

Advertising Standards Authority

Annual Report 1999

1960 NEWS CHRONICLE

**Advertising
may get
censorship**

THE public is entitled to protection against advertisers of unworthy goods as it is against murderers, thieves and drunken drivers.

Mr. Brian P. MacCabe, 46-year old company managing director, told the Advertising Association's conference at Harrogate, Yorks, so yesterday.

He admitted, however: "Although many organisations are making valiant efforts, I would be surprised if they could claim they were much of a protection to the vast mass of consumers against unscrupulous manufacturers."

An advertising agency had to trust the client who claimed his tyres will last for 30,000 miles. It was impossible for the advertiser to prove such claims that certain products were "whiter than white."

Proposals for a Government committee of laymen to judge product claims was "unrealistic," he said. Only trained advertisers were qualified for such a job.

He suggested that a censorship committee of such people would be the best form of protection against bad advertising.

SEPTEMBER 1962 – The ASA is set up in response to calls to protect consumers from advertising excesses. To guard the public interest, the majority of ASA Council members are required to be independent of the industry.



Evolution of advertising self-regulation

Between 1961, when the first edition of the Advertising Code was published, and 1999 when the tenth edition of the British Codes of Advertising and Sales Promotion was issued, the industry's rules and the way they are applied by the independent ASA have adapted to changes in society and advertising practices.



1960s – FAMILY PLANNING

Advertising for pregnancy testing kits: one of the first areas to be monitored by the ASA in the 1960s. They could appear only in medical press until 1966 when ASA advised other publishers they could use their discretion subject to safety conditions.



1965 – HOLIDAY ADVERTISEMENTS

ASA issues guidance to the travel industry to make sure that 'holiday-makers do not suffer inconvenience, disappointment or financial loss' as a result of advertisements.

1991 – EUROPEAN CO-OPERATION

The ASA co-founds the European Advertising Standards Alliance with 11 other countries: eight years on it is now 25 strong. The Authority works with other self-regulators in the Alliance and beyond to resolve cross-border complaints like those received about the advertisement below.



1975 – ALCOHOL AND CIGARETTES

New Codes for alcoholic drink and cigarette advertising introduced, along with pre-vetting for the latter.



1988 – LEGAL BACKSTOP

The 1988 Control of Misleading Advertisements Regulations adds a legal backstop to the self-regulatory sanctions. The ASA makes the first of its 10 referrals to the Office of Fair Trading in 1989 resulting in an injunction to prevent misleading slimming claims for Speedslim.

she really wants it



1990s – ADVERTISING

STYLE CHANGES

Advertisers adopt a different style of advertising in the 1990s compared with the more subtle 1970s approach. In-your-face advertisements lead to more complaints to the ASA and CAP introduce new sanctions to tackle shock posters.



1999 – PARTY POLITICS

The 10th edition of the Codes is published. The most significant change is the removal of party political advertising from the Codes remit: political parties will in future have to regulate themselves.



1995 – INTERNET ADVERTISING

Advertisements on the world wide web come under the Codes. Guinness change this web advertisement immediately when ASA inform them that it could be seen to condone drinking and driving.

Contents

2	Chairman's report	20	CAP Chairman's report
4	1999 Review	22	CAP activity review
	• Money-making schemes		• The new Codes
	• Car finance deals		• Communication: promoting CAP and the CAP website
	• A question of taste		• Copy Advice
	• Functional foods		• Help Notes issued in 1999
	• Health claims for animals		• CAP Panels
	• Prize draws and overseas lotteries		• Compliance
	• Lowest prices guaranteed		• ASA referrals to CAP
	• Working with the charity sector		• Ad Alerts
8	Complaints figures		• Poster pre-vetting
12	ASA Council		• CAP and Internet advertising
14	Case study – The final sanction	26	CAP members
15	ASA research	27	ASA worldwide
	• Motoring	28	Financial report
	• Homework schemes	29	Financial update
	• Flight prices	30	About the Advertising Standards Authority
	• Impotence treatments	31	About the Committee of Advertising Practice
	• Spot-checks	32	Team managers
	• Post investigation compliance checks		
	• Repeat offenders		
	• Customer satisfaction survey		
18	Government relations		

Chairman's report

Rt Hon Lord Rodgers of Quarry Bank

Early in my time as Chairman of the Authority I was asked three questions in quick succession at a meeting 'Who appoints you, Lord Rodgers?' to which I replied it was the Advertising Standards Board of Finance (ASBOF); 'Who finances the ASA?'; to which I replied that was also ASBOF; and 'Who writes the Codes the ASA administers?' to which I replied the Committee of Advertising Practice (CAP). My questioner was triumphant as he quickly slipped in his winning line, 'And you claim that the ASA is independent?' This was his rhetorical *coupe de grâce* but without hesitation I said 'Yes'. Five years later I would give the same reply.

The life and behaviour of institutions cannot be understood only through organisation charts. They function according to conventions as well as rules, drawing on collective experience in pursuit of common goals. This is true of Parliament and it is true of self-regulation in non-broadcast advertising. The system works not only because of checks-and-balances but through mutual respect and shared objectives.

These thoughts are uppermost in my mind because 1999 was marked by Matti Alderson's decision not to seek a further term as Director General, and Brian Nicholson's retirement as Chairman of ASBOF. This is not the time and place for a full appreciation of Matti Alderson's contribution to the ASA – that will come in next year's Annual Report – but no one has had a clearer view of both the advertising industry's direct responsibility for the success of self-regulation and the independence of the Authority. She has played a major part in ensuring that the Codes took a form that the Council of the ASA could endorse and administer; and she has been like a tiger in defending the ASA from any encroachment upon its jurisdiction. At the same time, in Brian Nicholson ASBOF has had a Chairman with a vast knowledge of the industry and a sensitive understanding that any attempt to lean on or influence the Authority in the conduct of its affairs could undermine the credibility of self-regulation itself. Christopher Graham, who will succeed Matti Alderson in the year ahead and Winston Fletcher as the new Chairman of ASBOF, have a vital inheritance to cherish.

Every institution also evolves, usually by incremental stages. In Clause 68.32 of the 1995 Codes there was for the first time explicit provision for complainants and advertisers to appeal against the adjudications of the Authority. As Chairman, I dealt with ninety-five such appeals in four years. But this was not an entirely satisfactory arrangement because there was a perceived conflict of interest between the role of the Chairman in presiding over Council and then in considering appeals against its decisions. Now, as a result of the new 10th edition of the Codes, there is, in Sir John Caines, an Independent Reviewer who plays no part in the day-to-day business of the Authority. It is a change I welcome.

Another change I welcome is the total exclusion from the new Codes of political advertising. This is a particularly difficult area for verification and judgement as those involved in the 1996 Tony Blair Demon Eyes, 'New Labour, New Danger' adjudication will recall. The free-flow of argument in the cut-and-thrust of open



I find continued reassurance in the general endorsement given to our adjudications by our annual Consumer Conferences, in 1999 held in Glasgow.

debate is the best antidote to political advertising that misleads or offends.

The range of complaints considered by the Council during the year was as wide as usual. Complaints about taste and decency involved a modest number of advertisements but they often had the highest profile and tested the judgement of Council in making what are inevitably subjective decisions. But here I find continued reassurance in the general endorsement given to our adjudications by our annual Consumer Conferences, in 1999 held in Glasgow.

Perhaps even more difficult and requiring cool detachment from personal loyalties are the complaints made by one campaigning organisation against the advertisements of another, often in an area of acute controversy. The ASA Council applies the Codes with the same rigour on all occasions.

David Lipsey and Martyn Percy joined the Council during the year. All the independent or lay members have now been appointed as

a result of public advertisement and in the face of stiff competition for places. Catherine Peckham, Ian Markham and Richard Bradley left the Council, each after more than six years service. All had made an outstanding contribution to its work.

Apart from the special contribution of the Director General, I am immensely grateful to all members of the staff, however junior, for their contribution to the success of the Authority. I want to record a personal vote of thanks to Brian Nicholson as Chairman of ASBOF and also to thank Philip Francis, the newish Secretary of ASBOF, with whom we enjoy good working relations.

William Rogers

During the year, the ASA worked with overseas regulators to stop misleading foreign mailings.

PRIZE DRAWS AND OVERSEAS LOTTERIES

Many people live in hope of a sudden windfall of cash but the disappointment caused when consumers find themselves duped by misleading mailings led to an increase in complaints to the ASA during the year (see also Direct Marketing – page 10).

The problems were caused not by a fall in standards by UK advertisers but by a surge in the number of questionable sweepstake and lottery mailings being sent to UK consumers by foreign companies.

In 1999, foreign advertisers accounted for 20% of complaints received about mailings. These mailings came in many guises, most made extravagant promises of winning and invited the recipient to send off money to enter. Sadly, the chances of winning by entering these schemes are exceptionally slim and consumers can find it difficult or impossible to obtain a refund when they realise they have been conned.

When mailings originate from one of the 25 countries in membership of the European Advertising Standards Alliance complaints are investigated through the cross border complaints system. During the year, the ASA also worked closely with the Royal Mail and bodies such as the US postal service, the Canadian, American and Australian Direct Marketing Associations and the Australian Competition and Consumer Commission to stop misleading mailings that originated outside the European framework of legislation and self-regulation. In Canada and the US this action has resulted in criminal proceedings being brought against some advertisers.

LOWEST PRICES GUARANTEED

Everyone likes a bargain. And the promise of the lowest price will always be attractive to consumers. With this in mind, advertisers need to ensure that any promise they make is one they can keep.

The past year has seen the ASA address the issue of price promises and comparisons on several occasions. The high profile rulings

made by the Authority highlighted the importance both of research that needs to be undertaken by advertisers to ensure that they can live up to their promises, and the need for comparisons to be clear and fair.

But that is not all. Advertisers must be aware that claims of 'lowest price guarantee' (or 'guaranteed') can only be justified if they offer a lower price than others. They cannot be used in instances where advertisers intend only to match their competitors' prices. Furthermore, the distinctions between these two claims must be realised: a 'guaranteed' offer is a promise to offer the lowest price without limitation. However, a 'guarantee' claim should be qualified with the restrictions of the offer.

Advertisers know the nature of the price promises they wish to make. The ASA will continue to help them ensure that those promises are clear and not misleading.

WORKING WITH THE CHARITY SECTOR

Advertisements by charities and pressure groups can present the ASA with thorny



Foreign advertisers accounted for 20% of complaints about misleading mailings



Some price promises did not stand up to ASA scrutiny

and controversial issues to resolve. To help non-profit making advertisers to get their messages across within the rules, the ASA held a special seminar during the year. Information was provided and debated on treading the fine line between justifiably moving consumers to act and creating advertising that is just too frightening or shocking.

For the few advertisers that ran into difficulty in 1999 the most common problem was one of presenting misleading information. This ranged from misquoting sources and using photographs unconnected with the cause, to exploiting the vulnerable through the promise of miracles. However, many charity advertisers worked with the CAP Copy Advice team during the year to produce advertisements that were hard-hitting, but not below the belt.



Betty McBride from Help the Aged gave other charity advertisers an insight into their hard hitting advertisements at the ASA seminar

Complaints figures

COMPLAINTS RESOLVED

The number of complaints resolved in 1999 showed less than 1% increase on the previous year. The Authority resolved 12,141 complaints relating to 8,617 advertisements during 1999. 1,812 of the advertisements that raised complaints required investigation and 851 of those, just under 10% of the total, were found to break the Codes.

Complaints resolved in 1999 included 1,304 that were carried forward from 1998. The 937 complaints that remained unresolved at the end of 1999 will be reported in the complaint figures for 2000 to be published next year.

The number of complaints in 1999 compares to 12,052 complaints resolved in 1998 relating to 8,236 advertisements: 807 advertisements broke the Codes, just under 10% of the total that raised complaints.

Complaints alone cannot be used as an accurate indicator of overall industry compliance with the Codes. However,

viewing the figures in the context of some 30 million advertisements and over 4 billion direct mailings each year, it is reassuring that only 851 had to be withdrawn or amended following formal investigation by the ASA.

COMPLAINTS RECEIVED

The number of complaints received by the ASA in 1999 fell by 4% although the number of advertisements attracting complaints rose by 2%: 11,774 complaints were received relating to 8,503 advertisements compared with 12,212 complaints about 8,339 advertisements in 1998.

10 ADVERTISEMENTS ATTRACT 12% OF COMPLAINTS RESOLVED

As in previous years, a relatively small number of advertisements accounted for a significant percentage of the total complaints resolved. In 1999, 10 advertisements accounted for 1,516 complaints in total: 12% of all the complaints resolved by the ASA during the year.

Only two advertisements attracting high numbers of complaints raised objections

about misleading claims: one of those broke the Codes. The remaining eight advertisements were challenged for causing offence and three of those broke the Codes.

Not Justified

The ASA ruled that four of the top 10 advertisements did not justify further investigation under the Codes. This does not mean that the complainants were not justified in making a complaint but rather that the Authority felt able to conclude, without the need for a formal investigation, that the advertisements did not break the Codes. As reported in past Annual Reports the number of complaints received is not the determining factor in deciding whether or not the advertisement breaks the Codes. (see also page 5 – A question of taste). In six cases the advertisements required a formal investigation before the Authority could determine whether or not they broke the Codes.

TOP 10 COMPLAINTS RESOLVED:

Of the 12,141 complaints resolved by the ASA in 1999, 1,516 (12%) related to 10 advertisements. Four of these broke the Codes and the complaints were upheld. See inside back covers for more details.

Advertisements	No. of complaints	ASA decision	Advertisements	No. of complaints	ASA decision
1 Bertelsmann AG	312	Not Upheld	6 Stafford-Miller Ltd	84	Upheld
2 Entertainment Film Distributors	310	Not Justified*	7 Monsanto	81	Upheld
3 Bravo	238	Upheld	8 Sony Computer Entertainment UK Ltd	310	Upheld
4 Paramount Comedy Channel	187	Not Justified*	9 India League	66	Not Justified*
5 Britvic Soft Drinks Ltd	100	Not Upheld	10 Van Heusen	60	Not Justified*
			Total	1,516	

*Not justified complaints are those where, after consideration, the ASA Council has ruled that the complaints do not justify an investigation under the Codes. In these cases no adjudication is published. Summaries of these decisions, together with those that were published, are available on the ASA website or on request from the External Affairs team (see contact details on page 30).

1999 COMPLAINTS RESOLVED (Public and industry)

	1999		1998	
	Complaints	Advertisements complained about	Complaints	Advertisements complained about
Complaints carried forward from 1998	1,304	791	1,144	688
Investigated cases				
Upheld	2,015	851	2,303	807
Not upheld	1,108	284	716	290
Resolved informally	737	677	752	643
Total investigated	3,860	1,812	3,771	1,740
Not investigated cases				
No case to answer	2,873	2,852	2,731	2,526
Withdrawn	1,220	1,210	1,162	1,151
Outside remit	1,670	1,666	1,574	1,573
Not justified	1,983	542	2,218	650
Total not investigated	7,746	6,270	7,685	5,900
Mail order	278	278	346	346
Database	257	257	250	250
Total	535	535	596	596
Total	12,141	8,617	12,052	8,236
Complaints outstanding at year end	937	677	1,304	791

Note: These figures relate to complaints resolved between 1 January and 31 December 1999. No direct comparisons can be made with the figures reported in the 1998 Annual Report which were based on complaints received rather than complaints resolved.

Complaints figures

TASTE AND DECENCY

3,062 (25%) of the complaints resolved by the ASA during the year related to complaints of offence. After investigation 1,502 complaints relating to 130 advertisements were upheld: a small increase of 1% on 1998 when 117 advertisements broke the Codes' taste and decency rules.

PORTRAYAL OF WOMEN

The number of advertisements attracting complaints for the offensive portrayal of women increased by one from 1998 figures: 110 advertisements were the subject of complaint. After consideration, 14 were found by the ASA to have overstepped the mark and caused serious or widespread offence. This was exactly the same number as in the previous year. One of the advertisements that broke the Codes for its portrayal of a woman features in the list of the 10 advertisements attracting most complaints.

COMPETITIVE COMPLAINTS

In the spirit of self-regulation, industry complainants keep an eagle eye on each other

to make sure either that advertisers are not gaining a competitive advantage through making misleading claims or that they are causing other problems for consumers. In 1999 the ASA resolved 1,370 complaints made by competitive complainants relating to 1,242 advertisements: 389 were found to break the Codes.

COMPLAINTS BY MEDIA TYPE

Posters

The high profile medium of outdoor advertising was the subject of most of the complaints resolved in 1999: 2,493 complaints in 1999 compared to 1,890 in the previous year: an increase of 32%. However, 4% of those complaints (1,231) related to six advertisements that featured in the top 10 complaints resolved list and, after consideration by the ASA, two of those were found to break the Codes. Those two advertisers, and eight others that had complaints upheld against them on the grounds of taste and decency or social responsibility, were subjected by the poster industry during 1999 to a

two year pre-vetting procedure to curb future problems.

Direct marketing

Of the 12,141 complaints resolved, 2,199 related to 1,808 direct mailings – an increase of 19% on complaints resolved in the previous year. Some 20% of the mailings attracting complaints originated from companies outside the UK (see also page 6 – Overseas lotteries) and after investigation 124 mailings were found to break the Codes: compared with 149 in 1998.

The Codes cover the use of personal data for direct marketing purposes as well as the content of the mailings: 257 complaints about the use of personal data were resolved by the ASA during the year – a similar number to the 250 resolved in 1998.

278 of the complaints resolved related to mail order advertisements where the Authority enabled consumers to receive refunds or goods and services ordered by post. This compares to 346 mail order complaints resolved in the previous year.

COMPLAINTS RESOLVED BY MEDIA TYPE

Some complaints relate to advertisements appearing in more than one medium.

	1999	1998		1999	1998
Poster	2,493	1,890	Catalogue	152	150
Direct mail	2,199	1,838	Directory	118	130
National press	2,196	2,829	Packaging	100	97
Magazine	1,365	1,678	Circular	62	63
Regional press	838	847	Facsimile	53	134
Leaflet	537	451	Insert	29	42
Brochure	356	400	Cinema	28	38
Press general	303	377	Transport	22	21
Point of sale	181	113	Ambient	6	0
Electronic	161	87	Video	1	2

Other media

While complaints resolved about posters showed a 32% increase, complaints about advertisements in national press, regional press and magazines all accounted for fewer complaints resolved during the year than in 1998. Complaints about advertisements in electronic media, including the Internet, continued to rise as increasing numbers of consumers gain access on-line: the ASA resolved 161 complaints in 1999 compared with 87 in the previous year. Ambient media makes its first appearance in the ASA's complaint figures: the Authority resolved six complaints about advertisements appearing in places such as on till receipts or travel tickets. None were found to break the Codes.

COMPLAINTS PROCEDURE

The ASA's complaints procedure has been tested by the courts and is designed to balance speed and fairness. The investigation is carried out by members of the Secretariat before an adjudication is made by the ASA Council. A simplified version of the complaints procedure is outlined below.

1. Complaint received

ASA sends an acknowledgement card and assesses the complaint

2. Assessment

Case needs investigating or complainant advised that there is no case to answer under the Codes

3. Investigation

ASA asks advertiser to comment on the complaint and supply evidence for any disputed claims

Complainant notified of action taken

4. Considering the complaint

Advertisement assessed in the light of advertiser's response

Draft adjudication sent to ASA Council

5. Decision

ASA Council adjudication

6. Taking action

Advertiser and complainant notified of ruling

Where complaint is upheld, ASA asks for the advertisement to be amended or withdrawn

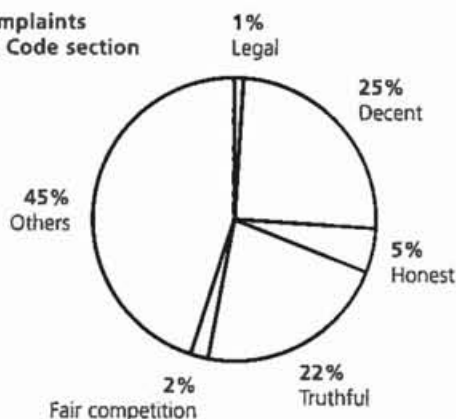
7. Publication of ruling

ASA publish outcome of the investigation in the Monthly Report which is circulated to journalists and the industry

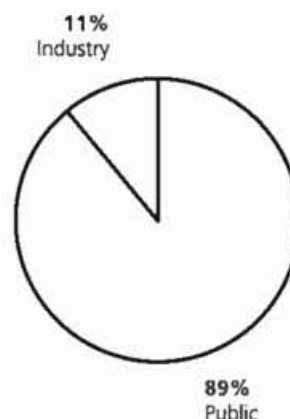
8. Final check

ASA checks that the advertisement has been changed

Areas of complaints resolved by Code section



Sources of complaints



ASA Council members 1999

RT HON LORD RODGERS

OF QUARRY BANK (BILL RODGERS)

Lord Rodgers was MP for Stockton-on-Tees from 1962 – 1983. Elected a Labour MP, he became one of the SDP's founding 'Gang of Four' in 1981. Lord Rodgers became a privy Counsellor in 1975 and was made a Life peer in 1992. From 1987 – 1994 he was Director General of the Royal Institute of British Architects. In 1997, Lord Rodgers was elected Leader of the Liberal Democrats in the House of Lords. Appointed ASA Chairman in January 1995.

JANE ANDERSON

Jane Anderson is currently joint Head of Personnel in the Lord Chancellors' Department. She worked first for the British Council in Venezuela from 1976 – 1978. On returning to London, she joined the BBC, working there until 1990 when she left to become a civil servant, initially in the Home Office and then in the Department for Education and Employment. Appointed to ASA Council in January 1996.

RICHARD BRADLEY

Richard Bradley is a Director of L'Oréal UK Limited and Chairman of its Pension Fund.

He is also Chairman of the Cosmetics Industry cancer charity (Look Good...Feel Better) and its Educational Trust. He is an appeal patron of the charity 'FRAME'. Appointed to ASA Council in May 1993 to August 1999.

HUGH BURKITT

Hugh Burkitt is Chairman of Court Burkitt & Company. He was co-founder and the first President of Alto, a federation of European advertising agencies set up in 1991. He is a council member of the Institute of Practitioners in Advertising and the Advertising Association. Appointed to ASA Council in June 1995.

DAVID LIPSEY

David Lipsey is a Public Interest Director of the Personal Investment Authority and a member of the Horseracing Totalisator Board. He has served on the Jenkins Committee on Electoral Reform; the Royal Commission on the Long Term Care of the Elderly and the Davies Committee on the funding of the BBC. Previously he has been an advisor to Rt Hon Anthony Crosland MP and to Rt Hon (now Lord) Callaghan. He is the

author of "The Secret Treasury" (2001), and is a Labour peer. Appointed to ASA Council in April 1999.

IAN MARKHAM

Ian Markham is Professor of Theology and Public Life at Liverpool Hope University College. He has published on the area of Christian ethics and culture. Appointed to ASA Council in June 1993 to August 1999.

LIZZIE MARSDEN

Lizzie Marsden is the Head of King Alfred School in Hampstead where she teaches English 'A' level, Middle School English and also manages to rotate time as a Class Teacher in the primary section of the school. Her responsibilities include the pastoral welfare of 500 students (aged 4 – 18), and the development and training of some 90 members of staff. She is also a Head Masters' Conference (HMC) Inspector. Appointed to ASA Council in January 1998.

PETER MITCHELL

Peter Mitchell is a Director of Capital Radio plc and Chairman of Mountain View Group Ltd.,



The Council, from top left to bottom right:
Rt Hon Lord Rogers,
Peter Mitchell, Jane Anderson,
Lizzie Marsden, Hugh Burkitt,
Richard Bradley, Len Sanderson,
Ian Markham, Diane Yeo,
Catherine Peckham, David Lipsey,
Martyn Percy, Norman Tutt,
Harry Rich, Pauline Thomas

The ASA Council decides whether or not an advertisement breaks the Codes. The majority of members have to be free of advertising interests and the Chairman advertises for new lay members to reflect a diversity of background and experience.

a communications company. He retired from Guinness plc in 1997 where he was Director of Strategic Affairs. Appointed to ASA Council in June 1995.

CATHERINE PECKHAM

Catherine Peckham is Professor of Paediatric Epidemiology at the Institute of Child Health and Hon. Consultant at Great Ormond Street Hospital, London. She has written extensively on health issues relating to pregnancy and childhood. Appointed to ASA Council in May 1993 to May 1999.

MARTYN PERCY

Reverend Canon Dr Martyn Percy is Director of the Lincoln Theological Institute at the University of Sheffield. Since his ordination in 1990, Dr Percy has occupied academic posts at Christ's and Sidney Sussex colleges, Cambridge. He has worked as Academic Advisor on the Spirit Zone project in the Millenium Dome and presently sits on the Church of England's Faith and Order Advisory Group as well as on numerous other academic religious committees and on government related issues. Appointed to ASA Council in September 1999.

HARRY RICH

Harry Rich is Business & Research Director at the Design Council. His background is as an entrepreneur, principally in industrial electrical distribution and retailing, in the Midlands and London. He trained as a solicitor and has been active in a variety of voluntary organisations. He is a Trustee of the Jewish Aids Trust and a Justice of the Peace. Appointed to ASA Council in January 1997.

LEN SANDERSON

Len Sanderson is Managing Director of Sales at the Telegraph Group Limited and is a member of its main Board. Appointed to ASA Council in June 1994.

PAULINE THOMAS

Pauline Thomas is a writer and business consultant specialising in the marketing of professional service firms, and is a Magistrate in Central London. She has worked in management roles for a number of companies, including Grant Thornton, Lovell White Durrant and British Petroleum. She is a Non-executive Director of St. Mary's Hospital, Paddington, and Chairman of the hospital's Equal Opportunities

Group. Her first novel was published in 1997. Appointed to ASA Council in June 1998.

NORMAN TUTT

Norman Tutt is Director of Social Services (London Borough of Ealing). He was Principal Social Work Services Officer at the DHSS until 1979 when he became Professor of Applied Social Studies at the University of Lancaster. From 1988 – 1992, he was Director of Social Services at Leeds City Council and from 1992 – 1999 Director of Social Information Systems. Appointed to ASA Council in January 1996.

DIANE YEO

Diane Yeo is Chief Executive of Sargent Cancer Care for Children. She began her career in BBC Radio. After working for several children's charities she became the first Director of the Institute of Charity Fundraising Managers and then a Charity Commissioner. Appointed to ASA Council in June 1997.



Directors, from top left to bottom right:
 Tony Butler, Deputy Director General and CAP Secretary
 Matti Alderson, Director General
 Phil Griffiths, Director of Finance and Support Services
 Guy Parker, CAP Assistant Secretary
 Caroline Crawford, Director of Communications
 Roger Wisbey, Director of Investigations

Case study – The final sanction

The ASA can apply a range of sanctions through the Committee of Advertising Practice to make sure that advertisements comply with the Codes. But it's rare that an advertiser shows such persistence in refusing to co-operate that the Authority has to bring into play its strongest sanction: referral to the Office of Fair Trading for legal action.

The Control of Misleading Advertisements Regulations was introduced in 1988 as a legal backstop for the advertising control systems. They are applied by the Director General of Fair Trading and can be brought into action once the 'established means,' such as the ASA, for resolving complaints have been exhausted.

Since 1988, the ASA has needed to make only 10 referrals; less than one a year. An impressive record in an industry that generates some 30 million advertisements annually. But one such referral took place in 1999. A company using a range of names including Launchasset, 2nd Telecom, Top 20 and 20th

Century Fax were sending out unsolicited faxes which offered various types of information including a diet sheet. The recipient of the faxes was invited to obtain the full information by faxing the company back on a premium rate line. The initial fax made exaggerated claims for the benefits of the service and the resulting complaints were upheld by the ASA.

Between June 1997 and August 1998, the ASA carried out six formal investigations, publishing a 'complaint upheld' report in each case, and CAP issued an Ad Alert in May 1998. ASA and CAP initiated follow-up procedures in a sustained drive to bring the advertisers into line, but Launchasset chose not to co-operate fully, even when faced with the threat of referral to the OFT.

In the circumstances, the OFT referral went ahead. The ASA asked the Director General of Fair Trading to use his powers under the Regulations to take the advertiser to court. An injunction was obtained to prevent the advertiser from repeating misleading slimming claims.

This advertiser took the unusual step of failing to co-operate with the self-regulatory system. As a result, in 1999 they were put under a legal obligation to take advice from CAP on all their slimming claims.

Self-regulation relies on consensus and persuasion to make sure that advertising is legal, decent, honest and truthful. But advertisers can feel the full force of the law in the rare cases where coercion seems to be the only language they will respond to.



The Daily Mirror's 'Sorted' column welcomed the action taken by the ASA and OFT on the Launchasset fax mailings

ASA research

Complaints alone cannot be used to accurately assess levels of industry compliance with the CAP Codes. As a result, the ASA has carried out Code compliance research since the self-regulatory system was established 38 years ago. Research is carried out in three main ways: spot-checks across press and magazine advertisements, post-investigation monitoring, and surveys conducted to check levels of compliance in selected product categories. It is these surveys that provide the ASA with information to show that standards of advertising are very high with 97% of press advertising and 98% of posters complying with the Codes. Monitoring also enables the ASA to spot trends and provide a measure of protection to the public without the necessity for a complaint.

MOTORING

A survey into the standards of motoring advertisements was carried out on a sample of advertisements appearing in February 1999.

The survey was designed to co-incide with a heavy burst of advertising in advance of the new March registration plates. The main area of concern was whether advertisers were placing undue emphasis on, and glamorising speed. But, as well as speed, environmental, price and safety claims were also scrutinised. Encouragingly, the results showed that 91% of the advertisements surveyed were acceptable under the Codes, and only 2% presented substantive problems. The remaining advertisements broke the Codes on technical grounds, for example with unclear pricing or footnotes. Only 1% of the advertisements checked broke the Codes' rules on speed and acceleration claims.

HOMEWORK SCHEMES

For many people homeworking is an attractive alternative to the office and for some it is the only viable means of earning a living. However, schemes often do not live up to the advertised claims. A review of homework opportunities in 1999 examined advertisements and follow-up material for 14 schemes appearing in national press

and magazines. Advertisers were asked to provide details of their schemes and evidence that any earnings claims were realistic. Of the schemes scrutinised, only three did not present problems under the Codes. In the other cases, scheme operators were asked to bring their advertising swiftly into line with the Codes.

FLIGHT PRICES

Following an ASA ruling in 1998, advertisers are required to include in their flight prices all compulsory charges paid by consumers. A survey conducted later that year showed that the majority of advertisers complied with this requirement. However, a follow up survey in 1999 showed that, while advertisers were including the charges in press advertising, they were omitting them from prices quoted on the Internet. Twenty two advertisers were contacted by the ASA and reminded that the Codes also apply to advertising on the Internet.

IMPOTENCE TREATMENTS

1998 heralded the introduction of the potency pill, Viagra, in a blaze of publicity. Despite

advice from CAP that prescription-only medicines or treatments for serious medical conditions such as impotence are prohibited under the Codes, 1999 saw a number of companies claiming to offer this treatment or imitations of it direct to the public. The ASA found seven such advertisements while monitoring the press. Each advertiser was contacted and told of the Codes requirements.

SPOT-CHECKS

The ASA Research team carries out regular spot-checks on newspapers and periodicals to keep a daily watch on Code compliance. Over 10,000 advertisements a week are scrutinised; only 1% required ASA intervention in 1999. Posters are monitored on an *ad hoc* basis and a system for checking regular monthly samples of direct mailings and Internet advertisements is being developed for 2000.

During a spot-check, if an advertisement makes claims that are likely to be dubious based on past ASA cases the advertisers are asked to provide evidence for the claims or advised to amend the advertisement.

Advertisers are asked for their written assurance that they will not make similar claims again. They are also advised to contact the CAP Copy Advice team for help with developing future advertisements. ASA and CAP teams work closely together to ensure that consistent advice is given and so that CAP can be asked to take action if an unacceptable advertisement continues to appear unamended.

POST INVESTIGATION

COMPLIANCE CHECKS

The ASA's interest in an advertisement that has had a complaint upheld against it does not stop with the publication of the adjudication. Rulings are followed up to ensure that advertisements have been withdrawn or amended in line with the Codes.

Following the publication of an upheld complaint advertisers are expected to change their advertisement immediately to reflect the adjudication. Where the advertisement has not already been changed, advertisers are asked what steps they have taken to ensure their advertising conforms to the Codes.

Over 240 cases were pursued in 1999 and in all instances either the advertisement had been changed or withdrawn or the advertiser gave a written assurance that all current and future advertising would comply with the Codes.

REPEAT OFFENDERS

The ASA's Repeat Offenders procedure has been in place for over a year now and has proved to be very successful in identifying and focusing on those few advertisers that persistently offend against the Codes.

Since being introduced in late 1998, 31 advertisers have been identified as repeat offenders, 17 of them in the serious persistent category. A full and detailed chronology of events was written for each offender marking their track record to-date. Eleven were asked to attend meetings at the ASA to agree a course of action to improve their compliance with the Codes. The remaining six provided written assurances that they would in future work closely with the CAP Copy Advice team. In all cases, an electronic tagging system was applied to the advertisers via an Internet

Over 10,000 advertisements a week are scrutinised yet only 1% required ASA intervention in 1999.

database alerting the ASA immediately to any new advertisements so that prompt action could be taken to identify problems and take appropriate action.

Companies that persistently offend against the Codes can be subject to the Authority's ultimate sanction, referral to the Office of Fair Trading. It was necessary to use this sanction once during 1999 on a repeat offender. (see also Case Study, page 14).

CUSTOMER SATISFACTION SURVEY

In addition to Code compliance surveys, from time to time ASA commissions external independent research. One such survey carried out in 1999 assessed the quality of service provided to just some of the people considered to be customers of ASA and CAP; the public and the advertising industry. This survey was the most wide ranging one carried out by the ASA and it focused on three key areas: complaint handling, the public enquiry service and the CAP Copy Advice service. Overall customers rated the quality of service received very positively with the copy advice

and public enquiry service scoring particularly highly. The findings revealed that where complaints were resolved more quickly, complainants and advertisers expressed greater levels of dissatisfaction with the perceived depth of ASA investigation. The Authority will continue to look at ways of improving speed of complaint handling but this will not be at the expense of the depth of investigation.

This survey will be used as a benchmark study to monitor improvement in these areas and to ensure the ASA's own standards remain high. A further check on customer satisfaction is planned for the end of 2000.

Government relations

Advertising self-regulation raises standards above and beyond those required by law, but it functions most effectively within an adequate framework of consumer protection legislation.

The Authority therefore welcomed the Government's White Paper 'Modern Markets: Confident Consumers', published in July 1999. The White Paper set out a range of cross-departmental initiatives including the review of a raft of consumer protection legislation. It also made clear that the Government 'strongly supports the self-regulatory controls run by the ASA', affirming that these are 'recognised internationally...as a good example of how self-regulation can work effectively to address consumer problems.'

The Authority works hard to ensure that Government, the Civil Service and other organisations responsible for consumer protection, understand the operation, the scope and the many strengths of advertising self-regulation. This is important because advertising, as a highly visible form

of communication, regularly draws criticism for problems that are, in fact, far more deep rooted. Fraudulent traders and the connivance behind dubious 'homeworking' schemes might stand as examples.

Throughout the year the ASA briefed politicians and Government officials on a wide range of issues including: environmental claims, advertisements for cosmetic surgery clinics, the de-regulation of casino advertising, speed claims in motoring advertisements, and comparative advertising.

Dialogue with other organisations is, of course, a two-way process. Because the ASA is an independent body operating in the public interest its views are valued and regularly sought, both by the Government and by a large number of other organisations. They seek the ASA's views about advertising standards across a variety of sectors, and consult the Authority about the mechanics of running a successful self-regulatory system. We respond to all consultations on issues that fall within our scope and regularly share

advice with other regulators. The work carried out in this area feeds into the Authority's continuous process of self-assessment. In tandem with similar work done by CAP, this helps advertising self-regulation adapt effectively to political, economic and cultural changes in society and, in doing so, ensures that the ASA continues to serve the interests of the public.



The 1999 White Paper made clear that the Government 'strongly supports the self-regulatory controls run by the ASA'

Committee of Advertising Practice

Annual Report 1999



Chairman's report

Andrew Brown, CAP Chairman

This year, 1999, has been one of consolidation and reawakening for the Committee of Advertising Practice as the crucial industry force behind non-broadcast advertising self-regulation. I was honoured to be appointed as the first remunerated Chairman of CAP, and have had, as have others in the CAP Secretariat, an interesting, energetic and effective year.

The legal arrangements whereby CAP became an agent of the Advertising Standards Board of Finance were finalised in July. On 1 October 1999 CAP issued the 10th Edition of the British Codes of Advertising and Sales Promotion which describes the relationship between the three parties, ASBOF, CAP and the ASA. These revised arrangements and the details of the new Codes were registered with the Office of Fair Trading, who confirmed that the changes did not affect the status of the Codes under Section 21 (2) of the Restrictive Trade Practices Act 1976.

The new arrangements with ASBOF have worked well under Brian Nicholson's

chairmanship and I look forward to working with Winston Fletcher as he takes over this role on 1 January 2000. Over the year we have welcomed the Radio Advertising Clearance Centre and the Internet Advertising Bureau (IAB) as members of CAP and lost the Association of Household Distributors as a separate entity, but kept their interest as they joined the Direct Marketing Association.

The new Codes come fully into effect for all advertisements on 31 January 2000. The key changes are the total exclusion from the Codes of party political advertisements and some amendments to the rules on price indications and the protection of privacy. There is a new section on betting and gaming, brought in as a result of Government deregulation and, taking effect from 12 April 1999, the conditions upon which a review can be requested from the Independent Reviewer of ASA Adjudications. Elsewhere amendments amount only to an updating of the Codes. The new Codes were promulgated widely, copies being sent to the Managing Directors of the top 1,000 advertisers as well as some

100 key trade associations. The text of the Codes is, of course, fully available on both the CAP and ASA websites, (www.cap.org.uk and www.asa.org.uk).

Government remains keenly interested in advertising and the Committee has provided views on and input to policy throughout the year. Much of the UK interest is driven by EU Directives, and in particular the arrangements being made for e-commerce. In line with the Government's emphasis on self-regulation in this area, CAP has now agreed the structure of the e-ad scheme to reinforce advertising self-regulation on the Internet (and described in more detail on page 25) and I look forward to the launch of the scheme next year. Advertisers are keen to play their part to ensure that web advertising is legal, decent, honest and truthful and it was with great pleasure that I welcomed the IAB into CAP membership.

Advertising self-regulation has had legislative support through the Control of Misleading Advertisement Regulations since 1988, and



1999, has been one of consolidation and reawakening for the CAP as the crucial industry force behind non-broadcast advertising self-regulation.

CAP welcomed the proposals to extend those regulations to cover comparative advertisements. This will mean little change for advertisers in Britain but will permit all other EU countries to advertise in that manner. I note and welcome that 'the Government strongly supports the self-regulatory controls on advertising in the UK', stated in the Government's Consumer White Paper 'Modern Markets: Confident Consumers' and, despite some critical comments by the Health Select Committee, the acknowledgement from the Department of Health that the difficulties in cosmetic surgery advertising are atypical was also welcome. I am aware of the increased interest in self-regulation highlighted in the Annual Report from the Better Regulation Task Force, and their interim report on that topic. The report from the National Consumer Council 'Models of Self Regulation' rightly points to the advantages in terms of timeliness and efficiency of such a system over legislation.

There has also been contact with the Department for the Environment, Transport

and the Regions on the use of speed in advertisements for cars and the effect this might have on young, newly qualified drivers. As this reports shows elsewhere, concerns about this kind of advertising continue but at a relatively low level. CAP also advised that there was no need for the DETR to expand their Green Claims Code to cover advertising, since the Code was written mainly with packaging and labelling in mind.

I look forward to an even busier year to start the next Millennium. In July CAP members met to set objectives and to consider issues that will confront us over the coming year as consumers make more use of the Internet for business and the purchase of goods, and as the digital revolution raises issues of convergence which will affect regulatory and self-regulatory structures. CAP will continue to promulgate effective self-regulation as the most efficient and appropriate method of ensuring advertising retains the confidence of consumers and remains legal, decent, honest and truthful. I believe the current system is directly relevant to the issues of the next

Millennium and I look forward to a challenging and successful period. I thank members of the Secretariat and the members of the General Media and Direct Marketing and Sales Promotion Panels for their excellent service and look forward to working with them in future.



CAP activity review

If 1999 heralded the reawakening of the Committee of Advertising Practice, it also witnessed the emergence of a CAP Secretariat with a wider role than that of its core service, the Copy Advice team. The Secretariat's activities can be divided into five sections: the Codes, copy advice, compliance, committees and communication.

The CAP Copy Advice team helps those who create, commission and publish advertisements to check them against the Codes before they appear, while CAP Compliance takes immediate action to stop those who have run obviously unacceptable advertisements from running them again. The CAP Secretariat services the Committee itself and the two CAP Panels: the General Media Panel and the Sales Promotion & Direct Response Panel. In addition to all this, the CAP Secretariat communicates to the industry a wealth of information, including guidance on difficult sectors in its Help Notes and draws the industry's attention to ASA decisions that

have wide significance. This CAP activity review highlights the work carried out in these key areas.

THE NEW CODES

The 10th edition of the British Codes of Advertising and Sales Promotion was launched in September and took effect on advertisements produced after 1 October. The changes to the new Codes sought to clarify rather than re-write the rules, though some substantive amendments were made. Perhaps the most significant of these concerned party political advertising which, following consultation with the political parties, became totally exempt from the Codes' requirements. Other changes affected advertisers who intend using the Royal Family in campaigns; they should now seek permission from the individual featured rather than the Lord Chamberlain's office. A new section of rules on betting and gaming advertisements, now permitted following changes in the law, was added. The new Codes also require that non-optional taxes and other duties must always be included in advertised prices.

COMMUNICATION: PROMOTING CAP AND THE CAP WEBSITE

The arrival of the new edition of the Codes was accompanied by a new CAP booklet, 'Good Advertising: Balancing the needs of industry and consumers', and the launch of the CAP website (www.cap.org.uk). 'Good Advertising' is an invaluable précis of the self-regulatory system, answering questions about how the system works to achieve a level playing field for the industry while protecting the interests of consumers. The CAP website is both a library of information for the public and industry and a vital communication tool. Comprising a broad and detailed public section and two secure areas for CAP representatives and their members respectively, the site constitutes a major step forward in the Secretariat's goal of providing the public and different levels of the industry with up-to-date information on a daily basis. The CAP Secretariat has also provided speakers for different talks. From seminars on e-commerce and car credit advertising to the ASA's consumer conference in Glasgow and



CAP launched its website in October 1999 to co-incide with the new edition of the Codes

1999 also witnessed the emergence of a CAP Secretariat with a wider role than that of its core service, the Copy Advice team.

agency graduate workshops with the Direct Marketing Association and the Institute of Practitioners in Advertising.

CAP COPY ADVICE

1999 was a year of change for the cornerstone of the CAP Secretariat, the CAP Copy Advice team. It lost two experienced executives but gained a new manager and enthusiastic replacements who are already providing a much valued service to the industry. A customer satisfaction survey was carried out during the year among a sample of 200 industry practitioners who used the Copy Advice service. The survey was drawn up and analysed by an independent research company, Paul Winstone Research. The anecdotal evidence of the excellent service provided by the CAP Copy Advice team was proved in the high levels of satisfaction claimed by respondents in the survey. The team scored highly in all areas, especially in terms of efficiency, professionalism and knowledge. Indeed, never more than 2% of respondents expressed dissatisfaction with any element of contact with the service.

The impending cigarette advertising ban lost the team much of the pre-vetting of cigarette advertisements that has used much of its resources for over 20 years. Despite that, the team offered advice on over 7,500 telephone and over 4,500 written enquiries; 93% of the latter were responded to within 24 hours.

CAP HELP NOTES ISSUED IN 1999

CAP launches Help Notes to assist the industry in producing advertising that complies with the Codes. In 1999 it launched two and updated one other:

Help Note on Cherished Numbers

Following thorough consultation with the cherished registration number dealers and other interested parties by the ASA Research team, a Help Note was launched by CAP in December giving detailed guidance on acceptable advertising. It covered areas such as the availability of registration numbers, 'from' prices and VAT disclaimers.

Help Note on Claims on Envelopes

December also saw the launch of the Help

Note on Claims on Envelopes, produced with input from the Sales Promotion & Direct Response Panel and the Envelopes Working Party. Based on past ASA adjudications against misleading envelopes, the Help Note contained five sections designed to help advertisers who use direct mailings: envelopes that masquerade as other correspondence such as social, official or private commercial letters; envelopes that contain other misleading claims; and envelopes that alarm or offend or contain content that might alarm or offend. It is anticipated that the year 2000 will see a reduction in complaints to the ASA about envelope claims as a result of this detailed guidance.

Help Note on Cosmetic Surgery

In October, CAP updated the Help Note on Cosmetic Surgery that it launched two years ago. No major changes were made but the updated version is intended to be easier to follow, particularly on the subject of surgeons' qualifications, and a better reflection of the law. All cosmetic surgery clinics known to CAP and the ASA were sent the updated Help Note.



Misleading and alarmist messages on mailing envelopes were addressed in a new CAP Help Note in 1999

CAP PANELS

Much of the detailed work of CAP is done by its two standing Panels of industry practitioners which guide the Secretariat, ASA Council and CAP on the interpretation of the Codes. One independent consumer member of ASA Council sits on each Panel. The General Media Panel and the Sales Promotion & Direct Response Panel considered many and varied issues: whether car finance advertisements should mention the deposit required and/or final repayment amounts in the headline alongside the monthly cost payments; whether flight advertisements should qualify both the departure and destination airports; 'free' internet access claims; and when the claims 'limited edition' and 'subject to availability' are acceptable (see page 31 for a list of Panel members).

COMPLIANCE

1999 saw the emergence of the CAP Compliance team, dedicated to taking immediate action to stop advertisements that clearly break the Codes from appearing again. The health and beauty sector causes perennial

problems and CAP Compliance was particularly concerned about advertisements making unacceptable claims for slimming and hormone products. Swift action through direct approaches to advertisers, agencies and publishers produced positive results and assurances of future compliance.

ASA REFERRALS TO CAP

Only two companies were referred to the Committee by the ASA in 1999 following non-compliance after upheld adjudications. The Committee discussed the problems and the appropriate CAP trade bodies sought undertakings from those companies that they would abide by the Codes and the ASA's rulings in future.

AD ALERTS

An important function of the CAP Secretariat is to issue Ad Alerts to the media to inform them of unacceptable advertisements and ensure that those advertisements are not published or distributed. Sixty-eight alerts were issued during the year following ASA adjudications and CAP Compliance used this

sanction when assurances from advertisers were not forthcoming. Towards the end of the year, CAP and the ASA worked together to identify companies that provided unacceptable responses to the ASA during the course of investigations.

POSTER PRE-VETTING

It has been a busy year for the Poster Pre-Vetting Procedure, set up to deter persistent offenders and those seeking deliberately to flout the rules with the intention of generating complaints, PR and subsequent notoriety. Ten advertisers in 1999 were required to pre-vet their posters for two years through the Copy Advice team before posting them. The posters that caused the pre-vetting procedure to be invoked in 1999 included one that alluded to 'coke' in a way that could be seen as condoning drug taking. Another for a 'shock jock' TV show featured the quote 'an ugly man with no money might as well cut off his penis'.

CAP AND INTERNET ADVERTISING

A significant addition to the self-regulatory system in 1999 was the decision by the

A significant addition to the self-regulatory system in 1999 was the decision by the Internet Advertising Bureau (UK and Ireland) to join CAP.

Internet Advertising Bureau (UK and Ireland) to join CAP. In doing so, the IAB's members agree to observe the Codes and help enforce rulings made by the ASA about on-line advertisements. Representing companies selling more than 90% of advertising space on UK websites, the IAB's membership demonstrates its practical commitment to maintaining the highest standards of advertising on the Internet.

The pre-eminent CAP project of 1999 has been the ongoing development of the e-advertising scheme for the Internet. Discussions about how to fund the scheme were well advanced by the year end and it will be implemented during 2000. When the scheme is up and running, its aim is to increase the effectiveness of on-line advertising by giving consumers trust and confidence in advertising within the scheme. Membership of the scheme, demonstrated by the display of an on-line icon, will confirm that advertisers agree to apply the Codes and abide by the rulings of the ASA. Clicking on the icon will take consumers to a database

of members of the scheme, complete with a comprehensive search engine, enabling consumers to find details of any advertiser or publisher displaying the icon. Consumers will therefore be able to both verify membership and search for companies, products or services that fall under the scheme. The scheme will also guide consumers on how to make a complaint if they have a problem. CAP will continue to work with the Internet industry to develop the self-regulatory framework for on-line advertising. The contribution that can be made by both the IAB and the development of the e-advertising scheme should help to provide more certainty, and better levels of protection, for consumers responding to on-line advertisements from the UK.



CAP Copy Advice Manager:
Ayesha Labrom

CAP members

The 21 trade and professional bodies that comprise the Committee of Advertising Practice write and enforce the British Codes of Advertising and Sales Promotion.

Advertising Association
Association of Media & Communications Specialists
Broadcast Advertising Clearance Centre
Cinema Advertising Association
Council of Outdoor Specialists
Direct Marketing Association
Direct Selling Association
Incorporated Society of British Advertisers
Internet Advertising Bureau
Institute of Practitioners in Advertising
Institute of Sales Promotion
Mail Order Traders' Association
Newspaper Publishers' Association
Newspaper Society
Outdoor Advertising Association
Periodical Publishers' Association
Proprietary Association of Great Britain
Radio Advertising Clearance Centre
Royal Mail
Scottish Daily Newspaper Society
Scottish Newspaper Publishers' Association



CAP's Good Advertising leaflet explains how the advertising self-regulatory system works to achieve a level playing field for the industry while protecting the interests of consumers (See page 31 for CAP's contact details)

ASA worldwide

The Internet and the opportunities it affords, both for the advertising industry and consumers, has become the focus of many of the discussions that take place between self-regulatory and regulatory organisations around the globe. With its experience of Internet self-regulation, the ASA has been at the forefront of these discussions.

In Europe, the 25 countries in the European Advertising Standards Alliance extended their cross-border complaints procedure in 1999 to cover complaints about online advertisements. A set of criteria, based on the country of origin in which the advertiser is established, was drawn up to determine the appropriate self-regulatory body to resolve complaints. The work that the Alliance has done on Internet advertising self-regulation took the EASA into the heart of discussions in the USA about online consumer protection. The ASA's Director of Communications, Caroline Crawford, represented the Alliance at the Federal Trade Commission's hearings on Consumer Protection in the Global Electronic Marketplace in June.

During the year, the Authority continued to lend its expertise on Internet complaint resolution to assist the International Chamber of Commerce's Task Force on Jurisdiction and Applicable Law and the Global Business Dialogue.

Self-regulation relies on consensus and persuasion within the advertising industry together with a framework of effective legislation. As such, the self-regulatory systems cannot take the place of law enforcement authorities in preventing, or prosecuting, fraud but the organisations in the Alliance, working with the advertising industry across Europe, can help to resolve complaints and provide effective measures for protecting consumers. During the year, the EASA resolved 74 cross border cases and exchanged information to assist the resolution of complaints in a further five cases. Fifty three of the complaints made were from UK consumers and the ASA resolved eight other cases where the advertisements originated in UK media. Most of the complaints made concerned direct mailings

from Switzerland and The Netherlands and revealed fraudulent practices. Where these issues could not be resolved by the self-regulatory bodies in the Alliance, information was passed on to law enforcement bodies for further action.

Each year the ASA assists the Foreign and Commonwealth Office in receiving visitors from all over the world who wish to exchange views and information about how advertising is regulated. 1999 was no exception and the ASA received visits from the National Communications Authority in Ghana, the Australian Competition and Consumer Commission, the Office for Competition and Consumer Protection in Poland and the Italian Competition Authority.

Duchess of York wins 'Battle of the Bulge'



Under the "country of origin" principal, the ASA referred complaints that this mailing was misleading to the SRC in the Netherlands

Financial report

FOR THE YEAR ENDED 31 DECEMBER 1999

	1999 £	1998 £
INCOME		
Cash received from the Advertising Standards Board of Finance Ltd	3,686,949	3,253,972
Interest receivable	51,599	61,575
TOTAL	3,738,548	3,315,547
EXPENDITURE		
Salaries and staff costs	2,042,493	1,824,033
Rent and accommodation costs	251,934	200,212
Travel, subsistence and entertaining	54,539	61,799
Consultancy and professional fees	163,422	149,252
Council honoraria and expenses	112,390	78,367
Depreciation	126,500	128,274
Telephone, postage, printing, stationery and other general expenses	366,022	364,970
Advertising and promotion	334,782	271,990
Direct Marketing	266,010	236,375
TOTAL	3,718,092	3,315,272
Excess/(shortfall) of income over expenditure	20,456	275

Financial update

YEAR TO 31ST DECEMBER 1998

Last year's financial statement predicted a break-even position between income and expenditure and anticipated a post-tax loss of approximately £2000. Audited figures for 1998 confirmed actual income of £3,315,547 and expenditure of £3,315,272: the profit before tax was £275 and the loss after tax was £1,835. Details of expenditure for 1998 are shown on the facing page.

YEAR TO 31ST DECEMBER 1999

Audited income and expenditure figures for 1999 are given below and on the facing page. Finalised accounts will be presented to the Council of the Authority at its Annual General Meeting in May 2000 and will be lodged subsequently with Companies House in the normal way.

INCOME

Compared with 1998, income received from the Advertising Standards Board of Finance Ltd rose by £432,977 (13.31%) to £3,686,949. Interest received fell by £9,976 and produced additional income of £51,599. The total income for 1999 was £3,738,548 – up 12.76% on 1998.

EXPENDITURE

Expenditure in 1999 rose by £402,820 (12.15%) to £3,718,092 compared with 1998. All expenditure was planned and within overall budgetary provisions.

The significant increases in expenditure over 1998 were in staff and premises costs, council honoraria, and advertising and promotion costs. Staff costs rose by 10.7% and premises costs rose by 25.83%; budgetary provision for an increase in staff costs of 11% had been made to counter high staff turnover and resultant recruitment and retention costs; and an increase of 29% for premises costs had been budgeted to allow for internal and external maintenance to the building. Council honoraria had been held at the same rate for the previous three years and a budgetary increase of 40% had been allowed for. Finally, an increase of 23% had been planned for advertising and promotion costs to provide for the production and distribution of the new British Codes of Advertising and Sales Promotion and the production of consumer and industry videos.

PROFIT/LOSS

The profit before tax is £20,456. A profit of approximately £250 after tax, and after making provision for the likelihood of a prior year tax adjustment, is anticipated.

Registered office:

The Advertising Standards Authority,
2 Torrington Place, London WC1E 7HW
Registered in England No. 733214

Financial report

FOR THE YEAR ENDED 31 DECEMBER 1999

	1999 £	1998 £
INCOME		
Cash received from the Advertising Standards Board of Finance Ltd	3,686,949	3,253,972
Interest receivable	51,599	61,575
TOTAL	3,738,548	3,315,547
EXPENDITURE		
Salaries and staff costs	2,042,493	1,824,033
Rent and accommodation costs	251,934	200,212
Travel, subsistence and entertaining	54,539	61,799
Consultancy and professional fees	163,422	149,252
Council honoraria and expenses	112,390	78,367
Depreciation	126,500	128,274
Telephone, postage, printing, stationery and other general expenses	366,022	364,970
Advertising and promotion	334,782	271,990
Direct Marketing	266,010	236,375
TOTAL	3,718,092	3,315,272
Excess/(shortfall) of income over expenditure	20,456	275

Financial update

YEAR TO 31ST DECEMBER 1998

Last year's financial statement predicted a break-even position between income and expenditure and anticipated a post-tax loss of approximately £2000. Audited figures for 1998 confirmed actual income of £3,315,547 and expenditure of £3,315,272: the profit before tax was £275 and the loss after tax was £1,835. Details of expenditure for 1998 are shown on the facing page.

YEAR TO 31ST DECEMBER 1999

Audited income and expenditure figures for 1999 are given below and on the facing page. Finalised accounts will be presented to the Council of the Authority at its Annual General Meeting in May 2000 and will be lodged subsequently with Companies House in the normal way.

INCOME

Compared with 1998, income received from the Advertising Standards Board of Finance Ltd rose by £432,977 (13.31%) to £3,686,949. Interest received fell by £9,976 and produced additional income of £51,599. The total income for 1999 was £3,738,548 – up 12.76% on 1998.

EXPENDITURE

Expenditure in 1999 rose by £402,820 (12.15%) to £3,718,092 compared with 1998. All expenditure was planned and within overall budgetary provisions.

The significant increases in expenditure over 1998 were in staff and premises costs, council honoraria, and advertising and promotion costs. Staff costs rose by 10.7% and premises costs rose by 25.83%; budgetary provision for an increase in staff costs of 11% had been made to counter high staff turnover and resultant recruitment and retention costs; and an increase of 29% for premises costs had been budgeted to allow for internal and external maintenance to the building. Council honoraria had been held at the same rate for the previous three years and a budgetary increase of 40% had been allowed for. Finally, an increase of 23% had been planned for advertising and promotion costs to provide for the production and distribution of the new British Codes of Advertising and Sales Promotion and the production of consumer and industry videos.

PROFIT/LOSS

The profit before tax is £20,456. A profit of approximately £250 after tax, and after making provision for the likelihood of a prior year tax adjustment, is anticipated.

Registered office:

The Advertising Standards Authority,
2 Torrington Place, London WC1E 7HW
Registered in England No. 733214

About the Advertising Standards Authority

The Advertising Standards Authority promotes and oversees the highest standards in non-broadcast advertisements in the UK. It acts independently both of the Government and the advertising industry.

The Authority operates in the public interest and in co-operation with the advertising industry by endorsing and applying the rules in the British Codes of Advertising and Sales Promotion.

The Codes require that advertisements and sales promotions should be:

- legal, decent, honest and truthful
- prepared with a sense of responsibility to consumers and to society
- in line with the principles of fair competition generally accepted in business

If an advertisement or promotion breaks the Codes, advertisers are asked to amend or withdraw it. If they choose not to comply, a number of deterrents and sanctions are available.

ADVERSE PUBLICITY

The ASA's Monthly Reports contain details of complaint adjudications, including the name of the advertiser, agency and the media involved. The reports are circulated to journalists, Government departments and agencies, the advertising industry, consumer bodies and the public. Published cases receive extensive media coverage and are also available through a searchable database on the ASA's website.

REFUSAL OF ADVERTISING SPACE

The Committee of Advertising Practice can issue an Ad Alert reminding their media members of their agreement not to publish advertisements that break the Codes. Publishers and media owners can then decide to refuse further space to advertisers until the advertisement has been amended.

POSTER PRE-CLEARANCE

Posters that are the subject of upheld complaints on grounds of taste and decency or social responsibility can be subject to a compulsory two year pre-vetting procedure through the CAP Copy Advice team.

REMOVAL OF TRADE INCENTIVES

Both advertisers and their agencies may jeopardise their membership of trade or professional organisations. This could result in the loss of financial and other trading benefits.

LEGAL PROCEEDINGS

Ultimately, the ASA can refer a misleading advertisement to the Office of Fair Trading. The OFT can obtain an injunction in court to prevent advertisers from using the same or similar claims in future advertisements.

COMPLAINTS

All complaints must be in writing and should be accompanied, wherever possible by a copy of the advertisement and as much relevant information as possible. Complaints should be addressed to:

Advertising Standards Authority,
2 Torrington Place, London WC1E 7HW

For further information, telephone our enquiry desk on 020 7580 5555. The enquiry desk is open from 9.30am to 5.30pm on weekdays.



The ASA's annual Consumer Conference held in Glasgow in 1999 enabled consumers to have their say on advertising standards

About the Committee of Advertising Practice

The Committee of Advertising Practice is the self-regulatory body that writes and enforces the British Codes of Advertising and Sales Promotion. CAP is made up of 21 trade and professional bodies representing the advertising, sales promotion, direct marketing and media businesses.

COPY ADVICE

As part of their commitment to the Codes and the ASA, CAP provides a free pre-publication Copy Advice service to help advertisers, agencies and publishers to check advertisements in advance of publication. Copy advice is confidential from competitors. This service and the industry's support for the system of self-regulation help to maintain the highest standards of non-broadcast advertising, to the benefit of both consumers and the industry.

The organisations that make up CAP support the operation of the self-regulatory system and implement sanctions to enforce compliance with the Codes. Each of them

requires their respective members to abide by the Codes and the ASA's adjudications as a condition of membership or as part of a contractual agreement. It is this support that achieves compliance rates of 98% for posters and 97% for press advertising.

More information about CAP can be obtained from the CAP website at www.cap.org.uk or by writing to:

Committee of Advertising Practice,
2 Torrington Place, London WC1E 7HW
Telephone: 020 7828 4224

GENERAL MEDIA PANEL

Chairman – Mark Lund – Delaney
Lund Knox Warren
David Abraham – St Luke's
Mike Elms – CIAMediaNetwork International
Bruce Koster – Cinema Advertising Association
Andrew Melsom – Agency Insight
Chris Nadin – UDV Ltd
Simon Rhodes – AXA Insurance
Mike Brodie – Broadchurch Communications
(until November 1999)

Teresa Brookes – Newspaper Publishers
Association (from April 1999)
Ian Markham – ASA Council (until April 1999)
Lizzie Marsden – ASA Council
(from June 1999)

SALES PROMOTION & DIRECT RESPONSE PANEL

Chairman – Ellis Watson – Talkcast
Lynn Ashman – Brann Ltd
Philip Circus – Institute of Sales Promotion
Mark Dugdale – Dial Home Shopping
Colin Fricker – Direct Marketing Association
Lesley Godwin – Readers Union
David Payne – Payne Stracey
Sue Short – Institute of Sales Promotion
Mike Slipper – Van den Bergh Foods
Sarah Harrison – ICSTIS (until March 1999)
Paul Whiteing – ICSTIS (from July 1999)
Harry Rich – ASA Council (until July 1999)
Pauline Thomas – ASA Council
(from September 1999)



Consumers' views in Glasgow mirrored the ASA's rulings on advertisements

Team managers

The ASA Council and CAP are served by a Secretariat of 65 people who carry out the day to day running of the office:

HEAD OF STRATEGIC AFFAIRS

Grahame Fowler

OPERATIONS MANAGERS

Jenny Graves

Britta Griffiths

Joanne Poots

COMPLAINTS MANAGERS

Russell Gordon

Niamh McGuinness

Claire Serle

RESEARCH MANAGER

Alisa Chater

INFORMATION MANAGER

Linda Wheeler

CAP COPY ADVICE MANAGER

Ayesha Labrom (see page 25)

SYSTEMS MANAGER

Laura Fishman

EXTERNAL AFFAIRS MANAGER

Chris Reed

OFFICE MANAGER

Richard Aubigne



Team managers, from top left to bottom right:
Russell Gordon, Niamh McGuinness, Claire Serle,
Alisa Chater, Linda Wheeler, Chris Reed,
Grahame Fowler, Britta Griffiths, Joanne Poots,
Jenny Graves, Richard Aubigne, Laura Fishman

Top 10 complaints resolved in 1999

Of the 12,141 complaints resolved by the ASA in 1999 1,516 (12%) related to 10 advertisements. Four of them broke the Codes and the complaints were upheld.



1. BERTELSMANN AG TRADING AS BOL.COM

312 complaints – Not upheld

Complainants believed the poster was pornographic, gratuitous and unsuitable for children. The ASA concluded that, although it featured nudity, the advertisement was unlikely to cause serious or widespread offence.

2. ENTERTAINMENT FILM DISTRIBUTORS

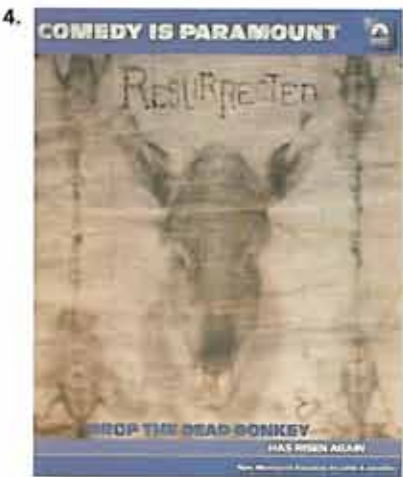
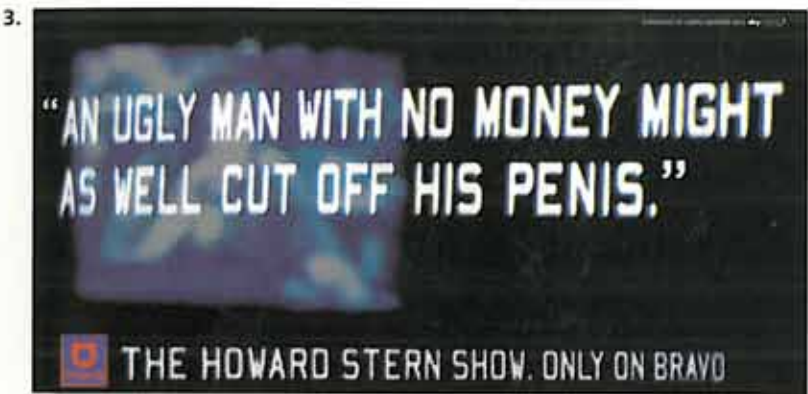
310 complaints – Investigation not justified

Objections were made that the word 'shagged' in posters was offensive and unacceptable. ASA considered that the advertised film title would not cause serious or widespread offence.

3. BRAVO

238 complaints – Upheld

One of a series of posters for a radio programme. The ASA agreed with complainants that the quotes from a 'shock jock' were likely to cause serious or widespread offence in an advertisement.



4. PARAMOUNT COMEDY CHANNEL

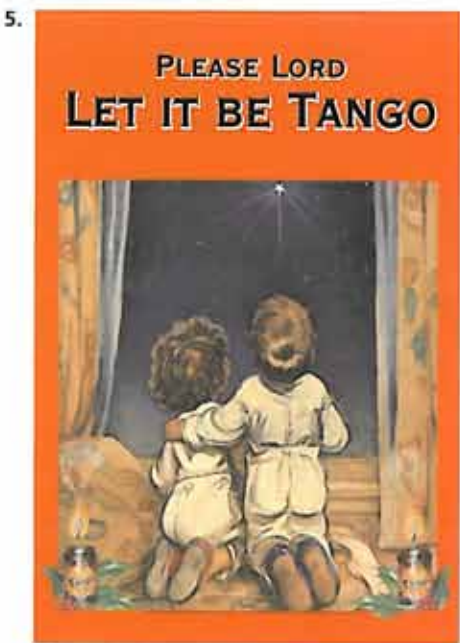
187 complaints – Investigation not justified

Complainants were offended at the appearance of this poster close to Easter. The Authority concluded that the advertisement was intended to be humorous and that it was unlikely to cause serious or widespread offence.

5. BRITVIC SOFT DRINKS LTD

100 complaints – Not upheld

One of a series of posters for Tango felt by complainants to be in bad taste and offensive to Christians before Christmas. The ASA considered that the posters used light-hearted images that would not cause serious or widespread offence or be seen as trivialising Christmas.



6. STAFFORD-MILLER LTD

84 complaints – Upheld

Complainants objected that these poster and magazine advertisements were offensive and irresponsible because they were an incitement to violence and because they suggested

that women liked to be treated roughly. The ASA agreed that the poster could be interpreted as suggested by the complainants and therefore concluded that it was offensive and irresponsible;



7. MONSANTO

81 complaints – Upheld

Members of the public as well as environmental and pressure groups and charities objected to claims made in a series of national press advertisements for Genetically

Modified (GM) foods. After seeking expert advice, the ASA concluded that while the advertisers were entitled to express their opinions, some of the claims made were misleading

8. SONY COMPUTER ENTERTAINMENT*

78 complaints – Upheld

Complainants objected that mailings for Sony's Playstation were misleading and offensive. The Authority considered that the mailing was likely to cause serious or widespread offence, especially to those awaiting the results of medical tests.



*Complaints received during 1998 accounted for Sony's appearance in the top 10 listing last year. However, 78 complaints against the same mailing were resolved in 1999.

9. INDIA LEAGUE

66 complaints – Investigation not justified

Members of the public and representatives of Pakistan objected that this national press advertisement was inaccurate, misleading, offensive and socially irresponsible. The Authority concluded that readers were likely to

realise that the advertisement expressed the view of the advertisers and represented one side of a controversy. Readers were unlikely to be misled or caused serious or widespread offence.

10. VAN HEUSEN

60 complaints – Investigation not justified

Complainants objected that this press advertisement was vulgar and offensive. The Authority considered that the light-hearted humour was unlikely to cause serious or widespread offence.

9.

A State within a State – a modern

ROGUE ARMY

with its finger on the nuclear button!

A five decades long legacy of lies...and lawlessness.

47

65

71

99

A terrorist challenge to the Republic of India.

A constant threat to peace and stability in Asia.

10.

15 1/2 INCHES
and no wrinkles

100% Cotton | Permanently Non-Iron Shirts

Van Heusen

No rulings were published on complaints that did not justify an investigation (see also page 8). Summaries of these decisions, together with those that were published, are available in the Overview section of the Authority's website or on request from the ASA (see contact details on page 28).