

basbof

Supporting Trust in Advertising

Annual Report 2020/21



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A word from Mark Lund

Basbof Chairman

The year 2020/21 has been a year of unprecedented upheaval, uncertainty and for many has seen a great deal of personal pain and loss. We began it in March 2020 going into full Covid lockdown and were there again as the year ended.

In the report last year, I spoke of our preparations for the pandemic's effects on the advertising market, the raising of the levy and thus the financial wellbeing of the self – regulation system that has served the UK well for forty years, underpinning the trust and health of a vibrant and successful market.

Our preparations were modelled on the shape and effects of the 2008/9 financial crisis which hit the advertising market very hard for more than 2 years. Asbof cut its own costs quickly and the ASA rose to the challenge magnificently creating an emergency budget with real speed and judgement, that allowed them to reduce costs for the year significantly while maintaining a core service of real quality, within the government's 'lighter regulation' framework.

The effect of the pandemic on the first two quarters of spend was predictably savage, with Q2 falling by 34%. But the health of the market was underlined by the way recovery started in the final part of the year and continued into Q1 of 2021 despite a renewed set of restrictions.

The effect of this, together with the savings made, meant that the cutting into accumulated funding reserves that we anticipated was largely mitigated. Within this the effect of the pandemic was predictably uneven with media such as OOH and Cinema being ravaged while TV and even more online fared much better. The net effect was that the Asbof levy fell by 7% during the year, Basbof by 13% and Masbof most significantly by 37%.



Within this though there were some encouraging developments for the health of the system. Our income both direct and indirect from Online media and Platforms continued to grow and is expected to reach 50% of the total in 2022.

Direct income was boosted by Google becoming a member and direct funder of EASA (benefiting the ASA) and Facebook increasing their funding significantly while newer platforms like Tiktok were very welcome additions to the funding system. In addition, Asbof and the ASA made outreach into the field of Influencer marketing and agencies to ensure that as they grow, they too play a part in funding. This, together with the continued measured growth of direct client income, has gone some way to reducing the structural imbalance in the funding system and has been aided by a new website and materials that explain much better the value exchange inherent in support for self-regulation.

This is timely as the year has also seen growing momentum behind legislation that may well impact advertising self-regulation. Asbof, together with the AA, ISBA and ASA remain closely vigilant of these developments. From a funding point of view our best defence remains a system that is healthily supported in a balanced way across the advertising ecosystem. We continue to fit our narrative within that of the AA's Trust agenda as the overall voice of the industry.

The ASA under the leadership of David Currie and Guy Parker, as well as reacting so commendably to the crisis continued to pursue an active and progressive movement towards more digital fluency, reflecting their five-year strategy of More Impact Online. They have made real progress in the use of AI and machine learning and the appointment of the ASA's first head of AI will pay dividends in the years ahead.

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.



In this context it is with great gratitude that we salute and say farewell to Stephen Hemsted, who is retiring from the post of CFO and Treasurer after 21 years of exemplary service. Stephen has been the backbone of Asbof/Basbof, not only during my term but also during those of my two predecessors. He has been a remarkable CFO and a most memorable colleague. We wish him the very best in retirement.

The year ahead will doubtless continue to pose more challenges, both predicted and unexpected, but the last 12 months has shown the reliance of the system when the industry comes together and I remain convinced that we will be able to preserve the relevance and vitality of the self- regulation system

A handwritten signature in black ink, appearing to read 'Mark Lund', is positioned above the printed name and title.

Mark Lund

Chairman





Advertising Standards Authority (Broadcast)

If 2020 began in a similar vein to 2019, that did not last. In the first two months, Brexit and climate change dominated the news. Pressure for tighter advertising restrictions in the gambling and HFSS¹ sectors traded places with societal concerns around online harms in demanding our attention. And within the ad industry itself, turning around low trust in advertising and putting ASA system funding on a more sustainable basis continued to be key themes. Then came Covid-19.

Our focus changed from delivering year two of our More Impact Online strategy — still vital — to responding to the pandemic. We successfully cut our budget by c20%, no easy feat when a quarter of the year was already gone. We moved seamlessly to working from home. We quickly adapted our day-to-day regulation. Most important, we successfully kept our staff safe and secure.

Despite the huge challenges, we made substantial progress on many fronts. We doubled-down on protecting children and people in vulnerable circumstances, including by focusing on misleading Covid-19 ads, launching a Scam Ad Alert system, and starting our Racial and ethnic stereotyping in ads project. We increased our use of technology, working with tech third parties and beginning to build our own data science team.

Our performance on our two priority KPIs was outstanding: we secured the amendment or withdrawal of 36,491 ads across all media (up 346% on 2019 and easily our record yet); and we exceeded our target of delivering 600,000 pieces of advice and training, achieving 722,376 (up 31% on 2019 and again our record yet).

Please see the Advertising Standards Authority report in the Asbof Annual Report for a fuller account of the ASA's combined non-broadcast and broadcast activities; the paragraphs that follow predominantly refer to broadcast activities.

¹ Foods and drinks high in fat, salt or sugar



In terms of broadcast complaints and cases, we resolved 15,011 complaints (up 39% on 2019) and 5,563 cases (down 3%), 38% of which related to ‘misleading’ issues (no change on 2019). We saw an increase in the proportion of cases where the issue was ‘harm’, due to an increase in a number of categories: gambling (both content and volume); complaints about the depiction of racial and ethnic stereotypes; and Covid-19 related issues such as concerns that people in ads were not socially distancing and/or wearing masks.

The most complained about broadcast ads were: Ryanair’s ‘Jab & Go’ TV ad, which over 2,300 viewers found misleading and which we banned; a Procter & Gamble TV ad for Tampax containing fairly graphic imagery, which 665 viewers found offensive but which we cleared; and ITV’s ‘Black Lives Matter’ ident, which 490 viewers objected to but, being an ident, fell outside our remit.

We met or exceeded all three-broadcast case turnaround KPIs (two out of three in 2019).

The total number of TV ad rulings decreased to 30 in 2019 (61 in 2019). The number of times we overturned Clearcast advice decreased to 14 (33 in 2019). Those 14 represented just 0.03% of the total number of TV ads seen by Clearcast in 2020 (50,839), a lower proportion than in 2019 (0.05%). ‘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 14 occasions (28 in 2019).

There were seven rulings about radio ads, down from 11 in 2019. There were six Upheld rulings against Radiocentre advice, the same as in 2019. All were cases in which our opinion differed from that of Radiocentre. In four of the six cases, the complaints were Upheld on the basis that the ad gave a misleading impression; one case was Upheld on the basis of insufficient evidence and the other because the terms and conditions were unclear. There was one Not Upheld outcome in a case with Radiocentre involvement, compared with seven in 2019.

We discussed the findings with the clearance centres and are satisfied that the results did not raise any areas of systemic concern.

BCAP (with CAP) published a joint consultation to respond to the final report on children and gambling advertising by GambleAware, including a recommendation to adopt the stricter ‘strong appeal’ test for the content of gambling ads, to offer further protection to under 18s.

BCAP inputted to ASA research into racial and ethnic stereotyping and also began to consider a proposal for a rule on the prevention of harm relating to depictions of or references to protected characteristics, to help fulfil its statutory duty to prevent the inclusion of harmful advertising in broadcast services.



BCAP and CAP's existing work on gender stereotyping was subject to a 12-month review during the same period to take account of ASA decisions under the new rule. The published review concluded that the rule and guidance were fulfilling their intended purpose, but that more cases relating to sexualisation, objectification and body image might be considered in light of the potential for harm, consistent with the rule, rather than only the potential for offence, under general provisions.

The ASA produced its third *TV Exposure Report*, revealing a further decline in children's exposure to all TV ads driven by a decrease in TV viewing amongst children. It also suggested that children's exposure to TV ads for alcohol was falling at a faster rate than their exposure to all TV ads. Meanwhile, children's exposure to gambling advertising on TV returned to similar levels observed at the beginning of the analysis period (2008).



Guy Parker

Chief Executive, Advertising Standards Authority (Broadcast)





Broadcast Committee of Advertising Practice

BCAP's year, like everybody else's, was hit by the COVID crisis. All three of CAP's divisions — Advice, Compliance and Regulatory Policy -- had members of their teams on furlough for significant periods, but work continued; and it was good work.

On the **Regulatory Policy** front, for instance, the team quickly responded to the boom in live streaming with a public statement on how the Code applies to advertising in that online environment — part of the ASA's drive to demonstrate its effectiveness online.

The rapid growth of Buy Now, Pay Later services similarly stimulated swift action, with new CAP guidance on their responsible advertising quickly produced.

Significant consultations were run on two issues of considerable public interest: gambling and in-game purchases. The first responded to GambleAware's research on problem gambling and the effect of gambling advertising on children; it is leading to further changes to the Codes. 'Random item' in-game purchases, which despite their elements of risk and uncertain reward are not legally classified as gambling, required a very careful appraisal to ensure adequate protection for users without straying beyond the boundaries of the Codes' remit.

Compliance were also able to demonstrate the ASA system's ability to respond with agility to emerging issues with a series of effective actions to quell COVID-generated advertising abuses. In harness with fellow-regulators including the CMA, MHRA and the Office for Product Safety & Standards, CAP/ASA issued Enforcement Notices and guidance concerning IV drip treatments, vitamin shots and air purifiers.

Another issue of considerable contemporary interest caused Compliance to take stern action. After monitoring over 24,000 social media posts from 122 influencers, they published findings showing a disappointingly low level of clear labelling of ads. Non-compliant influencers were put on notice of sanctions, resulting in a significant uplift in consistent labelling.



Advice showed its real value to the industry in the time of COVID, too. Advice Online entries were dedicated to pandemic-related issues including the depiction of COVID safety measures, antibody testing, disrupted promotional marketing, IV drips and vitamin shots, as well as current topics like deferred payment services, influencer marketing and loot boxes.

All in all, CAP's resources may have been depleted, but the systematic rotation of people and the sensible prioritisation of projects enabled the rare skills and commitment of all staff to achieve some telling work throughout the crisis. As ever, my thanks and those of our committees go to them.



James Best

Chairman of the Committee of Advertising Practice (BCAP)





A word from Hayden Phillips

The Independent Reviewer of the Rulings of the

In the year to the end of June 2021 I dealt with 35 requests for reviews of decisions/rulings of the ASA Council in relation to broadcast advertising. This was a staggering increase and I doubt whether this level of demand will ever be seen again. The vast majority of the cases were dealt with by the Council deciding that a formal investigation was not necessary (known in the in-house jargon as an NAICD case). I do not know what caused this surge of complaints, but I say to myself, and now to you, that the pandemic lockdown period drove people to watch more TV in a state of irritation with life which they took out on the ads they saw. I returned only one case to Council for a formal investigation.

I will describe that case, and one other, from the vast number from last year.

The first was a TV ad for Rightmove Ltd, an online estate agency. It showed a man trying to escape from his four young daughters' demands on his time. It gets so bad that he moves to a bigger house which gives him a garden shed where he can hide from them. There were 31 complaints about this ad which most believed showed unacceptable gender stereotypes. The Council disagreed. One complainant requested a review arguing that the man was portrayed as the victim of female harassment, with even the dog being female i.e. wearing a pink ribbon. On balance I concluded that it was a gender stereotypical ad with the pathetic male 'escapologist' being pursued by a 'monstrous regiment of women'; and that it was sufficiently extreme in its portrayal of the characters in my view to be harmful. I therefore instructed the ASA formally to investigate the complaint which I do very rarely. The Council subsequently decided that while the ad was full of stereotypes, they were not harmful so the ad did not breach the Code.

The second ad I will mention is one by Highways England about moving to the left on smart motorways if your car is in trouble. It receives my prize for being the most crass and tasteless ad I have seen in a long time. An overweight driver seeing his warning light is on then sees two humanoid flies arrive on his windscreen singing 'Go Left' to him. Unsurprisingly the ASA received 161 complaints about this ad. The trouble with the ad is that safety on smart motorways is a highly emotive issue and some of the complainants who asked me to review the Council's decision that the ad did not breach the Code had suffered bereavement in their families from death on such motorways. The ad was silly and lacked any dignity, but I could not see that the Council had erred in any way in finding it did not breach any Code rules. However, I was able to write to the three complainants who requested reviews in terms which I hope they found somewhat comforting.



Last year's range of broadcast cases covered advertising by Toyota, Kentucky Fried Chicken, cider, Starbucks, Cinch cars, erectile dysfunction and baldness, pet-care, mask-wearing, and vaccines, and many more. I had a rich selection on which to exercise my task of questioning whether the decisions of the ASA Council are defensible and reasonable.



Hayden Phillips

The Independent Reviewer of the Rulings of the ASA Council





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>2021</u> £000s	<u>2020</u> £000s
Fixed Assets	<u>1</u>	<u>1</u>
Current Assets		
Prepayments	6	23
Cash at bank and in hand	<u>198</u>	<u>159</u>
	204	182
Less Current Liabilities	<u>35</u>	<u>30</u>
Net Current Assets	<u>169</u>	<u>152</u>
TOTAL ASSETS	<u>170</u>	<u>153</u>
RESERVES		
Profit & Loss Account	<u>170</u>	<u>153</u>



**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2020**

	<u>2021</u> £000s	<u>2020</u> £000s
Income:		
Basbof Levy	2,877	3,297
Interest	–	11
Total Income	<u>2,877</u>	<u>3,308</u>
Payments to Self-Regulatory Bodies:		
The Advertising Standards Authority	2,595	3,017
Independent Reviewer	33	34
Broadcast Committee of Advertising Practice	30	33
Other Self-Regulation costs	16	26
Total Self-Regulatory Payment	<u>2,674</u>	<u>3,110</u>
Administrative Costs:		
Staff costs	136	141
Other operating costs	47	40
Total Admin Costs	<u>183</u>	<u>181</u>
Total Costs	<u>2,857</u>	<u>3,291</u>
Profit (Loss) before Tax	20	17
Corporation Tax	4	4
Profit (Loss) after Tax	<u>16</u>	<u>13</u>



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

DIRECTORS AND MEMBERS OF COUNCIL as at 30 June 2021

Mark Lund	Chair
Paul Bainsfair	IPA
James Best	BCAP
Magnus Brooke	CLEARCAST
Stephen Hemsted	Basbof
Yvonne Kintoff	RC
Niamh McGuinness	CLEARCAST
Phil Smith	ISBA/EASA
Martin Telling	IPA
Stephen Woodford	AA

Secretary & Treasurer: Stephen Hemsted

The seven 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 2021 are:

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



(company limited by guarantee and not having a share capital)

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