

basbof

Supporting Trust in Advertising

Annual Report 2019/20



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A word from Mark Lund

Basbof Chairman

This year promises to be like no other for very many reasons with societal and economic turmoil being reflected in the advertising world and thus the Asbof levy.

Throughout the upheaval the Asbof team has sought to keep the continuity of funding that is vital for the preservation of the self-regulation system that underpins the trust and thus the health of the overall market.

The fact that the levy collected trails the movements of the market by three months means that little or none of the Covid crisis can be seen in the accounts but much of our year has been spent preparing for the oncoming drop in income that will affect the accounts for year ending March 2021.

The 2019/20 year saw Asbof levy income fall by 2%, with the Masbof levy falling more sharply by 8% reflecting the continued decline of mail as a medium.

The Basbof levy remained static to the previous year, reflecting the resilience of television as a medium and the high proportion of spend coming through media agencies.

Our direct income from major digital advertisers continued to grow with most of this growth coming from direct payments on search to the Google with Asbof website, set up with the welcome help of Google. We now have over 25 major clients signed up including eBay, M&S and Moneysupermarket.com. In addition, Amazon and Asos are among those making direct contributions to the levy, while Facebook also continues to pay a contribution to the levy in respect of their direct clients. Encouraging though this is the fact remains that direct digital advertisers bypassing the media agency collection point constitute the long-term funding issue that the levy system faces, and though Covid has accelerated the issue the problem is a structural one.

To address this the Asbof and Basbof boards commissioned a report in autumn 2019 from PWC to examine the long-term issues and propose ways forward.



The report was published in November 2019 and has generated productive work in both funding and governance areas, with some new ideas in self certification in research at the moment and a new level of dialogue on funding with many of the key stakeholders.

In all of this we are fitting our narrative within that of the AA's Trust agenda that has been taken forward so strongly by Keith Weed and Stephen Woodford.

The ASA under the leadership of David Curry and Guy Parker had a highly dynamic and effective year, reflecting their five-year strategy of More Impact Online, with a continued move to more proactive regulation and a greater use of prioritisation of resource. All this while also moving offices (with both financial and quality improvements) and continuing their moves towards the greater use of advanced technology within their processes. At the end of the year, in anticipation of the effect of Covid, they also engaged in some very rapid and thorough financial scenario planning to mitigate wherever possible the effects of a downturn.

CAP, stewarded sagely by James Best, also had a highly productive year. The new gender stereotyping rules were perhaps predictably criticised when they came in but some months later are being increasingly seen as being presciently ahead of the industry curve. There was also a great deal of good work on the government's HFSS consultation and the continuing issue of the codes for gambling advertising.

I would also like to thank Hayden Phillips, whose independent reviews combine acuity and elegance in equal measure and the Asbof and Basbof secretariat whose work under difficult circumstances continues at the highest level.

As I look to the year ahead, I am more clear than ever that the self-regulation system has future relevance and real value for the market as a whole. It is also clear that stakeholders from all across the advertising and marketing ecosystem will need to work together to ensure that what has served the UK ad market so well continues to thrive.



Mark Lund

Chairman





Advertising Standards Authority (Broadcast)

The environmental context in 2019 was similar to 2018: Brexit paralysis (albeit relieved in December by Boris Johnson’s convincing general election win); continued socio-political pressure for tighter restrictions on HFSS¹ and gambling ads; a burgeoning ad industry response to low trust in advertising; substantial and steadily rising societal concerns around online harms; and continued uncertainty over the sustainability of our funding.

The prognosis is by no means gloomy, however. The ASA system’s reputation is generally high; the ad industry is committed to a “best in class” ASA; we are well positioned to play a key role in continuing to regulate online advertising, with our Avatar Monitoring regarded as world-leading; and Asbof and Basbof are pursuing a review of our funding model with vigour.

In terms of our performance on our two priority KPIs, we secured the amendment or withdrawal of 8,881 ads (down 18% on 2018) and we delivered 550,442 pieces of advice and training (up 2.7% on 2018). Please see the Advertising Standards Authority report for a fuller summary of the ASA’s combined non-broadcast and broadcast activities; the following paragraphs predominantly refer to broadcast activities.

In terms of broadcast complaints and cases, we resolved 10,790 complaints (down 8% on 2018) and 5,753 cases 6,442 cases (down 11% on 2018’s record total), 38% of which related to misleading issues (42% in 2018). We met or exceeded two of our three broadcast case turnaround KPIs (three out of three in 2018).

The most complained about broadcast ads in 2019 were a TV ad for GoCompare that showed a car accident, which 342 viewers found offensive but which we did not Uphold, a TV ad for Roofoods that suggested Deliveroo could deliver food from different restaurants together, which 305 viewers complained about and which we Upheld, and a TV ad for Hey Habito that featured a cartoon man attacked by green severed hands, which attracted 199 complaints and which again we did not Uphold.

¹ Foods and drinks high in fat, salt or sugar



Council began administering the new rule on Gender Stereotyping, ruling on five cases in total (Upholding against Volkswagen, People per Hour and Mondelez and Not Upholding against Buxton Water and Heineken). The rulings attracted significant media interest and some controversy with a strong division of opinion on whether the ASA was going too far in the examples upheld. The five rulings were only a small fraction of the over 300 complaints about gender stereotyping that we received about ads in all media, the vast majority of which we did not investigate.

The total number of TV ad rulings decreased to 61 in 2019 (107 in 2018). The number of times we overturned Clearcast advice decreased to 33 (52 in 2018). Those 33 represented just 0.05% of the total number of TV ads seen by Clearcast in 2019 (62,540), a lower proportion than in 2018 (0.08%). ‘Misleading impression’ remained the main problem area, as has been the case in all previous years except 2015. The ASA publicly supported Clearcast by Not Upholding on 28 occasions (55 in 2018).

There were 12 rulings about radio ads, down from 15 in 2018. There were six upheld rulings against Radiocentre advice, down from eight in 2018. All were cases in which our opinion differed from that of Radiocentre. In five of the six cases, the complaints were Upheld on the basis that the ad gave a misleading impression; the other because the ad was considered irresponsible. There were six Not Uphelds outcomes in cases with Radiocentre involvement, compared with seven in 2018. We discussed the findings with the Clearance Centres and are satisfied that the results did not raise any areas of concern.

Gambling continued to feature regularly in casework. Cases included the glamorisation of gambling through the depiction of Rhodri Giggs’ lifestyle in a Paddy Power ad (Upheld) and inappropriately exaggerating the chances of gambling success in a Bonne Terre Sky Bet ad (Upheld, but later overturned on review).

BCAP published consultations to explore the impact of equality legislation on the Advertising Code. It considered the outcome of the first half of GambleAware’s research project on children and gambling and produced a public response to that work, focusing on eSports, compliance enforcement, exposure/targeting and the “particular appeal” test. It considered a draft consultation document proposing scheduling and placement restrictions on cosmetic interventions’ advertising and gave in-principle agreement for a subsequent, wider call for evidence on body image in advertising.

The ASA also produced its second TV Exposure Report, showing a further decline in children’s exposure to HFSS advertising and a stable, low level of exposure to alcohol and gambling advertising.



Guy Parker

Chief Executive, Advertising Standards Authority (Broadcast)





Broadcast Committee of Advertising Practice

When CAP launched its new Gender Stereotyping rule and guidance in July 2019, we got a predictably rough ride from elements of the conservative commentariat. We also received a stream of supportive coverage, albeit with several regrets that we had not gone further.

That advertising's rules, created to protect the freedom of companies to promote their wares by ensuring that they do so responsibly, should seek to protect people from perceived harm arising from the use of gender stereotypes was decried by some as meddling, humourless, nanny-statism, trampling on creativity and free speech. To others, it was an overdue response to an obvious abuse, which still fell short of the promotion of gender equality required in an unjust society.

In a nutshell, this piece of work and its reception illustrate CAP's regulatory role and position.

Advertising, and the self-regulatory core of its rule-making process, exists only by the permission, tacit or explicit, of society. People may enjoy advertising and appreciate its usefulness, but they may not. They do not have to like or welcome all the ads they see, but they have at least to tolerate them on the grounds that they are a legitimate expression of the advertiser's business. That tolerance can wear thin if ads appear to abuse it by exploiting people, misleading them, needlessly offending them, or causing harm.

So the rules have to be in harmony with social mores and expectations. These, of course, are neither universal nor perennial: different sectors of society hold different views, and views change over time. Our rules must respect those differences, and also reflect such change by adapting and evolving.

The new Gender Stereotyping rule and its accompanying guidance was a high profile example of this, requiring rigorous research, consultation and drafting to develop. During the year, our response to the Government's HFSS consultation demanded much the same, as did our continuing work on gambling.



Supported by our diverse industry, advised to good effect by our consumer and practitioner panels, guided by the research, evidence-gathering and expertise of our Executive, the CAP and BCAP Committees have, I hope, been able to keep the UK's advertising codes up-to-date and effective, protecting consumers and responsible advertisers alike.

My thanks go to all those involved during the year, not just in devising policy, but in securing compliance to the Codes from the vast majority of advertisers in the UK, big and small, and in educating and training the thousands of practitioners who take advantage of our comprehensive services. I think BASBOF's funders have received excellent value!



James Best

Chairman of the Committee of Advertising Practice (BCAP)





A word from Hayden Phillips

In the year to the end of June 2020 I dealt with 16 requests for reviews of rulings of the ASA Council in relation to broadcast advertising, which is about the historic average and precisely the same as the year before. Most unusually I returned none of these cases to the Council for reconsideration

Below, I describe two cases which I reviewed and which, in my view, reflect the careful consideration which Council generally gives to its rulings.

The first was a ruling on TV advertising by Atlantic Therapeutics for a pelvic wrap-around garment or a pair of shorts, a product branded Innovo and designed to help women deal with the problem of incontinence. This was a lengthy and complex review as expert advice had been sought by the ASA and by the advertiser. The ASA upheld the complaints essentially because the advertiser had based their claims on a pilot study with only 19 participants which, given the ASA's high evidential standards, was never going to be sufficient to substantiate claims for strengthening the pelvic floor, improving incontinence and reducing leaks. While the ads did not explicitly claim to 'treat' or 'cure' incontinence the Council took the view, and I agreed, that there was an element of finality in the phrases used which implied a significant reduction or indeed elimination of the user's symptoms. Indeed, the ads went so far as to describe the efficacy of the products as "clinically proven" although this was based on an underpowered pilot study. I was surprised that Clearcast had passed the ad. However, I had a good deal of sympathy with the point of the product and, at the end of my review, I said that, speaking personally rather than officially, I hoped they would find an acceptable way of marketing their product as it seemed to me that this group of consumers deserved an alternative means of help to the traditional use of pads or surgery.

The second case was quite different and was a review request from a complainant on a Ruling which rejected his complaint about a TV ad for Cravendale, a dairy company. It is a pity I cannot show the ad in this report but I will try to do my best with words. The first sequence is a butler serving a woman with a white liquid in a wine glass. In answer to her obvious question he replies, "No madam. It's not milk". Next, during a tennis match, a player is handed a bottle of Cravendale, while a commentator says, "A quick break for milk" to which the answer is as before. There is a further similar sequence in an art



gallery and, at the end of the ad, large on–screen text stated, “FRESH MILK” and a voice–over said “..., it’s fresh milk filtered for purity by Arla Cravendale”. The Council voted by a narrow majority to ‘not uphold’ the complaints, a number of its members believing the ad would be taken literally. The subsequent review request was the shortest I have ever received. It argued that the Council had not taken account of a blind viewer who will not see the texts in the ad; nor had it considered what happens if someone missed the end of the ad and the clarification it contained. He said he failed to understand why such an ad was not misleading and he worried that someone allergic to milk would drink the product. I explained in reply that the ASA could not regulate ads on the basis of blind viewers nor on only partial viewing. And moreover, the ad was not to be taken literally as it was a play about things not being what they seem and then turning out to be precisely what they seem but better. But it was interesting the number of the Council who did not share that view despite the good sense of the reasoning of the majority.

I hope these cases illustrate how the process of independent review offers a fair way of questioning whether the decisions of the ASA Council are defensible and reasonable; and in these two very different cases why an explanation from me as the Independent Reviewer can underpin the careful judgements that the Council makes.



Hayden Phillips





Stephen Hemsted

Treasurer

FINANCIAL RESULTS FOR THE YEAR

The statutory accounts in the format required by the Companies Act 1985, and including the auditors' report, which was unqualified, have been lodged with the Registrar of Companies, and are available on request from the secretary. The Balance Sheet and Profit and Loss Account which follow, have been extracted from the statutory accounts.

BALANCE SHEET AT 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	£000s	£000s
Fixed Assets	<u>1</u>	<u>1</u>
Current Assets		
Prepayments	23	8
Cash at bank and in hand	<u>159</u>	<u>199</u>
	182	207
Less Current Liabilities	<u>30</u>	<u>68</u>
Net Current Assets	<u>152</u>	<u>139</u>
TOTAL ASSETS	<u>153</u>	<u>140</u>
RESERVES		
Profit & Loss Account	<u>153</u>	<u>140</u>



PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	£000s	£000s
Income:		
Basbof Levy	3297	3,312
Interest	<u>11</u>	<u>14</u>
Total Income	<u><u>3308</u></u>	<u><u>3,326</u></u>
Payments to Self-Regulatory Bodies:		
The Advertising Standards Authority	3017	2,970
Independent Reviewer	34	35
Broadcast Committee of Advertising Practice	33	35
Advertising Association	0	32
Other Self-Regulation costs	<u>26</u>	<u>7</u>
Total Self-Regulatory Payment	<u><u>3110</u></u>	<u><u>3,079</u></u>
Administrative Costs:		
Staff costs	141	175
Other operating costs	<u>40</u>	<u>43</u>
Total Admin Costs	<u><u>181</u></u>	<u><u>218</u></u>
Total Costs	<u><u>3291</u></u>	<u><u>3,297</u></u>
Profit (Loss) before Tax	17	29
Corporation Tax	4	6
Profit (Loss) after Tax	<u><u>13</u></u>	<u><u>23</u></u>



THE BOARD OF DIRECTORS OF THE BROADCAST ADVERTISING STANDARDS BOARD OF FINANCE LIMITED

The Board of Directors and Council

DIRECTORS AND MEMBERS OF COUNCIL as at 30 June 2020

Mark Lund	Chairman
Paul Bainsfair	IPA
James Best	BCAP
Magnus Brooke	CLEARCAST
Elizabeth Fagan	ISBA
Stephen Hemsted	Secretary
Yvonne Kintoff	RC
Niamh McGuinness	CLEARCAST
Adam Minns	COBA
Phil Smith	ISBA/EASA
Stephen Woodford	AA

Secretary & Treasurer: Stephen Hemsted

The eight associations represented are shown above by their initials

basbof is an independent body set up by the main organisations of those involved in advertising, and the associations now represented on the Board of Directors or by membership of the Council at 30 June 2020 are:

The Advertising Association	AA
Broadcast Committee of Advertising Practice	BCAP
Clearcast	CLEARCAST
Commercial Broadcasters Association	COBA
European Advertising Standards Alliance	EASA
Incorporated Society of British Advertisers	ISBA
Institute of Practitioners in Advertising	IPA
Radio Centre	RC



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