More impact online

Advertising Standards Authority
Committees of Advertising Practice
Annual Report 2018

Legal, decent, honest and truthful
This online 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 2018.

Advertising Advisory Committee report
The Advertising Advisory Committee (AAC) advises the Broadcast Committee of Advertising Practice (BCAP) on the consumer and citizen issues arising from key aspects of the TV and radio broadcast rules. Stephen Locke, AAC Chair, reports on the Committee's activity for 2018.

Industry Advisory Panel report
The Industry Advisory Panel (IAP) provides industry insight and guidance on non-broadcast and broadcast matters. Tim Duffy, IAP Chair, shares some of the areas on which the panel advised CAP and the ASA during 2018.

Promotional Marketing and Direct Response Panel report
The Promotional Marketing and Direct Response Panel advises CAP and the ASA on promotional and direct marketing matters. Chair Catherine Shuttleworth highlights some advice it provided during 2018.

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

Contents

About the ASA and CAP 01
Chairmen's reports
A word from David Currie 02
A word from James Best 04
Our strategy
Reflections from Guy Parker:
From present... 06
...to future 08
Performance against our objectives 10
Our work in 2018
Keeping up with the pace of digital change 12
Protecting children and vulnerable people 14
Getting a fair deal for consumers 16

Complaints and cases in context 18
Governance
ASA Council 24
What type of regulator are we? 26
Committees of Advertising Practice 27
Independent Reviewer's report 28
Advertising Advisory Committee report 29
Our panels 30
Industry Advisory Panel report 31
Promotional Marketing and Direct Response Panel report 32
Financial report 33

Highlights

More impact online
Read about the evolution of our new strategy

Keeping up with the pace of digital change
Find out how we are making online ads more responsible

Protecting children and vulnerable people
Learn how recent rule changes provide greater protections

Getting a fair deal for consumers
Find out how we are tackling misleading advertising through our projects

Get the latest rulings and practical compliance advice direct to your inbox
Sign up at asa.org.uk/newsletter
The Advertising Standards Authority (ASA) is the UK’s independent regulator of advertising across all media.

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.

We believe responsible ads are good for people, society and businesses. Our ambition is to make every UK ad a responsible ad.

The Committees of Advertising Practice (CAP) write the UK Advertising Codes and provide authoritative guidance on the rules.
A word from **David Currie**  
ASA Chairman

### Protecting the public online

is one of the great challenges of the day.

The vast, diverse and unruly nature of the internet demands that regulators of all stripes redouble their capabilities to keep up with fast-moving content. The ASA set out our own ambition to have ‘more impact online’ in our five-year strategy, which we’ve now begun to implement.

We’re building on solid foundations. We’ve published a collection of tough rulings against online ads for gambling and foods that are high in fat, sugar or salt (HFSS), because advertisers hadn’t done enough to direct them away from children. And we started work on innovative research using child avatars to assess the level of children’s exposure to age-restricted ads online.

We recognise that parents and policy-makers want reassurance on this important matter, which is why we’re working proactively rather than waiting for complaints.

Research has continued to play an enlarged part in our regulation. And when we check in with people about whether they’re being misled, harmed or offended by certain forms of advertising, we do so across the four nations of the UK. This year, I’ve been pleased to oversee the extension of our engagement work to Northern Ireland, building on the contact we’ve had in Scotland and Wales.

The ASA model is unique; as a form of “collective regulation” – neither statutory nor purely self-regulatory – our system relies on the active participation of a range of legal backstops, from Trading Standards and Ofcom, to the Gambling Commission and the Information Commissioner’s Office. At the front-line, we use our convening power to bring together the ad industry and media owners to set, maintain and police high standards.

We welcome scrutiny of our work because we recognise that government and all its agencies share our interest in responsible advertising.

As always, advertising regulation depends on the commitment and contribution of our hard-working employees and I thank them for the work detailed in this report.

---

90% of the **10,850** ads or campaigns we secured the amendment or removal of in 2018 appeared **online**, either in whole or in part.
In 2018...

The ASA resolved 33,727 complaints
98% of which were from the public

Relating to 25,259 ads
72% of which concerned potentially misleading ads

In addition we resolved 27,014 own-initiative compliance cases

Resulting in 10,850 ads being amended or withdrawn
53% more than in 2017
A word from James Best
CAP Chairman

A simple enough brief:
12 months of CAP and BCAP in 300 words.

That’s 300 words to describe 12 months of work by the code-responsible Committees – all well-attended by representatives of our ever-wider advertising industry; by our expert advisory panels – one consumer-focused, two of practitioners in advertising, promotional marketing and direct response; by the 15 working groups convened to develop policy on the issues under consideration during the year; and by the executive teams in Regulatory Policy, Compliance and Advice & Training.

It’s 300 words to sum up 12 months of discussion, research and analysis, recommendations, decisions and communication on advertising’s role and responsibilities in areas of life as diverse as children’s food preferences, data protection, gender stereotyping, parcel deliveries, online gambling and e-cigarettes.

In short, then, it’s 300 words to express my gratitude to an impressive number and range of people from advertisers, agencies, media owners and well beyond the business in civil society, Whitehall, our co-regulators, the devolved regions, voluntary bodies and individuals, as well as to our own executives.

All have contributed over the 12 months to ensuring that the UK’s advertising regulations remain world-leading in protecting citizens young and old – and especially those made vulnerable by life-stage or circumstance – while allowing responsible advertisers the opportunity to promote their products and services fairly.

This they have done at a time of widespread distraction over the country’s future, of much-publicised technology-enabled challenges to established authority, and of considerable political interest in – and frequent misunderstanding of – advertising regulation, especially online.

Yes, a simple enough brief. But sadly beyond me. I shall just say ‘thank you’ to all who have made the 12 months under review so purposeful and productive. To get the full story, you will have to read the rest of this report.

James Best
CAP Chairman

In areas like gambling and obesity we’ve put the needs of children and vulnerable people first
In 2018...

CAP delivered 535,478 pieces of advice and training to businesses, a 38% increase compared to the previous year.

CAP guidance was read 461,908 times in an e-newsletter or on our website.

Our Copy Advice service answered 6,258 queries from businesses.

67,312 people:
- attended a workshop or industry presentation
- watched a webinar or listened to a podcast
- took online training
- or followed our advertising rules.
Reflections from Guy Parker

From present...

What we do is important
We’re passionate about what we do because responsible advertisements are good for people, society and businesses

During 2018, we completed our 2014 – 2018 strategy: Having More Impact; Being More Proactive. We removed or had amended 10,850 ads last year, up from 3,384 in 2014. And we delivered over 535,000 pieces of advice and training to businesses, up from 194,200. More irresponsible ads removed from UK society; more help for businesses to get their ads right in the first place.

One of our top priorities is protecting children and vulnerable people from irresponsible advertising. We took tough action against influencers and ads for HFSS foods, gambling and cosmetic surgery, because they were irresponsibly targeted or harmful in their content. We protected the financially vulnerable through important projects on reference pricing, secondary tickets and parcel delivery charges, and introduced tougher standards around gambling ads.

More ads amended or withdrawn:

221% increase in five years

<table>
<thead>
<tr>
<th>Year</th>
<th>Ads Amended</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,384</td>
</tr>
<tr>
<td>2015</td>
<td>4,584</td>
</tr>
<tr>
<td>2016</td>
<td>4,824</td>
</tr>
<tr>
<td>2017</td>
<td>7,099</td>
</tr>
<tr>
<td>2018</td>
<td>10,850</td>
</tr>
</tbody>
</table>
We’re a more proactive regulator as a result of the work we’ve done in the last five years.

Read on to find out how we’re going to have more impact regulating online advertising with our new strategy for the next five years.

Guy Parker
ASA Chief Executive

More pieces of advice and training:

176% growth since 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>194,200</td>
</tr>
<tr>
<td>2015</td>
<td>254,363</td>
</tr>
<tr>
<td>2016</td>
<td>281,061</td>
</tr>
<tr>
<td>2017</td>
<td>389,289</td>
</tr>
<tr>
<td>2018</td>
<td>535,478</td>
</tr>
</tbody>
</table>
Reflections from Guy Parker

...to future

The media landscape has changed vividly since 2014. People are spending more time online, businesses are increasingly advertising online and the pace of technological change online is contributing to societal concerns. The ASA system is already regulating online advertising effectively, including companies’ own claims on their websites and social media spaces. But we’re not complacent: we know we need to be even more effective and that’s the focus of our new 2019 – 2023 strategy: More impact online.

Our purpose remains the same: we’re here to make ads responsible. Our ambition: we want to make every UK ad a responsible ad.

Our new strategy is all about strengthening further our regulation of online advertising. But that doesn’t mean the end of proactivity and prioritisation. It’s more important than ever that we’re proactive and put our resource where it’s best placed to tackle the most serious mischief.

Achieving the goals outlined in our strategy depends on the commitment and goodwill of our supporters and stakeholders. This section of our report sets out the next stage in that conversation.

Guy Parker
ASA Chief Executive

The six strands of our More impact online strategy:

- **People**
  We will put people first, which means everyone not just people who complain to us. We’ll be open to listening in new ways and we’ll continue to improve our engagement with the UK nations and regions.

- **Online**
  We will improve our regulation of online advertising. We’ll continue to focus on misleading content and inappropriate targeting, but we’ll also be open to thinking beyond that, for example seeking to work more closely with the large online platforms so we help each other to protect people from irresponsible ads. We’ll develop our thought-leadership in online ad regulation.

- **Effectiveness**
  We will deliver high-quality, proactive regulatory projects on ads that cause the most detriment to people. We’ll prioritise better, explore using machine learning to improve our regulation, look to act more nimbly and simplify our regulation where we can.

- **Buy-in**
  We’ll seek greater buy-in from online-only advertisers, retailers, brands, micro and SME businesses and the social influencer community, by highlighting the benefits of our regulation and being open to regulating differently.

- **Enforcement**
  We will improve how we proactively identify and remove irresponsible ads (particularly online) and our sanctioning of non-compliant advertisers.

- **Independence**
  We will continue to regulate without fear or favour, being account of the evidence base at all times. We’ll continue to demonstrate the effectiveness of our regulation – including in response to challenges to TV and online ad regulation – through our actions and our communication, and we’ll be open-minded to change that strengthens the ASA system.

Making every UK ad a responsible ad
## Performance against our objectives

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Key activities</th>
<th>Key performance indicators (KPIs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overarching objective</strong></td>
<td>We will continue implementing our strategy in pursuit of our ambition to make every UK ad a responsible ad, protect people and make ads, society and business feel more able to trust advertising.</td>
<td><strong>10,850</strong> ads amended or withdrawn</td>
</tr>
<tr>
<td><strong>Maintaining our reactive/proactive balance</strong></td>
<td>We will refine our use of research/other intelligence and improve the effectiveness of our project work.</td>
<td><strong>535,478</strong> pieces of advice and training delivered</td>
</tr>
</tbody>
</table>
| **Increasing advice and training** | We will extend our engagement programme in the nations and regions. | Meet customer satisfaction targets: • No Additional Investigation cases 52% – against a target of 50% • Informal cases 80% – against a target of 75% • Formal cases 71% – against a target of 75% 76% for advertisers against a target of 75% 98% of Formal Investigation cases enforced – against a target of 97% 5 out of 6 case types closed within target timescales*
| **Delivering public research** | We will deliver our public research commitments, including undertaking two to four pieces of research into the views of the public about ads, and continue to ensure the ASA takes into account the views of those who live in different nations and regions of the UK. | **10,850** pieces of advice and training – against a target of 400,000 |
| **Increasing awareness** | We will further reinforce efforts to build awareness of the ASA system, so people are aware of and have confidence in advertising regulation, including launching the second phase of our new public awareness campaign. | Responded to 97% of standard Copy Advice enquiries within 24 hours – against a target of 90% |
| **Increasing engagement** | We will extend our engagement programme in the nations and regions. | 90% satisfaction with Copy Advice service – against a target of 90% |
| **Enhancing skills and capabilities** | We will make sure we have the skills, capabilities and IT training to undertake our work and deliver our strategy, including improving our understanding of emerging technologies. | Improved cost per piece of advice and training by 20% (from £1.20 to £1.00) |
| **Necessary technology** | We will make sure we have the necessary technology to deliver our strategy, in particular by launching our new case/contact management system. | 90% of respondents more confident of complying with the Advertising Codes after an Advaricam event – against a target of 90% |
| **Refreshing our strategy** | We will review and refresh our strategy, including exploring the impact of artificial intelligence on: product/service design, development and delivery, the advertising ecosystem, and the way we regulate. | Concluded three major pieces of research |

### Key performance indicators (KPIs)

**Prompted awareness** 57% v 60% in 2017 (within margin of error)

* Jul-Decl. See our mid-year progress report for Jan-Jun performance when different targets apply.*

---

**Notes:**
- On-target
- Requires action
- Off-target
Keeping up with the pace of digital change

Using avatar monitoring technology to our advantage

We regularly undertake monitoring projects which examine advertisers’ websites in a specific sector to establish whether they’re sticking to the Advertising Codes. However, because display ads are served dynamically and in huge numbers, it’s been difficult to perform similar work with other aspects of online advertising.

That’s why in November 2018 we commissioned innovative research using avatars – programmes designed to exhibit the characteristics of specific types of internet users (a child, a teenager, an adult, a child and an adult sharing a device etc.).

Over a two-week period our seven avatars made 196,000 visits to 250 popular websites and YouTube channels, capturing details of over 95,000 banner, display and video ads served to them.

As a result of this research, the ASA has already taken action to ban ads from five gambling operators which were served to child avatars on children’s websites – including colouring-in and dress-up game sites.

Our analysis showed that 23 gambling ads were seen by the child avatars 151 times on children’s websites – 1.4% of the 10,754 ads they saw on those sites.

The five operators agreed to take immediate action to review their online ads to ensure that they were not served to web users below 18 years of age.

We’re conducting further work on the ads served to our avatars, focusing on age-restricted ads for alcohol, and HFSS food and drinks. The avatar monitoring is our first step into using new technology to monitor online advertising and identify breaches of the Advertising Codes. As part of our new strategy, we plan to expand and develop such tools to strengthen further our regulation of online advertising.
Increasing transparency in online advertising:

Rob Morrison
Operations Manager – Investigations, ASA

Emma Smith
Operations Manager – Copy Advice, CAP

Helping consumers to recognise ads online

Our rules require that it be obvious to people when content is intended to promote a product or brand, as opposed to being a publication’s normal editorial content or an influencer’s genuine independent post.

In practice, this usually means that advertisers need to include a label on their content (more on that on the right).

In 2018, we launched a project to explore what sorts of labels help people understand when posts by influencers or articles in online news sites are actually ads. This has involved a call for evidence, a literature review and the commissioning of our own research into public understanding. We’ll publish the results of this work in 2019.

Ensuring brands and influencers know when to label their ads

In a bid to encourage influencers and brands to be more transparent in the disclosure of their ads, we published An influencer’s guide to making clear that ads are ads in collaboration with the CMA.

This digital resource presented a summary of the rules and set out our expectations of the industry in a more accessible format. An easy-to-use flow chart helps users to work out whether a post needs to be labelled.

CAP launched the guidance on our social media channels and shared it directly with around 70 talent, PR, social media and influencer agencies, along with other interested parties. To date, it has been downloaded over 12,000 times. We’ll continue to work with the industry to get their ads right, including through incorporating the findings of the ASA’s online labelling research.
Protecting children and vulnerable people

New food advertising rules in action

In July 2017, we introduced new tougher rules banning ads for foods and drinks high in fat, salt or sugar (HFSS) in children’s non-broadcast media. 2018 saw the first ASA investigations under these new rules.

Our rulings showed that:

- **Kellogg’s Coco Pops Granola**
  - Not upheld
  - A brand with a mainly HFSS range, like Coco Pops, can promote a non-HFSS product, like Coco Pops Granola, in children’s media if it is sufficiently clear that the ad relates specifically to that non-HFSS product rather than more generally to the mainly HFSS range of products.

- **Cadbury and Kinder**
  - Upheld
  - HFSS brands mustn’t create branded content for children such as websites, educational apps or activity books.

- **McDonald’s Happy Meals**
  - Not upheld
  - This ad provided a test case for product ranges. We ruled that this video on demand (VOD) ad wasn’t an HFSS product ad because it didn’t feature any specific HFSS foods, and because the range of foods and drinks that can be bought as part of a Happy Meal is mainly non-HFSS.

- **Chewits**
  - Upheld
  - When posting content on social media, advertisers should use the targeting tools available to prevent the posts from being ‘pushed out’ to children.

- **Walkers**
  - Not upheld
  - By appropriately targeting paid-for ads using independently verified age data, or age and interest-based criteria, it’s possible to advertise HFSS products on social media and other platforms responsibly.

- **Various**
  - Upheld
  - We upheld complaints against posters for HFSS products placed near schools because the audiences would be significantly skewed towards children.

In total, we investigated **11 cases**, ruling against five advertisers, and setting clear precedents on interpretation of the strict standards. Where we need to act to protect children, we’ll enforce the rules robustly.
What ads do children see on TV?

We published a report which set out data on children’s exposure to age-restricted TV ads, namely ads for alcohol, gambling and HFSS food and soft drinks.

Ads for HFSS food and drink products aren’t allowed to be targeted at children regardless of the media. This is an important area, so we keep children’s exposure to these ads under continuous review.

We’ll publish an exposure report annually as part of our ongoing monitoring and to help inform policy-makers.

Preventing harmful gender stereotypes in ads

In December, we announced that ads will no longer be able to depict harmful gender stereotypes. The new rule, which is the result of a lengthy public consultation, will apply to both broadcast and non-broadcast media. CAP also published detailed guidance with scenarios to help advertisers understand what will be prohibited by the new rule, which will be enforced from 14 June 2019.

Nicola Sturgeon, First Minister of Scotland, described this as “a good example of the media using self-regulation to respond to public concern” at the National Advisory Council on Women and Girls event this year.

Boosting gambling protections for under-18s

We published new guidance on gambling advertising in February to make it even clearer what advertisers need to do to target their ads responsibly and to protect under-18s from content likely to appeal particularly to them, including animations and child-like cartoon characters.

The new guidance on children and young people pays particular attention to the protections in the online space. Ad restrictions for gambling products (as with all products) apply equally online as well as off. CAP will continue to monitor the sector to ensure compliance.

TV audience data from 2013 to 2017 showed:

-37.3% decrease in children’s exposure to TV ads for gambling

-62.5% decrease in children’s exposure to TV ads for alcohol

-45.5% decrease in children’s exposure to TV ads for all food and soft drinks

Children’s exposure to all TV ads peaked in 2013 to 229.3 ads per week, and declined, year-on-year to 161.2 ads per week in 2017.

Of the

161.2 TV ads children saw, on average, in 2017

1 was for an alcohol product

2.8 were for gambling products

9.6 were for HFSS products
Getting a fair deal for consumers

Clamping down on misleading pricing practices by secondary ticketing providers

In March 2018, the ASA ruled against GetMeIn!, Seatwave, StubHub and viagogo, four of the main operators in the secondary ticketing sector, for misleading pricing claims on their websites.

Our rules require that quoted prices include non-optional taxes and fees which apply to all or most buyers. Advertisers should also state any applicable delivery fees. In breach of these rules, people were being hit with big fees towards the end of the customer journey.

These rulings put the sector on notice that their practices needed to change. Operators were given a deadline of 29 May to remove the misleading price claims from their websites – or otherwise face referral to National Trading Standards for legal action.

Shortly after the rulings, three of the companies changed their advertising to make it compliant.

Further enforcement action was taken against viagogo, through ASA sanctions and ultimately a referral to National Trading Standards for legal action to be taken against the company. Facing the prospect of prosecution, viagogo came into compliance with our rules by September.

The effect is that prices in this important market are now being advertised transparently.

Interrogating consumer understanding of reference prices

We conducted research into people’s understanding of reference price claims in ads to see whether consumers’ expectations had changed over time.

We found that our standards are broadly in the right place, although the public’s understanding of such claims is limited.

As these pricing practices have the potential to mislead if they don’t reflect the assumptions people make, we used this opportunity to remind advertisers of our reference pricing guidance available.

Retail ads often compare the current price of a product to a higher price, known as a ‘reference price’, which can be the price at which the product was previously sold, a price recommended by a manufacturer or a competitor’s price.

viagogo

The ASA ruled that ads like this were misleading as additional fees, like booking fees and delivery charges, should have been made clear as soon as the ticket price was quoted. They also had to remove the “100% Guarantee” and “Official Site” claims from their site.
Tackling unfair delivery charges

Misleading delivery claims proved to be one of the big consumer issues of the year, particularly in Scotland and Northern Ireland. Informed by consumer research from Citizens Advice Scotland and Ofcom, and using intelligence from a range of sources, including campaigning parliamentarians, we published our Enforcement Notice: Advertised Delivery Restrictions and Surcharges in April 2018.

Its effect is clear: UK consumers should expect a definitive claim about “UK delivery” to apply to them wherever they live, including Northern Ireland and the highlands and islands of Scotland. If there are delivery restrictions or exclusions, these need to be clear from the outset.

Taking action

We sent 299 Enforcement Notices to retailers across the UK.

Our enforcement work resulted in 97% compliance
Complaints and cases in context

Resolving complaints and cases

Our action on misleading, harmful or offensive ads

There are three types of action the ASA can take as a result of an investigation.

**No additional investigation**

We may decide there is no problem under the Advertising Codes and take no further action. In other cases, we are unable to investigate because the complaint or the advertising material falls outside of the ASA’s remit.

**Informal investigation**

Where appropriate, the ASA will resolve issues informally. For example, where a minor or clear-cut breach of the Advertising Codes has been made, we may issue advice on how to comply with the Codes or seek assurance that an advertiser will change or withdraw their ad immediately.

**Formal investigation**

If the ad raises concerns under the Advertising Codes, we can conduct a thorough investigation in which all sides are given the opportunity to comment. Advertisers will be asked to provide their arguments and evidence to support their advertising claims and approach. Final rulings are made by the ASA Council, with complaints either upheld or not upheld. They are published in full on our website each week.

### Complaints and cases resolved

<table>
<thead>
<tr>
<th></th>
<th>Non-broadcast</th>
<th></th>
<th>Broadcast</th>
<th></th>
<th>Overall totals*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complaints</td>
<td>Cases</td>
<td>Complaints</td>
<td>Cases</td>
<td>Complaints</td>
</tr>
<tr>
<td>Total not investigated</td>
<td>15,973</td>
<td>13,954</td>
<td>10,332</td>
<td>6,097</td>
<td>26,035</td>
</tr>
<tr>
<td>Total investigated</td>
<td>6,357</td>
<td>5,168</td>
<td>1,416</td>
<td>345</td>
<td>7,692</td>
</tr>
<tr>
<td>Informal investigation</td>
<td>5,068</td>
<td>4,622</td>
<td>352</td>
<td>204</td>
<td>5,387</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Action taken</td>
<td>4,844</td>
<td>4,426</td>
<td>292</td>
<td>170</td>
<td>5,109</td>
</tr>
<tr>
<td>– No action taken</td>
<td>224</td>
<td>196</td>
<td>60</td>
<td>34</td>
<td>278</td>
</tr>
<tr>
<td>Formal investigation</td>
<td>1,289</td>
<td>546</td>
<td>1,064</td>
<td>141</td>
<td>2,305</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Upheld/Upheld in part</td>
<td>974</td>
<td>341</td>
<td>253</td>
<td>66</td>
<td>1,202</td>
</tr>
<tr>
<td>– Not upheld</td>
<td>170</td>
<td>88</td>
<td>625</td>
<td>64</td>
<td>774</td>
</tr>
<tr>
<td>Withdrawn cases</td>
<td>145</td>
<td>117</td>
<td>186</td>
<td>11</td>
<td>329</td>
</tr>
<tr>
<td>Total complaints and cases resolved</td>
<td>22,330</td>
<td>19,122</td>
<td>11,748</td>
<td>6,442</td>
<td>33,727</td>
</tr>
</tbody>
</table>

* Both non-broadcast and broadcast figures include multimedia figures which appear only once in the “overall totals” column.
**Ads amended or withdrawn**

10,850 ads were amended or withdrawn in 2018.

A 53% increase on 2017.

**Turnaround performance**

**Turnaround performance Non-broadcast cases**

- No additional investigation (10, 15 or 20 days*) · 91%
- Informal investigation (25 or 35 days*) · 87%
- Formal investigation (60 or 115 days*) · 75%

80% target

**Turnaround performance Broadcast cases**

- No additional investigation (10, 15 or 20 days*) · 97%
- Informal investigation (25 or 35 days*) · 92%
- Formal investigation (60 or 115 days*) · 80%

80% target

* Dependent on case type.

** These figures show our turnaround performance for the second half of 2018 as we updated our reporting midway through the year. To see turnaround performance figures for January – June 2018, please refer to our 2018 Mid-year progress report.
Complaints and cases in context

Trends

Complaints and cases resolved by media

<table>
<thead>
<tr>
<th>Media</th>
<th>2018 Complaints</th>
<th>2017 Complaints</th>
<th>2018 Cases</th>
<th>2017 Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>16,059 41%</td>
<td>14,257 38%</td>
<td>11,361</td>
<td>10,310</td>
</tr>
<tr>
<td>Television</td>
<td>10,773 14%</td>
<td>5,748 23%</td>
<td>9,466</td>
<td>4,666</td>
</tr>
<tr>
<td>Email</td>
<td>1,224 27%</td>
<td>1,187 28%</td>
<td>741</td>
<td>22%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>1,346 66%</td>
<td>828 45%</td>
<td>9,466</td>
<td>4,666</td>
</tr>
<tr>
<td>Radio</td>
<td>1,028 20%</td>
<td>741 22%</td>
<td>854</td>
<td>609</td>
</tr>
<tr>
<td>Point of sale</td>
<td>859 62%</td>
<td>689 40%</td>
<td>529</td>
<td>3%</td>
</tr>
<tr>
<td>National press</td>
<td>669 -6%</td>
<td>529 -3%</td>
<td>708</td>
<td>543</td>
</tr>
<tr>
<td>Leaflet</td>
<td>525 20%</td>
<td>466 18%</td>
<td>439</td>
<td>394</td>
</tr>
<tr>
<td>Other</td>
<td>408 71%</td>
<td>355 86%</td>
<td>239</td>
<td>191</td>
</tr>
<tr>
<td>Direct mail</td>
<td>387 16%</td>
<td>352 12%</td>
<td>333</td>
<td>315</td>
</tr>
<tr>
<td>Packaging</td>
<td>336 15%</td>
<td>330 16%</td>
<td>291</td>
<td>285</td>
</tr>
<tr>
<td>Brochure</td>
<td>311 4%</td>
<td>285 1%</td>
<td>299</td>
<td>281</td>
</tr>
<tr>
<td>Regional press</td>
<td>508 68%</td>
<td>284 10%</td>
<td>303</td>
<td>258</td>
</tr>
<tr>
<td>Magazine</td>
<td>310 9%</td>
<td>264 1%</td>
<td>285</td>
<td>262</td>
</tr>
<tr>
<td>Press general</td>
<td>215 109%</td>
<td>168 115%</td>
<td>103</td>
<td>78</td>
</tr>
<tr>
<td>Transport</td>
<td>228 -7%</td>
<td>143 -8%</td>
<td>245</td>
<td>155</td>
</tr>
<tr>
<td>Text message</td>
<td>116 18%</td>
<td>115 19%</td>
<td>98</td>
<td>97</td>
</tr>
<tr>
<td>Cinema</td>
<td>169 20%</td>
<td>99 16%</td>
<td>141</td>
<td>85</td>
</tr>
<tr>
<td>Catalogue</td>
<td>79 30%</td>
<td>79 32%</td>
<td>61</td>
<td>60</td>
</tr>
<tr>
<td>Circular</td>
<td>72 -16%</td>
<td>62 -15%</td>
<td>86</td>
<td>73</td>
</tr>
<tr>
<td>Mailing</td>
<td>59 -12%</td>
<td>53 -12%</td>
<td>67</td>
<td>60</td>
</tr>
<tr>
<td>Insert</td>
<td>40 -17%</td>
<td>35 -5%</td>
<td>48</td>
<td>37</td>
</tr>
<tr>
<td>Directory</td>
<td>19 6%</td>
<td>18 0%</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Ambient</td>
<td>18 29%</td>
<td>17 31%</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Fax</td>
<td>1 -50%</td>
<td>1 -60%</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Voicemail</td>
<td>1 100%</td>
<td>1 100%</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

+41% increase in online complaints
+23% increase in television cases
<table>
<thead>
<tr>
<th>Online media</th>
<th>Complaints</th>
<th>Cases</th>
<th>2018</th>
<th>% +/-</th>
<th>Cases</th>
<th>% +/-</th>
<th>2017</th>
<th>% +/-</th>
<th>Number</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online advertiser-owned</td>
<td>12,455</td>
<td>11,073</td>
<td>38%</td>
<td></td>
<td>35%</td>
<td></td>
<td>9,026</td>
<td>8,190</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (on own site)</td>
<td>9,465</td>
<td>8,465</td>
<td>35%</td>
<td></td>
<td>34%</td>
<td></td>
<td>7,004</td>
<td>6,328</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (social networking)</td>
<td>2,103</td>
<td>1,779</td>
<td>69%</td>
<td></td>
<td>58%</td>
<td></td>
<td>1,242</td>
<td>1,125</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (OM 3rd party)</td>
<td>451</td>
<td>424</td>
<td>7%</td>
<td></td>
<td>5%</td>
<td></td>
<td>422</td>
<td>403</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-game advertising</td>
<td>341</td>
<td>314</td>
<td>61%</td>
<td></td>
<td>55%</td>
<td></td>
<td>212</td>
<td>202</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (e-tailing)</td>
<td>91</td>
<td>87</td>
<td>-37%</td>
<td></td>
<td>-38%</td>
<td></td>
<td>145</td>
<td>140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (social games)</td>
<td>4</td>
<td>4</td>
<td>300%</td>
<td></td>
<td>300%</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other online media total</td>
<td>3,604</td>
<td>3,184</td>
<td>54%</td>
<td></td>
<td>51%</td>
<td></td>
<td>2,335</td>
<td>2,111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (display)</td>
<td>1,107</td>
<td>998</td>
<td>110%</td>
<td></td>
<td>105%</td>
<td></td>
<td>528</td>
<td>487</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (sales promotion)</td>
<td>984</td>
<td>920</td>
<td>11%</td>
<td></td>
<td>8%</td>
<td></td>
<td>889</td>
<td>848</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (search engine)</td>
<td>443</td>
<td>405</td>
<td>23%</td>
<td></td>
<td>35%</td>
<td></td>
<td>359</td>
<td>301</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Video on demand (VOD)</td>
<td>397</td>
<td>270</td>
<td>129%</td>
<td></td>
<td>131%</td>
<td></td>
<td>173</td>
<td>117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (online behavioural advertising)</td>
<td>253</td>
<td>233</td>
<td>126%</td>
<td></td>
<td>120%</td>
<td></td>
<td>112</td>
<td>106</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (video)</td>
<td>229</td>
<td>175</td>
<td>73%</td>
<td></td>
<td>54%</td>
<td></td>
<td>132</td>
<td>114</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (price comparison)</td>
<td>120</td>
<td>114</td>
<td>122%</td>
<td></td>
<td>111%</td>
<td></td>
<td>54</td>
<td>54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (classified)</td>
<td>54</td>
<td>52</td>
<td>23%</td>
<td></td>
<td>18%</td>
<td></td>
<td>44</td>
<td>44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile</td>
<td>17</td>
<td>17</td>
<td>-61%</td>
<td></td>
<td>-56%</td>
<td></td>
<td>44</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet (viral)</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

“Online advertiser-owned” refers to online spaces within a company’s or organisation’s own control where they make advertising claims – such as websites or social media pages.

78% of online cases were in online advertiser-owned spaces.

22% were in other online media.

78% of online cases were in online advertiser-owned spaces.

22% were in other online media.

78% of online cases were in online advertiser-owned spaces.

22% were in other online media.

78% of online cases were in online advertiser-owned spaces.

22% were in other online media.

78% of online cases were in online advertiser-owned spaces.

22% were in other online media.

78% of online cases were in online advertiser-owned spaces.

22% were in other online media.

78% of online cases were in online advertiser-owned spaces.

22% were in other online media.

78% of online cases were in online advertiser-owned spaces.

22% were in other online media.
## Complaints and cases in context
### Trends

### Complaints and cases resolved by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>2018 Complaints</th>
<th>2017 Complaints</th>
<th>2018 Cases</th>
<th>2017 Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>5,817 40%</td>
<td>4,409 29%</td>
<td>4,165</td>
<td>3,431</td>
</tr>
<tr>
<td>Leisure</td>
<td>5,083 16%</td>
<td>4,116 24%</td>
<td>4,371</td>
<td>3,327</td>
</tr>
<tr>
<td>Health and beauty</td>
<td>3,914 31%</td>
<td>2,670 44%</td>
<td>2,731</td>
<td>1,858</td>
</tr>
<tr>
<td>Business</td>
<td>2,892 36%</td>
<td>2,346 34%</td>
<td>2,131</td>
<td>1,746</td>
</tr>
<tr>
<td>Holidays and travel</td>
<td>2,091 8%</td>
<td>1,936 20%</td>
<td>1,934</td>
<td>1,614</td>
</tr>
<tr>
<td>Financial</td>
<td>2,264 -3%</td>
<td>1,728 29%</td>
<td>2,340</td>
<td>1,339</td>
</tr>
<tr>
<td>Food and drink</td>
<td>2,500 11%</td>
<td>1,678 34%</td>
<td>2,257</td>
<td>1,254</td>
</tr>
<tr>
<td>Computers and telecommunications</td>
<td>1,908 16%</td>
<td>1,352 21%</td>
<td>1,642</td>
<td>1,114</td>
</tr>
<tr>
<td>Non-commercial</td>
<td>2,251 36%</td>
<td>1,811 51%</td>
<td>2,761</td>
<td>1,599</td>
</tr>
<tr>
<td>Household</td>
<td>1,121 53%</td>
<td>860 59%</td>
<td>735</td>
<td>478</td>
</tr>
<tr>
<td>Property</td>
<td>975 28%</td>
<td>694 44%</td>
<td>762</td>
<td>610</td>
</tr>
<tr>
<td>Motoring</td>
<td>908 36%</td>
<td>534 24%</td>
<td>669</td>
<td>431</td>
</tr>
<tr>
<td>Publishing</td>
<td>374 -3%</td>
<td>341 -1%</td>
<td>357</td>
<td>346</td>
</tr>
<tr>
<td>Utilities</td>
<td>406 69%</td>
<td>333 57%</td>
<td>240</td>
<td>212</td>
</tr>
<tr>
<td>Unknown</td>
<td>305 37%</td>
<td>299 35%</td>
<td>222</td>
<td>221</td>
</tr>
<tr>
<td>Education</td>
<td>226 35%</td>
<td>220 37%</td>
<td>167</td>
<td>161</td>
</tr>
<tr>
<td>Alcohol</td>
<td>231 44%</td>
<td>196 44%</td>
<td>160</td>
<td>136</td>
</tr>
<tr>
<td>Clothing</td>
<td>201 57%</td>
<td>148 139%</td>
<td>128</td>
<td>62</td>
</tr>
<tr>
<td>Employment</td>
<td>167 36%</td>
<td>135 26%</td>
<td>123</td>
<td>107</td>
</tr>
<tr>
<td>Industrial and engineering</td>
<td>45 45%</td>
<td>44 91%</td>
<td>31</td>
<td>23</td>
</tr>
<tr>
<td>Tobacco</td>
<td>25 19%</td>
<td>21 0%</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Agricultural</td>
<td>21 133%</td>
<td>16 100%</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Electrical appliances</td>
<td>2 200%</td>
<td>2 200%</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* Includes complaints about advertising in general.
<table>
<thead>
<tr>
<th></th>
<th>Non-broadcast Complaints</th>
<th>Non-broadcast Cases</th>
<th>Broadcast Complaints</th>
<th>Broadcast Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mislabeled</td>
<td>17,849 (81%)</td>
<td>15,977 (82%)</td>
<td>4,393 (36%)</td>
<td>2,837 (42%)</td>
</tr>
<tr>
<td>Offensive</td>
<td>2,542 (11%)</td>
<td>1,423 (7%)</td>
<td>4,735 (38%)</td>
<td>2,165 (32%)</td>
</tr>
<tr>
<td>Harm</td>
<td>1,537 (7%)</td>
<td>1,110 (6%)</td>
<td>2,464 (20%)</td>
<td>1,247 (18%)</td>
</tr>
<tr>
<td>No issue</td>
<td>208 (1%)</td>
<td>1,083 (6%)</td>
<td>720 (6%)</td>
<td>496 (7%)</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mislabeled</td>
<td>13,135 (78%)</td>
<td>12,167 (80%)</td>
<td>3,840 (28%)</td>
<td>2,499 (46%)</td>
</tr>
<tr>
<td>Offensive</td>
<td>2,130 (13%)</td>
<td>1,250 (8%)</td>
<td>5,814 (51%)</td>
<td>1,931 (36%)</td>
</tr>
<tr>
<td>Harm</td>
<td>852 (5%)</td>
<td>606 (5%)</td>
<td>1,424 (12%)</td>
<td>696 (13%)</td>
</tr>
<tr>
<td>No issue</td>
<td>723 (6%)</td>
<td>689 (7%)</td>
<td>412 (4%)</td>
<td>294 (5%)</td>
</tr>
</tbody>
</table>

Over 4/5 of Non-broadcast complaints concerned potentially misleading ads, compared with just over 1/3 of Broadcast complaints.

N.B. Numbers in brackets represent percentage totals of complaints and cases by issue.
The ASA Council is the independent jury that decides whether an ad has broken the Advertising Codes.

Collectively, members offer a wide range of skills and experience from different perspectives. Two-thirds of the Council on each panel are independent of the advertising and media industries and the remaining members have a professional background in the advertising or media sectors.

The Council also operates as the Board of the ASA.

In 2018, we sadly said goodbye to Roisin Donnelly, Rachel Childs and Alan Bockbinder, who came to the end of their terms of service. We were delighted to welcome Nita Patel, Aaqil Ahmed and Zaid Al-Qassab.

In 2018, the Council reviewed cases in **62** online or face-to-face sessions resulting in **500** formal rulings. Of which **60%** were upheld or upheld in part.
Chairman

Lord Currie of Marylebone
Chairman of the ASA; former founding Chairman of Ofcom

Independent members

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

Kate Bee
Freelance journalist; Director, The Sober School

Zaid Al-Qassab
Chief Brand & Marketing Officer, BT Group; Trustee, WaterAid

Reg Bailey
Member, BBFC Advisory Panel on Children’s Viewing, Advertising Association’s Media Smart Expert Panel

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

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

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

David Hepworth
Writer and broadcaster; Director, Mixmag Media Ltd

Nita Patel
Director, Planet Communications

Shireen Peermohamed
Partner, Harbottle & Lewis LLP; Video Standards Council, Member of Appeals Panel

Tess Alps
Chair of Thinkbox; former first Chief Executive of Thinkbox

Neil Stevenson
Chief Executive of the Scottish Legal Complaints Commission

Sam Younger*
Chair, Voluntary Service Overseas; Chair, CILEx Regulation

Advertising industry members

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.
What type of regulator are we?

With the Online Harms White Paper sounding the death knell for tech company “self-regulation”, we want to clarify what type of regulator we are.

Established and funded by the ad industry 57 years ago and with industry ensuring that the Advertising Codes reflect the law (and adding restrictions where there is no law), we undoubtedly have some “self-” in our regulatory system. And we value that because of the industry expertise and buy-in it brings with it.

But the ASA is independent. Our decision-making is separate from industry and government. Our funding is arm’s-length, so we’re not swayed by it. We’re recognised by the government, the courts (we’re subject to judicial review) and other regulators as being the established means of protecting people from irresponsible advertising.

Perhaps the best description is that we’re an example of successful collective regulation.

We co-regulate broadcast and video-on-demand ads with statutory regulator Ofcom and we work with numerous other bodies including Trading Standards, the Competition and Markets Authority, the Gambling Commission, the Financial Conduct Authority, the Convention of Scottish Local Authorities, Northern Ireland’s Department for the Economy, the Department for Health and Social Care, the Department for Environment, Food & Rural Affairs, the Food Standards Agency, Medicines and Healthcare products Regulatory Agency, the Information Commissioner’s Office, Citizens Advice and Citizens Advice Scotland.

Through collective regulation, we’re able to secure compliance in almost 100% of cases where we identify a breach of the Advertising Codes, including online. Between 2014 and 2018, we resolved around 72,000 complaint cases and 64,000 own-initiative cases involving allegedly misleading advertising. Of those, around 30,000 resulted in us taking follow-up compliance action of some sort, including threatening referral to our appropriate legal backstop. That compliance action was overwhelmingly successful, resulting in us referring only 68 companies, all to Trading Standards, in those five years.

We recognise some people are suspicious about self-regulation, so to them we offer this reassurance: the ASA’s regulation is independent, effective and collective in approach, working closely with statutory agencies to protect people and responsible businesses from irresponsible ads wherever they appear, including online.

2014 – 2018:
72,000 complaints and 64,000 other cases of misleading ads resolved...
...

...leading to 30,000 follow-up compliance cases...
...

...resulting in only 68 referrals to legal backstops
### 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.

<table>
<thead>
<tr>
<th>Committee of Advertising Practice (CAP)</th>
<th>Broadcast Committee of Advertising Practice (BCAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising Association</td>
<td>Advertising Association</td>
</tr>
<tr>
<td>Cinema Advertising Association</td>
<td>BT</td>
</tr>
<tr>
<td>Direct Marketing Association</td>
<td>Channel 4 Television Corporation</td>
</tr>
<tr>
<td>Direct Selling Association</td>
<td>Channel 5 Broadcasting Ltd</td>
</tr>
<tr>
<td>Incorporated Society of British Advertisers</td>
<td>Commercial Broadcasters Association (COBA)</td>
</tr>
<tr>
<td>Institute of Practitioners in Advertising</td>
<td>Direct Marketing Association</td>
</tr>
<tr>
<td>Institute of Promotional Marketing</td>
<td>Electronic Retailing Association UK</td>
</tr>
<tr>
<td>Internet Advertising Bureau</td>
<td>Incorporated Society of British Advertisers</td>
</tr>
<tr>
<td>Mobile UK</td>
<td>Institute of Practitioners in Advertising</td>
</tr>
<tr>
<td>News Media Association</td>
<td>ITV plc</td>
</tr>
<tr>
<td>Outsmart Out of Home</td>
<td>Sky UK Ltd</td>
</tr>
<tr>
<td>Professional Publishers Association</td>
<td>STV</td>
</tr>
<tr>
<td>Proprietary Association of Great Britain</td>
<td>Clearcast*</td>
</tr>
<tr>
<td>Royal Mail</td>
<td>Radiocentre*</td>
</tr>
<tr>
<td>Scottish Newspaper Society</td>
<td>S4C*</td>
</tr>
<tr>
<td>Television on Demand Industry Forum</td>
<td></td>
</tr>
<tr>
<td>Clearcast*</td>
<td></td>
</tr>
<tr>
<td>Radiocentre*</td>
<td></td>
</tr>
</tbody>
</table>

* Clearcast, Radiocentre and S4C have observer status.
An independent review of the rulings of the ASA Council enables consumers and advertisers to question whether those decisions are fair and reasonable.

As the Independent Reviewer, I deal with a very small proportion of cases considered by the ASA Council. In 2018, 500 rulings were published and, of the review requests I received, I recommended corrective action in only 14 cases. However, this represents 32% of all review requests and I think that suggests that the review process is not simply a rubber-stamping exercise. It is not only independent, but also has real and good consequences for advertisers and consumers.

I report on two cases from 2018, which I believe illustrate this.

The first was a TV ad for Kellogg’s Coco Pops Granola, which the Council decided was too much like the original HFSS branding to make it a non-HFSS ad. This was an important issue which matters to consumers. There seemed to me two problems with the decision. First, the Council was not informed that Ofcom had accepted that two somewhat similar programme credits for the same product were not in breach of their rules. It therefore had to be seen again by the Council to correct that procedural flaw. Second, it seemed to me that the ad was predominantly about the non-HFSS Granola product and that a better conclusion would be to pass the ad, although I could not say that the original decision was indefensible. The Council decided to reverse their original decision.

The second was a direct mail ad from a pension services company about the risks of non-compliance with workplace pension requirements. The Council had concluded that the ad, quite fiercely worded, caused unjustified fear and distress. I thought there were three difficulties with this. First, the warnings in the mail were in line with those given by the Pensions Regulator itself. Second, most of the ad was not about dire warnings but about offers of help. Third, it seemed to me that, as the ad was a business to business communication, the recipients should be aware of their obligations and should not suffer fear or distress at being reminded of them. The Council reversed its decision.

<table>
<thead>
<tr>
<th>Review Cases 2017 – 2018</th>
<th>Non-broadcast</th>
<th>Broadcast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Total cases received of which:</td>
<td>45</td>
<td>43</td>
</tr>
<tr>
<td>Ineligible/withdrawn</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td>In progress</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Referred to Council</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Referring to Council of which:</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Unchanged</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Decision reversed</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Wording changed</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Re-opened investigation</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>In progress</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
The Advertising Advisory Committee (AAC) advises the Broadcast Committee of Advertising Practice (BCAP) on the consumer and citizen issues arising from key aspects of the TV and radio broadcasting rules.

The six committee members, appointed by open competition, and Chair of BCAP, James Best, who attends as an observer, held six meetings in 2018. Much of our agenda is taken up with advising on key policy issues being considered by BCAP. One milestone was the completion of a major project on gender stereotyping. This was based on substantial research into detriments from harmful gender-based depictions, and into relevant rules in other countries. We strongly supported the new rule and supporting guidance, and we were heartened by the strong consensus that the co-regulatory system has created.

The AAC has also taken a close interest in gambling advertising, and particularly its impact on problem gamblers and on children. This is an area that has faced strong (in our view justified) public scrutiny, and we advised on two separate pieces of guidance during the year.

A further area where the AAC has had significant ongoing concerns is superimposed text in TV ads, which is often hard to read and absorb, even though it may be critical to the viewer’s understanding of what’s on offer. We were pleased that, following our advice, a comprehensive review led to significant revisions of the detailed guidance in this area.

One suggestion made by the AAC and successfully followed up was the communication from CAP and BCAP on how to protect consumers in vulnerable situations, pulling together a range of Code and Guidance provisions. We had similar concerns about the slippery concept of ‘normalisation’ in relation to advertising regulation. Normalising good behaviour (such as exercise and healthy eating) is clearly positive, but normalising detrimental behaviour (such as dangerous driving and encouraging cigarette smoking) poses significant risks, even if it is only done incidentally. A CAP/BCAP document was published that helpfully clarifies the issues.

At the end of 2018, we welcomed Rachel Childs as a new member of the Committee, and said farewell to Claire Whyley, after seven years of distinguished service.

Stephen Locke
Chair, Advertising Advisory Committee

Members
James Best (Observer)
Rachel Childs
Robin Foster
Mike O’Connor
Adair Richards
Ruth Sawtelle
Nabila Zulfiqar
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. The panels also provide a forum for the exchange of information and ideas between the industry, the ASA and CAP.
In 2018, the Panel provided expert advice across a range of topics, including complex pricing matters, delivery-time claims and the use of interest-based targeting for age-restricted products. Members also offered their valuable insight in some of the first cases to be considered under the newly introduced HFSS rules and guidance, and continued to provide their views on a large number of online, and offline, remit considerations. We welcomed some new members to ensure a continually diverse range of opinions, and to benefit from knowledge across different industry sectors and experience. As always, I would like to thank all Panel members, past and present, who volunteer their time and wisdom for the benefit of the self-regulatory system.

The Panel continued to provide a crucial industry perspective to a wide range of cases in 2018, including expert knowledge across the breadth of marketing techniques. By offering expertise on borderline cases, members play a valuable part in the ASA’s ambition to make every UK ad a responsible ad.

Tim Duffy
Chairman

Members
Tim Duffy (Chairman)
Jonathan Allan
Sara Bennison
Lilian Betty
Jenny Biggam
Alexia Clifford
Ed Couchman
Shahriar Coupal (Secretary)
Matthew Dearden
Tim Evans
Peter Gatward
Steve Goodman
David Hepworth
Chris McLeod
Emma Smith (Assistant Secretary)
Charlie Snow
Michael Todd
Stephen Vowles
Mark Wallace
David Lloyd
Tanya Joseph
The Promotional Marketing and Direct Response Panel (PMDRP) advises the ASA and CAP on promotional marketing and direct marketing matters.

In 2018, the PMDRP continued to provide an industry perspective and expert advice in the dynamic and innovative promotional marketing sector. The Panel provided insights into traditional promotional mechanics with discussions around availability of promotional items and “free gifts”, as well as helping to ensure that the ASA and CAP were kept informed about newer and developing practices such as “home raffles” and “live quiz” mobile apps.

“Last year the PMDRP tapped into the knowledge and expertise of senior promotional marketing experts in issues ranging from quiz apps to prosecco availability. Practical insights from marketing professionals are an essential tool to help make sure the ASA and CAP’s decision-making processes remain up to date and informed.”

Members

Catherine Shuttleworth
Chair, Promotional Marketing and Direct Response Panel

Peter Batchelor
Mark Challinor
Paul Cope
Shahriar Coupal (Secretary)
Mark Dugdale
Michael Halstead
Nick Hudson (Assistant Secretary)
Wesley Henderson
Chris McCash
Catherine Shuttleworth (Chair)
Carey Trevill
James Wilkinson-Green

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.

The Panel has not been required to meet in 2018.

Members

Chairman, Advertising Standards Board of Finance
Chairman, The Regulatory Funding Group
We are funded 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 ensures that the ASA is adequately funded without revealing to us which companies are contributing. We also receive a small income from charging for some seminars, the sale of eLearning materials and from the European Interactive Digital Advertising Alliance for regulating online behavioural advertising.

**Year to 31 December 2018**

Audited income and expenditure figures for the combined non-broadcast and broadcast activity in 2018 (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 26 April 2019.

**Income for the year**

Compared with 2017, total income received from Asbof and Basbof increased by £298,000 (3%) to £9,200,000. Other income decreased by £14,000 (10%) to £113,000. Interest received increased by £6,000 (104%) to £11,000.

**Expenditure for the year**

Compared with 2017, total expenditure increased by £299,000 (3%) to £9,281,000. This total expenditure was less than the original budget for the year by £332,000 or 4%.

**Profit for the year**

The combined profit before tax of both non-broadcast and broadcast activity was £43,000. After tax, the combined profit was £36,000. 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.