small proportion of the total use of consumer credit; however, BCAP must examine whether there is a need for regulatory intervention to protect vulnerable people, whatever their number.

		HCSTC ads are responsible. Ad content does not appeal to children. Research to support this. 87% of children who had seen HCSTC ads said the ads were not very/not at all appealing to them; the figure was the same for adults. Ads for HCSTC are generally not seen as fun by the majority of adults or children; the majority of adults do not find the adverts appealing themselves or think the adverts are appealing to their children. The content of HCSTC advertising is viewed no differently than other financial ads.	BCAP notes the CFA's research which shows very low levels of appeal / fun from children's views on HCSTC ads. This must be balanced with CS research which showed 34% of children aged 13-17 who thought that payday loan ads were "fun, tempting or exciting". BCAP's content review will provide an up-to-date assessment of the content of HCSTC credit ads and their responsibility.
		In the context of children's changing television viewing habits (moving away from watching traditional TV), increased restrictions on the scheduling of advertising could have only a limited effect and would be an attempt to find an easy solution to a complex problem.	BCAP notes findings that children are watching less television but this does not preclude the potential need for scheduling restrictions to protect those watching traditional, live television.
		Children's awareness of HCSTC is lower than that for other financial products. Where children were aware of HCSTC, research shows that children had heard about interest / high interest rates, APR and repayments and had heard that HCSTC loans were a bad idea and should be avoided.	BCAP does not consider that awareness or lack of awareness of HCSTC is a significant factor in the examination of the need for scheduling restrictions in the absence of further evidence of a link between advertising and the use of HCSTC by vulnerable people.
		Children and parents say they see HCSTC ads less than ads for some other products. Seeing an advert does not always equate to financial detriment or over-indebtedness. There are many stages of filtering between seeing an advert and securing a loan, aside from the fact that it is illegal to lend to under-18s and lenders have rigorous lending criteria that adult borrowers must satisfy.	While BCAP agrees that exposure does not necessarily equate to harm, BCAP does not consider that the existence of steps that consumers must go through to secure a loan prevents the possibility of harm for those who are able to secure a loan.
		Evidence showing low levels of brand recall among children and parents was cited.	While HCSTC advertising might cause children to recognise brands or have awareness of HCSTC, such findings do not suggest a causal relationship with identifiable harm; conversely, findings of a low level of brand recall do not preclude the

			potential for harm. Accordingly, evidence of brand recall is not directly relevant to the identification of potential harm that scheduling restrictions might aim to prevent.
1.2	IPA	BCAP's call for evidence raised issues of normalisation, pester power and disapproval of HCSTC products; BCAP's discussion of these in its consultation document shows that none of these demonstrates a need for scheduling restrictions.	BCAP notes the IPA's agreement with certain explanations in its consultation document.
		As HCSTC providers do not lend to children, they do not advertise to children.	While BCAP acknowledges that HCSTC providers may not intend to target children, advertising that seeks to reach a legitimate adult audience may be seen by children. BCAP must consider whether further measures are needed in these circumstances.
		Neither FCA nor Parliament has introduced scheduling restrictions.	BCAP notes that no legislation has imposed scheduling restrictions but BCAP must consider the need for scheduling restrictions under its own statutory duty (under the Communications Act 2003) to prevent the inclusion in broadcast of advertising that harms, offends or misleads; this applies just as much to financial advertising as it does to other categories of advertising.
1.3	BCCA	CS research based on historic market conditions; market has changed as a result of regulatory action by the FCA. A review of current ads would show that they do not promote irresponsible borrowing for unsuitable expenditure.	BCAP notes BCCA's observations on how it considers the HCSTC market has changed as a result of FCA action and that a review of current ads would show that they are responsible. BCAP will carry out a further content review, which will gather evidence on borrowing behaviour (including consumer research) to allow it to examine whether there are advertising techniques that might promote irresponsible lending behaviour in which exploit vulnerabilities, and which can be addressed in guidance.

		Citizens Advice data that shows there has been a 40% reduction in cases over the last year.	BCAP notes this data but considers that a reduction in consumers seeking advice does not of itself establish that scheduling restrictions are not needed.
1.4	ISBA	Insufficient evidence to warrant further restrictions. On the CS research: methodology has been questioned; advertising content has changed since it was published (especially the use of content that may appeal to children); a more recent Ipsos Mori research shows that children are not being disproportionally targeted; the small percentage describing the ads as appealing is the same for other financial products; and the BARB figures quoted in BCAP's consultation document do not show targeting of children.	BCAP notes ISBA's comments on the CS and CFA research; these pieces of research are addressed in the evaluation of the CS and CFA responses.
		FCA regulation has led to further protection for consumers and a reduction in the number of lenders.	BCAP notes ISBA's comments about FCA regulation but BCAP must consider the need for scheduling restrictions under its own statutory duty (under the Communications Act 2003) to prevent the inclusion in broadcast of advertising that harms, offends or misleads; this applies just as much to financial advertising as it does to other categories of advertising.

		Advertisers seek to avoid programming with high viewing figures for under-18s, as their target audience is adult and they operate under limited budgets.	BCAP welcomes any initiative that aims to make advertising practices responsible but BCAP must make its own assessment of whether scheduling restrictions are necessary rather than a desirable sign of advertisers' good faith.
1.5	HCSTC provider 1 (HP1)	HCSTC is a legally available product that should not be singled out as having more regulation imposed on it. It is a suitable solution for some adults who might consider taking out illegal loans if it is not available and they have a right to be informed about the product.	BCAP notes HP1's comments about HCSTC meeting a legitimate financial need and the possibility of people seeking illegal loans; however, BCAP must balance this with any evidence of harm resulting from HCSTC advertising.
		FCA regulation provides protection to consumers.	BCAP agrees that FCA regulation provides protection to consumers but BCAP must consider the need for scheduling restrictions under its own statutory duty (under the Communications Act 2003) to prevent the inclusion in broadcast of advertising that harms, offends or misleads; this applies just as much to financial advertising as it does to other categories of advertising.

		Normalisation of responsible use is not a regulatory issue.	The prevention of normalisation is not a policy objective for BCAP. BCAP's position on normalisation is set out in full in section 5.4 of its consultation document.
		CFA research shows that only 4% of parents say their children influence their decisions to take out financial products. CFA research shows that over four-fifths of parents and children do not find HCSTC ads appealing.	BCAP has evaluated the CFA research at 1.1 above.
1.6	HCSTC provider 2 (HP2)	Owing to increased FCA regulation, ads lack appeal to children and do not trivialise the use of HCSTC.	BCAP will carry out a further content review, which will gather evidence on borrowing behaviour (including consumer research) to allow it to examine whether there are advertising techniques that might promote irresponsible lending behaviour in ways which exploit vulnerabilities, and which can be addressed in guidance.

		BCAP and ASA regulation has resulted in ads that do not normalise HCSTC, do not appeal to children and are not likely to influence children's behaviour. Recent HCSTC ads are responsible and adult-themed. CFA research shows that content is not appealing to children.	The prevention of normalisation is not a policy objective for BCAP. BCAP's position on normalisation is set out in full in section 5.4 of its consultation document.
		CFA research includes robust, unbiased results with very different outcomes to CS research which suffers from bias and structural flaws. CFA research is more up-to-date and was carried out after increased FCA regulation was increased, unlike the CS research.	BCAP has analysed the CFA's Ipsos Mori research at 1.1 above.

2.	**The introduction of 120-index scheduling restrictions to prevent HCSTC ads from being appearing in or adjacent to programmes commissioned for, principally directed at or likely to appeal particularly to audiences below the age of 16 is necessary and proportionate**

No respondents agreed with this statement.

3.	The introduction of 120-index scheduling restrictions to prevent HCSTC ads from being appearing in or adjacent to programmes commissioned for, principally directed at or likely to appeal particularly to audiences below the age of 18 is necessary and proportionate		
	Respondent agreeing with the statement: CTSI, LCC, MAT, CS and 123 CS supporters	**The organisations listed on the left agreed with the statement above. A summary of other significant points follows below:**	**BCAP's evaluation:**
3.1	CTSI	Taking into account the research presented in the consultation document, and in light of the fact that HCSTC is not available to under-18s, under-18s viewing HCSTC ads during an impressionable period in their lives should be avoided.	Inevitably, children and young people sometimes comprise a significant minority within a large TV audience. Seeking to limit exposure absolutely is inherently premised on the notion that exposure to any HCSTC advertisement, of itself, causes harm. To adopt the perspective that exposure equates to harm is contrary to the notion that content restrictions, which prohibit inappropriate / irresponsible appeal to children and young people, can form an effective part of the regulatory framework. BCAP does not consider that such a position is coherent or proportionate. BCAP does restrict the advertising of products that are age-restricted, for example alcohol and gambling. However, there are two further factors directly relevant to alcohol and gambling advertising being subject to scheduling restrictions: the potential for under-18s to want to use the products; and their accessibility to under-18s (for example, alcohol being available in the home, and the use of over-18s to place bets on behalf of under-18s).

3.2	LCC	Normalisation of HCSTC is problematic and is an issue for BCAP as opposed to the FCA. BCAP's trivialisation guidance is not enough to prevent the normalisation of HCSTC.	The prevention of normalisation is not a policy objective for BCAP. BCAP's position on normalisation is set out in full in section 5.4 of its consultation document.
		HCSTC itself causes harm, particularly to the poorer communities in society and that evidence suggests that young people under 25 are also vulnerable to this form of lending.	BCAP has not seen LCC's cited research on the harm caused by HCSTC but evidence of harm caused by a legally-available product does not in itself show advertising-related harm that a scheduling restriction might aim to prevent.
		Evidence of brand / ad recall cited.	While HCSTC advertising might cause children to recognise brands or have awareness of HCSTC, such findings do not suggest a causal relationship with identifiable harm; conversely, findings of a low level of brand recall do not preclude the potential for harm. Accordingly, evidence of brand recall is not directly relevant to the identification of potential harm that scheduling restrictions might aim to prevent.
		BCAP's BARB data does not show a disproportionate effect on broadcasters' revenue and therefore a case for a scheduling restriction is supported.	Scheduling restrictions must pass a necessity test before an assessment of proportionality is made; the lack of a disproportionate effect on revenue would not be a basis on which scheduling restrictions could be shown to be necessary in the first place.
		BCAP should reconsider its decision and impose a pre 9pm ban in addition to scheduling restrictions after 9pm.	BCAP's position on a pre-9pm ban is set out in full in section 6.4 of its consultation document and this submission does not address that position.
3.3	MAT	It would be useful to carry out research to identify why consumers took out HCSTC products and whether advertising influenced their	BCAP notes that MAT does not have any additional evidence to that that it submitted to BCAP's call for evidence and notes

		decision. There are areas of correlation between advertising and pester power / normalisation which could be further researched, as could the reasons for public support for a watershed ban.	MAT's suggestions for further research. BCAP will further examine the issue of pester power in its content review, in light of the opposing evidence it has received on this question.
		An under-18s restriction would be both a necessary and proportionate response, which allows for a more nuanced approach than a straightforward pre-9pm ban; there is some merit in the argument that a pre-9pm ban does not assess whether children are likely to see a specific ad and a scheduling restriction could be a more efficient way of limiting under-18s' exposure to HCSTC adverts.	For the reasons set out in section 6.4 of its consultation document, BCAP agrees that scheduling restrictions are a more efficient way of limiting under-18s' exposure to HCSTC ads than a pre-9pm ban.
		Unsolicited marketing calls, texts etc should also be subject to further scrutiny.	Direct marketing does not fall within BCAP's remit but CAP has Database Practice rules in place in the non-broadcast Code that deal with aspects of this, and the ASA has ruled against a lender for sending unsolicited text messages.
3.4	CS	HCSTC lenders use ads which attract children and young adults into thinking payday loans are an acceptable way of managing money. There is evidence that this normalises positive attitudes to what can be a very high-risk product. The goal of scheduling restrictions, in part, should be to reduce the frequency with which children are exposed to these messages. These messages also make it more likely that they will use high-cost short-term credit as adults.	The prevention of normalisation is not a policy objective for BCAP. BCAP's position on normalisation is set out in full in section 5.4 of its consultation document. However, BCAP's further content review will examine whether its trivialisation guidance is fit for purpose. BCAP considers that HCSTC is a legally-available product and it is not a policy imperative for BCAP to prevent the future use of HCSTC by children.
		Evidence of children's recall of exposure and brands was cited. This suggests that the frequency and content of HCSTC ads is significant enough to have a lasting effect on children's memory and perceptions of payday loans.	While HCSTC advertising might cause children to recognise brands or have awareness of HCSTC, such findings do not suggest a causal relationship with identifiable harm; conversely, findings of a low level of brand recall do not preclude the potential for harm. Accordingly, evidence of brand recall is not directly relevant to the identification of potential harm that scheduling restrictions might aim to prevent.
		Evidence of pester power has been provided. 14% of parents say they have been nagged to take out a loan when they have refused	BCAP notes the findings on pester power. However, BCAP does not consider the finding of a correlation between parents who

		to buy something for an under-10. Examples of anecdotal evidence which quote children repeating advertising slogans / content for payday loans to their parents to encourage them to buy products when money was not available.	have used a payday loan and parents whose children have asked them to take out a payday loan is evidence in itself of advertising-related harm; further examination of the reasons for the this correlation is needed, for example whether the child has pestered the parent because he or she is aware of the previous use of the loan. BCAP does not consider unsourced anecdotal evidence on its own is a sufficient basis upon which to introduce scheduling restrictions.
		General research cited from 2002 and 2011 in relation to children's engagement with advertising and parents' subsequent purchasing decisions was cited.	The 2002 research only showed that advertising may contribute to a general increase in desire for the advertised product. This research can only provide very indirect context to the specific issue of the need for scheduling restrictions for HCSTC and must also be read in light of CS's own research which found that many children would not take out a payday loan under any circumstances, even in emergencies. The 2011 research must be read in light of the caveat that the research does not substantiate the claim that exposure to advertising in itself stimulates more family conflict than would have occurred in any case, or indeed that such conflict is increasing.
		Research cited to show children's money habits are set by the age of seven. This combined with evidence of brand recall and evidence that a third of children think that payday loan advertisements are 'fun', 'tempting' or 'exciting' is worrying.	Research showing that money habits are set at an early stage does not in itself show the potential for harm. Evidence, for example, of irresponsible advertising messages would be needed to show how advertising might be harmful to impressionable children. BCAP's further content review will examine this issue.
		Research found the following areas of correlation / association: • Frequency of children seeing ads and likelihood of parents to say lenders put pressure on people to take out credit they cannot afford.	BCAP notes the areas of correlation identified by the research but considers that correlation on its own is not enough to determine a causal relationship or to identify a precise harm that a scheduling restriction might aim to prevent. Further research would be needed into these areas to establish robust conclusions.

		• Children seeing HCSTC ads and arguments in the family about money. • Number of HCSTC ads seen by children and degree of worry about family's financial situation.	
		Parents' views on bans show that many feel HCSTC and its advertising should be banned.	BCAP must separate public distaste and personal views on bans from objective evidence of advertising-related harm when considering the need for scheduling restrictions under its statutory duty (under the Communications Act 2003) to prevent the inclusion in broadcast of advertising that harms, offends or misleads; the latter would be needed for BCAP to discharge its statutory duty.
		Disappointing that BCAP found that no new rules were needed to prevent the inappropriate content of payday loan adverts. This finding was made with no consultation with children or young people. It might not be appropriate to share the ads with children directly but concepts or sound clips could allow children and young people to share their perspective on whether these adverts have undue appeal to them.	BCAP's further content review will gather evidence on borrowing behaviour (including consumer research) to allow it to examine whether there are advertising techniques that might promote irresponsible lending behaviour which exploit vulnerabilities, and which can be addressed in guidance.
		The content rules on HCSTC ads are not as strict as those for other products which pose harm to children and are not available to them; scheduling restrictions are needed to reduce the exposure of children to HCSTC.	BCAP does restrict the advertising of products that are age-restricted, for example alcohol and gambling. However, there are two further factors directly relevant to alcohol and gambling advertising being subject to scheduling restrictions: the potential for under-18s to want to use the products; and their accessibility to under-18s (for example, alcohol being available in the home, and the use of over-18s to place bets on behalf of under-18s).

		BCAP's data shows that under-18s restrictions would reduce the impacts seen by this age group by almost 15%, while only 30% of the revenue from ads would be completely lost. This shows that proposed changes to advertising, particular those to restrict to under-18s, would have a more positive effect on children's lives than the negative effect on the economy of the relevant advertising and financial sectors.	While BCAP does not have all relevant evidence to enable it to consider the general statement by CS that proposed changes to advertising, particular under-18s scheduling restrictions, would have a more positive effect on children's lives than the negative effect on the economy of the relevant advertising and financial sectors, BCAP agrees that its data shows a modest effect on advertising revenue. However, BCAP considers that scheduling restrictions must be shown to be necessary before the economic impact of such restrictions becomes relevant.
		Evidence cited about poor treatment of customers by HCSTC lenders.	BCAP considers that the treatment of customers by HCSTC lenders is a conduct matter for the FCA.
		Younger people aged 18-25 are most likely to take out HCSTC. One reason for this could be increased prevalence of HCSTC ads which normalises them.	The use of HCSTC by younger people, but people to whom the product is legally available, is not evidence of harm in itself.
3.5	123 identical responses sent by private individuals citing Children's Society research	HCSTC ads should not be shown when children could be watching because they make taking out HCSTC seem 'normal' or 'fun'.	The prevention of normalisation is not a policy objective for BCAP. BCAP's position on normalisation is set out in full in section 5.4 of its consultation document.
		Brand recall of and reported exposure to HCSTC ads is high.	While HCSTC advertising might cause children to recognise brands or have awareness of HCSTC, such findings do not suggest a causal relationship with identifiable harm; conversely, findings of a low level of brand recall do not preclude the potential for harm. Accordingly, evidence of brand recall is not directly relevant to the identification of potential harm that scheduling restrictions might aim to prevent. Furthermore, children's recall of exposure is not necessarily an indicator of actual exposure. BCAP does not consider that seeing an ad always equates to financial detriment or over-indebtedness. Inevitably, children and young people sometimes comprise a significant minority within a large TV audience. Seeking to limit

			exposure absolutely is inherently premised on the notion that exposure to any HCSTC advertisement, of itself, causes harm. To adopt the perspective that exposure equates to harm is contrary to the notion that content restrictions, which prohibit inappropriate / irresponsible appeal to children and young people, can form an effective part of the regulatory framework. BCAP does not consider that such a position is coherent or proportionate.
		One third (34%) of children surveyed by The Children's Society found payday loan adverts to be fun, tempting or exciting – and this group were significantly more likely to say they would consider using a payday loan in the future.	Although 34% of children surveyed by the Children's Society found payday loan adverts to be fun, tempting or exciting – and this group were significantly more likely to say they would consider using a payday loan in the future – the research also found that of the 66% of children who did not see payday loan adverts as fun, tempting or exciting, 87% would not consider using payday loans in the future under any circumstances, including in emergencies. Of the 34% who found payday loan adverts to be fun, tempting or exciting, 24% would consider using payday loans but only in emergencies, and 2% would consider using payday loans for day-today necessities. BCAP's view is that it is not inherently harmful for children to consider using a payday loan at some stage in the future and that the figure suggests that ads have a mild effect on a small proportion of children. Any effect might be expected to be mitigated by conversations with parents and life experience that intervenes before the children are eligible to take out a loan. BCAP will carry out a further content review, which will gather evidence on borrowing behaviour (including consumer research) to allow it to examine whether there are advertising techniques that might promote irresponsible lending behaviour in ways which exploit vulnerabilities, and which can be addressed in guidance.

		BCAP should restrict the scheduling of payday loans to ensure they are less likely to be seen by children aged under-18 in the same way that it does for other financial products such as gambling.	BCAP does not currently impose scheduling restrictions for any financial product. BCAP does restrict the advertising of products that are age-restricted, for example alcohol and gambling. However, there are two further factors directly relevant to alcohol and gambling advertising being subject to scheduling restrictions: the potential for under-18s to want to use the products; and their accessibility to under-18s (for example, alcohol being available in the home, and the use of over-18s to place bets on behalf of under-18s).

Other responses received that do not directly relate to any of the three statements above:

4.1	TMC	Advertising of credit should be permitted provided the content is responsible and does not encourage dangerous use of credit. Credit providers are advertising in a way that is not informative, is seen by under-18s and does encourage dangerous use.	BCAP will carry out a further content review, which will gather evidence on borrowing behaviour (including consumer research) to allow it to examine whether there are advertising techniques that might promote irresponsible lending behaviour in ways which exploit vulnerabilities, and which can be addressed in guidance.
		Evidence received by BCAP shows that children see and misunderstand television advertising and that ads lead to pester power; it is likely that similar results could be found across advertising in the wider credit sector.	BCAP has not received robust evidence of pester power.

		No scheduling restrictions should be imposed on any consumer credit products, including HCSTC, unless there is evidence of particular financial detriment in the HCSTC sector. Statistics show that consumer risk is disproportionately located in the HCSTC sector. Scheduling restrictions would risk preventing information about potentially useful forms of credit from reaching the public, which could result in consumers borrowing money from illegal lenders.	While BCAP notes TMC's comments on the wider credit market, BCAP's consultation relates to the potential effect of HCSTC advertising and whether a scheduling restriction is necessary and proportionate, by seeking evidence of harm that a scheduling restriction might aim to prevent. BCAP agrees and acknowledges in its consultation document that scheduling restrictions can have the effect of preventing ads from reaching a legitimate adult audience; however, BCAP must balance the rights of adults with the protection of vulnerable people in order to meet its regulatory objectives.
4.2	MSE	Advertising during and around programmes likely to be seen by children, is an attempt to normalise a dangerous type of credit. Restrictions would de-normalise HCSTC.	The prevention of normalisation is not a policy objective for BCAP. BCAP's position on normalisation is set out in full in section 5.4 of its consultation document.
		Young people who want money quickly see irresponsible HCSTC ads, which present HCSTC as a necessity, and children are captivated by jovial content.	BCAP will carry out a further content review, which will gather evidence on borrowing behaviour (including consumer research) to allow it to examine whether there are advertising techniques that might promote irresponsible lending behaviour in ways which exploit vulnerabilities, and which can be addressed in guidance.
		An MSE poll shows that parents are under pressure to take out HCSTC by their children and children are captivated by catchy songs and puppets.	BCAP considers that a self-selecting online poll is not, on its own, robust enough to justify a conclusion that pester power is prevalent. The poll did not look at the reasons for pester power, and the CS research found that the children of people who have taken out payday loans are more likely to suggest taking out another one, suggesting that environmental factors may have a significant role in promoting use of the product. The poll did not find any causal relationship between pester power and advertising of HCSTC. Research findings that one in three parents say their children see payday loans as fun must be considered in light of research by CS which found that 80% of children would not take out a payday loan under any circumstances.
		CS findings on recall of exposure and appealing content quoted. HCSTC is not available to under-18s therefore under-18s should	Children's recall of exposure is not necessarily an indicator of actual exposure. BCAP does not consider that seeing an ad

		not see its advertising.	always equates to financial detriment or over-indebtedness. Inevitably, children and young people sometimes comprise a significant minority within a large TV audience. Seeking to limit exposure absolutely is inherently premised on the notion that exposure to any HCSTC advertisement, of itself, causes harm. To adopt the perspective that exposure equates to harm is contrary to the notion that content restrictions, which prohibit inappropriate / irresponsible appeal to children and young people, can form an effective part of the regulatory framework. BCAP does not consider that such a position is coherent or proportionate.
		MSE asked its forum users to send comments on the consultation and included some of these in its own response. The comments in the response and those received independently from individuals generally called for HCSTC ads to be banned completely, with three users arguing that scheduling restrictions should not be introduced. These were supported by anecdotal evidence only. The reasons for banning HCSTC ads included were: HCSTC is a quick and easy form of obtaining money; there are serious consequences for not paying back loans; disapproval of the product itself / high interest rates; ‘grooming’ of children for future use of HCSTC; pester power; and children’s ability to recall brands. The reasons for not introducing restrictions were that children cannot take out loans, so there is no potential for harm, and that HCSTC ads could be used by parents to discuss financial responsibility with their children.	Anecdotal evidence on its own is not a sufficient basis upon which BCAP can introduce scheduling restrictions. BCAP is committed to evidence-based policy-making. BCAP will assess the content of payday loan ads further in its content review.