

SECTION 20: EMPLOYMENT, HOMEWORK SCHEMES AND BUSINESS OPPORTUNITIES

Question 69: Given its policy consideration, do you agree with CAP's proposal to extend the requirements of the present rule on marketing communications by employment agencies to cover marketing communications by employment businesses? If your answer is no, please explain why.

<i>Responses received in favour of CAP's proposal from:</i> Advertising Association; Charity Law Association Two individuals	<i>Summaries of significant points:</i> The respondents listed in the left hand column agreed with CAP's proposal.	<i>CAP's evaluation of those points and action points:</i> CAP welcomes the respondents' comments.
<i>Responses received against CAP's proposal:</i> None	<i>Summaries of significant points:</i>	<i>CAP's evaluation of those points and action points:</i>

Question 70: Given its policy consideration, do you agree with CAP's proposal to require all marketing communications for homework schemes to include limitations or conditions that might influence consumers before their decision to participate and to state whether the marketers will buy any products made? If your answer is no, please explain why.

<i>Responses received in favour of CAP's</i>	<i>Summaries of significant points:</i>	<i>CAP's evaluation of those points and action points:</i>
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<p><i>proposal from:</i></p> <p>Advertising Association; Charity Law Association</p> <p>An individual</p>	<p><i>The Charity Law Association said:</i></p> <p>1. Although it favoured CAP's proposal, the change might make it difficult for homework scheme operators – particularly those promoted by charitable organisations – to produce concise marketing communications. That is because, under the existing rules, much of the required information may be included in follow-up material; under the proposed rule that information would have to be included in all marketing communications.</p> <p><i>The Charity Law Association said:</i></p> <p>2. There were subtle differences between proposed rules 20.5 (homework schemes) and 20.8 (business opportunities): 20.5 would require all marketing communications for homework schemes to state limitations and conditions that might influence a consumer's decision to participate, such as whether a financial outlay is, or is likely to be required. Proposed rule 20.8 would, however, permit that information to be included in follow-up literature for a business opportunity.</p>	<p>1. CAP recognises that its proposed rules on would require more information to be included in marketing communications for homework schemes than at present. It proposed those rules because it considered that information – that is, limitations and conditions that might influence consumers before they decide to participate, such as whether the marketers will buy back any products made and if a financial outlay is, or might be, required – are factors that are material to a consumer's decision. CAP considers the extra information that must be included in marketing communications for homework schemes under the proposed rule would be beneficial in protecting consumers and warrant slightly stricter requirements on marketers.</p> <p>2. CAP considers that, unlike homework schemes, business opportunities usually require a financial outlay, and that consumers would be likely to recognise that fact. For that reason, CAP considers it would be onerous to require all marketing communications for business opportunities to state whether a financial outlay is necessary. CAP has therefore decided to retain the wording of rules 20.7 and 20.8 (business opportunities) on which it consulted.</p> <p>Rule 20.7, and the rules in the Misleading Advertising section, will prevent marketing</p>
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		communications for business opportunities from creating a misleading impression of the likely earnings or return on investment.
<i>Responses received against CAP's proposal:</i> None	<i>Summaries of significant points:</i>	<i>CAP's evaluation of those points and action points:</i>
Question 71: Given its policy consideration, do you agree with CAP's proposal to require marketing communications for vocational training and other instruction courses to make clear significant conditions for acceptance and significant conditions likely to affect a consumer's decision to embark on a course? If your answer is no, please explain why.		
<i>Responses received in favour of CAP's proposal from:</i> Advertising Association; Charity Law Association An individual	<i>Summaries of significant points:</i> The respondents listed in the left hand column agreed with CAP's proposal.	<i>CAP's evaluation of those points and action points:</i> CAP welcomes the respondents' comments.
<i>Responses received against CAP's proposal:</i> None	<i>Summaries of significant points:</i>	<i>CAP's evaluation of those points and action points:</i>

Question 72:

- i) Taking into account its general policy objectives, do you agree that CAP's rules, included in the proposed Employment, Homework Schemes and Business Opportunities section, are necessary and easily understandable? If your answer is no, please explain why.**
- ii) On consideration of the mapping document in Annex 2, can you identify any changes from the present to the proposed Employment, Homework Schemes and Business Opportunities rules that are likely to amount to a significant change in advertising policy and practice, which are not reflected here and that you believe should be retained or otherwise given dedicated consideration?**
- iii) Do you have other comments on this section?**

Responses received from:

Advertising Association;
Charity Law Association

An individual

These organisations and an individual agreed the rules in the proposed Employment, Homework Schemes and Business Opportunities section are necessary and easily understandable. Those respondents did not identify any changes from the present to the proposed rules that would amount to a significant change in advertising policy and practice, apart from those highlighted in the consultation document:

Advertising Association;
Charity Law Association

CAP's evaluation of those points and action points: