

Protecting young and vulnerable people

Annual Report 2020
**Advertising Standards Authority
Committees of Advertising Practice**



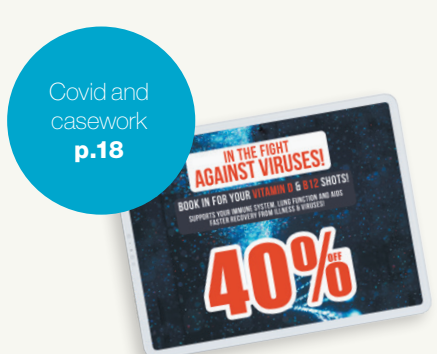
Contents

About the ASA and CAP	01
Chairmen's reports	
Q&A with David Currie	02
Q&A with James Best	04
CEO's report	
A word from Guy Parker	06
ASA launches 'brand' new campaign	07
Our work in 2020 on:	
Body image	08
Financial detriment	10
Protecting children	12
Wider societal harms	14
Working with online platforms	16
Covid and casework	18

Our performance against our objectives	20
Complaints and cases in context	22
Governance	
ASA Council	25
Committees of Advertising Practice	26
Independent Reviewer's report	27
Advertising Advisory Committee report	28
Our panels	29
Industry Advisory Panel report	30
Promotional Marketing and Direct Response Panel report	31
Financial report	32

Read our case studies

covering the following themes:



Find the abridged report online at:
asa.org.uk/ar20



This extended, online copy of the report contains the following additional information:

Independent Reviewer's report

Sir Hayden Phillips, the Independent Reviewer of ASA Council Rulings, reports on cases he reviewed in 2020.

Advertising Advisory Committee report

The Advertising Advisory Committee (AAC) provides advice from the perspective of consumers on potential updates to the UK advertising rules. Stephen Locke, AAC Chair, reports on the Committee's activity for 2020.

Industry Advisory Panel report

The Industry Advisory Panel (IAP) provides industry insight and guidance on non-broadcast and broadcast matters. Tim Duffy, IAP Chair, summarises some of the areas on which the panel shared their expertise in 2020.

Promotional Marketing and Direct Response Panel report

The Promotional Marketing and Direct Response Panel (PMDRP) advises on promotional and direct marketing matters. Chair Catherine Shuttleworth highlights some advice the PMDRP provided during 2020.

Financial report

Find out more about how we are funded and our expenditure.

About the **ASA** and **CAP**



ASA

The Advertising Standards Authority

(ASA) is the UK's independent regulator of advertising across all media.



CAP

The Committees of Advertising Practice

(CAP) write the UK Advertising Codes and provide authoritative guidance on the rules.

Together, we work to make ads responsible.

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



Matti Alderson
Director General 1990 – 2000



Enid Cassin
Deputy Director of the ASA 1975 – 1982
Deputy Director General 1982 – 1990

In memory of Matti Alderson and Enid Cassin

We dedicate this report to Matti Alderson and Enid Cassin, two titans of the ASA and advertising self-regulation family.

Without their hard work, pioneering vision and dedication to the self-regulatory advertising system, our work today would not be possible.

We continue to uphold their legacy: an unrelenting focus on making sure that UK ads are 'legal, decent, honest and truthful'.

Q&A with David Currie

ASA Chairman

Despite a challenging year, the ASA has continued to make progress on the implementation of our strategy.

Here, ASA Chairman David Currie shares his thoughts on the key emerging issues for advertising regulation in the UK and how data science is starting to transform the way the ASA tackles harmful and misleading ads online.

Q: How does self-regulation operate alongside statutory regulation?

A: Our self-regulatory system is more of a 'collective' one. For years we've worked effectively alongside statutory partners, in co-regulation with our broadcast and VOD partner Ofcom, with our consumer

protection legal backstop National Trading Standards and in collaboration with the Gambling Commission, CMA, FCA, the ICO, the MHRA, to name but a few.

The current proposals by UK government for TV and online ad restrictions for high fat, salt or sugar foods and drinks illustrate how the regulatory landscape might change. As do the ongoing DCMS reviews of online advertising and the Gambling Act. We engage constructively with government to explain the regulation we already deliver and to ensure our system responds to and reflects appropriate statutory ad restrictions that may come into force.

Q: There is a growing societal concern about the role of online platforms when it comes to harmful advertising. What is the ASA doing to address that?

A: We're alive to the concerns, of course, but let's dispel the myth that online advertising isn't regulated. It is, by the ASA. And our strategy is focused on regulating online ads even more effectively.

We're already delivering a step change in that regulation through our use of innovative technology to tackle irresponsible ads, at pace and at scale. And we're exploring going further, creating new Online Platform and Network Standards to formally bind key online players, including Google and Facebook, into our regulation.

Accountability and transparency are at the heart of that work. The buy-in and commitment of everyone in the online ecosystem, including platforms, networks, publishers, agencies, ad tech companies and brands, will be key to that.

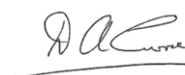
Q: How do you see future regulation of video-sharing platforms (VSP) evolving?

A: Although not yet confirmed, we anticipate continuing to regulate VSP ads in partnership with Ofcom, EU media regulators (particularly in Ireland) and EU ad self-regulatory bodies. That will require continued close cooperation with both statutory regulators and our fellow members of the European Advertising Standards Alliance, but it also ties in with our work on Online Platform and Network Standards. Jurisdictional issues make this complicated, but we already have the capability and networks in place to play a key day-to-day role.

Q: The ASA strategy highlights plans to invest in data science capability. How much progress have you made?

A: I'm delighted that towards the end of the year we were able to bring a data scientist on board. A first for the ASA, and a role that will play an important part in our ambition to rebalance our regulation away from reactive complaints casework towards 'collective' regulation and proactive tech-assisted intelligence-gathering, monitoring and enforcement.

We've already made a start, building a Natural Language Processing and computer vision model to predict whether online ads are scams, which we're now deploying. And we're currently recruiting for a Head of Data Science. I'm excited about this work; it has great potential for protecting consumers, and the reality is regulators that don't invest in data science will be left behind.



Lord Currie of Marylebone
ASA Chairman



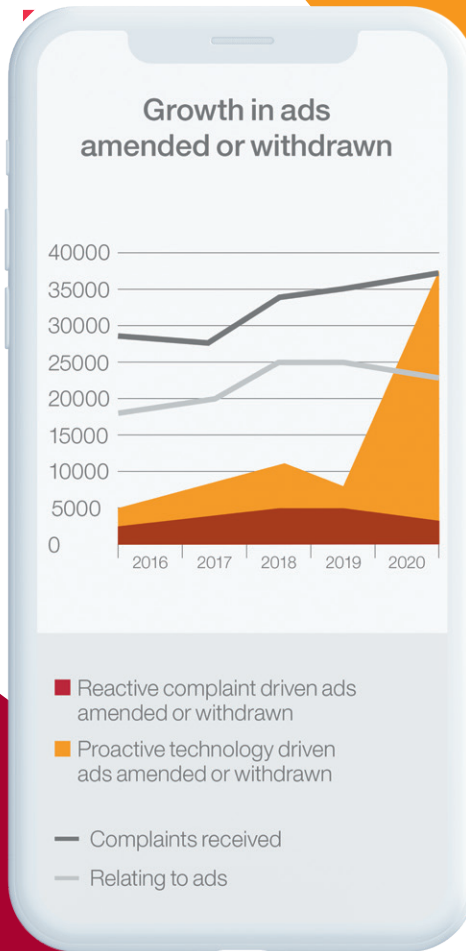
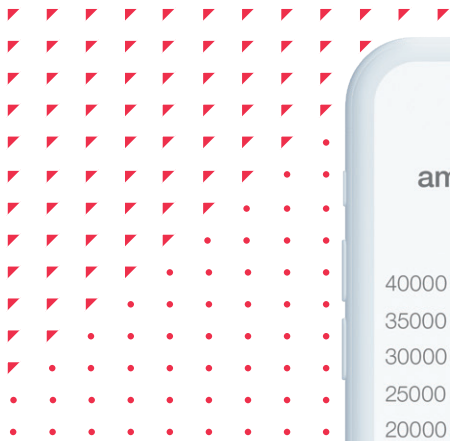
Lord Currie of Marylebone
ASA Chairman

In 2020 ...

Proactive

The ASA's innovative use of technology to find problem ads and enforce the rules

Delivering a step change in ad regulation



Reactive

Combined with resolving **36,342** complaints

Resulted in **36,491** ads being amended or withdrawn

a **346%** increase on 2019

relating to **22,823** ads

Q&A with James Best

CAP Chairman

The pandemic wasn't the only global issue to dominate the headlines in 2020.

The year also brought into sharp focus how global powers and institutions, and big business are key to influencing our ability to tackle climate change. At CAP we're looking closer to home at the role advertising and ad regulation can play.

Here, CAP Chairman James Best shares his insights into how the industry is responding to climate change, what is driving that change and how advertising regulation can contribute.



James Best
CAP Chairman

Q: How is the advertising industry responding to the climate crisis?

A: I think the industry is stepping up to the challenge now. Not only have all sorts of agencies, media owners and advertisers embarked on their own carbon reduction programmes, but the ad industry has committed to a collective approach, through the Advertising Association's Ad Net Zero initiative, both to drive down the emissions from developing, producing and placing advertising to net zero by end-2030 and to throw its weight behind the government's COP26 programme.

Q: What do you think is driving the industry to take action?

A: The motivation to act has several sources. First, companies and their people want to play their part. There is an enthusiasm to show what advertising can do to contribute to national efforts to reduce the UK's carbon footprint and improve our environment. Then there is outside pressure, with media commentators and activists alike homing in on two aspects of advertising's role. One, the part it plays in generating the economic activity that boosts our living standards but drives emissions. Two, its use by companies to promote their – and their products' – green credentials, with the attendant question of 'greenwashing'.

Regulation, including through the CAP Codes, has been seen as a route to address both. Calls to ban the advertising of things like SUVs or companies involved in the extraction of fossil fuels have become louder. And stricter rules on 'green' claims have been demanded.

Q: Where does CAP stand on those ideas and how else might it be able to contribute?

A: The law very rarely allows for advertising bans on things that can be legally sold, so it's important for CAP to take account of the latest evidence in banning irresponsible marketing practices. Companies around the world are responding to pressure from their customers, employees and communities, as well as to increasing statutory restraints, to introduce new and more sustainable products, packaging and working practices. Advertising is critical in promoting such innovations and helping consumers to adopt more sustainable behaviours.

But CAP's Codes of course have a role to play. They already include a substantial section on environmental claims, to counter 'greenwashing' and ensure consumers can base their choices on good evidence; this part of the Codes is likely to grow.

Further, with the joint CAP and ASA project exploring how regulation can encourage greener purchasing decisions, I can see product attributes such as durability, 'mendability', lifecycle carbon footprint, origin and ingredients coming under ever greater scrutiny.

And finally, consumer lifestyles portrayed in ads may be increasingly expected to be 'sustainable' ones, so that environmentally irresponsible or harmful behaviour must be avoided. The project will also explore how regulation responds to these expectations.

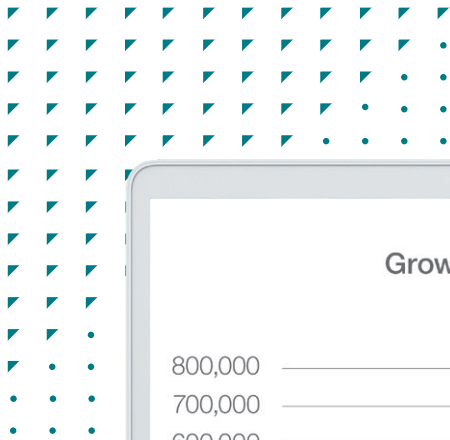
James Best
CAP Chairman

In 2020 ...

CAP's guidance was read **710,780 times** on our website or in an Insight newsletter.

Delivering more advice and training to businesses

The Copy Advice team answered **6,322 queries**.



Resulting in **722,376** pieces of advice and training being delivered to businesses.

5,274 people attended a workshop, industry presentation or took an eLearning course.

A word from Guy Parker

Chief Executive's report

If 2020 began similarly to 2019, that wasn't to last.

In the first two months, Brexit and climate change dominated the news.

Pressure for tighter advertising restrictions in some sectors traded places with societal concerns around online harms. And within the ad industry itself, how to turn around low trust in advertising and put ASA system funding on a more sustainable basis?

Then came Covid-19.

Our focus changed from delivering year two of our *More Impact Online* strategy – still vital – to responding to the pandemic. We successfully cut our budget by 20%, no easy feat when a quarter of the year was already gone. We moved seamlessly to working from home. We quickly adapted our day-to-day regulation. Most important of all, we successfully kept our staff safe and secure.

Despite the huge challenges, we made substantial progress on so many fronts.

We started our *Racial and Ethnic Stereotyping* project and doubled down on protecting children and people in vulnerable circumstances, including by launching a Scam Ad Alert system. We increased our use of technology, working with tech third parties and building our own data science team; technology that helped us smash our previous record of ads amended or withdrawn.

We continued to prioritise our reactive complaints casework, putting our resources where they mattered most. We worked ever more closely with regulatory and other partners. We began exploring holding online platforms to greater account for their role in upholding responsible ads online through our Online Platform and Network Standards initiative. We launched our ASA ad campaign, in Scotland to start with, to remind people of the ASA's vital role keeping ads, including those online, legal, decent, honest and truthful; key to maintaining trust in ads.

Google joined the European Advertising Standards Alliance (EASA), agreeing to contribute more fully to ad self-regulatory bodies (us included) and marking a tipping point in putting the ASA system's funding on a stronger footing.

This report contains examples of the above. But to finish where I started, Brexit may not have affected us having UK ad regulation covered, but it did mean even closer working with EASA and its global equivalent ICAS, organisations we helped found and are proud to belong to. And pandemic or not, climate change has not gone away: our *Climate Change and the Environment* project, launched in 2020 which James Best talks about in his Q&A, is front and centre in how we're responding to the most important challenge of all.

Guy Parker
ASA Chief Executive

This year we moved seamlessly to working from home. We quickly adapted our day-to-day regulation. Most important of all, we successfully kept our staff safe and secure.



Guy Parker
ASA Chief Executive

'Brand' new ASA campaign

to increase trust in advertising

The ASA worked with some of the UK's most iconic brands to create an impactful new campaign, with the key message 'UK advertising is regulated, including online'.

Media owners generously donated over £800,000 worth of media space across TV, radio, press, out-of-home and online for the first burst of the campaign, which ran from September to December.

Pre-campaign research indicated that increased awareness of the ASA led to an increase in trust, which in turn led to increased trust in ads and the ad industry more generally. To put this to the test, we restricted the pilot campaign to run in Scotland only, so that we could compare the post-campaign Scottish results against the rest of the UK to see how the needle had shifted.

We will conclude our post-campaign research at the end of Q1 2021, and look forward to rolling the campaign out UK-wide later in 2021.

Trust in the ASA is a driver of trust in the ad industry.

We partnered with the Advertising Association, The Leith Agency and MediaCom Edinburgh, who donated their time and expertise to create and execute this campaign.

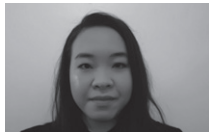
ADVERTISING
ASSOCIATION

Leith. mediacom



CASE STUDY

Body image



Cherie Leung
Regulatory Policy Executive,
CAP

Limiting young people's exposure to ads for cosmetic interventions

CAP published a public consultation on proposals for new rules that would prohibit advertising for cosmetic interventions being directed at those under the age of 18 across all media, including online. This was in response to ongoing public health and political concerns about the potential harms from such advertising on children and young people in relation to body image pressures they may experience.

At present there are no legal restrictions on the placing and scheduling of ads for cosmetic interventions to children and young people under the age of 18[®].

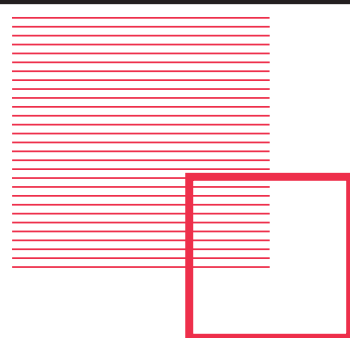
These proposals form part of a wider range of measures CAP is considering around the potential harm relating to body image from advertising and the impact on people's mental health. CAP will make further announcements on this and communicate the outcome of the consultation in 2021.

i Medical doctors are the only practitioners to be subject to mandatory age-based targeting and scheduling restrictions on cosmetic interventions advertising by their statutory professional standards body.

The ASA banned this ad from Royal Tunbridge Wells Skin Clinic Ltd in 2019 for normalising lip fillers for young women and teenagers and presenting this as something responsible parents should support.



In 2020, the health and beauty sector had the most ads amended and withdrawn.





Tania Hardcastle
Investigations Executive,
ASA

We banned this post by Gemma Collins for Skinny Jabs Ltd as it promoted a prescription-only medicine on social media.

Banning influencer posts promoting weight loss injections

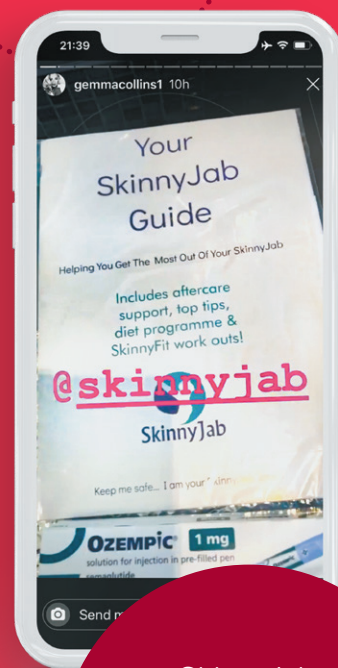
2020 heightened concerns about putting on weight as a consequence of the Covid-19 pandemic, due to lifestyle changes such as prolonged periods of staying at home and disruption to diet or exercise routines.

This context made it even more important that we investigated and published rulings against three advertisers promoting the use of licensed injectable prescription-only medicines* for weight loss, including by influencers on Instagram.

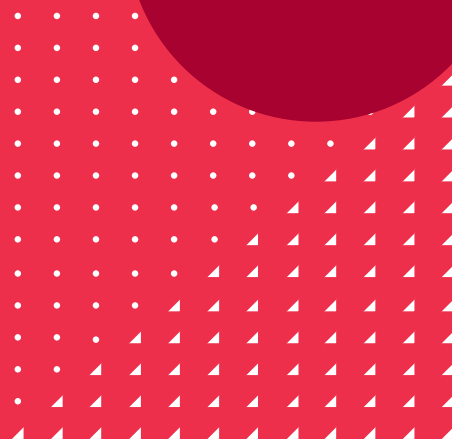
An Enforcement Notice was issued jointly with the Medicines and Healthcare products Regulatory Agency, and shared with the Care Quality Commission, General Medical Council, General Pharmaceutical Council and Nursing and Midwifery Council.

We followed up by using monitoring software Brandwatch to identify and report similar ads for immediate removal. We identified a further 150 advertisers promoting licensed injectable prescription-only medicines for weight loss on social media and we sent the Enforcement Notice to them, directly instructing them to remove their ads.

* The advertising of prescription-only medicines to the general public is prohibited.



SkinnyJab ended up changing its name to SlimCare as a result of the ruling.



CASE STUDY

Financial detriment



Helen Mathews
Investigations Executive,
ASA

Consumers shouldn't pay the price for irresponsible deferred payment ads

The ASA and CAP responded to growing concerns about the advertising of deferred payment services, also known as Buy Now Pay Later schemes, which have recently become widely available as payment options across retailer websites.

The ASA ruled on four influencer posts for Klarna, which linked 'lifting' one's mood during the Covid-19 national lockdown with buying products through their 'pay later' service.

The upheld ruling sent a clear message about advertising deferred payment services responsibly, concluding that the ads irresponsibly encouraged the use of credit.

CAP also published new guidance on advertising delayed payment services, focusing on preventing ads from misleading consumers, and gave advertisers a deadline of 2 March 2021 to amend all their ads.



This post was one of four ads reported by Labour MP Stella Creasy and banned by the ASA for promoting irresponsible use of credit.



Louise Hogan Maroney
Operations Manager –
Complaints, ASA

Tackling misleading debt advice ads

Many people in the UK are under significant pressure and stress as a result of the current economic situation and may search for advice on debt.

Following concerns raised by the Money and Pensions Service, we ruled against online advertising by five companies offering debt advice solutions. The cases centred on a number of misleading claims, including:

- exaggeration of the speed and ease with which debt can be reduced;
- implied associations with a genuine debt charity; and
- suggestions that debt counselling was being offered when in fact leads were passed to a third party.

The rulings form part of our ongoing work with a range of partner organisations to identify areas of consumer detriment online and to take action against misleading and irresponsible ads.

Misleading online advertising for unregulated financial products, particularly those by lead generation companies, remains a key focus and we will be looking to take further action in 2021.



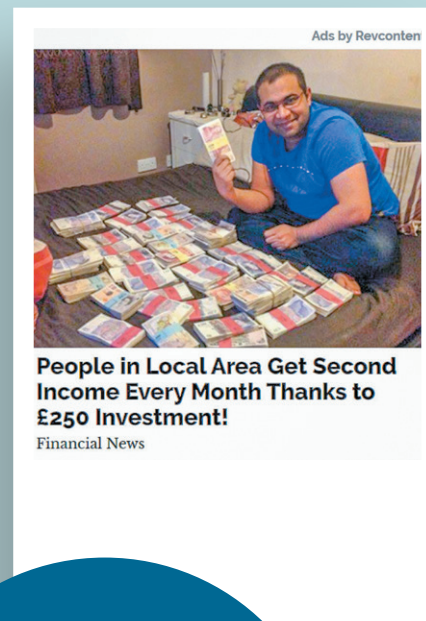
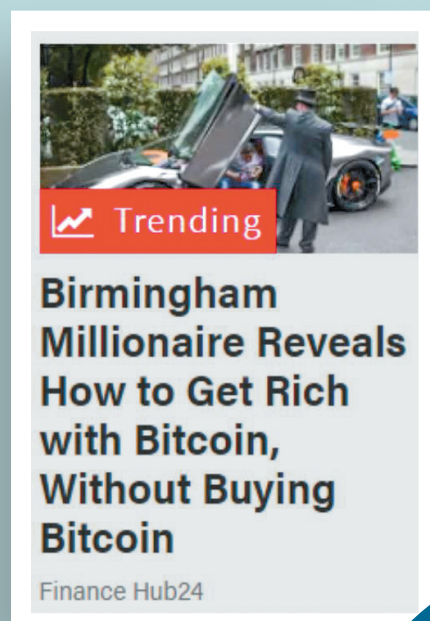
Adam Elmahdi
Complaints Executive,
ASA

Partnering with online platforms to remove scam ads

The ASA launched a Scam Ad Alert system in June after a successful three-month trial, responding to the harm that paid-for scam ads inflict on people and the reputation of the online ad industry. Anyone can now quickly and easily report scams to us via a dedicated form on our website.

Working in partnership with the major ad platforms, networks, and other key players, the system allows us to quickly share information about scam ads with ad networks to facilitate their swift removal, as well as preventing similar ads from appearing.

Since launch, we have received over 1,100 reports and sent over 100 Scam Ad Alerts which primarily concern cryptocurrency investment scams which utilise fake 'news' stories, doctored images of well-known figures and fictitious celebrity endorsements.



Partners responded to our alerts within **48 hours** (88% of the time) to confirm they removed the reported scam ad.



CASE STUDY

Protecting children

Preventing restricted ads being served to children online ...



Conor Gibson
Compliance Executive,
CAP

Using avatar monitoring

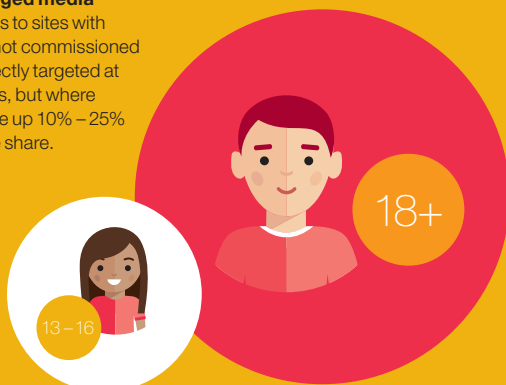
In 2018, we used avatars to find problem ads on children’s websites. In 2020, we took this a step further, using avatars to examine whether children are being served targeted ads for restricted products (gambling, alcohol, HFSS) on mixed-age media – websites and YouTube channels that are likely to appeal to both adults and children but where under-18s make up less than 25% of the audience.

By mimicking children’s, teens’ and other users’ profiles, the avatars help us to scale up data collection on the ads being served to younger users and multi-user profiles in the online spaces where they spend their time.

We’re using this data to improve our understanding of the issues and engaging with advertisers, agencies and platforms to ensure our protection of children online encompasses a range of spaces, not just ‘children’s media’.

Mixed-aged media

This refers to sites with content not commissioned for or directly targeted at under-18s, but where they make up 10% – 25% audience share.



Emily Henwood
Senior Complaints
Executive, ASA



Carrie Speer
Senior Investigations
Executive, ASA

Using CCTV-style monitoring

We began a year-long project to monitor age-restricted ads on children’s websites and YouTube channels. The aim is to ensure that advertisers for the following categories are targeting their ads away from child audiences: high fat, salt or sugar products (HFSS), alcohol, gambling, e-cigarettes and weight loss.

Using monitoring tools, we searched for and captured age-restricted ads on 49 websites and seven YouTube channels attracting a disproportionately high child audience.

In the first three sweeps, we identified a number of instances where advertisers broke the rules by having their age-restricted products appearing on these sites, with the main issue being ads for HFSS foods or drinks. We contacted the advertisers and sought assurances that they would remove the ads and amend their practices to better target their ads away from children’s media.

So far we have seen a reduction in the number of ads in the gambling and HFSS sector, and we expect to see this reduction continue in the next report.

Protecting Children Online

Monitoring ad breaches that occur on children’s websites and YouTube channels

How many advertisers were caught breaking the rules in October – December 2020?

Category	Number of Advertisers
Alcohol	5
E-cigarettes and Tobacco	0
Gambling	1
HFSS	12
Weight Control and Slimming	3

How many alcohol breaches did the ASA find in Q4 2020?

6 ads	5 advertisers	6 children’s websites
-------	---------------	-----------------------

How many gambling breaches did the ASA find in Q4 2020?

3 ads	1 gambling operator	3 children’s websites
-------	---------------------	-----------------------

How many HFSS breaches did the ASA find in Q4 2020?

27 ads	12 advertisers	12 brands	16 children’s websites	8 YouTube channels
--------	----------------	-----------	------------------------	--------------------

How many weight control and slimming ad breaches did the ASA find in Q4 2020?

11 ads	3 advertisers	9 children’s websites & YouTube channels
--------	---------------	--

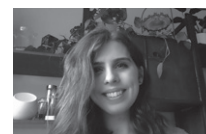


Andy Taylor
Regulatory Policy
Executive, CAP

Limiting the appeal of gambling ads to young people

In October, CAP launched a consultation on proposals to introduce stricter rules on the kinds of content acceptable in gambling ads, with the aim of reducing their appeal to under-18s. The consultation responds to research commissioned by GambleAware. Key findings suggested that the creative content of gambling and lotteries ads that follow the existing advertising rules has more potential to appeal to and adversely impact under-18s and vulnerable adults than previously understood.

A particular focus of the proposals is on sports-related references that might unduly attract the attention of young people. CAP will announce the outcome of the consultation in mid-2021.



Celia Pontin
Regulatory Policy
Executive, CAP

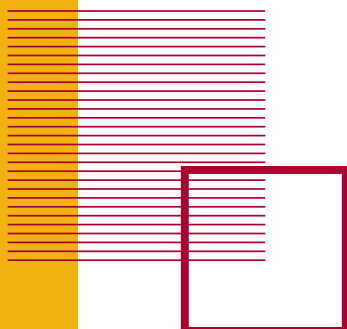
Applying the advertising rules to in-game purchases

In November, we launched a public consultation on comprehensive guidance for in-game purchasing and loot boxes as a response to concerns raised by the public, the video game press, campaign and research organisations, and parliamentary select committees.

The consultation proposes using formal guidance to address three key areas of concern:

- pricing information at point of purchase;
- the language and approaches used to advertise in-game purchases (and the games they appear in); and
- the use of in-game purchased items in ads for games.

We'll continue to gather and review responses in 2021, and aim to publish new guidance later in the year.



CASE STUDY

Wider societal harms

The ASA received complaints about this **Badoo Ltd** ad on the basis of racial stereotyping, but the ASA Council decided the ad was acceptable and the complaints did not need further investigation.



Laura Brewster
Complaints Executive,
ASA



Omolade Osonuga
Complaints Executive,
ASA

Preventing harmful racial and ethnic stereotypes in advertising

The events of 2020 saw a global focus on issues of racial inequality. The ASA has a strong record of banning ads which feature depictions of race and ethnicity that are offensive or harmful, but as an organisation committed to taking meaningful action to protect people, we asked ourselves what more could be done.

As a first step in answering this question, we undertook a large review of our past decisions on issues that touch on race and

ethnicity. The review highlighted some key areas for further exploration, and in 2021 we will be undertaking extensive work, including commissioning a major piece of public research.

This research will form part of a new evidence base to help us understand what more we need to do to address and prevent harmful racial and ethnic stereotypes in advertising, which could contribute to real-life inequalities.



Miles Lockwood
Director of Complaints
and Investigations,
ASA

Responding to the climate emergency

The ASA has been at the forefront of tackling misleading greenwashing claims for over 30 years. Given the scale of the climate emergency, we want to do more.

That's why we've launched our *Climate Change and the Environment* project.

We'll review how effective our rules are and, working in partnership with the CMA, will take proactive action against greenwashing claims. We will develop the advice and guidance we offer advertisers so they can responsibly promote their environmental credentials.

The ASA will also practise what it preaches. We have committed to becoming Carbon Net Zero by 2030 at the latest, in line with commitments made by the advertising industry.

i Greenwashing is a practice whereby an advertiser makes misleading claims about the environmental credentials of their product, for example describing it as greener, without holding sufficient evidence to support the claim.



In February 2020, we ruled this **Ryanair ad** was misleading, in part because it used out-of-date statistics to claim it was the UK's lowest emission airline.



CASE STUDY

Working with online platforms



Shahriar Coupal
Director of the Committees, CAP and BCAP

Increasing transparency and accountability online

The ASA has been regulating online ads for more than 20 years. We hold advertisers responsible for the content and placement of their ads, but we also work with social media platforms to protect people online.

For example, platforms remove ads that persistently flout our rules; they help fund our regulation and promote awareness of the Advertising Codes; and they provide training and insight to develop our expertise online.

Building on these foundations, we have engaged with government and the online advertising industry to explore strengthening our regulation online: holding platforms to greater account for the role they play in upholding the advertising rules, and being open and transparent about how they perform.

In the context of a changing online regulatory landscape, we and the platforms we engage with are determined to adapt and play our part in delivering a more inclusive and accountable form of advertising regulation for everyone's benefit.

Online Platform and Network Standards 'is a central task in ensuring... online players are bound into the regulation of advertising, and in finding a sufficient and reliable funding solution'.

Oliver Dowden
Secretary of State for Digital, Culture, Media and Sport



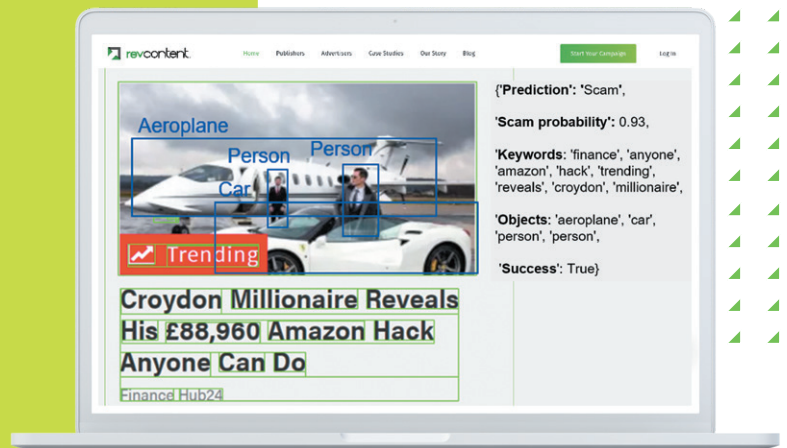
Jo Poots
Head of Operations (Complaints and Investigations), ASA

Using data science to scale up our online regulation

In 2020, we began building our in-house Data Science team, with the hiring of a data scientist. Our first project produced a Scam Ad Predictor model, which predicts whether online paid-for ads are scams, helping us to scale up the protection of people online.

Using web-scraping technology, we collect high volumes of ads every day, which are run through the model. We then alert online platforms via our Scam Ad Alert system (see page 11).

In addition, we're seeking to pool our expertise with other international regulatory partners. We've been instrumental in setting up European Advertising Standards Alliance's Data Driven Working Group, collaborating on data science initiatives with advertising regulators in France and the Netherlands.



The Scam Ad Predictor model uses Natural Language Processing and computer vision to determine the likelihood of an online ad being a scam.



Ed Senior
Compliance Executive,
ASA



Victoria Bugler
Senior Compliance
Executive, ASA

Enforcing the ad labelling rules on social media

Both the Advertising Codes and the law are clear: it must be obvious to consumers when the content they're engaging with is advertising. However, not all influencers are being upfront by clearly labelling their content to show when they're being paid (in cash or in kind) to promote a product.

We monitored the Stories of 122 UK-based influencers on Instagram over 21 consecutive days, capturing over 24,000 Stories. The influencers we monitored had already been given ad labelling advice, either directly as part of the ASA resolving a complaint, or as part of our proactive advice work.

Our findings revealed trends giving rise to non-compliance, such as:

- failure to consistently label ad content across consecutive Stories; and
- inconsistent disclosure across different platform features – for example, a post would be accurately disclosed as an ad, but a corresponding Story was not.

We contacted all of the influencers monitored, and those brands that consistently failed to make sufficiently clear where content was as an ad, to put them on notice that we will take further enforcement action if we don't see an improvement.

We published this summary in March 2021 to share our findings.

Are influencers disclosing advertising correctly?

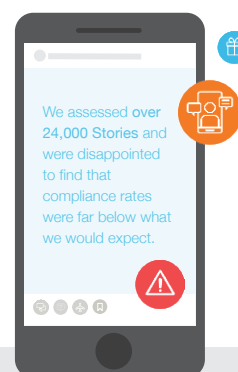
ASA ✓

Cracking down on poor ad labelling on social media

In September 2020, CAP monitored the Stories of 122 influencers¹ on Instagram to assess whether advertising content was being properly labelled.

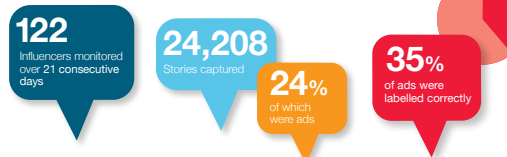
Ensuring a consumer knows when the content they are engaging with is an ad is a key principle of the advertising rules, and disclosure must be prominent and upfront.

The accounts monitored belonged to influencers that had been previously given guidance about when and how to label ads.

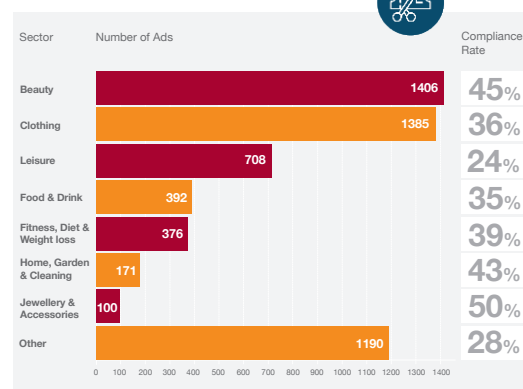


¹ Influencers were chosen on the following basis: a history of non-disclosure complaints to the ASA, past contact providing advice on how to comply with the advertising rules (see Case based complaints).

What did we find?



How did ad disclosure on social media compare across sectors?



What were the most common issues?

Our analysis identified some trends that led to lower rates of compliance:

- **Inconsistent disclosure across Stories**
When a piece of ad content spans a number of consecutive Stories, each Story must be disclosed as an ad, unless it's absolutely clear that this is part of the same posting.
- **Inconsistent disclosure across Stories, IGTV, Reels and posts**
A post would be accurately disclosed as an ad but a corresponding Story, was not.
- **Visibility of ad labels**
Where Stories were labelled as ads, labels were often in a small font, obscured or difficult to spot due to being a similar



CASE STUDY

Covid and casework



Miles Lockwood
Director of Complaints
and Investigations,
ASA

Our regulatory response to Covid-19

Like other organisations, the Covid-19 crisis forced us to rapidly reprioritise our work in 2020. We adapted our approach to ensure lighter-touch regulation for responsible businesses facing distress, while cracking down hard and fast on ads that unfairly or irresponsibly took advantage of the crisis.

Protecting the public from harmful Covid-19 ads has been a top priority. That's why we launched a Quick Report form, enabling people to swiftly report problem Covid-19 claims. We've processed 1,084 reports. We banned ads that made misleading claims about the protective qualities of face masks and the health benefits of vitamin injections. We worked closely with regulatory partners, such as the CMA and MHRA, to take a joined-up approach to tackling issues.

We also worked to prevent problem ads appearing by issuing guidance to gambling advertisers on how to avoid causing harm, and advice to the ad industry on how to responsibly create ads that take account of Covid-19 safety measures.



The ASA received **1,084** Covid quick reports in 2020.



Elisabeth Erwin
Senior Investigations
Executive, ASA

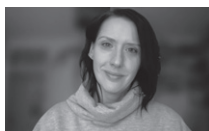
Banned – vitamin injection ad preys on health fears

We ruled against an ad for an aesthetic clinic offering vitamin D and B12 injections and claiming they could boost immunity, support lung function and aid faster recovery from viruses.

All licensed injectable forms of vitamins D and B12 are prescription-only medicines and must not be promoted to the public – therefore the ad broke our rules. The medicines were also being promoted for uses outside their licensed purposes.



The ASA ruled that this marketing email from Skinspace gave the impression that the vitamin D and B12 injections were effective in helping to prevent or treat coronavirus.

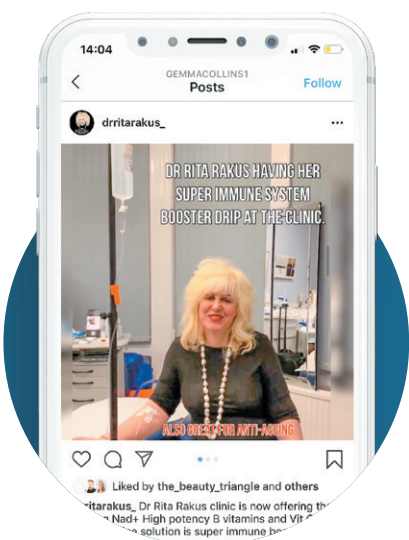


Carrie Speer
Senior Investigations
Executive, ASA

Banned – IV drip ads making Covid-19 claims

In March, we received complaints about ads from three private clinics that referenced coronavirus in relation to IV drips. The ads implied that the drips could prevent or treat Covid-19 – a medicinal claim that is not approved by the MHRA.

We fast-tracked our investigations and published the rulings in April, banning the ads and any similar unlicensed medicinal claims. Supported by the MHRA and other regulators, we followed up by sending an Enforcement Notice to clinics offering IV drips to ensure swift compliance throughout the sector and prevent other irresponsible advertisers capitalising on people’s fears during the pandemic.



As the IV drip in this post for Cosmetic Medical Advice UK was not a licensed medicinal product, the ASA ruled that the medicinal claim “protect yourself from viral infections” could not be made.



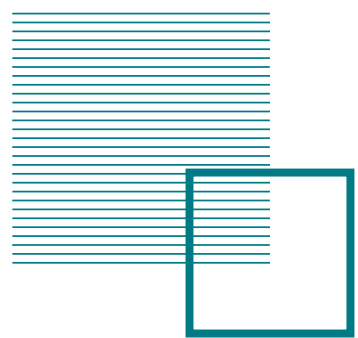
Elisabeth Erwin
Senior Investigations
Executive, ASA

Banned – misleading ads for face masks

The ASA’s position on advertising claims for face coverings evolved quickly in response to new scientific evidence and public health recommendations as the pandemic unfolded. While coverings became mandatory in many public places, for the purpose of protecting others from infection, only certified personal protective equipment can protect the wearer.

In August, we ruled against an ad for face masks that implied they would protect the wearer, despite the advertiser holding insufficient evidence to show that was the case.

The ASA also banned this ad in November 2020 as Easylife Group failed to provide any evidence to support the antimicrobial claims for their face masks.



Our performance against our objectives

Objectives

Improving regulation of online ads

Continue our focus on misleading content and inappropriate targeting, working more closely with large online platforms to protect people from irresponsible online ads

Deploying tech-assisted monitoring and enforcement

Deploy tech-assisted monitoring and enforcement, in particular to protect children and other vulnerable people. Report the number of ads amended or withdrawn


Introducing new approaches to case handling

Better prioritising, exploring if machine learning can improve our regulation, adopting lighter-touch complaints channels and improving our processes

Increasing advice and training

Continue implementing the findings of our CAP advice and training (A&T) services review, increasing our A&T Touchpoints to 600,000

Key performance indicators

All of our KPIs are on target 

36,491

ads amended or withdrawn (up 346%)

Cost per ad amended or withdrawn is £36.23 (82% better than 2019, including inflation)

722,376

pieces of advice and training delivered – against a target of 600,000

Cost per piece of advice and training improved by **33%**, including inflation (from £0.93 to £0.63)

Maintained balance of reactive complaints casework and proactive projects: **55%** to **22%** – vs. target of 55% to c.20%

Maintained casework productivity within **5%** of 2019 levels

Cost per No Additional Investigation case **£61.30** (1.5% better than 2019, including inflation)

Cost per Informal Investigation case **£189.17** (3.8% worse than 2019, including inflation)

Cost per Formal Investigation case **£678.20** (0.4% worse than 2019, including inflation)

Six of six case types closed within target timescales

Responded to **98%** of standard Copy Advice enquiries within 24 hours – vs. target of 90%

Meet customer satisfaction targets:

No Additional Investigation after Council Decision cases: **68%** – vs. target of 65%

Informal cases **84%** – vs. target of 75%

Formal Investigation cases **71%** – vs. target of 75%

Advertisers **81%** – vs. target of 75%

Copy Advice service **97%** – vs. target of 90%

We commenced a major programme of work exploring racial and ethnic stereotypes, including a review of historical ads, with further (public) research and a literature review planned in 2021

First wave of consumer research across all nations and regions of the UK benchmarked public views on trust in advertising and awareness of the ASA

90% of respondents more confident complying with Ad Codes after an Advice:am event – vs. target of 90%

Expenditure within **98.2%** of Crisis Budget (excluding extraordinary capital expenditure and legal fees) – against a target of 97.5% – 100%

98% of Formal Investigation cases enforced – vs. target of 97%

Four Formal Intelligence Gathering Reports delivered – against a target of four

1 2019 figure corrected from 8,881 to 8,183 on 18 February 2021.

2 From April, we stopped including NAI complainants in our surveys following changes to the servicing of their complaints. We surveyed NAICD complainants from April against a 65% target.

Regulating for the whole of the UK

Continue taking into account the views and interests of those who live in different nations and regions by capturing and analysing intelligence

Developing our people and delivering improvements

Prioritise retaining and developing our people, in a challenging economic environment. Undertake identified work priorities and deliver our strategy, including our Inclusion Strategy. Develop our thought-leadership in the regulation of ads online

Demonstrating the effectiveness of our regulation

Demonstrate regulatory effectiveness through our actions and communication, and be open-minded to change that strengthens the ASA system. Execute our ad campaign in Scotland and raise awareness of our online regulation

Responding to climate change

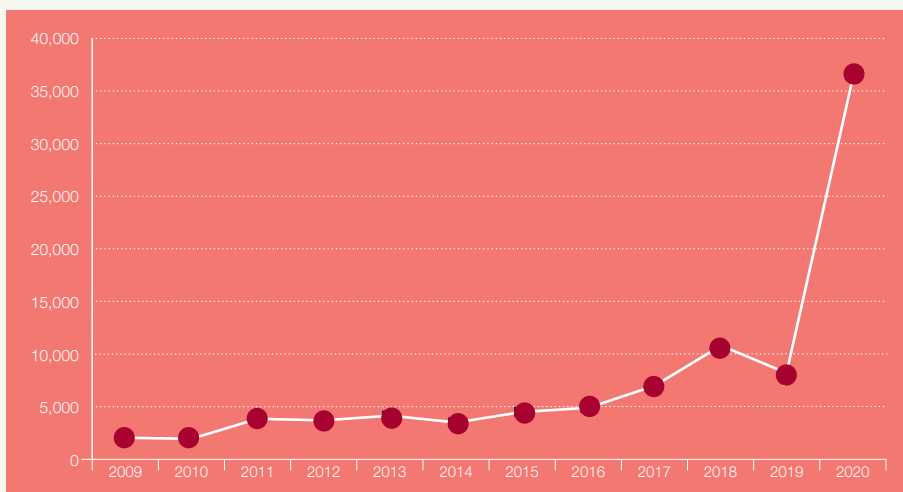
Explore the role that advertising regulation can play in responding to the climate change challenge, and set and report on targets to reduce our own carbon footprint

Ads amended or withdrawn

36,491

ads were amended or withdrawn this year

This **346%** increase on 2019 was driven by our use of tech-assisted online ad monitoring and enforcement



Turnaround performance

6 of 6

turnaround KPIs were met



Turnaround performance Non-broadcast

No Additional Investigation (10, 15 or 20 days*)	87%
Informal Investigation (25 or 35 days*)	86%
Formal Investigation (60 or 115 days*)	80%
	80% target

Turnaround performance Broadcast

No Additional Investigation (10, 15 or 20 days*)	93%
Informal Investigation (25 or 35 days*)	82%
Formal Investigation (60 or 115 days*)	81%
	80% target

* Dependent on case type.

Complaints and cases in context

Complaints and cases resolved by media

Complaints about outdoor ads decreased by **56%**

Online complaints increased by **4%** and made up almost **1/2** of all complaints

Television complaints increased by **43%**, but only made up **1/5** of all cases

	2020				2019	
	Complaints		Cases		Complaints	Cases
Media	Number	% +/-	Number	% +/-	Number	Number
Online	17,379	4%	14,512	-2%	16,767	14,775
Television	14,211	43%	5,070	-3%	9,971	5,216
Email	1,134	4%	1,043	2%	1,094	1,024
Radio	843	-5%	498	-17%	887	598
Outdoor	785	-56%	415	-44%	1,787	744
National press	706	30%	370	-15%	544	437
Packaging and point of sale	485	-48%	470	-47%	936	890
Leaflet, brochure, catalogue or directory	472	-41%	408	-43%	801	717
Other	394	3%	336	2%	382	330
Direct mail or circular	274	-49%	223	-38%	533	358
Local or regional press	237	-8%	90	-52%	258	188
Magazine	184	-31%	153	-25%	266	205
Transport	155	-57%	102	-53%	359	219
Cinema	59	-68%	26	-75%	186	102
Press other	47	-59%	33	-66%	115	98
Ambient	24	-23%	19	-14%	31	22
Phone call	7	-	7	-	0	0
Total	37,396	7%	23,775	-8%	34,917	25,923

Online complaints and cases broken down

Complaints about influencer posts decreased by **8%**, but still made up almost **1/4** of online cases

	2020				2019	
	Complaints		Cases		Complaints	Cases
Online media	Number	% +/-	Number	% +/-	Number	Number
Website, social media or app (own site)	8,341	-8%	7,334	-12%	9,035	8,338
Website, social media or app (influencer)	4,066	-8%	3,355	-9%	4,401	3,670
Website, social media or app (paid ad)	3,150	66%	2,682	61%	1,894	1,663
Video on demand	1,008	78%	433	44%	567	300
Search	367	5%	336	6%	348	318
Game	273	-32%	226	-39%	403	373
Messaging app	106	23%	94	12%	86	84
Audio podcast or on demand	50	NA	34	NA	NA*	NA*
Website, social media or app (other)	13	-59%	13	-54%	32	28
Augmented or virtual reality	4	NA	4	NA	NA*	NA*
Viral	1	0%	1	0%	1	1
Online total	17,379	4%	14,512	-2%	16,767	14,775

* No 2019 figures are available for this media type.

Complaints and cases by sector

+81% increase
in non-commercial
complaints

-19% decrease in
food and drink cases

+10% increase
in leisure cases

+40% increase in
health and beauty
complaints



Sector	2020				2019	
	Complaints		Cases		Complaints	Cases
	Number	% +/-	Number	% +/-	Number	Number
Leisure	6,346	16%	4,769	10%	5,473	4,348
Health and beauty	5,285	40%	3,088	16%	3,779	2,671
Retail	4,998	-3%	3,741	-3%	5,166	3,850
Non-commercial	3,587	81%	1,193	-1%	1,983	1,205
Food and drink	2,981	-12%	1,495	-19%	3,402	1,839
Business	2,447	10%	1,930	1%	2,222	1,920
Financial	1,943	-27%	1,193	-30%	2,657	1,715
Computers and telecommunications	1,545	-13%	989	-25%	1,770	1,311
Household	1,499	9%	868	-8%	1,370	947
Holidays and travel	1,468	-26%	846	-50%	1,975	1,709
Motoring	1,060	-10%	417	-25%	1,180	553
Property	755	4%	466	-27%	726	635
Clothing	466	1%	380	6%	462	359
Alcohol	460	51%	207	4%	304	200
Unknown	435	-44%	428	-16%	773	508
Utilities	387	-14%	210	-30%	452	301
Publishing	328	-40%	306	-18%	544	375
Education	223	-5%	196	-11%	234	220
Employment	81	-50%	58	-55%	161	128
Industrial and engineering	34	-31%	32	-27%	49	44
Tobacco	9	-70%	7	-72%	30	25
Agricultural	4	-20%	4	33%	5	3
Electrical appliances	1	-	0	-	0	0

* Includes complaints about advertising in general.

Complaints and cases in context

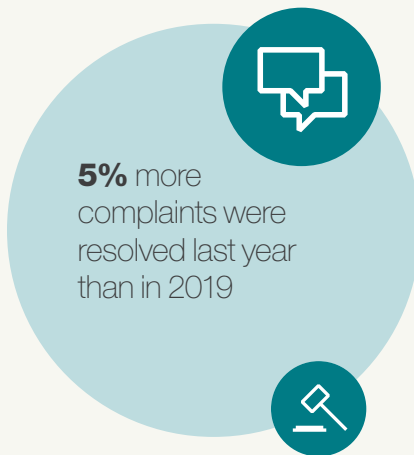
Complaints and cases resolved by issue



	2020				2019			
	Non-broadcast		Broadcast		Non-broadcast		Broadcast	
	Complaints	Cases	Complaints	Cases	Complaints	Cases	Complaints	Cases
Misleading	16,121 (71%)	14,334 (78%)	3,403 (22%)	2,021 (35%)	17,303	15,498	3,179	2,179
Offensive	1,480 (6%)	981 (5%)	3,331 (21%)	1,427 (24%)	1,898	1,200	3,549	1,722
Harm	2,384 (10%)	1,950 (11%)	2,568 (17%)	1,490 (26%)	2,146	1,609	2,405	1,339
No issue	2,855 (13%)	1,154 (6%)	6,138 (40%)	874 (15%)	3,437	1,482	1,933	670

N.B. Numbers in brackets represent percentage totals of complaints and cases by issue.

Complaints and cases resolved by outcome



Sector	Non-broadcast		Broadcast		Overall totals	
	Complaints	Cases	Complaints	Cases	Complaints	Cases
Total not investigated	16,610	13,433	13,758	5,393	29,951	18,664
Total investigated	5,168	4,011	1,253	170	6,391	4,159
Informal Investigation	4,673	3,764	428	118	5,087	3,871
Of which:						
Upheld/Action taken	4,555	3,663	397	98	4,938	3,751
Not upheld/No action taken	118	101	31	20	149	120
Formal Investigation	495	247	825	52	1,304	288
Of which:						
Upheld/Upheld in part	258	132	254	18	505	145
Not upheld	123	23	451	18	567	38
Withdrawn cases	114	92	120	16	232	105
Total complaints and cases resolved	21,778	17,444	15,011	5,563	36,342	22,823

* Both non-broadcast and broadcast figures include multimedia figures which appear only once in the 'overall totals' column.

ASA Council

The ASA Council is the independent jury that decides whether an ad has broken the Advertising Codes. The Council also operates as the Board of the ASA.

In 2020, we sadly said goodbye to Kate Bee, Shireen Peermohamed and Sam Younger, who came to the end of their terms of service. We were delighted to welcome Richard Lloyd OBE, Krystle Fonyonga and Dr Rebecca Rumbul in April.

Chairman

Lord Currie of Marylebone

Chairman of the ASA; Founding Chairman of Ofcom and the Competition and Markets Authority



Independent members

Aaqil Ahmed

Media Consultant, Aaqil Ahmed Media Consultancy; former Head of Religion and Ethics at BBC and Channel 4



B N

Krystle Fonyonga

Barrister, and General Counsel at UK Sport



B N

Advertising industry background members

Zaid Al-Qassab

Chief Marketing Officer and Inclusion & Diversity Director, Channel 4; Trustee, WaterAid UK; Board Member, Creative Diversity Network



B N

Tess Alps

BAFTA member. Fellow Royal TV Society. Previously Founder CEO and Chair of Thinkbox, Chair PHD Group and Director various ITV companies



B

Wesley Henderson

Past Director, Consumer Council for Northern Ireland; Education Team Leader Northern Ireland for Cats Protection



B N

Richard Lloyd OBE

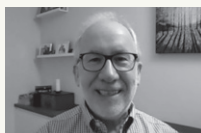
Senior Independent Director, Financial Conduct Authority; Chair, Independent Parliamentary Standards Authority; Vice Chair, Money and Mental Health Institute



B N

Reg Bailey

Former Marketing Director; Member, BBFC Advisory Panel on Children's Viewing, Chair, YMCA England & Wales.



B N

Tracey Follows

Founder of futures consultancy, Futuremade; former CSO of J Walter Thompson and APG Chair



B N

Suzanne McCarthy*

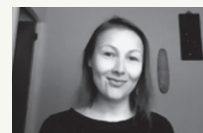
Chairs, Depaul UK, Fire Standards Board, Joint Audit Panel MOPAC and MPS; Vice Chair, Valuation Tribunal Service



B N

Dr Rebecca Rumbul

Head of Research at mySociety, Trustee at Hansard Society, Representative Claimant at The Privacy Collective



B N

Key

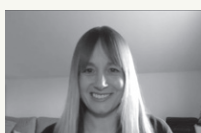
B Broadcast Council

N Non-broadcast Council

* The Senior Independent member sits in place of the Chairman when the Chairman is unable to attend the meeting or has a declared interest in the case being discussed.

Kirsten Miller

Digital Marketing Executive; Former Managing Partner of Maxus



N

Neil Stevenson

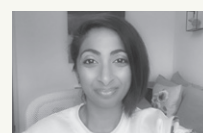
Chief Executive of the Scottish Legal Complaints Commission, and Chair of Changing the Chemistry



B N

Nita P. Woods

Social entrepreneur, championing sustainability, small business and social enterprise. Business advisor to the Mayor of London's Economic Action Partnership



B N

Committees of Advertising Practice

Chaired by James Best, CAP and BCAP are responsible for writing and updating the UK Advertising Codes.

Committed to upholding the highest standards in non-broadcast and broadcast advertising, the Committees are made up of representatives of advertisers, agencies, media owners and other industry groups.

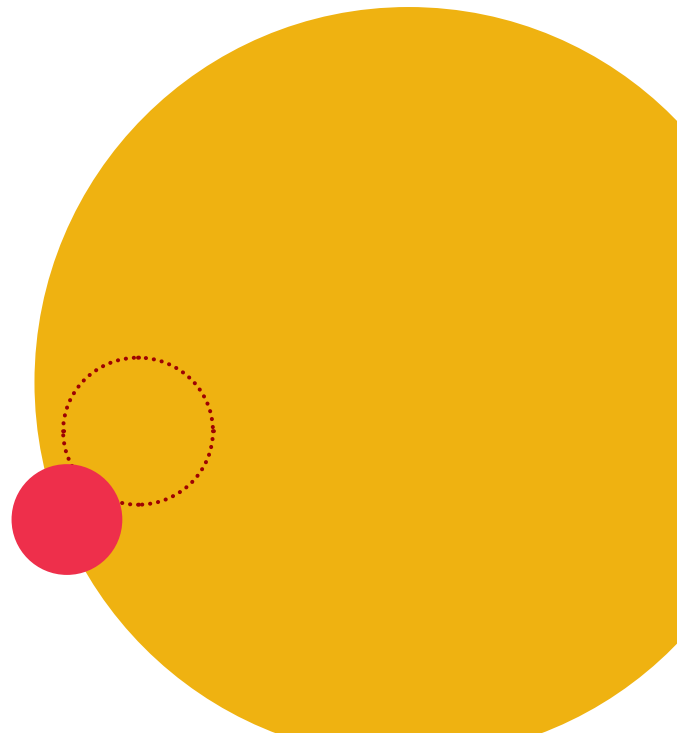
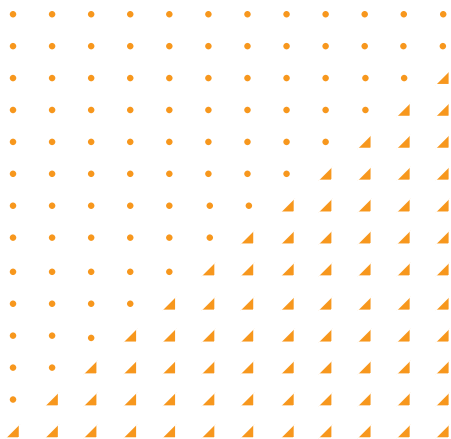
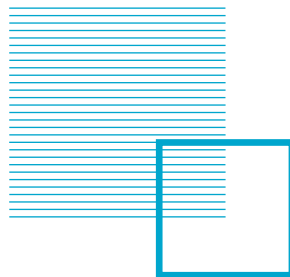
Committee of Advertising Practice (CAP)

Advertising Association
Cinema Advertising Association
Data & Marketing Association
Direct Selling Association
Incorporated Society of British Advertisers
Institute of Practitioners in Advertising
Institute of Promotional Marketing
Internet Advertising Bureau
Mobile UK
News Media Association
Outsmart Out Of Home Ltd
Professional Publishers Association
Proprietary Association of Great Britain
Royal Mail
Scottish Newspaper Society
Television on Demand Industry Forum
Clearcast*
Radiocentre*

Broadcast Committee of Advertising Practice (BCAP)

Advertising Association
British Telecommunications plc
Channel 4 Television Corporation
Channel 5 Broadcasting Ltd
Commercial Broadcasters Association
Data & Marketing Association
Electronic Retailing Association UK
Incorporated Society of British Advertisers
Institute of Practitioners in Advertising
ITV plc
Sky UK Ltd
STV Central Ltd
Clearcast*
Radiocentre*
S4C*

* Clearcast, Radiocentre and S4C have observer status.



Independent Reviewer's report



**Sir Hayden Phillips,
GCB DL**

Independent
Reviewer of ASA
Council Rulings

An independent review of the rulings of the ASA Council enables consumers and advertisers to question whether those decisions are fair and reasonable.

There was a slight increase in 2020 in substantial flaws in rulings compared to the year before but it was not a meaningful difference. The real peculiarity of 2020 was the significant increase in the number of requests for review of what are known as No Additional Investigation after Council Decision (NAICD) cases. These are cases which are not formally investigated by the ASA but are nonetheless put to Council for a decision on whether additional (i.e. 'formal') investigation is required. Of the total number of review requests last year (44), 15 were of that sort, and most singularly, nine of the 17 Broadcast cases were of that type. In only one of those did I decide that a formal investigation was justified. One can only speculate about why this sudden outburst occurred, but it probably has to do with the consequences of Covid-19 in terms of lockdown, people watching more daytime TV and suffering enhanced stress levels, making them less tolerant of what they saw or heard or read.

I will describe two such NAICD cases, and one investigated case.

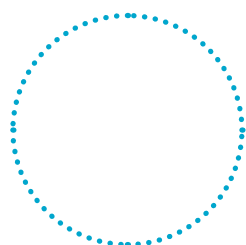
The first concerned an NHS poster ad by Public Health England about the wearing of face masks. It portrayed a woman wearing a mask followed by the words "I wear this to protect you. Please wear yours to protect me". It was directed at those travelling by public transport. The complainant drew precise attention to differing scientific and medical views on the value of mask wearing and argued that the decision not to investigate further was flawed because the ASA had not probed the case for and against masks. However, the Council had gone into this in some detail in a previous case and consulted Public Health England, which stated 'the evidence suggests that wearing a face covering does not protect you, but may protect others if you are infected but have not developed symptoms'. I told the complainant that while I recognised there were differing views on the efficacy of masks, it would be illogical and pointless for the ASA to repeat their earlier but recent exercise in research.

The second concerned a radio ad for Kentucky Fried Chicken, which the complainant said was offensive, and appeared to contradict an earlier formal ruling on a poster ad with the same content. The offending phrase there read "WHAT THE CLUCK?! £1.99 FILL UP LUNCH". That ruling had explained the Council's rationale for coming to different conclusions on the same words in different media. That said 'The chicken sound effect used to complete the expression in the radio and TV ads in the campaign did not therefore directly substitute for an expletive'.

The investigated case concerned a gold mine project in Northern Ireland. The original case had recommended to be Not Upheld on a key point of offsetting carbon emissions. Council overturned that recommendation but in the process added significant new arguments into the alternative Upheld ruling on which the advertiser had not been given the chance to comment. This was a substantial procedural flaw and the Council was persuaded to reverse its decision.

Review cases 2020 – 2019

	Non-broadcast		Broadcast	
	2020	2019	2020	2019
Total cases received of which:	27	20	17	17
Ineligible/withdrawn	6	5	0	3
In progress	0	0	0	0
Not referred to Council	14	12	16	11
Referred to Council of which:	7	3	1	3
Unchanged	0	0	1	0
Decision reversed	1	1	0	2
Wording changed	0	1	0	0
Re-opened investigation	6	1	0	1
In progress	0	0	0	0



Advertising Advisory Committee report



Stephen Locke
Chair, Advertising
Advisory
Committee

The Advertising Advisory Committee (AAC) advises BCAP and now CAP on the consumer and citizen issues arising from key aspects of broadcast and non-broadcast advertising regulations. The six independent members are drawn from a range of different backgrounds, to ensure that ad rules are effective, evidence-based and responsive to public concerns.

Inevitably, 2020 was a highly unusual year for the AAC. We only held one meeting face to face, in February, and after that met entirely online using video-conferencing. It was also exceptional for the advertising sector and for the consumers whose interests we seek to represent. Patterns of consumption changed radically, and for many consumers and businesses there was real hardship and stress.

But in many respects, 2020 was also a year of 'business as usual', as the need for the AAC to maintain its scrutiny of advertising rules was greater than ever. In our February meeting, we had a detailed discussion of how we can be more proactive in bringing ideas to the table, and in picking up concerns from external evidence. Following this, we have instigated a system of 'deep dives' into key issues for the regulatory agenda – such as influencer marketing, mental health, children's use of social media and climate change. We have also given higher priority to evaluation of market intelligence so that the implications for regulation can be clearly assessed.

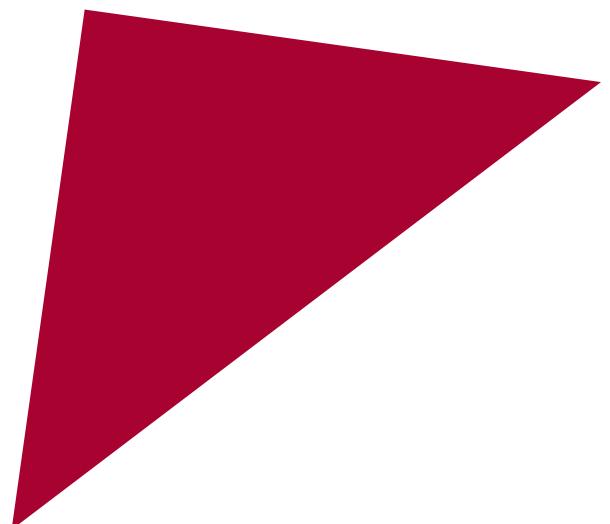
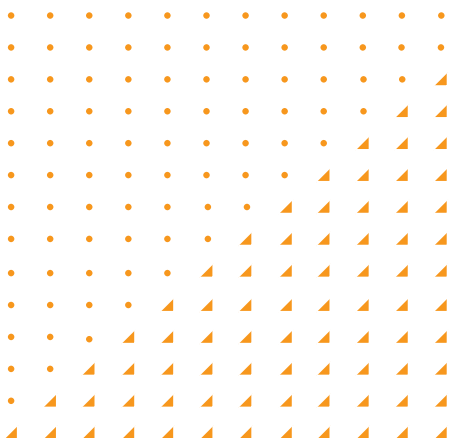
Meanwhile, many of the established concerns in the advertising sector are ever-present and have required detailed input from us. In particular, online services continue to develop rapidly – areas we have reviewed include advertising aspects of e-sports, interactive entertainment and in-game purchases in the context of 'loot boxes'. Protection of children and young people has also been a major theme, as we have considered such issues as children's critical understanding of, and exposure to, ads, the portrayal of children in lottery ads and the issue of 'crossover appeal' where ads appear in programmes popular with older teens that aren't covered by the protection provided to 10 – 15 year olds. Last but not least, the AAC has been deeply engaged in developing ideas on ad content that is potentially harmful to groups protected under equalities legislation – drawing on experience with the new rule on gender stereotyping, which we strongly supported.

My final term as Chair of the AAC will come to an end during 2021, so this will be my last Annual Report. I extend my warmest good wishes to my successor, when appointed. I am deeply grateful also to my formidable AAC colleagues and the excellent CAP and BCAP Executive led by Shahriar Coupal and Malcolm Phillips.

Members

- | | |
|---------------|-----------------|
| Rachel Childs | Adair Richards |
| Robin Foster | Ruth Sawtell |
| Mike O'Connor | Nabila Zulfiqar |

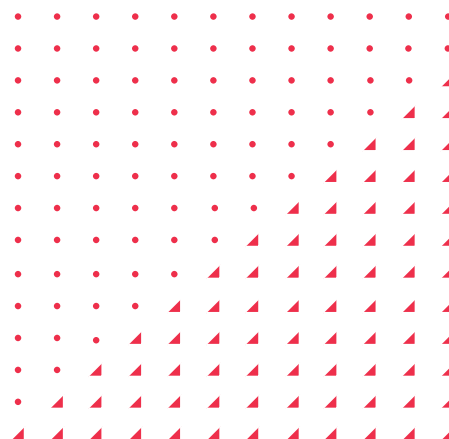
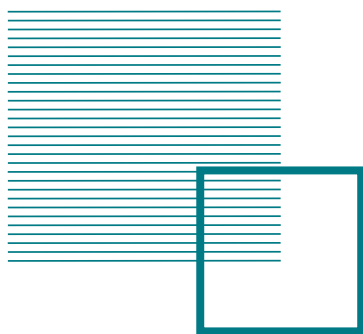
James Best, Chairman of CAP and BCAP



Our panels

The advertising industry is central to the success of the self-regulatory system; as part of that, CAP and the ASA receive valuable support from three industry panels – the **Industry Advisory Panel**, the **Promotional Marketing and Direct Response Panel** and the **Online Publications Media Panel**.

The panels bring together advertisers, creatives, media planners and publishers, who volunteer their time to give advice on marketing communications' conformity with the Advertising Codes. The panels also provide a forum for the exchange of information and ideas between the industry, the ASA and CAP.



Industry Advisory Panel report



Tim Duffy
Chairman

The Industry Advisory Panel (IAP) brings together marketing professionals, media practitioners and others with expert knowledge of the UK marketing industry. It advises the ASA and CAP on a broad range of broadcast and non-broadcast matters.

In 2020, the Panel provided expert advice across a range of topics, including targeting on audio streaming services, recognition of advertising in podcasts, in-game purchases and the use of social media image filters in ads.

We bid a warm farewell to some of our members and welcomed a few new faces to ensure a continually diverse range of opinions, and benefit from knowledge across different industry sectors and experience. I would like to thank all Panel members, past, present and future, who volunteer their time and wisdom for the benefit of the UK's advertising regulatory system.

Members

Jonathan Allan
Nick Baughan
Lillian Betty
Jenny Biggam
Alexia Clifford
Ed Couchman
Shahriar Coupal (Secretary)
Matthew Dearden
Tim Evans
Peter Gatward
Steve Goodman
Vicki Holgate
Chris McLeod
Andrew Mortimer
Emma Smith (Assistant Secretary)
Charlie Snow
Nik Speller
Steve Taylor
Michael Todd
Stephen Vowles
Mark Wallace
Nita P. Woods

'In 2020 the Panel continued to provide a crucial industry perspective to a wide range of cases, giving the ASA and CAP access to expert knowledge across the breadth of marketing techniques. Members play a valuable part in the UK's advertising regulatory system and the ASA's strategy to have more impact online'.

Tim Duffy
IAP Chairman

Promotional Marketing and Direct Response Panel report



Catherine Shuttleworth
Chair

The Promotional Marketing and Direct Response Panel (PMDRP) advises the ASA and CAP on promotional marketing and direct marketing matters.

Providing a unique industry perspective and expert advice has always been at the heart of the PMDRP's work in helping the regulator with this dynamic and innovative sector. In 2020, the Panel provided valuable insights into promotional mechanics such as 'Instant win' promotions and the growing area of promotions on social media such as Instagram, as well as helping to review the regulatory landscape for the problematic area of house raffles.

'The PMDRP has continued its important work of helping the ASA and CAP to tap into the knowledge and expertise of senior promotional marketing experts on a wide range of relevant issues. These practical insights are an extremely valuable mechanism to help make sure the ASA and CAP's decision-making processes remain up-to-date and informed'.

Catherine Shuttleworth
Chair

Members

Peter Batchelor
Mark Challinor
Shahriar Coupal (Secretary)
Michael Halstead
Nick Hudson (Assistant Secretary)
Wesley Henderson
Chris McCash
Andrew Rae
Mani Roberts
Rupa Shah
Carey Trevill
Asil Yildiz

Online Publications Media Panel report

The Online Publications Media Panel was established at the instigation of the Advertising Association Council, and with the endorsement of CAP, to advise CAP and the ASA on the proper distinction between editorial and advertising in online publications, in the event of any confusion.

Members

Chairman, Advertising Standards Board of Finance
Chairman, The Regulatory Funding Group

Financial report

We are funded primarily by advertisers through arm's length levy arrangements that guarantee the ASA's independence. Collected by the Advertising Standards Board of Finance (Asbof) and the Broadcast Advertising Standards Board of Finance (Basbof), the 0.1% levy on the cost of buying advertising space and the 0.2% levy of the Royal Mail's Mailsort and Advertising Mail contracts ensure that the ASA is adequately funded without revealing to us which companies are contributing. In 2020, we received the first contributions from the European Advertising Standards Alliance (EASA) as part of its new agreement with Google. We also receive a small income from charging for some seminars, from the sale of eLearning materials and from the European Interactive Digital Advertising Alliance for regulating online behavioural advertising.

Year to 31 December 2020

Audited income and expenditure figures for the combined non-broadcast and broadcast activity in 2020 (see table) are the total of the amounts recorded in the Audited Report and Financial Statements of our two operating companies, namely the Advertising Standards Authority Limited (ASA) and the Advertising Standards Authority (Broadcast) Limited (ASA(B)). These were adopted by the Non-broadcast and Broadcast Councils at their respective Annual General Meetings held on 23 April 2021.

Income for the year

Compared with 2019, total income received from Asbof and Basbof decreased by £2,424,000 (25%) to £7,158,000. Other income increased by £329,000 (240%) to £466,000. Other income includes contributions received from EASA (£132,100) and grants from the Government's Coronavirus Job Retention Scheme (£259,500). Interest received decreased by £8,000 (68%) to £4,000.

Expenditure for the year

Compared with 2019, total expenditure decreased by £1,809,000 (19%) to £7,826,000. This total expenditure was less than the original budget for the year by £1,765,000 or 18%.

In response to the sharp reduction in Levy income forecast by Asbof and Basbof due to the global pandemic, prompt action was taken to reduce our budgeted net expenditure by 20%. This was achieved through cost reductions as well as claiming grants under the Coronavirus Job Retention Scheme. Cost reductions included pausing non-essential IT developments, reducing communications costs and savings from the temporary closure of our offices. We also made agreements with all our staff to reduce pay in return for reduced hours.

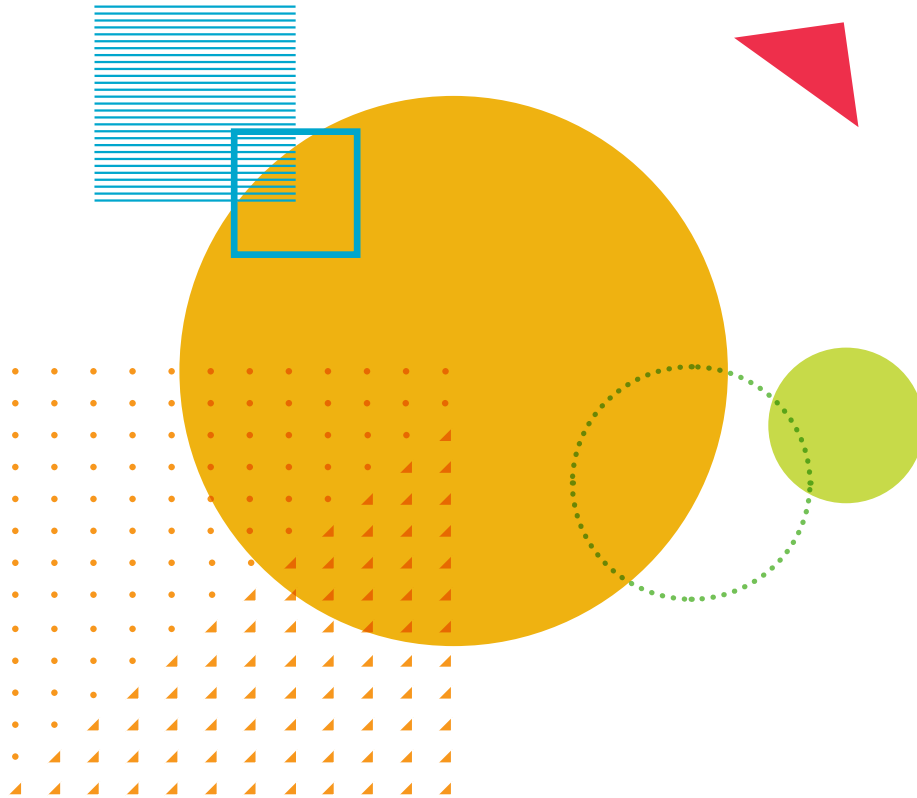
Profit for the year

The combined loss before tax of both non-broadcast and broadcast activity was £197,000. After tax credits, the combined loss was £179,500.

The Audited Report and Financial Statements for ASA and ASA(B) reflect a split of costs, determined by Asbof/Basbof, to reflect the workload between non-broadcast and broadcast activities, of 65% and 35% respectively, and applying them to the non-specific costs – overheads, general office costs and the like. Specifically identifiable costs were allocated in full to the relevant function.

Non-broadcast and broadcast combined for the year ended 31 December 2020

	2020 £'000	2019 £'000
Income		
Funding received from:		
The Advertising Standards Board of Finance Ltd (Asbof)	4,513	6,245
The Broadcast Advertising Standards Board of Finance Ltd (Basbof)	2,645	3,337
Total Levy income	7,158	9,582
Expenditure		
Salaries and direct staff costs	5,580	6,189
Office accommodation and general costs	1,139	1,791
Communications costs	216	396
Legal and professional fees	316	646
Information technology costs	359	368
Technology assisted monitoring	42	–
Travel, subsistence and entertaining	9	64
Depreciation	165	181
Total expenditure	7,826	9,635
Operating loss	(668)	(53)
Interest receivable	4	12
Other income (i.e. seminars, advice and eLearning, Coronavirus job retention grants)	466	137
(Loss) profit on ordinary activities before tax	(197)	96



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

Designed and produced by
Friend www.friendstudio.com

Print **Pureprint Group**

This report has been printed on Image Indigo which is FSC® certified and made from 100% Elemental Chlorine Free (ECF) pulp. The mill and the printer are both certified to ISO 14001 environmental management system. The report was printed by a CarbonNeutral® printer.