

THE
ADVERTISING
STANDARDS
AUTHORITY

Fourth Report

1 APRIL 1966 — 31 MARCH 1967

CONTENTS

	Page
List of Members	2
Secretary and address	2
Complaints	2
I Chairman's Report	3
II Activities of the Authority	12
A. Changes in the British Code of Advertising Practice	12
B. Investigation of Advertising Practice	16
C. Enquiry and Action relating to alleged infringements of the Code	17
D. The Authority and the Public	22
Appendix A: Note on Members	23
Appendix B: Press Statements	25

THE ADVERTISING STANDARDS AUTHORITY LTD

Chairman

THE RT. HON. THE LORD DRUMALBYN, P.C.

Members

A. CHARLES BUCK
R. CRAIG-WOOD
VICTOR FEATHER, C.B.E.
MRS. J. FORT
SIR JOHN HAWTON, K.C.B.
A. EVERETT JONES
T. G. MOORE
MRS. G. L. S. PIKE, C.B.E., J.P.
HOWARD THOMAS
THE HON. C. M. WOODHOUSE, D.S.O., O.B.E.

All members serve as individuals and not as representatives of any
industry or trade or professional association

Secretary and Registered Office:

JOHN C. BRAUN 5 Clement's Inn, London, W.C.2
Telephone: 01-242 4111

COMPLAINTS

Any member of the public may complain to the Authority about any particular advertisement.

There are no forms to be completed and no set rules of procedure. All that is required is a letter of explanation, together with a copy of the advertisement to which exception is taken.

Complaints by telephone will not be acted upon unless they are subsequently confirmed in writing.

Anonymous letters are ignored.

Complaints should be sent to the above address.

The Fourth Report of THE ADVERTISING STANDARDS AUTHORITY

1 APRIL 1966—31 MARCH 1967

I

CHAIRMAN'S REPORT

In the Chairman's report last year I went in some detail into the position of the Authority in relation to the voluntary control system of the advertising industry. The system has continued to evolve in the past year and there have been no major changes either in its organisation or in the composition of the Authority.

1 The Voluntary System of Control

A voluntary system of control depends for its success on willing co-operation between and within its component organisations and mutual understanding of both their common and their individual aims. It is founded on the common will of the vast majority to ensure that there are rules which are recognised as fair, workable and easy to understand, and that the rules are enforced against the minority who inadvertently break them and the much smaller minority who set out to break them. It is of cardinal importance that any tendency to sail too close to the wind should be checked without delay.

Much effort has been devoted in the past year to improving the procedures of the advertising control system so as to reduce delay to the minimum. Since a voluntary system depends on co-operation, however, it is essential that all concerned should be treated, and should feel that they are being treated, fairly.

Because of its informal methods, the voluntary system works much more quickly than any statutory system that would be likely to be generally acceptable in this country. Even so, it is right to tell an advertiser, or the agency which handles his advertising, the nature of the complaint against him and to give him the opportunity to reply. Where an advertisement quite plainly infringes the Code of Advertising Practice or the law of the land, action is taken immediately to prevent a repetition of the infringement. But most complaints require investigation.

2 Naming Offenders

No voluntary system would work unless all concerned were prepared to supply information to the appropriate authority in answer to complaints.

It is sometimes suggested that the Advertising Standards Authority should make a practice of publishing the names of advertisers who break the rules and of the agencies concerned.

Most breaches of the Code are minor; and to publish the names of the advertisers would involve a loss of goodwill quite disproportionate to the offence. There would be general approval within the industry for the "naming" of an advertiser, advertising agency, or a medium in a serious case where the rules were flagrantly or persistently broken, and in such a case the Authority would not hesitate to publish full details, including the names of those concerned. Fortunately such cases are extremely rare.

Plainly an advertiser who knew that he would certainly be publicly named if in the event he was adjudged to have broken the rules would be much less likely to provide information fully, frankly and promptly, as all reputable advertisers do at present. The result would be that confidence would be undermined, the voluntary system would fall into disrepute, advertising standards would decline, and the general public would be worse off.

The fact that those who break the rules are rarely "named" does not mean that the industry is not kept informed of the ways in which the rules are being interpreted. Notes on the interpretation of the Code are made available in the Code of Advertising Practice Bulletins to advertisers, advertising agencies and media through their respective organisations.

3 The System at Work

As a main part of its function of maintaining and improving standards of advertising, the Authority seeks to ensure that the publication of advertisements which break the rules is forestalled, and, failing this, that any advertisements that do appear to be in breach of the rules are either withdrawn entirely or are rectified before they appear again. Advice is readily given not only by the Authority itself and the Advertising Investigation Department (A.I.D.) of the Advertising Association, but by the various constituent bodies. The media themselves exercise close vigilance and reject advertisements which they consider do not conform with the Code. In the hundreds and thousands of advertisements submitted for publication the odd "wrong 'un" is bound to slip through occasionally. Some advertisements containing claims that cannot be substantiated, or breaking the rules in some other way, may from time to time be accepted and published in good faith by media, but they rarely amount to flagrant or serious breaches. Such advertisements are generally spotted either by the system's own monitoring or by some other organisation which co-

operates with the Authority, such as the Retail Trading-Standards Association, or both. The Authority would like to take this opportunity to express its appreciation of the help received from the R.T.S.A.

Requests for assistance, whether in the form of complaints or otherwise, come from various sources. Some come from the public direct, some from competitors, some are passed on to the Authority by the Board of Trade, Weights & Measures Authorities, the Consumer Council, Citizens' Advice Bureaux, the Press Council and other bodies. Last year I expressed the hope that requests for assistance would come on a growing scale from the Vigilance Officers of local Publicity Clubs, but so far progress has been slower than I had hoped.

4 The Advertising Investigation Department

The Authority itself deals with some of the complaints received, but the great majority are investigated by the A.I.D. Indeed it is A.I.D. which receives direct the main bulk of requests for assistance. It keeps the Authority informed of complaints received and of breaches observed in the course of monitoring, and of the outcome of investigations. All this is of great assistance to the Authority in carrying out its primary task—the supervision of the working of the voluntary control system and of the content and interpretation of the Code and its adjustment to meet changing circumstances.

5 The Code of Advertising Practice

In the past twelve months the advertising industry—advertisers, media and advertising agencies alike—have had to face the difficulties which result from the check on national economic growth, in consequence of which advertising expenditure and revenue have been curtailed. It has been said in the past that the test of the voluntary system would come when the advertising industry encountered hard times; that rules which were accepted when business was brisk might not be so readily complied with when it was less good. It is satisfactory to be able to report that there is no sign at all of a greater disposition to flout the Code of Advertising Practice or even to sail nearer to the wind. On the contrary, the steady improvement in the observance of the rules and in the co-operation of all concerned in maintaining them has continued, as the rules themselves and the working of the voluntary control system have become more widely known and appreciated.

In the course of the year the Code of Advertising Practice Committee, in consultation with the Authority, has undertaken a revision of the Code itself to simplify and clarify it, as well as to include in it the various new rulings that have been made since it was last printed three years ago.

6 New Rulings

The main rulings made in the past year relate to comparative pricing, use of the word "free", testimonials, country of origin, safety, betting tipsters, pregnancy testing, advertisements offering TV and radio sets on rental, and correspondence courses and instruction manuals for judo, ju-jitsu, karate and Kung-fu. In addition the rules have been revised for advertisements in the style of news and editorial, and for the supply of medical appliances by mail order. All these are dealt with in more detail in Part II of the Report. In general they are designed to protect the public and have been welcomed as sensible and practical for the purpose.

It cannot be expected that new rules, whether statutory or non-statutory, will be universally applied forthwith. For example the Weights & Measures Act of 1963 owes much of its success to the patience and wisdom of the Weights & Measures Inspectorate of local authorities in explaining them to manufacturers, retailers and others concerned and in refraining from prosecutions except where it appeared that the law had been wilfully and deliberately flouted. The voluntary control system proceeds in much the same way by bringing infringements to the attention of the advertisers and media—generally through the advertising agencies, where advertising agencies are employed. It follows that it is not easy, especially where a ruling involves a fairly radical change in advertising methods and approach, to judge how far a new ruling has succeeded in achieving its object until it has been in force for some months, and much patient work is required on the part of officials at all levels of the system before it can be said to be fully operative.

7 Guarantees

It is satisfactory, therefore, to be able to report that infringements of the ruling made in January 1966 about guarantees are now relatively rare, although some are still occasionally to be found, for example in advertisements for used cars. The objects of the ruling were, first, to enable the public to know the extent of the guarantee and of the obligations which the vendor was assuming, and, second, to stop the advertising of guarantees which purported to diminish the statutory or common law rights of the purchaser.

8 Misleading Price Comparisons

The Authority is also satisfied that its ruling on Comparative Pricing is having effect in what is unquestionably a difficult and varied field. Advertisements often compare the price at which goods are offered to the public with the price at which they are "normally" or "usually" offered. This is perfectly legitimate, provided that the goods are in every way comparable. Sometimes this is done by implication—by crossing out a

higher price. It is essential that advertisements comparing prices should make it quite clear whether the "comparative price" (i.e., the price at which the goods are *not* being offered) is the price at which the advertiser normally offered the goods in the past or the price at which they are commonly offered elsewhere *at present*.

In most sectors of the retail trade manufacturers are now, under the Resale Prices Act, no longer entitled to dictate and enforce the price at which the goods are to be sold. They still may, however, recommend resale prices—often referred to as "list" prices. It should not be assumed that the recommended price is the "normal" or "usual" price. In some trades and localities recommended prices are commonly cut, and an advertisement may be misleading if it treats them as "usual" for the purpose of comparative pricing.

Some advertisements quote a comparative price which was, but is no longer, the usual price. For example, an advertisement for a "one day sale" quoted as a comparative price a manufacturer's previous "list" price which had since been reduced. Comparative prices quoted by itinerant traders who promote "one day sales" from place to place are much more liable to be incorrect than those quoted by local retailers, for the reason that the itinerant trader is rarely in a position to know what the local "usual" price is. Media have, therefore, a special responsibility in regard to comparative prices quoted in advertisements for one day sales by itinerant traders. (In such advertisements "usual" price must of course be taken to mean the price at which goods *are* commonly on sale in the locality and not the price at which the itinerant trader usually sells them.) In general, media are recommended to refrain from publishing comparative prices in such cases unless the advertiser provides proof that the comparative price is the price at which the goods are being offered locally.

9 New Tendencies

In a free economy, where the public can exercise choice both between products and between services, including those of nationalised industries, advertising is a part of selling and is inevitably and rightly competitive. In the view of the Authority, however, advertising should be positive; that is, it should proclaim the merits of the product or service advertised. It should not be negative, in the sense of deriding a competitor's advertising or decrying a competitor's wares or services or advising the public not to buy them.

The Authority has viewed with some anxiety a recent tendency to rely increasingly on the negative rather than the positive approach—a tendency which seems to have started in the U.S.A. and infected both press and television advertising here; though it is fair to add that this practice is

frowned upon in the U.S.A. and is described as "ashcanning" and "mudslinging".

Comparison with competitors' products or services lends itself to considerable abuse. In drawing attention to a particular merit in his product, an advertiser should not claim or imply that his product alone possesses it, unless it is true. (However, such is the pace of technical advance that, as happened in one case in the past year, by the time an advertiser had prepared and launched his advertising campaign, his product was no longer in that happy position.) There is certainly no objection to his comparing it with other products, whether of the same type or not, if that is the only, or the most effective, way of bringing out that superiority.

There can be no possible excuse, however, for comparisons of an unfair kind or for contemptuous references to the products and services of a competitor. Most products and services and the terms on which they are offered have their special merits and their disadvantages. It should suffice for advertisers to refer to the merits of their own products without partial and incomplete comparisons to the detriment of their competitors. Any such references which fail to present a true and complete comparison amount to disparagement, which has always been recognised as inadmissible in advertising. The Authority notes with approval that some advertisers (including one trade association), although provoked by disparaging references to their wares by manufacturers of competing products, have shown commendable restraint in refraining from descending to the same level. The Authority believes that the public appreciates fair competition in advertising.

10 Premium Offers and Competitions

Last year the Authority commented on the growing use of premium offers and on the pitfalls which exist for advertisers and the public alike. Advertisers are now taking more care in the statements they make about the normal retail price of the premiums they offer, and many are seeking expert advice before quoting a usual price for goods in which they do not normally trade. Some advertisers still lose goodwill through failing to see that premium goods are despatched promptly and that money received after the offer has been withdrawn is refunded immediately. Premium offers in general, however, have given rise to fewer complaints in the last few months.

Complaints about competitions, on the other hand, have increased considerably. Many of them are justified. Most frequently the trouble has been due to failure to plan for all eventualities. In one promotion the correct solutions submitted on the opening day of the competition exceeded the total number of prizes (other than consolation prizes), yet the advertising programme was continued as if successful entries received sub-

sequently still had a chance of a prize. In another promotion the number of successful entries was vastly under-estimated and a second eliminating competition had to be arranged. The Authority was satisfied that in none of the promotions which it examined was there any intention on the part of the advertiser to deceive the public. The fact remains, however, that owing to defective planning of the promotions some participants were misled.

It seems to the Authority that public confidence in competitions would be strengthened if promoters were to publish in some form the names of the winners and the correct solution, winning slogan, etc. This could be done either in an advertisement or in a letter to all entrants whether or not consolation prizes were provided. In some cases this would increase the cost of the promotion, but the extra cost might be well worth while in terms of goodwill.

The purpose of these promotions is generally to encourage the public to try as many as possible of the range of products offered by the advertiser. There can be no doubt that they not only serve this purpose well, but they also provide a good deal of entertainment and are popular with a large section of the community. Many of them contain an element of chance, and it is unfortunate that the law is not more certain about what constitutes a lottery. A recent prosecution resulted in some clarification of one aspect of the matter, but there are other legal issues in doubt. The Authority is looking further into the implications of competitions.

11 Mail Order Advertising and Direct Sales

It is not surprising that a substantial proportion of complaints received relate to those transactions where the purchaser is unable to go in person to complain to the seller. In general, media examine mail order advertisements closely before accepting them for publication to ensure that the advertiser complies with the code; for example, that he has adequate supplies to meet orders likely to result from his advertisement. Nevertheless complaints about failure to deliver within a reasonable time are not uncommon. Sometimes a series of complaints of this kind is quickly followed by the advertiser going into liquidation, and the purchasers are left without either the goods or their money. There is also some evidence of firms placing an advertisement to test the market and using the cash accompanying orders to finance their development.

Some firms which guarantee to return the purchaser's money if the goods are returned within a stated period after purchase play for time when the goods are sent back by having the goods "put in order" or replacing them with other goods. Money back guarantees should not be given unless advertisers are prepared to honour them and return the money as soon as the goods are received back. Where complaints of this kind are sub-

stantiated, media are advised not to accept such advertisements in future. Media are naturally concerned to ensure that money back guarantees offered through them are honoured; indeed some actually underwrite them. Purchasers who order goods by post in response to a press advertisement would do well to retain the actual advertisement, noting the name of the publication and date of issue, since a newspaper or periodical naturally insists on evidence that the purchaser was induced by an advertisement in it to make the purchase.

Offers of a sample, either free or at a reduced price, to be followed by a regular monthly supply until countermanded, continue to give rise to complaints, mainly on the ground that supplies arrive after they have been countermanded. There is no evidence that in such cases supplies are continued deliberately; indeed firms would be very unwise to part with their goods if they knew they were not wanted. Companies which trade in this way have many thousands of transactions to deal with, and it is not surprising that there are occasional errors. In many cases the customer is himself partly to blame for the errors, because he has failed to comply with the procedure indicated by the firm. This system of trading is not without blemish, but the fact is that while many people dislike it intensely, many find it convenient and satisfactory. In dealing with it the advertising

control system seeks to ensure that advertisements relating to it make absolutely clear to the normally attentive reader the nature of the somewhat unusual commitment into which he is being asked to enter.

Where direct sales are concerned, it is essential that advertisers comply with the provision in the code that adequate opportunity to refuse a home visit should be afforded. In a recent case a reply-paid postcard was supplied along with literature sent in response to a request for information, but representatives called at the home of the enquirer the day after she received it and before she had a chance to fill it in. An opportunity to refuse a home visit cannot be considered adequate unless prospective customers are given at least four clear days in which to reply—the period which Parliament has considered reasonable for “cooling off” in the case of hire-purchase transactions.

12 Legislation

During the year under review the Misrepresentation Act 1967 has been passed into law. This statute is not aimed at advertising as such, but it should make those who advertise houses or other real property for sale or to let, or who offer to supply goods by mail order in particular, more careful to ensure that their claims are true. It should also help those who are the victims of misrepresentations made orally by representatives who call on them after they have responded to an advertisement.

In such cases the victims tend to blame the advertising (which may well in no way infringe either the law or the Code of Advertising Practice) when it is really the selling methods that are at fault.

So far the government has not managed to find time in the current session of Parliament for the Protection of Consumers (Trade Descriptions) Bill, which was introduced in the short 1965-66 session but lapsed when the General Election was called. It has undertaken, however, to introduce a similar bill as soon as possible—an undertaking which the Authority welcomes.

13 International Links

The Authority receives many requests for information from abroad about the way in which the system works in this country. It is gratifying to note that in some respects our methods are being adopted in other countries. In particular, close links are maintained with Sweden, Australia and the U.S.A. The Secretary of the Authority was consulted by the rapporteur responsible to the International Chamber of Commerce for the preparation of the revised International Code of Advertising Practice (1966), which is closely in line with the British Code of Advertising Practice.

14 Conclusion

It is encouraging to report that the area of co-operation with official, semi-official and non-official organisations is growing in a spirit of mutual confidence and particularly within the system itself. There is also a greater understanding shown in the press and elsewhere of the aims and achievements of the system, and steps have been taken to keep the principal media informed by means of periodical progress reports as well as by press announcements from time to time. The Authority welcomes the growing public interest in its activities and is glad to meet requests for information.

Finally, the Authority wishes to express its great indebtedness to the Secretary, Mr. John C. Braun, and to his staff, and also to the Advertising Investigation Department under its Director, Mr. Allan E. Hickman. We also wish to record our sincere gratitude to Mr. Hugh Darby, Chairman of the C.A.P. Committee for the years 1965 and 1966, and to welcome his successor, Mr. J. Shirley Rainer.

II ACTIVITIES OF THE AUTHORITY

1 APRIL 1966 – 31 MARCH 1967

15 The Council of Management, consisting of all members of the Authority, has met twelve times during the year.

A note on the members of the Authority is given in Appendix A.

16 Mr. H. W. F. Franklin, who has been a member of the Authority since its inception in August 1962, retired at the end of the year 1966–67 and the Council wishes to express to him its warm appreciation for his services. Mr. Franklin's place has been taken by the Hon. C. M. Woodhouse, D.S.O., O.B.E.

17 Mr. T. G. Moore was awarded the Mackintosh Medal of the Advertising Association for 1966 in recognition of his services to advertising.

18 The activities of the Authority are reviewed under the following headings:

	<i>Page</i>
A. Changes in the British Code of Advertising Practice	12
B. Investigation of Advertising Practice	16
C. Enquiry and Action relating to alleged infringements of the Code	17
D. The Authority and the Public	22
Appendices	23

A. CHANGES IN THE BRITISH CODE OF ADVERTISING PRACTICE

The additions and interpretations referred to in paragraph 6 are more fully considered in this section of the report.

19 Misleading Price Comparisons

At the date of publication of the Authority's Third Report, discussions were in progress with the C.A.P. Committee on the difficult problem of comparative pricing. Clause 11 of the Protection of Consumers (Trade Descriptions) Bill was adapted for use as a C.A.P. ruling. The press statement which was issued is reproduced in Appendix B.

The essence of the rule is that no fictitious price comparisons may be made in an advertisement. Every price quoted must be genuine and verifiable.

20 Premium Offers

Shortly after publication of the Authority's Third Report, in which mention was made of the continuing concern with aspects of premium offers, the C.A.P. Committee issued a bulletin item on the subject. This stressed the need for great care to be taken in assessing the probable response to an offer and made three specific recommendations to everyone responsible for the promotion of premium gift schemes. These were that (a) every effort should be made to ensure that supplies are adequate and up to the expectation of the customer, (b) prompt and adequate explanations should be made in the case of delay in deliveries, and (c) money should be promptly returned if requested.

21 Use of the word "free" in advertisements

It seemed clear to the Authority that many advertisements were abusing the word "free". It may be argued that nothing is free if a customer first has to buy an article in order to receive an extra gift with it or free maintenance for it. But it does not seem unreasonable to say that an article or service is "free" if in fact no charge is made *for it*. In other words "free" means without charge or without extra charge. It is equally fair, in the case of free offers to be sent by post, to charge for postage, so long as this is stated in the advertisement. The cost of postage is verifiable; the cost of packaging is not. It seems that in some cases the sum charged for "packing" actually covered the cost of the "free" gift. It is plainly up to the person making a *free* offer to make no charge for the goods offered free or for services connected with them that are within his control.

The ruling, which was discussed and agreed with the C.A.P. Committee, is reproduced in Appendix B. Reference is made in it to goods or samples being supplied at no cost or no extra cost. An example of "no extra cost" is where a gift is offered "free with every article bought". In this case the gift is obtained at no extra cost beyond that paid for that article, an interpretation in line with the explanation given in the preceding paragraph.

22 Testimonials

The C.A.P. Committee had cause to review the working of the rule on testimonials and concluded that it would be proper to set a limit on the number of years that any particular testimonial might be used. The Authority endorsed the Committee's recommendation that a testimonial should not be used in advertising more than three years after the date on which it was given.

23 Country of Origin

The Third Report referred to an advertisement in which the use of the Union Jack gave a wrong impression of the country of origin of the

product advertised. The Authority considered the principle involved and decided that an interpretation would be helpful to advertisers. The advice, which was published in a C.A.P. Bulletin, is that any reference or illustration in an advertisement which may be taken as an indication of the country in which the advertised goods were designed, manufactured or produced should not be misleading.

24 Safety

The Authority was pleased to approve a C.A.P. Committee recommendation on safety in advertisements, which is being taken into the revised Code. This reads: "Advertisements should not without adequate reason depict or describe situations which show dangerous practices or a disregard for safety. Special care should be taken in such advertisements directed toward or depicting children".

In view of the importance of this subject, the attention of all concerned with advertising is drawn to the leaflet "Safety in Advertising", published by the Advertising Association.

25 Betting Tipsters

It proved a long and difficult task to draw up a set of practical rules for the control of betting tipster advertising. It is hoped that the rules which have been made in the past year will result in the disappearance of the kind of misleading advertisement which has given rise to many complaints in the past. The rules require specific details of systems and selections to be given by advertisers and checks to be made by media. The particular abuse aimed at is the practice of first advertising a selected list of horses and then claiming successes related not only to these but to other "suggestions" as to runners to back; the punter being intended to infer that the successes claimed referred only to horses on the selected list. To make the rules effective, complete co-operation on the part of media is necessary. The Authority has been encouraged by the promise of support given not only by publishers in membership of one or other of the C.A.P. sponsoring organisations, but also by non-members.

The rules are set out in Appendix B.

26 Advertisements offering TV and Radio Sets on Rental

The rules operated by the Newspaper Proprietors Association and the Newspaper Society for advertisements offering TV and radio sets on rental were adopted by the C.A.P. Committee as a whole and approved by the Authority. The purpose of the rules is to ensure that full and correct particulars are given about the sets advertised, and that a clear

statement is made when sets are more than three years old and therefore free from government restrictions as to down payments. Where an advertisement refers to conversion of sets to receive 625-line and/or colour transmissions it must also state any charge to be made for conversion. To meet complaints concerning advertisements for pay-as-you-view sets, one of the new rules requires that where reference is made to a rental which covers only a number of hours of viewing, such limited time should be stated.

27 Correspondence Courses and Instruction Manuals for 'self-defence'

The adverse publicity which was given to an incident in which a man was killed by the misuse of karate caused the Authority to investigate this field of activity. The investigation resulted in the recommendation that advertisements for correspondence courses and instruction manuals for judo, jiu-jitsu, karate and Kung-fu should not be accepted. It is the view of the Authority that courses of this nature should be provided only in conjunction with practical guidance in properly conducted clubs. This recommendation was welcomed by the associations representing such clubs.

28 Advertisements in the Style of News or Editorial

The Authority has been satisfied that the rules regarding advertisements in the style of news or editorial have been observed well during the past year. There seemed to be no need for the elaborate requirements as to the type size laid down. It was therefore agreed with the C.A.P. Committee that the rule should be changed to substitute for these requirements a general rule that advertisements of this nature should be headed by the word "Advertisement" standing alone in such size and weight of type as to be clearly legible.

29 Medical Appliances by Mail Order

The C.A.P. Committee considered, and the Authority agreed, that the rule relating to money-back refunds should be extended to medical appliances and therapeutic wearing apparel. It seemed inappropriate that these items should be excluded from refunds merely because they were covered by that part of the Code which refers to medicines and treatments, in relation to which money-back guarantees are not permissible. The effect of the change is to allow offers of money-back refunds to purchasers of medical appliances and therapeutic wearing apparel to be made in advertisements and to make them obligatory in the case of mail order.

B. INVESTIGATION OF ADVERTISING PRACTICE

30 Monitoring

The Authority has been pleased to note the steady development of the A.I.D. monitoring system. As foreshadowed in the Authority's Third Report, the staff has been increased and monitoring has been placed on a systematic basis. It is, of course, impossible to carry out a comprehensive check of every newspaper and magazine in the country, but the morning and Sunday nationals are regularly scrutinized. The provincial press is monitored on a random county basis, different parts of the country and different newspapers being checked at different times. The general magazine, trade and technical press is similarly treated. Spot checks are also made on television and radio transmissions. Monitoring reports are submitted regularly to the Authority and the C.A.P. Committee by A.I.D., and appropriate action is taken on whatever infringements of the Code may be revealed. In this first year of systematic monitoring nearly 5,000 publications have been examined. Of these, 1,818 issues were from 468 different provincial papers and 538 from general interest and trade magazines. To give some idea of the size of this task, the number of advertisements contained in fourteen issues of the provincial papers examined was 2,173 display advertisements and 2,180 classified. 59 product breaches were found in these publications.

In relation to the total number of advertisements examined the number of breaches is remarkably small and, for the most part, of a minor nature. The majority were infringements of rules brought in by the Authority, such as the rulings on guarantees and comparative prices. This is understandable, inasmuch as time has to be allowed for the information to be passed down to all concerned throughout the country.

31 Vigilance Officers

The coverage of the monitoring system will benefit from the co-ordination of the work of the 35 vigilance officers of Publicity Clubs or Associations. Their duties include keeping an eye on local advertising and reporting apparent infringements of the Code. The Authority welcomes this development which should provide a valuable extension to the central monitoring system.

32 Copy Committees

The media themselves, of course, individually and collectively exercise continual vigilance over advertisements submitted to them for publication, and a large number of advertisements are refused or corrected at this point. The copy committees meet regularly and are an important link in the chain of advertising control. The Authority would like to place on record its appreciation of the work being done by these committees.

C. ENQUIRY AND ACTION RELATING TO ALLEGED INFRINGEMENTS OF THE CODE

33 The cases raised directly with the Authority represent only a small proportion of the matters dealt with by the system as a whole. Statistics in this field can do little more than give an indication, on a sample basis, of the kind of advertising practice or advertisement which is causing concern to the public. As has been shown in the preceding section on monitoring, the number of breaches in comparison with the total number of advertisements is remarkably small, so that the area of malpractice with which we are concerned is correspondingly restricted in size.

34 The handling of complaints is regarded by the Authority as part of its duty towards the public, but the number of complaints has never been looked upon as a major criterion in assessing the efficacy of the control system. If there is any real significance in the increase of the number of cases handled by the Authority from 63 in 1965-66 to 205 in 1966-67, it would seem to lie more in the greater public awareness of the Authority's existence and the considerably increased number of matters passed to it by the Board of Trade, R.T.S.A. and the other bodies mentioned in paragraph 3 of the Chairman's Report rather than any increase in the actual number of infringements of the Code.

A table of complaints appears on the following page.

35 The 205 complaints addressed to the Authority in 1966-67 were dealt with as follows:

Advertisements amended or withdrawn	61	
Advertisements suspended	9	
Delayed delivery of goods—complainants satisfied	8	
Cash payments recovered for complainants	11	
No trace of advertiser	2	
Advertiser no longer trading	10*	
Apology from advertiser and undertaking to take more care in future	10†	
Betting Tipster advertisements covered by new ruling	2	
Warnings on conduct of competitions	9‡	
	—	122
No evidence supplied to justify complaint	1	
Complaints withdrawn	5	
Complaints rejected	38	
Cases outside the purview of the Authority	7	
	—	51
Still under investigation		32§
		<u>205</u>

* Relating to six different advertisers.

† Four relate to one advertiser and five to another.

‡ Six relate to one competition.

§ Three relate to one advertiser.

An analysis of complaints by reference to the Code shows the following:

Allegation

Misleading	120
Inaccurate price claims	11
Guarantees	4
Disparagement	3
Instructional Courses	1
Mail Order	32*
Direct Selling	4
Advertisements addressed to children	2
Editorial Style	1
Premium Offers	4
Inertia Selling	4
Use of the word "free"	1
Safety	2
Betting Tipsters	2
Claim for promotion of virility	1
Already under C.A.P. ban	1
Matters of taste	5
Matters outside the purview of the Authority	7
	<u>205</u>

* Four relating to the same advertiser.

Examples of some of these cases are given in the following paragraphs.

36 **Misleading Advertisements**—Paragraph 4 of Section I Part A of the Code

It is not possible under a general heading of this nature to grade the infringements in degrees of seriousness but by far the majority were of a minor character.

Advertising agencies do not always foresee all the various ways in which an advertisement can reasonably be read. It may be that the members of the agency and their client, the advertiser, are sometimes too close to the advertised product and its promotion, or that the copywriter is occasionally a little too clever. Whatever the reason, the Authority has sometimes found that interpretations put upon particular advertisements by the public and by outside observers have been quite different from those intended by the creators of the advertisement.

The experience of the Authority has been that in most cases infringement of this section of the Code has been due more to over-enthusiasm, carelessness or inadequate briefing than to a deliberate desire to mislead. This having been said, there is still no excuse for any breach of the Code. It is the responsibility of advertisers, and even more so that of advertising agencies, whose duty it is to their clients to give advice on a professional basis, to ensure that no advertisement is offered to media which infringes the Code in any way.

Examples of advertisements found to be misleading are as follows:

- two travel brochures about which holidaymakers complained that resorts and accommodation advertised fell short of the description given. In one case the illustration had been inadvertently transposed; in the other the offending hotel grading was that of the government of the country concerned. A compensatory sum was paid in the second case.
- wall-to-wall carpeting was sold as a square and consequently frayed. A replacement was offered.
- misdescription of metal used in a chandelier.
- repeated reference to a “clearance sale” of plants when periodical clearance of ground for re-planting was intended.
- incorrect description of stones in rings.
- promise made in an advertisement of refund of interest upon completion of H.P. of a car not carried out.
- sales surcharge not prominent and incorrectly described in press advertisement.
- discount offer stated to be the “cheapest available” when better discounts were obtainable elsewhere.

37 Price Claims—Paragraph 4(d) of Section I Part A of the Code

It was to be expected that there would be an increase of complaints under this heading because of added public awareness due to the publication of the Authority's ruling on Comparative Pricing. The reported cases include one-day sales, a "sale room" and a discount house. The goods involved have ranged from items such as refrigerators and reducing appliances, to household goods such as blankets, sheets and carpets.

38 Mail Order Advertising—Paragraph 5(b) of Section I Part A of the Code

The Authority is concerned about the considerable increase in the number of cases which have been dealt with under this heading and also the number of firms who have ceased trading either before or shortly after complaints have been received. There is a noticeable pattern in the sequence of events. It is usually only a matter of two or three weeks after two or more complaints have been received concerning a particular advertiser, that the advertiser goes into liquidation. In fairness to media it should be said that these events usually happen weeks or even months after advertisements have ceased to appear, and it is often the case that advertising has in the meantime been refused by media because of their own doubts about the ability of an advertiser to fulfil his obligations.

As can be seen from the table of statistics, no fewer than six advertisers ceased trading while investigations were being made. Where newspapers underwrite bargain space advertisements, they have paid out to customers who can show that they have parted with their money in consequence of an advertisement.

Examples of matters dealt with under this heading are:

- kitchen furniture not delivered.
- an exercise machine which was returned under money-back guarantee and repayment delayed.
- non-delivery of furniture and refund delayed.
- delivery of bath panels delayed for over one year.
- delay in honouring money-back guarantee for an air-rifle.

Satisfaction was obtained in all the above cases.

39 Advertisements Presented in the Style of News or Editorial—

Paragraph 7 of Section I Part A of the Code

Since the Authority's last report there has been a great improvement in this area. The ruling, which was amended to a more practicable form during the year, is being observed well.

Of the two references which were made to the Authority, one was corrected by the advertiser and the other was found not to be covered by the rule as the space referred to had not been booked by an advertiser but, in fact, contained editorial matter.

40 Inertia Selling

None of the four complaints brought under this heading was found to be in breach of the rule. In each case the complainants had alleged that goods had been sent to them unordered. Two referred respectively to a book and to records sent under a "club" scheme; and the other two related to a book and a periodical subscription renewal, both under the control of the same advertiser. In two of the cases delivery was the result of a mistake in administration, and in the other two of hoax orders which had been made in the names of the respective recipients.

This area of sales promotion undoubtedly lays itself open to hoax orders. A file of such cases was evidence enough of this. Moreover, some advertisers invite this treatment by the nature of their offers. Advertisers could also save themselves trouble by greater clarity. While it is not for the Authority to advise on copywriting style, the mass of verbiage enveloping some book and record offers does tend to confuse the reader, and advertisers who adopt this style should not be surprised if some advertisements are misunderstood, and some readers misled.

41 Other Cases

Two references were made to the apparent disregard of safety considerations on the part of the advertisers. One was contained in a press advertisement for a car, where it was apparent that the copy treatment of the speed capabilities were overdrawn and not in keeping with safety rules. This advertisement was amended. The second reference was to a television advertisement for a petrol company. A special showing revealed that not only was the advertisement innocuous, but special care had been taken to refer to safety in the sound track.

Matters of taste are always the most difficult to adjudicate upon as they are necessarily subjective, and judgment varies according to the medium used, the timing of the advertisement, individual reader-reaction and many other factors. Only one of the five references was held to be a breach of taste and that only marginally, being the wording of a coupon for further information about a sink-unit. It seemed to invite marital disruption, and although meant to be taken humorously, in fact gave offence. It was soon altered.

It was of interest to the Authority to learn that in two of the references under the heading of doubtful taste, the particular advertisement had been submitted to a broad sample of people in a test run and had proved generally acceptable. It is not perhaps widely known that copy testing of this kind is frequently carried out to enable the advertiser to assess reader reaction as to taste among other considerations.

42 **Advertisements for Pregnancy Testing**

The Third Report of the Authority included a ruling on advertisements for pregnancy testing. Following reasoned representations, the ruling completely banning advertisements was replaced by one allowing them subject to specified safeguards. The Press Statement in Appendix B sets out the position.

D. THE AUTHORITY AND THE PUBLIC

43 Because the advertising control system works smoothly and effectively, it is seldom in the news. The Authority, however, remains aware of the need to make its activities known to an ever-widening public. Progress has been made in this direction during the year, and a growing understanding of our aims and achievements has been reflected in reports and articles in the national, provincial and magazine press. The Authority keeps the press, television and radio informed of its activities by periodic bulletins as well as by the public statements it issues from time to time on specific matters.

44 The Chairman has welcomed the opportunities offered to him to address conferences and other gatherings, formal or informal; official, professional or commercial; working or social. He was particularly glad to be invited to attend, with the Secretary, a meeting of the County Chief Officers Section of the Institute of Weights and Measures Administration, and to answer a considerable number of questions.

45 These and other activities have helped to make our work and aims better known within the advertising industry. We are also becoming better known to the public as a body whose purpose is to promote and maintain the highest standards in advertising. We welcome co-operation from all quarters in achieving that object.

On behalf of the Advertising Standards Authority

DRUMALBYN

Chairman

APPENDIX A

THE MEMBERS OF THE AUTHORITY

- THE RT. HON.
THE LORD DRUMALBYN P.C. Formerly M.P. for Dumfriesshire (1945-1963. Member of General Advising Council of B.B.C. (1952-55). Chairman, Commonwealth Producers Organisation (1952-55). Joint Under-Secretary of State, Scottish Office (1955-60) Parliamentary Secretary, Board of Trade (1960-62). Minister of Pensions & National Insurance (1962-63). Minister of State, Board of Trade (1963-64). Appointed Chairman of the Authority July 1965.
- A. CHARLES BUCK Director, Reckitt & Sons Ltd. Former President of Incorporated Society of British Advertisers. President of International Union of Advertisers Association since June 1964. July 1962.*
- R. CRAIG-WOOD Management Consultant. Chairman of Craig-Wood Consultants Ltd., Dunkley & Friedlander (Product Development) Ltd., Computeraid Ltd., Director of Joseph Dawson (Holdings) Ltd. Formerly Managing Director A.E.I.-Hotpoint Ltd. (1955-1963), Thomas Hedley & Co. Ltd. (1947-1954). Fellow of British Institute of Management. July 1962.*
- VICTOR FEATHER, C.B.E. Assistant General Secretary of Trades Union Congress since 1960. Member of General Advisory Council of B.B.C. July 1962.*

MRS. JEAN FORT	Headmistress of Roedean School since 1961. September 1965.*
SIR JOHN HAWTON, K.C.B.	Chairman, British Waterways Board. Permanent Secretary, Ministry of Health 1951-1960. July 1962.*
A. EVERETT JONES	Chairman, Everetts Advertising Limited. Chairman of British National Committee on Advertising (International Chamber of Commerce). Vice-Chairman, Crafts Council of Great Britain. Fellow of Institute of Practitioners in Advertising. March 1966.*
T.G. MOORE	Director, Portsmouth & Sunderland Newspapers Ltd. and Envoy Journals Ltd. Council Member of Newspaper Society since 1944 (President 1953/54). Chairman of Newspaper Society Advertising Committee and former Chairman of Joint Advertising Committee, Newspaper Society and Newspaper Proprietors Association. March 1966.*
MRS. G. L. S. PIKE, C.B.E., J.P.	Formerly Chairman of National Federation of Women's Institutes. Member of the Food Standards Committee of the Ministry of Agriculture, Fisheries and Food. Member of Independent Television Authority's Advertising Advisory Committee. September 1965.*
HOWARD THOMAS	Managing Director, A.B.C. Television Ltd. since 1955. Former Chairman of Independent Television Companies Association. July 1962.*
THE HON. C. M. WOODHOUSE, D.S.O., O.B.E.	Director of Education and Training, Confederation of British Industry. Director-General, Royal Institute of International Affairs (1955-59). Visiting Fellow, Nuffield College (1956-64). M.P. for Oxford (1959-66). Parliamentary Secretary, Ministry of Aviation (1961-62). Joint Parliamentary Under-Secretary of State, Home Office (1962-64). March 1967*

*Date of appointment as member of the Authority.

APPENDIX B

PRESS STATEMENTS ISSUED BY THE AUTHORITY

COMPARATIVE PRICING

The Advertising Standards Authority has ruled on the practice of advertising goods at a price which is compared with a "normal" or "usual" price.

The ruling, which is being incorporated in the British Code of Advertising Practice, reads:

"Where the price is compared in an advertisement with another price, the second or comparative price, whether specified or implied, should be the price at which similar merchandise

- (a) has been offered for sale for a substantial period during the previous six months by the advertiser, or
- (b) is commonly on sale elsewhere, or
- (c) would be offered if it were available for sale elsewhere.

Where a comparative value statement is made, the 'value' stated should not exceed the price at which the merchandise is commonly and regularly sold or can be obtained in the normal course of business. Where similar merchandise is not available for purchase elsewhere, the 'value' stated should not exceed the price at which the merchandise would be offered if it were available for sale elsewhere. In all cases, advertisers must be able to substantiate the comparative price or value, as the case may be."

13th July 1966

USE OF THE WORD "FREE" IN ADVERTISEMENTS

In view of complaints concerning the misleading use of the word "free" in advertisements, particularly in certain mail order offers, the Advertising Standards Authority has issued the following ruling, which is being incorporated in the British Code of Advertising Practice.

"An offer of goods or samples in an advertisement may be described as 'free' only if the goods or samples are supplied at no cost or no extra cost (other than actual postage or carriage) to a person accepting the offer. A trial may be described as 'free' although the customer is expected to pay the cost of returning the goods, provided that the advertisement makes clear the customer's obligation to do so."

29th July 1966

ADVERTISEMENTS FOR PREGNANCY TESTING

The Advertising Standards Authority has reviewed its attitude towards advertising for pregnancy testing and has given its decision that such advertisements may be published in the general press at the discretion of publishers, subject to a number of safeguards and a prescribed form of advertisement.

In arriving at this decision, the Authority took into account the fact that as the law stands laboratories may provide pregnancy testing facilities and women are free to avail themselves of such services. The Authority is advised that the tests generally recognised, if properly carried out, will, in the great majority of cases, give an accurate result.

The ruling applies only to advertisements for tests conducted by qualified laboratories. If advertisements offering facilities to members of the public to carry out their own tests are submitted, they should not be accepted for publication.

9th August 1966

RULES FOR BETTING TIPSTER ADVERTISING

Advertisements for Betting Tipsters must conform to the British Code of Advertising Practice AND the following requirements:

1. Full and clear and precise details, including cost of the complete betting service offered should be given in advertisements.* This requirement also applies to advertisements offering "free" or sample information. Where an advertisement is merely an invitation to send for details of the service, full, clear and precise details should be given in the follow-up literature. Before an advertisement containing such an invitation is published in the press, a copy of the follow-up literature should be deposited with the publisher.†

2. All forecasts or selections to be advertised in the press should be in the hands of the publisher and time-stamped by the G.P.O. before the event or events take place. Systems to be advertised in the press should be in the hands of the publisher before the advertisement is inserted.
3. References to money-back guarantees or cash refunds, however expressed, are not permissible.
4. Instructions to subscribers on the operation of the betting service offered should be clear and unambiguous. Every subscriber should be supplied with identical information concerning forecasts, selections and systems.
5. Where claims of winning forecasts, selections or systems are made in advertisements they
 - (a) should be accurate and clearly presented relating the success claimed to the actual forecast, selection, system and service (i.e., letter/telephone/telegram), whichever apply, and may only be quoted in advertisements in the press when the offer of the forecast, selection or system concerned was also advertised in the press, and the date when the advertisement was published must be stated.
 - (b) should not state or imply that they must win or that they are based upon information received from owners, trainers, jockeys, or through the advertiser's own association with racing stables.
 - (c) should not state or imply that the winning selections were the only selections sent, if in fact others, whether stated to be "free" or not, were issued.
 - (d) should not state that following a particular service resulted in the winning of a stated sum, unless the advertiser can produce proof, and he produces that proof to the publisher.

Notes:

• "Advertisement" throughout includes direct mail material.

† Where the context permits, "publisher" includes all media.

Advice to Publishers

Publishers should assure themselves that conditions 1-5 have been met, and in particular should:

- A. Require every advertiser to disclose to them his real name and permanent address. Where the business is conducted in any other name, the registration number of that name under the Registration of Business Names Act, 1916, should also be supplied. Box numbers, G.P.O., Monomark or accommodation addresses should not be permitted in any betting tipster advertisement.

- B. Require copies of all forecasts or selections to be in their hands and time-stamped by the G.P.O. before the event or events to which they refer take place. Systems should be in the hands of publishers before the advertisement is inserted. A copy of any follow-up literature referred to in an advertisement should be received before the advertisement is published. Such literature should be checked, and if found to be incorrect the advertisement should not be accepted.
- C. Permit only verified results of selections or forecasts which have been received in accordance with paragraph B above to be quoted in advertisements.
- D. Not permit any reference to successes or profits based upon a staking plan to be included in an advertisement unless the details of the plan have been deposited with the publisher before the date on which the advertisement is to be published.

30th November 1966

PRICE THREE SHILLINGS

Printed in Abingdon at The Three Birds Press Limited