

Regulation of Online Advertising: A briefing



Myth 1

Online is a 'wild west' for advertising, where the level of protections in place for other media don't apply

Truth 1

The UK Advertising Codes apply equally to advertising online, including to companies' own claims on their own websites, social media spaces and advergames

Myth 2

Children can be targeted with ads for age-restricted products online

Truth 2

Ad targeting restrictions for products and services like alcohol, foods high in fat, salt or sugar and gambling apply equally online, as well as off

Myth 3

Policing online ads is reliant on complaints from adults, who can't be expected to keep tabs on all the ads their children are seeing

Truth 3

The ASA system proactively monitors advertising and undertakes compliance sweeps to make sure ads are responsible

The Advertising Standards Authority (ASA) is the independent regulator of ads across all media, including online. The Committees of Advertising Practice (CAP) are the bodies that write the advertising rules, keeping them under review to make sure they protect consumers and keep pace with evolving advertising techniques.

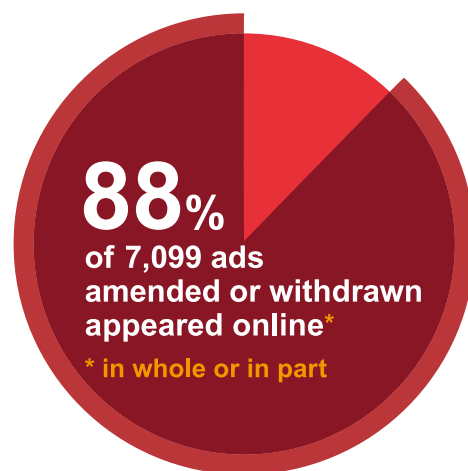
Our purpose is to make ads responsible and our ambition is to make every UK ad a responsible ad. The protections against misleading, harmful and offensive advertising are enforced online just as rigorously as in traditional media such as TV. This briefing sets out the standards in place and how they're enforced.

The ASA's role in making online ads responsible

The ASA has regulated paid-for online ads since the emergence of the internet. In 2011, the ASA's online remit was extended to include companies' and other organisations' own advertising claims on their own websites and social media spaces. We call this online 'advertiser-owned' advertising. That important subsection of online media has come to account for half of our regulation. 89% of those ads concerned potentially misleading claims, compared to 73% of cases resolved by the ASA in general.

88% of the 7,099 ads amended or withdrawn by the ASA during 2017 were online ads (in whole or part). The vast majority of advertisers subject to an upheld complaint come into compliance with the strict advertising rules. For the small minority of non-compliant online advertisers, the ASA has a range of sanctions:

- Listing on our Non-Compliant Online Advertiser register
- PPC ad campaigns suspended
- ASA PPC campaign to further promote non-compliance
- Referral to Trading Standards for legal action



In 2017, online complaints overtook TV complaints, with double the number of cases

2016

Television

4,455

Cases

13,356

Complaints

Internet

9,201

Cases

10,431

Complaints

2017

Television

4,666

Cases

9,466

Complaints

Internet

9,951

Cases

10,932

Complaints

The ASA is in the forefront worldwide of the challenge to regulate newer forms of online advertising like influencer, native and affiliate advertising, as well as how ads are targeted online and on social media platforms like Facebook, YouTube, Instagram, Snapchat and Twitter.

Ads for age-restricted products online – including on social media – need to follow the same strict content rules as those in traditional media such as TV. They must be prepared in a way that is socially responsible and which doesn't appeal inappropriately to children or other vulnerable people. Crucially, ads for age-restricted products mustn't be directed at children.

Two topical examples are ads for foods which are high in fat, sugar or salt (HFSS) and gambling:

Restrictions for HFSS food ads are as strong online as on TV

In 2017, we banned HFSS food ads in children’s online media, mirroring the strict standards already in place for TV. While the evidence shows that parental and peer influence, schools policy and sedentary lifestyles are the main factors driving obesity, advertising also has a modest effect on children’s food preferences, so it’s right that we put in place rules to restrict the influence of HFSS product ads on children. The ban also recognises that children now spend more time online than watching TV.

We monitor periodically and proactively whether companies are complying with the ban, as well as investigating complaints from the public, campaigning organisations and competitor

companies. Since we introduced the ban, only a handful of cases of non-compliance have come to our attention. In June 2018 we banned ads (pictured) from Mondelez UK (Cadbury)*, Cloetta UK Ltd* and Swizzels Matlow Ltd* for failing to take sufficient care to avoid targeting children online. Even where HFSS ads are seen by children, they’re governed by strict content rules to protect people of all ages from irresponsible portrayals: ads aren’t allowed to encourage pester power, poor diets or unhealthy eating habits; they can’t include misleading health or nutrition claims and they can’t encourage over-eating, disparage healthy living or encourage an inactive lifestyle. Again, those rules are enforced just as strictly online as they are on TV.

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Advertisers are banned from targeting children with HFSS ads across all non-broadcast media, including on children’s websites, apps, ‘advergames’ and social media platforms including Facebook, YouTube, Instagram, Snapchat and Twitter.

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Enforcing a strict burden on advertisers in targeting age-restricted ads online

In assessing whether companies have done enough to target age-restricted ads away from children online, we place a strict burden of proof on the advertiser. That principle has long and successfully applied to the targeting of ads for alcohol, gambling and other age-restricted products; it now applies to HFSS ads too.

We know that self-reported dates of birth can’t always be relied on. New, tougher standards require that advertisers show they’ve used social media targeting tools to direct ads away from users who are likely to be younger than they claim. For example advertisers might choose to actively exclude web users whose browsing history shows they are interested in clothing brands of particular appeal to children.

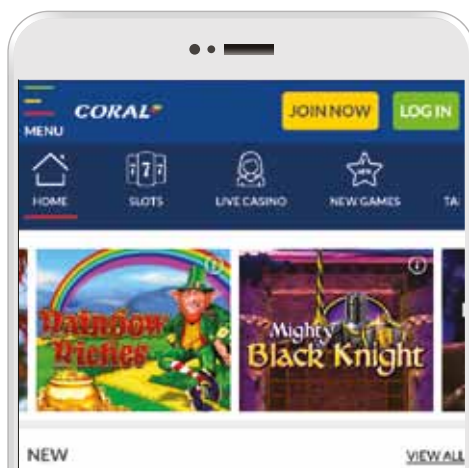


Gambling ads that target or appeal to children online are banned

The strict rules on the content of gambling ads apply and are enforced just as rigorously online as on TV. Ads can't portray gambling in a way that's socially irresponsible or could lead to financial, social or emotional harm. They can't exploit children or other vulnerable people, including through advertising content which appeals particularly to young people or which reflects youth culture. Amongst other restrictions, ads can't suggest gambling provides an 'escape', can solve financial worries, or can enhance personal qualities.

Working proactively, the ASA has taken sector-wide enforcement action against gambling operators who have advertised games in unrestricted parts of their websites, using content of particular appeal to under-18s,

for example cartoon imagery. In 2017, working with the Gambling Commission, the ASA and CAP sent a 'cease and desist' order to all operators with a remote operating licence in the UK. The order made it clear that no gambling ads with specific appeal to children should appear anywhere where adequate checks to verify a user as over 18 (or 16 for lotteries) have not been undertaken. As a result, operators



amended hundreds of ads. The recent ruling on Coral's* use of cartoon imagery (June 2018) is an example of an ad banned for falling short of the strict standards.

Irresponsible appeals to vulnerable people are also banned, including through intermediaries. In 2017, the ASA published five rulings against betting and gaming companies*. In each case, the gambling operator was held accountable for an ad by an affiliate marketer, the content of which suggested gambling could provide an escape from personal and financial problems such as depression. The message was clear: advertisers can't hide behind affiliates. If the affiliated company breaks the rules the gambling operator will be held accountable, even if they haven't approved the ad.

We're at the forefront of regulating new and evolving online advertising techniques

Advertisers need to be open and upfront with people about when they're being advertised to. Brand partnerships with influencers are on the rise, particularly on social networks like Instagram, YouTube, Snapchat and Twitter. Brands' engagement of influencers can be within the rules, so long as they're upfront with followers that content which is paid for and controlled by the brand is an ad rather than the influencer's

independent opinion. The ASA has been working closely with brands, influencers and agencies to make sure ads are clearly labelled. There's room for compliance to improve, demonstrated by rulings like the one in the case of Geordie Shore star Marnie Simpson*.

We're also conducting research into consumers' recognition of online labelling to make sure our standards are in the right place.



Finally, the ASA is currently undertaking a new project to explore deceptive ad content online, such as sensational news-like or clickbait headlines that link to websites which sell unrelated products. We'll publish our research findings later this year.

* www.asa.org.uk/resource/regulation-of-online-advertising-a-briefing.html