Guidance for Advertisers of Free Bets and Bonuses



Foreword

The Committee of Advertising Practice (CAP) offers guidance on the interpretation of the UK Code of Advertising (the CAP Code) in relation to non-broadcast marketing communications. The Broadcast Committee of Advertising Practice (BCAP) offers guidance on the interpretation of the UK Code of Broadcast Advertising (the BCAP Code) in relation to broadcast advertisements.

The Advertising Standards Authority (ASA) is the UK's independent advertising regulator. The ASA makes sure ads across UK media stick to the advertising rules (the Advertising Codes).

The Gambling Commission was set up under the Gambling Act 2005 to regulate commercial gambling in Great Britain in partnership with licensing authorities. It is an independent non-departmental public body sponsored by the Department for Digital, Culture, Media & Sport.

As always with advice about potential misleadingness, the guidance is not intended to prescribe or proscribe any approaches and the ASA will always consider ads on a case-by-case basis. References to "should" or "must" in the guidance are made with this in mind, and constitute recommended approaches. If marketers follow the advice in the guidance, however, they are much less likely to breach the Codes.

Background

This advice is intended to help marketers offering promotions including 'free' bets or bonuses, understand the ASA, CAP/BCAP and Gambling Commission's current position regarding acceptable claims and how terms and conditions should be displayed or signposted. The principles here apply to both broadcast and non-broadcast advertising, but the focus is primarily on non-broadcast media.

The Guidance

The Gambling Commission's Licence conditions and codes of practice (LCCP) requires that "Licensees must abide by any relevant provision of the CAP or BCAP Code which relates to 'free bet, 'bonus' or similar offers and in that regard follow the CAP and BCAP 'Guidance on the rules for gambling advertisements'.

Ads are misleading if they are likely to deceive consumers and cause them to take transactional decisions that they would not otherwise have taken, for example by containing false information or omitting material information. It is therefore important to ensure that significant terms and conditions of offers are included in ads, and others made available to consumers soon after.

Marketers wanting to offer incentives and inducements must also comply with the Gambling Commission's Licence conditions and codes of practice (LCCP), specifically social responsibility code provision 5.1.7.

What do I need to include in my advertising?

Significant conditions must always be prominently displayed with an advertised offer. Other terms and conditions of the offer must be, at most, 'one click' away from the advertising.

If the significant conditions are not displayed with sufficient prominence, the ad will be seen as misleading.

What about advertising where time or space is limited?

In media where it would not be possible to immediately display the full terms and conditions of an offer, for example in **sponsored search results or smaller banners**, a prominent and clear direct link to the full terms and conditions of an offer should be included.

If an offer is advertised in **social media**, such as on Twitter, a short link should also be included in the tweet itself (a hyperlink from the text 'T&Cs' for example). Alternatively, an image of terms and conditions could be included, avoiding Twitter's character limit.

Where there are technical options to include information, the ASA would expect marketers to use them. Notwithstanding this, any term or condition that is likely to alter a consumer's understanding of the headline (which would therefore be deemed significant) should be stated clearly, regardless of media and whether the offer is advertised in space under a marketer's own control or in third-party space.

Rule 8.18 of the CAP Code states:

Marketing communications that include a promotion and are significantly limited by time or space must include as much information about significant conditions as practicable and must direct consumers clearly to an easily accessible alternative source where all the significant conditions of the promotion are prominently stated.

Participants should be able to retain those conditions or easily access them throughout the promotion.

The CAP Copy Advice team advises (for non-broadcast media) that not <u>all</u> terms and conditions need to be prominently stated in the initial ad in advertising significantly limited by time or space. If readers can click through to more information, it might be acceptable for significant conditions to be in the initial ad and other less important conditions to be one click away. Nonetheless, if a term or condition alters a consumer's understanding of the offer and is deemed significant it should be stated within the ad itself. All terms and conditions, significant or not, should be easily accessible to participants throughout the promotion.

The initial ad should indicate that further 'T&Cs apply' along with a hyperlink to access these. The ASA is unlikely to apply rule 8.18 to emails and promoters should ensure that significant terms and conditions are featured prominently in the email itself.

Limited space might dictate where information appears but does not influence the requirement to provide that information in a way that can be accessed or retained by consumers.

Marketers should also be aware of the general rules around promotional marketing, which would apply to any offer of a free bet or bonus: these can found on the <u>ASA/CAP</u> website.

What is a significant condition?

Rule **8.17** of the CAP Code states:

All marketing communications or other material referring to promotions must communicate all applicable significant conditions or information where the omission of such conditions or information is likely to mislead. []

Most relevant of the non-exhaustive list of significant conditions is:

8.17.1

How to participate, including significant conditions and costs, and other major factors reasonably likely to influence consumers' decision or understanding about the promotion.

This and related Code rules can be found here.

Significant conditions are those which are likely to affect a consumer's understanding of the promotion, and include any requirements for a consumer to deposit their own funds, together with details of play-through or wagering requirements. More specifically, these could include, but are not limited to: restricted odds; eligibility; deposit, wagering and withdrawal requirements - whether limitations or for different games.

If you are unsure about whether a condition is significant or not, include it. Further guidance can be found <u>here</u>.

If time or space is genuinely and significantly limited (for example a small pop-up banner) then other conditions must be made available within one click. However, the ASA is likely to take a dim view if there were creative opportunities to state or include relevant conditions and these were not taken.

The majority of complaints made to the ASA about terms and conditions in gambling advertising centre on the requirement for consumers to make a deposit to access their "free bet/bonus" or the number of times they must then wager their "free bet" and deposit money before they are allowed to withdraw any winnings. Consumers should easily and quickly be able to see these terms and conditions in full and these should outline clearly how much a consumer will have to wager to take advantage of an offer.

Enhanced odds promotions, often offered to new customers, should include details of any significant conditions: if winnings will be paid (in part or in full) as a bonus, rather than as cash which can be withdrawn by the consumer, this should be clearly stated.

What about other conditions?

One click away

Where time or space is significantly limited, less significant conditions or full terms and conditions for an offer should be, at most, 'one click' away from headline claims.

In advertising on a marketer's own website, emails or third party websites (such as advertorials) where space is not limited full terms and conditions of an offer should be included in the advertising itself. A clear hyperlink can be provided to the marketer's general terms and conditions that apply across all promotions.

A word on affiliate marketing

Advertisers are responsible for the marketing conducted by third parties who are signed up to their affiliate program. In addition to the advice above, affiliate marketing should adhere to the rules set out in the Code. Find out more on our website here.

To sum up...

Significant T&Cs likely to affect a consumer's understanding of a promotion must be prominent in all advertising and positioned close to the headline offer.

Advertisers' own websites and emails are not limited by time and space and the full terms and conditions for offers should be easily accessible. In limited space media, **less significant** T&Cs can be **one click** away.

"Money back" offers must be in cash, not bonuses.

"Risk free" offers must incur no loss to the consumer.

"Matched bets" – any stake limitation should be treated as a significant condition and stated up front.

Where can I find more guidance?

CAP offers a <u>free Copy Advice service for non-broadcast advertising</u>, with a 24 hour turnaround. For advice on specific radio advertisements, consult <u>Radiocentre</u>, and for TV advertisements, <u>Clearcast</u>.

The AdviceOnline database features practical advice based on previous ASA rulings to help you to create ads and sales promotions which comply with the Code:

Betting and gaming: Free Bets

Betting and gaming: General

Promotional marketing: Terms and Conditions (T&Cs)

Promotional marketing: General

<u>Advertising Guidance – guidance on the use of 'free'</u> Guidance on the rules for gambling advertisements CAP tweets new and amended guidance, follow us @CAP_UK to keep up to date.

You can also sign up to receive Insight, CAP's fortnightly newsletter, as well as other updates here.