

Advertising Responsibly

Guidance for Multi-Level Marketing Recruiters

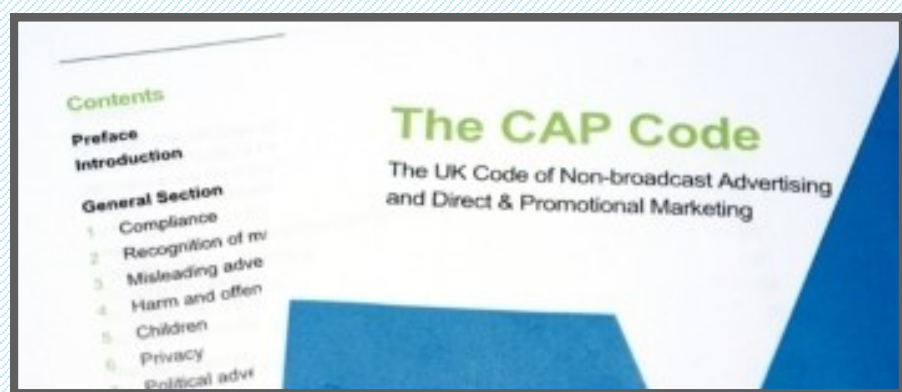


What is the CAP Code?

The CAP Code is the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing. This code applies to all non-broadcast advertising, such as posters, leaflets and social media.

Are my ads misleading?

We haven't been reviewing all recruitment ads on social media, and you might not even be posting recruitment ads on social media yourself. However, we've seen a large number of misleading ads from those working for MLM companies, and decided to provide some guidance on what you can and can't say.



What can I say in my ads?

All the objective claims that you make in your ads need to be backed by evidence. This includes all earnings/profit claims, along with claims about the nature of the job.

Furthermore, the claims you make in your recruitment ads need to be representative of what the average person can earn. For example, if you want to make a claim such as 'you can earn £400 a month', not only do you need to hold evidence that this is the case, but this has got to be what the average person joining the scheme now can earn.

Even if you include a range, such as 'you can earn between £50 and £5,000 a month!' these figures still have to be representative – if you don't have evidence that the average person earns £5,000 a month, then you shouldn't make the claim in your ads.

If you don't have evidence or it's not representative, don't make the claim

Generally, as those selling goods on behalf of MLMs are likely to earn differing amounts, we would advise against any direct figures. Claims such as 'you can earn a profit' are likely to be acceptable, provided you can prove that the average person can make some sort of 'profit'.

In essence, if you don't think you have the evidence to back up the claim, don't make the claim.



Are there any other rules?

Yes, there are many rules within the CAP Code covering various general and sector requirements.

While not all of these rules will be relevant to your ads, do make sure you've got an idea of generally what the ad rules require, particularly if you are:

- making claims about a product you're selling (you'll need to back them up);
- advertising age-restricted products (like [gambling](#) or [alcohol](#));
- promoting products subject to lots of rules (like [food](#) or [supplements](#)); or
- running your own 'giveaways' and [prize draws](#) (read [Section 8](#)).



Who we are

The Advertising Standards Authority (ASA) is the UK's independent regulator for advertising. The ASA makes sure ads across UK media stick to the [CAP Code](#). The Committee of Advertising Practice (CAP) is responsible for writing the Advertising Codes.

Together, we work to make UK ads responsible by taking action against misleading, harmful or offensive advertising and providing advice and training to help businesses get their ads right. You can read more about the UK advertising regulatory system [here](#).

Why are you contacting me?

If you work for a Multi-Level Marketing (MLM) company, you may have been posting on social media with a view to recruiting others to join your business opportunity. For the purposes of our Code, these posts would be considered 'ads', and are therefore regulated by the ASA.

We have been monitoring recruitment ads for MLMs on social media, and noticed that some posts are exaggerating the potential amount others can earn. Any exaggerations are likely to be considered misleading, which is a breach of the CAP Code.

Relevant Rules

3.1 Marketing communications must not materially mislead or be likely to do so.

3.3 Marketing communications must not omit material information or information required to be included by law. This includes providing such information in a way that is unclear or untimely, or in a way that the consumer is unlikely to see or hear it.

Regard will be had to any limitations (e.g. as to time or space) resulting from the means of communication used and steps taken by the marketer to overcome these by providing the information by other means. "Material information" is information that the average consumer needs to take an informed transactional decision...

3.7 Before distributing or submitting a marketing communication for publication, marketers must hold documentary evidence to prove claims that consumers are likely to regard as objective and that are capable of objective substantiation. The ASA may regard claims as misleading in the absence of adequate substantiation.



What can't I say in my ads?

Avoid exaggerating earnings and profit claims. This also applies to any additional incentives – for example, if getting a 'car' or a 'holiday' as a bonus is unlikely to apply to those joining the scheme, we'd recommend against mentioning it.

You should also ensure that you do not omit significant or material information that would be important for new recruits to know, such as making clear if there are any joining fees or the requirement to buy start-up kits etc.

Avoid exaggerating earnings and profit claims

What do I have to do now?

You should ensure that all future ads that you post on social media are not misleading, do not exaggerate how much the average person can earn and do not misrepresent the role generally.

What about ads I've posted in the past?

Although the aim of this guidance is to help you going forward, if you've recently posted any ads on social media that you think might breach any of these rules, we would recommend that you consider editing them to comply with the rules – just in case the ASA receives a complaint and decides to take action.



Where can I find out more information?

To help avoid ASA intervention in future, CAP offers a range of advice and guidance services including an online database of advice, with over 400 entries, available on our website [here](#).

You might find these articles particularly useful;

[Misleading Advertising](#)

[Multi-Level Marketing](#)

[Employment and Recruitment: General](#)



Further Assistance

For further assistance, please visit the [Advice and Resources](#) section of our website.

Although it is given in good faith, this advice does not bind CAP or the ASA, both of which may require you to provide evidence to substantiate your claims at a later date. The ASA and CAP have a regulatory role for many types of marketing communications. Our independence would be compromised if we were to endorse products or services and our advice should never be used for such purposes. You should be aware that, although it is designed to reflect the law, the Code does not cover marketers' legal or other obligations, which remain their responsibility.