

# **ANNUAL REPORT** 2023







#### The ASA and CAP work to make ads responsible.

We do this by taking action against misleading, harmful or offensive advertising and ensuring compliance across all sectors.

### CONTENTS

#### Forewords

A message from the ASA Chair	02
A message from the CAP Chair	03
Our work in 2023	
AI-assisted collective ad regulation	06
Active Ad Monitoring system	07
Climate change	08
Body image	09
Youth vaping	10
Intermediary and Platform Principles	11
Appendix	

Find out more online

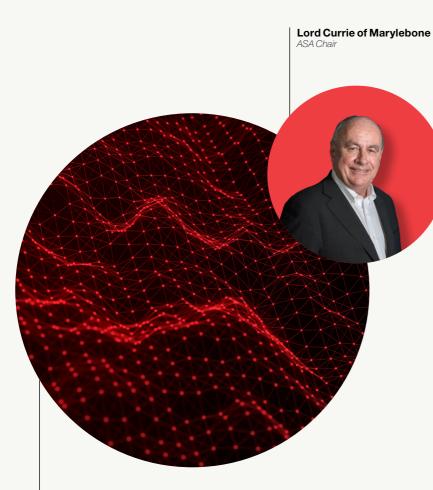
## ASA

The Advertising Standards Authority (ASA) is the UK's independent, frontline regulator of advertising across all media

## САР

The Committees of Advertising Practice (CAP) write the UK

Advertising Codes and provide authoritative guidance on the rules



## G

The year also saw a further shift away from complaints-led investigations towards **proactive ASA-led monitoring and enforcement**...

#### **A word from David Currie** ASA Chair

2023 saw the conclusion of our last five-year strategy *More Impact Online* and the launch of our new one: *AI-assisted collective ad regulation*.

In 2023, we saw the pay-off from our investment in data science and AI to enable vastly more effective regulation of the rapidly growing online advertising environment, with a huge increase in the number of ads that we processed. Our new strategy builds on that with a projected surge in 2024 to more than 10 million ads processed, further strengthening our AI capability and building AI into all aspects of our work.

2023 also saw the conclusion of our one-year pilot Intermediary and Platform Principles (IPP) initiative, focused on bringing digital businesses more closely into the ASA system, making more resilient our regulation of online advertising in all its many forms. The year also saw a further shift away from complaints-led investigations towards proactive ASA-led monitoring and enforcement, using a variety of tools. We addressed new societal concerns, including vaping ads. That work is enabling us to remain flexible, adapting quickly to safeguard the interests of consumers and citizens, especially young or vulnerable people, in the rapidly changing digital landscape.

This annual report sets out the range of work that the ASA undertakes and shows an organisation that is performing at the highest level – a testament to our highly dedicated and talented staff – to ensure that advertising is a force for good, not harm.

## G

...our most important work in the long term has perhaps been **concerned with environmental claims**.



#### A word from James Best CAP Chair

Scan a week's worth of newspapers or broadcast reports and you'll see how many things worry us all. Health, diet, gambling, alcohol, body image, vaping, social media – all attract swathes of concerned media coverage, especially in terms of young people's wellbeing.

All have CAP's sustained attention, too, as advertising plays a part in how all are understood and experienced by society, and we must ensure it plays that part responsibly.

In 2023, CAP considered and developed new rules, guidance, public statements or education for advertisers and their agencies active in all those fields. Bolstered by the ASA's developing data science capabilities, guided by consumer research and academic input, marshalled by the CAP Executive's expertise, this report shows how we've addressed the issues that concern society and industry alike.

But despite the continuing importance of those interventions, our most important

work in the long term has perhaps been concerned with environmental claims.

As the UK economy transitions to the net zero future we must achieve, advertising is critical. Critical, that is, in enabling companies to benefit from investment in CO2-reducing products by attracting consumers, in making sure those consumers are well-informed, and in inspiring the public to make better choices of products, services and lifestyles.

And if advertising is critical, so is its regulation. In preventing organisations from over-claiming, in clarifying what 'green' claims and terms actually mean and how they can be used, in determining how climate change and the technology or behaviours we can adopt to mitigate it can best be communicated in ads, both industry and public need help. CAP has been providing that. And will continue to do so.

## The ASA and CAP secured the amendment or withdrawal of 27,378 ads in 2023.

## 92%

of ads amended or withdrawn (AAWs) resulted from our proactive work, much of it enabled by our <u>Active Ad</u> <u>Monitoring system</u>

## 89%

of AAWs are non-paid ads online including claims posted from organisations' own social media accounts or websites

8% of AAWs result from our reactive work, acting on complaints

11% of AAWs are paid ads

846

tailored advice in a variety of



3,360

ads for vaping products

use of

influencer advertising resources

3,067 views of our CAP Bitesize

new guidance on racial and ethnic stereotypes

> misleading environmental claims and more

#### 4,803 delegates attended training or industry events

**CAP** delivered 1,369,887\* pieces of advice and training to businesses in 2023.

\* From 1 January 2024, we'll use a new provider to count pieces of advice and training. As a result of greater sophistication in identifying bots, we expect to report significantly fewer pieces of advice and training and will adjust our targets from 2024

#### FOREWORDS

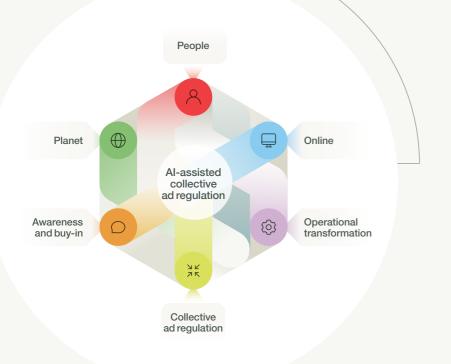
OUR WORK IN 2023 APPEND

# 

# Al-assisted collective ad regulation

Guy Parker ASA Chief Executive





So what is our new 2024-2028 strategy *Al-assisted collective ad regulation?* 

#### PEOPLE, PLANET & ONLINE

We'll put people first, prioritising protecting vulnerable people in particular. We'll continue to regulate all forms of online advertising we cover, using our proactive, Al-based Active Ad Monitoring system. We'll prolong our Climate change and the environment project. And, following our Intermediary and Platform Principles (IPP) pilot, we'll champion how we think the online regulatory framework should develop to better meet the challenges of regulating online ads. We'll advocate for a permanent IPP that drives better awareness of the standards we set and the protections we afford, and helps to deliver faster and more effective enforcement online.

We'll support enforcement authorities and businesses in the online ad supply chain to tackle consumer fraud. We'll be authoritative and influential in online ad regulation, including in relation to data-driven advertising and the opportunities and risks presented by gen Al.

### COLLECTIVE AD REGULATION & AWARENESS AND BUY-IN

We'll be ambitious in increasing public, opinion-former and industry awareness of, and trust in, our ad regulation. And we'll continue to make the case for collective ad regulation to politicians and officials, working with governments and statutory regulators to explore and address any material gaps in ad regulation.

#### **OPERATIONAL TRANSFORMATION**

On the operational transformation front, we'll prioritise proactive regulatory projects, adopting a 'whole system' approach to ad-related issues that cause the most detriment to people. We'll ensure we invest more in our preventative/proactive work than our reactive complaints casework, resolve investigations quicker and focus on preventing irresponsible ads appearing in the first place. And finally, we'll deliver ongoing, agile and visible enforcement, including through mechanisms developed with platforms and intermediaries.

## Adam Davison Head of Data Science, ASA

#### **Expanding our Active Ad** Monitoring system's capacity

Last year, we saw a **30-fold increase** in the number of ads captured and analysed by our Active Ad Monitoring system monthly





# **Active Ad** Monitoring system

In 2023 we introduced our Active Ad Monitoring system, which uses AI to proactively monitor online advertising. Built by the ASA's Data Science team, this world-leading system gives us greatly expanded visibility of online advertising, supporting our experts to make more efficient and effective decisions in identifying and tackling irresponsible ads. The system is still being developed, but already processed over 500,000 ads per month by the end of 2023, and the intelligence it generates is increasingly core to the way the ASA functions.

#### HOW DOES IT WORK?

Our Active Ad Monitoring system works by capturing and processing large volumes of online ads from channels including social media, search and display. Machine learning models, developed with the input of our expert staff, are then applied, to help prioritise

those that are most likely to be problematic. The content is then further analysed to understand trends in compliance, and shared with experts across the ASA for review and action where necessary.

#### WHAT IMPACT DOES IT HAVE?

Our Active Ad Monitoring system has delivered significant impact in 2023, contributing to the majority of ads amended and withdrawn and 23 of our published formal investigations. It supported projects including our work on climate change and the environment, youth vaping, gambling and prescription-only medicines. We believe the use of AI to support the work of our expert teams is an essential part of being an effective regulator of online advertising. We're continuing to develop the system in 2024, incorporating more data, expanding the set of topics it covers, and integrating it further into the way we work.



Our research

showed that claims

made about waste

disposal can lead

people to believe

the process is

simpler or more

environmentally

friendly than it

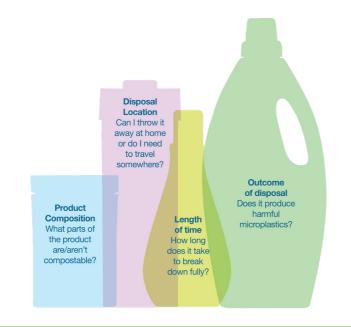
actually is.



Miles Lockwood Director of Complaints and Investigations, ASA



# **Climate change**



The ASA's work on Climate Change and the Environment is prioritising issues and sectors which have been identified by the UK Climate Change Committee as being key to the delivery of the UK's legal target to be a net zero economy by 2050.

#### **GUIDED BY RESEARCH**

In 2023, our work responded to this approach by tackling misleading claims in the energy and transport sectors, including sustainability claims for airlines and misleading omissions by oil and gas companies.

We made increasing use of our Active Ad Monitoring system to proactively seek out potentially problematic claims.

We published research and new guidance on recycling, biodegradable and compostable claims and carried out research on claims in ads for meat, dairy and plant-based substitutes that we'll publish early in 2024.

#### COLLABORATION WITH REGULATORS AND GOVERNMENT

But we don't work on these important issues in isolation. We worked in partnership with the Competition and Markets Authority on shared priorities such as claims for greener homes, with the Financial Conduct Authority on green finance, Defra on food labelling and the Department of Energy Security and Net Zero and other partners on a consultative review of the complex issues that underpin carbon neutrality and net zero claims.

#### SUPPORTING BUSINESSES

We think most businesses are trying to do the right thing but recognise that it's not always easy to make environmental claims given the complexities that can arise. That's why we also invested considerable time in 2023 in producing guidance, engaging with industry and offering support through CAP's Copy Advice service. This offer of support and advice will be an enduring theme in 2024.

#### CONSUMERS NEED MORE INFORMATION IN FOUR KEY AREAS WHEN IT COMES TO WASTE



# Body image

#### TIME TO REFRESH YOURSELF! MOMMY MAKEOVER

# ALL INCLUSIVE / NO HIDDEN COST Vier Transfer Wer Transfer

IN KUSADASI / TURKEY

\*XC

We ruled this ad was irresponsible in May 2023.

EGEMED

For more information, can visit | ITALS \$\$ +90 549 477 20 09 Jo Poots Head of Complaints and Investigations, ASA



The ASA has a long record of upholding complaints about ads that portray negative body images such as unhealthily thin models presented as aspirational or cosmetic interventions ads exploiting people's insecurities about their bodies. But we're keen to ensure that we've considered other aspects of advertising that have the potential to negatively impact people's body image.

#### DIGITALLY ALTERED IMAGES

Following a call for evidence that highlighted concerns about the use of digitally altered images in advertising, CAP and BCAP further examined the potential harm arising from the use of such images and the role the ASA might have in helping to mitigate those harms.

To help inform our work, we held two roundtable events, the first of which convened attendees from Parliament, academia, the advertising and publishing industries, and the third sector.

Recognising that young people are the demographic most likely to be vulnerable to body image related harms, we also held a youth roundtable, facilitated by a children's charity, to hear young people's own experiences and observations on the impact of digitally enhanced images in ads on body image. Insights from the roundtable as well as our consideration of all the evidence will be published in 2024 as part of our wider communication on our Body Image project.

#### COSMETIC SURGERY ABROAD

Travelling abroad for cosmetic surgery is increasingly popular but recent media coverage has highlighted the serious complications some UK consumers have experienced and the drain this is having on NHS resources. We therefore identified this as an important topic to address. Multiple investigations found that the ads trivialised the decision to have cosmetic surgery, pressured consumers and omitted material information about pre-consultations and where they would take place as well as exploiting mothers' insecurities around body image by using the term "mommy makeover".

#### TAKING ACTION

We worked with regulatory counterparts in the UK and abroad and disseminated an Enforcement Notice to hundreds of clinics. Our Data Science team played an important role – capturing and analysing ads across many online platforms, allowing for monitoring and enforcement against non-compliant advertisers on a large scale.

PPENDIX

Emma Humber-Smith Operations Manager – Copy Advice, CAP



Youth vaping

Under the Advertising Codes, nicotinecontaining e-cigarettes cannot be advertised in certain media, unless they are licensed as medicines. Where vapes can legally be advertised, our rules ensure the content of the ads must be responsible, and that includes not being targeted at or likely to appeal particularly to under-18s. So, under existing law and our advertising rules, advertising shouldn't be a factor in under-18 vaping – and we've been continuing to take action to make sure that's the case.

#### THE ACTION WE TOOK

We published several rulings concerning ads appearing in prohibited media. We also issued an Enforcement Notice addressed to over 150 vaping brands, making clear that if they were using TikTok as a platform to advertise, they must stop immediately. Follow up monitoring suggested that significantly less content was being posted following the notice, but we didn't stop there. We stepped up our proactive horizon-scanning and made use of our in-house Data Science capability to try, as far as possible, to determine the extent of any issues around vaping ads appearing on social media. Throughout our work, we discussed the issues with relevant stakeholders, from social media platforms and trade bodies to government officials and other regulators.

#### **GOING FORWARD**

Going forward into 2024, we'll be issuing a new Enforcement Notice that addresses most, if not all, of the key players and spans across all social media platforms and all types of advertising. We'll be working with our Data Science team to improve our monitoring to better understand the impact of our intervention. We also have plans for advice and training work – including partnering with other regulators, proactively sharing advice, and refreshing our existing guidance resources. This should leave the industry in no doubt as to their obligations to ensure responsible advertising of vaping products.

Peorgebuge Matching my outfitwith my new HOD vope s

This @georgebxggsTiktok post for HQD Tech UK was banned in May 2023 because it promoted unlicensed, nicotine-containing e-cigarettes in prohibited media.

**Shahriar Coupal** Director, Committees of Advertising Practice





#### Intermediary and Platform Principles – in short

A one-year pilot, 10 participating companies, all of whom (as applicable to the services they offer):

- Raised awareness of the CAP Code on their services
- V Used Ts&Cs to help secure advertisers' compliance with the Code
- Assisted with promoting awareness of the ASA regulatory system
- Supported advertisers to meet obligations with regard to paid age-restricted ads
- Acted swiftly against an advertiser that persistently refuses to remove a non-compliant paid ad
- $\checkmark$  Provided relevant information to the ASA to help carry out its investigatory regulatory duties.

A full copy of the principles can be found at asa.org.uk/ipp-principles.

# Intermediary and Platform **Principles**

The ASA has always partnered with media to raise awareness of the UK advertising rules and remove persistently non-complying ads.

#### THE ACTION WE TOOK

To shed light on how we do this with social media platforms and build regulatory partnerships with other ad supply businesses, we ran the Intermediary and Platform Principles (IPP) pilot; a world-first initiative involving the likes of Amazon Ads, Google, Index Exchange, Meta, TikTok and X (formerly Twitter).

In October, the ASA independently concluded "without question, that over the course of the twelve-month pilot the 10 participating companies implemented the Principles that were applicable to the services they offer... (and) demonstrably supported the ASA" to regulate ads online.

#### THE RESULT

As a consequence, IPP now offers a tried-and-tested way in which platforms and intermediaries can play a part, and be seen to play a part, in supporting the ASA to help secure responsible advertising online.

#### **GOING FORWARD**

In 2024, we're committed to championing how we think the regulatory framework should develop. We share the UK Government's view that IPP is a significant positive development for the advertising industry. We also welcome Government's support for IPPs' ambitions and its exciting potential to bringing greater transparency and broader accountability to this important area of the ASA's work.

# Find out more online

You can find the following information on our website by clicking the titles below.



#### PERFORMANCE AGAINST OUR 2023 OBJECTIVES Information on the ASA's 2023 objectives and key performance indicators.



#### 2023 COMPLAINTS AND CASES IN CONTEXT

Find out how the complaints and cases breakdown by media, sector, issue, outcome and UK nation.



#### 

Read about the Council members who decide whether an ad as broken the rules and operate as the ASA board.



#### COMMITTEES OF ADVERTISING PRACTICE

Find out about the advertisers, agencies, media owners and other industry groups that make up the Committees of Advertising Practice.



#### INDEPENDENT REVIEWER'S REPORT

Sir Hayden Phillips, the Independent Reviewer of ASA Council Rulings, reports on cases he reviewed in 2023.



#### ADVERTISING ADVISORY COMMITTEE REPORT

The Advertising Advisory Committee (AAC) provides advice from the perspective of consumers on potential updates to the UK advertising rules. Sam Younger, AAC Chair, reports on the Committee's activity for 2023.



#### 

Read about the roles of the Industry Advisory Panel and the Promotional Marketing and Direct Response Panel and the advice they gave in 2023.



#### **FINANCIAL REPORT**

Read our 2023 Financial report which includes information about our accounts and future plans. This will be available from 1 May, after our accounts are published.



#### Advertising Standards Authority

Castle House 37 – 45 Paul Street London EC2A 4LS

Telephone 020 7492 2222

Email enquiries@asa.org.uk

www.asa.org.uk @ASA\_UK



#### **Committees of Advertising Practice**

Castle House 37 – 45 Paul Street London EC2A 4LS

Telephone 020 7492 2200

Email enquiries@cap.org.uk

www.cap.org.uk @CAP\_UK