

Broadcast Committee of Advertising Practice content review of television advertisements for high-cost short-term credit

Terms of reference for review into the content of television advertisements for high-cost short-term and the promotion of irresponsible borrowing behaviour



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1. Aims of review and structure

1.1 Purpose of review

The Broadcast Committee of Advertising Practice (BCAP) is carrying out a review of the content of television advertisements for high-cost short-term credit (HCSTC) to assess whether irresponsible lending behaviour is being promoted. The review will assess whether BCAP's content rules and the guidance it shares with the non-broadcast Committee of Advertising Practice remain fit for purpose.

1.2 Review objectives and scope

The UK Code of Broadcast Advertising (the BCAP Code), written and maintained by BCAP, ensures that all ads are socially responsible and vulnerable people are protected from harm in line with the wider objectives of the Communications Act 2003.

Rule 1.2 is a general provision on responsibility of advertising:

1.2 Advertisements must be prepared with a sense of responsibility to the audience and to society.

CAP and BCAP's joint [Advertising Guidance](#) on trivialisation clarifies the spirit in which the social responsibility rule must be interpreted in relation to HCSTC ads. It provides clear warning that ads risk breaching this rule if they:

- suggest loans are a suitable means of addressing ongoing financial concerns;
- condone non-essential or frivolous spending; or
- unacceptably distort the serious nature of payday loan products.

Taking into account rule 1.2 and the guidance above, BCAP will carry out its review in three stages:

- firstly, BCAP will assess whether any available evidence on borrowing behaviour and its depiction in advertising suggests that HCSTC advertising appearing on television has the potential to cause harm to vulnerable people in ways that can be addressed in guidance;
- secondly, taking into account the findings from this assessment, BCAP will commission its own research into whether HCSTC advertising depicts borrowing in a way that has the potential to cause harm to vulnerable people; and
- thirdly, taking into account the information received during the first two stages, BCAP will assess whether amendments or additions to its joint guidance are necessary to ensure that it remains fit for its purpose of supporting the interpretation of BCAP's social responsibility rule.

1.3 Review approach

In carrying out its review BCAP will:

- seek information from all relevant stakeholders (including, particularly, the Financial Conduct Authority and the Competition and Markets Authority); and

- assess any evidence in line with its [established approach](#) to evidence-based policy making.

2. Background to review

BCAP received responses to its [HCSTC scheduling consultation](#), both from those advocating scheduling restrictions and those opposing their introduction, that addressed the content of advertising; these do not relate to scheduling rules but BCAP considers they merit further regulatory enquiry.

BCAP's [original content review](#) of HCSTC advertising on TV was carried out in 2014 and looked at a sample of ads across 2013; it did not [find](#) substance in perceptions that some HCSTC ads inappropriately appealed to children or were aimed at encouraging children to ask their parents to take out HCSTC, and did not, therefore, consider that changes to its rules were needed to capture potentially harmful content that fell outside of them. Respondents to the scheduling consultation have argued that the HCSTC market and particularly its advertising content have become more responsible in recent times, particularly since the advent of further statutory regulation by the Financial Conduct Authority (FCA). Other respondents have challenged the findings of BCAP's content review and argued that the content of ads remains irresponsible.

BCAP's original content review examined ASA rulings and content treatments that the review team could confidently judge on a case-by-case basis. On the advice of the [Advertising Advisory Committee](#) (AAC), BCAP's further content review will gather evidence on borrowing behaviour including through original research to allow it to examine whether there are advertising techniques that might promote irresponsible lending behaviour in ways which exploit vulnerabilities, and which can be addressed in guidance. The review will assess whether BCAP's content rules and the guidance it shares with the non-broadcast Committee of Advertising Practice remain fit for purpose in light of this examination.

3. Next steps


BCAP will complete its review by the end of 2016 and communicate its findings in early 2017.

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