

**basbof**

# Annual Report 2023-2024

[advertisinglevy.co.uk](https://advertisinglevy.co.uk)



## Jackie Coomber

1956–2024

**Jackie was at the heart of the Basbof team for 18 years, it has been a great privilege for us to know and work alongside her as a dear colleague and trusted friend. Her warmth and good humour will be much missed. We send our love and best wishes to her husband Simon and all of their family.**

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# A word from Mark Lund OBE, Basbof Chairman



**2023/24 has been another buoyant year for the UK ad market with spend rising towards £40bn at a time when growth in overall GDP has been difficult. Objectively, this is due to two things. Firstly, the fact that bigger businesses continue to see advertising as an efficient and desirable way of building brand value, increasing pricing power and contesting market share. Secondly, that new businesses (and the UK continues to produce SMEs at a world beating rate – +60% since 2012) want to use it to build their revenues. Both these factors have been aided by the UK consumer’s desire to embrace a digital economy.**

From an Basbof point of view, the reason that advertising is valued by all these businesses is where the real interest lies. Advertising is valuable in the UK because it is engaging (continually in the world top 2 for creative awards) and it is trusted. We believe both these factors are greatly assisted by the UK’s world leading system of self-regulation which Basbof helps fund. Self-regulation governed by CAP and imposed by the ASA is light touch and agile. It allows creativity to breathe but keeps the industry closely allied to public taste and concerns. And because the industry is closely involved in writing the governing codes via CAP the industry is more complicit in observing the rules than it would be if they were externally imposed.

Because of both these factors, levels of trust in UK advertising are again rising (against a trend of declining trust in many institutions). We would therefore argue that the way advertising is regulated in the UK is an inherent part of its atypical success. And this means that preserving the funding security of the system (the responsibility of Basbof) is paramount. As the dynamic and rapidly changing market alters how and where advertising money is spent, we are constantly concerned to ensure that we are keeping up with it to capture the requisite funding.

During 2023/24, the work that Basbof does to develop dialogue with those who are new to paying the levy, or who are being missed by it, has continued apace.

We have contacted the breed of new, sizeable media agencies who are not currently signed up to collect the levy from their clients. Many of these agencies have grown out of a pure digital performance or search background and have not historically been part of the ASA system. As their clients and business have grown, they are now handling work that is definitely part of the self-regulation system. We are working hard on bringing them, and thus their clients, into the levy paying system.

“ During 2023/24, the work that Basbof does to develop dialogue with those who are new to paying the levy, or who are being missed by it, has continued apace.

We have also begun dialogue with the important and rapidly growing Influencer marketing sector, through their trade body, IMTB. Influencer marketing is already worth more than £1bn in the UK and some projections see it as high as £5bn in four years’ time. With so much advertiser and consumer interest it is vital that we spread awareness within, and attract levy funding from, this channel.

And thirdly, aided by our valuable partners at ISBA, we have been in touch with all the major UK advertisers who advertise significantly both via media agencies but also direct. We are seeking to raise levy income on their direct spend as well as their agency spend. Early results are positive and encouraging, and the UK’s major advertisers remain strong and committed supporters of the self-regulation system.

The ASA continues to be recognised as a world class regulator and we were delighted to have fed into the ASA’s new five-year strategy, AI-Assisted Collective Ad Regulation, which sets out a clear and visionary direction for ASA to continue its journey towards larger scale, proactive regulation. Alongside the very talented executive team, the Chair, Lord Currie, has been vital to this strategic evolution. As he steps down after 7 years at the end of 2024, the industry overall, and the ASA System, owe him a great debt of gratitude for his inspiring and future focussed time as Chair. We are delighted too, to welcome a new Chair in November, Baroness Nicky Morgan, chosen after a highly competitive process managed by Saxton Bampfylde on behalf of the Basbof board.

I would also like to extend thanks to Guy Parker and Shahriar Coupal at the ASA and to James Best who continues as an exceptional chair of CAP. In the independent reviewer role Hayden Phillips’ judgements continue to be exemplars of concise thoroughness.

I would also like to extend my thanks to Basbof’s high quality staff and to the Board who continue to offer challenge and support in excellent proportions.



**Mark Lund OBE**  
Chairman





# Advertising Standards Authority (Broadcast)



**2023 was a watershed year for our digital transformation, with an exponential increase in our use of our AI-based Active Ad Monitoring system (AAMs), to capture online ads at scale for intelligence-gathering and, particularly, monitoring and enforcement purposes. In December 2022, we ran approximately 20k ads through what we now call AAMs. By December 2023, it was over 600k, a thirty-fold increase. In 2023, we ran c3m ads through AAMs. In 2024, we forecast we will run over 20m ads through AAMs.**

Access to ads was a priority throughout the year. We made progress on a number of fronts, helped by platforms rolling out ad libraries to meet EU Digital Services Act requirements (we are able to make use of those, although in many cases our access is not optimal) and a deal we signed with a third-party ad provider in December. Gaps remain and we will focus in 2024 on getting better access to ad libraries and improving access to organic and influencer posts.

Data science supported work on ad-related topics including climate change and the environment, gambling, prescription-only medicines, influencer disclosure, finance, cosmetic tourism and mini-heaters. Our use of data science helped identify the cases behind 23 published rulings in 2023 (7%). It also played a role in c70% of ads amended and withdrawn.

Following the publication of an interim report in July, our final report on the Intermediary and Platform Principles (IPP) Pilot concluded it had been a success. In November, we agreed terms of reference for the evaluation of the Pilot that will look back on lessons learned and look forward to the bases on which we aspire to develop IPP into a permanent regulatory framework of the ASA system. That happened against the backdrop of the Online Safety Act becoming law and the Online Advertising Programme (OAP).

Government consulted us extensively ahead of its response to its OAP consultation and the Taskforce that emerged from it. I am on the Taskforce, which is looking to co-ordinate non-legislative solutions to the in-scope harms, and lead its group reporting on IPP. We are also represented on the other Taskforce working groups covering research, age-assurance, influencer marketing, information-sharing and scam ads. Officials continue to consult us on the technicalities of new OAP legislation, but there was no legislation before the 2024 General Election.

Throughout the year, we worked with DCMS, DHSC and Ofcom to prepare for implementation of the Government's new legal restrictions on advertising for Less Healthy Foods on TV, in on-demand programme services and online. In July, Ofcom officially designated us for that purpose and in December, BCAP published a consultation on the restrictions.

We made good progress on multiple regulatory projects, many involving working closely with other regulators. One project worth singling out is our Climate change and the environment project, where we made significant progress across all our priority areas, including claims in the energy/heating, transport, green disposal and food sectors. With high priority rulings in 2023, particularly in the energy, water and airline sectors, our regulatory leadership on green claims is very much established, but it came at the cost of advertiser concern that we are providing insufficient clarity and encouraging ‘greenhushing’. Our well run and very well attended November ‘Greenspeaking with confidence’ event, at which we also launched our new strategy, was but one of our efforts to reassure industry on that front, but we have more work to do in 2024.

In 2023, we invested 34% of our direct service resource in regulatory projects, our highest ever. Add in preventative activities and the preventative/proactive total was 52% versus 45% on reactive complaints casework, again the best ever. We have, therefore, already met our end of 2028 target of investing more in the former than the latter and we are now exploring how much further we can go, recognising of course that we must do enough reactive complaints casework, given the benefits that work and particularly our rulings deliver. That thinking is part of a ‘whole systems’ project approach review, which will also explore the structural changes, cultural changes, process changes and trade-offs we need to continue our rebalancing.

We managed our finances to make budget available to pay a 7% cost-of-living award which, like the one-off cost-of-living bonus in 2022, was welcomed by staff at a financially challenging time for many. We made some changes following our Hybrid Working review, including introducing four Castle House days that have so far proved popular, but the main finding of the review was a positive one: most staff are happy with our 40:60 policy. Our People Strategy remains work-in-progress, but the delay is not holding up activities; in fact, it was useful in allowing us to reflect in the People Strategy our new five-year strategy.

In November, we launched that new strategy: AI-assisted, Collective Ad Regulation. It landed well both internally and externally. And there is already serious thinking being done on the (continued) organisational transformation we need to deliver, against the backdrop of mid-/long-term funding uncertainty, given the digital funding gap and our current budgetary growth phase.

The combined outputs of our tech-assisted monitoring and enforcement, other compliance activity and complaints-based activity led to 27,378 ads being amended or withdrawn in 2023. That was down 12.3% on 2022. We delivered 1,369,887 advice and training Touchpoints, an increase of 32% on last year and above target. Complaints and Investigations performed well against its targets: 331 rulings (v 280 in 2022); 4/6 case-types meeting or exceeding our turnaround targets (4/6 in 2022); and good performance against our quality and productivity targets.

With fewer ‘big ticket’ projects or announcements to publicise in 2023, a focus of our media relations activity was on rulings coverage. Highlights included: our first in a series of rulings involving ads for cosmetic surgery abroad; highly positive coverage of our upheld environment rulings involving Lufthansa, Etihad, Repsol, Shell, Petronas and Anglian Water; and heavily promoting multiple gambling rulings following the introduction of CAP’s more restrictive ‘strong appeal’ rule.

Our IT was robust and we attained Cyber Essentials Plus. We have work to do getting the best out of MS365 and looking for other efficiencies from our non-data science tech.

In Q1, we updated our Three-Year Forecast to cover the period 2024 to 2026. We underspent our budget significantly, missing our 98.5–101.5% target. But that proved helpful given the current discussions with Basbof about the broader funding challenge.



**Guy Parker**  
Chief Executive – Advertising Standards Authority



# Broadcast Committee of Advertising Practice



**Every week, the ASA publishes its latest rulings: the ‘bad ads’ it has identified, investigated and ruled on — usually against, resulting in bans or enforced changes. Like the police revealing their high-profile arrests, this shows an effective system in action.**

But perhaps the ASA system’s most far-reaching actions are less visible. The CAP Executive’s three disciplines — Regulatory Policy, Advice & Training and Compliance — are constantly at work with large and small advertisers, media owners and agencies to prevent or forestall the ‘bad ads’ ever running. Education and prevention first, punishment where necessary.

That work was as intense in 2023/24 as ever. Regulatory Policy (RegPol in the jargon) considered the evolution of our rules and guidance in response to new legislation, innovative technologies, consumer research, societal concern or industry interest. Their projects covered environmental claims, Less Healthy Foods, advertising in podcasts and in computer games, vaping, the role of advertising in harms arising from people’s body image anxieties, post-Brexit legal developments and the first stirrings of Generative AI in our industry, while age-restricted categories such as alcohol and gambling remained the subject of continual watching briefs.

Advice & Training is a crucial CAP service to the ad industry. Underpinned by a searchable online database of our advice articles, a programme of interactive e-learning, online webinars, face-to-face training sessions and regular newsletters reached tens of thousands of people working in marketing and advertising during the year. In an industry prone to the rapid turnover of individuals and the roles they

play, education in keeping their ads ‘legal, decent, honest and truthful’ is always a priority.

For those who stray over the line in their advertising, Compliance acts to ensure their work is corrected in line with ASA adjudications and our Codes, and in the very few cases of continued non-compliance, to censure or apply sanctions to them. With the massive proliferation of small advertisers online, including influencers and SMEs, many not readily familiar with the regulatory system, breaches of the rules, whether deliberate or inadvertent, are inevitable, but the quiet diplomacy of our Compliance team, aided by the ASA’s data science monitoring resource, is increasingly impactful in resolving the issues.

So, generally out of sight of the public or politicians, the CAP Executive and our industry work together to keep UK advertising responsible as well as effective, year in, year out, for which I am thoroughly grateful.

**James Best**  
Chairman of the Committee of Advertising Practice (CAP)



# A word from Hayden Phillips

## The independent reviewer of the Rulings of the ASA Council



**In the year to end of June 2024 I received 11 requests for review of broadcast ad decisions made by the ASA Council of which only 4 were formally investigated by the ASA. Two cases were ineligible as the decisions involved had not been made by the Council. All the requests save 2 were from complainants.**

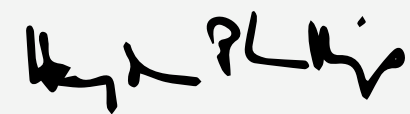
To illustrate my work in the last reporting year I have chosen one Marks & Spencer ad for its beef (requested by the advertiser) and one by Karo Pharma for E45 cream (requested by a complainant).

The M&S beef ad was both TV ad and a VOD which involved a visit to a farm by the chef Tom Kerridge and a discussion with one of its owners. The central issue in the case was whether the ad would be understood by the average consumer to be about the one particular farm visited or about M&S beef more generally. I concluded that the ruling was justified in taking the latter view. I noted that the ads closed with a reference to “100% traceable British beef from select farms we know and trust” which, it seemed to me, went well beyond a single farm. I told M&S that given the beef from their integrated farm systems made up only 8.4% of M&S’s total beef supply the ad seemed to me to be misleading. I explained that while I recognised that M&S contested my view with passionate intensity I could only refuse to accept the Council’s interpretation of the ad if I decided that their view was either irrational or indefensible. I could not see that it was either.

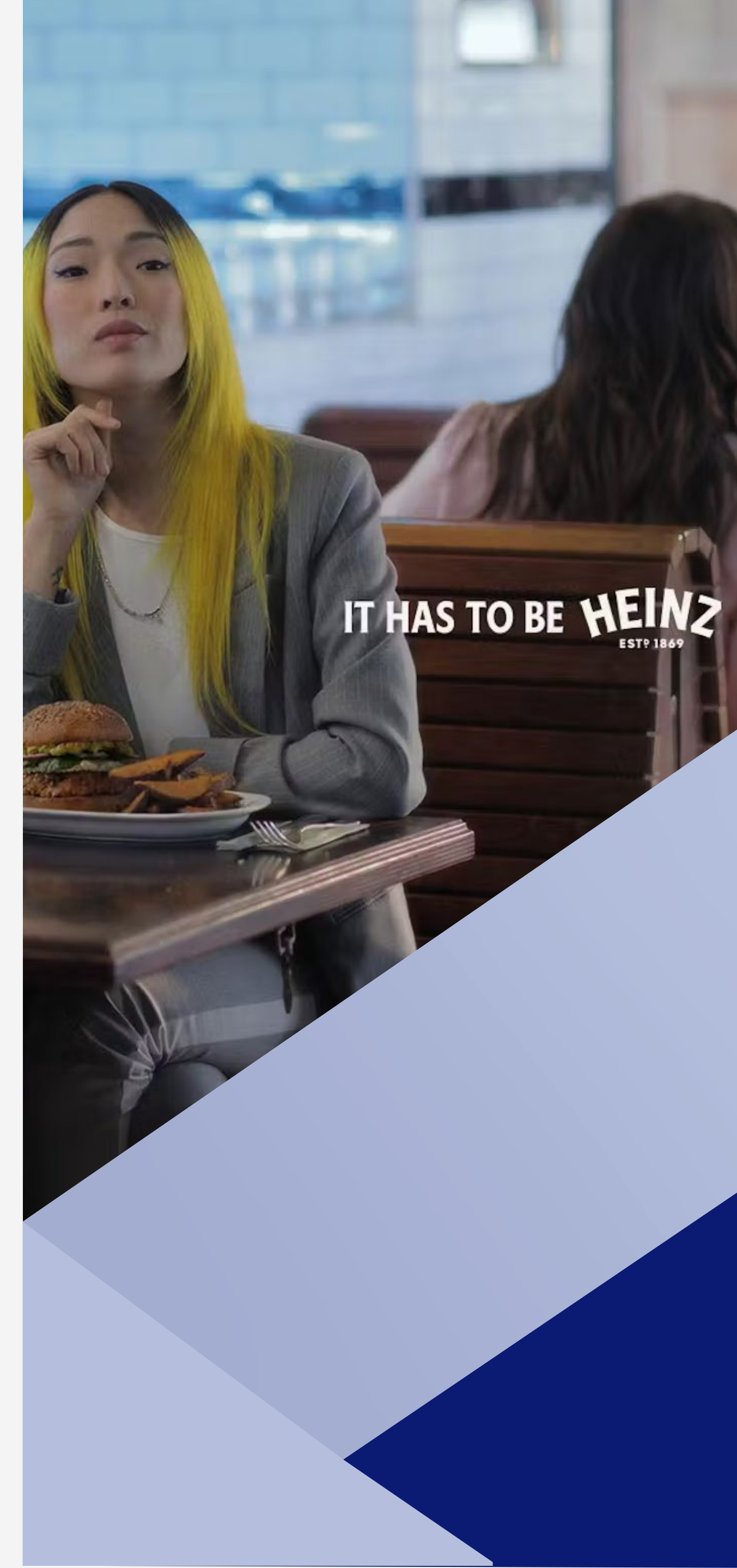
The other principal issue I had considered were the claims “great for the environment” and “brilliant for sustainability” phrases with which Tom Kerridge concluded the TV ad. I told M&S that while I was happy to recommend that the ASA should review its judgement about these claims my own view was that they went just a bit too far. Had the claims said “better for the environment .... better for sustainability” I thought the ad would have been on safe ground. The same to my mind was true of another claim “lowest carbon footprint in the industry”. It would have been safer if the ad had said something like “no beef rearing in the industry has a lower carbon footprint”. I said I knew that these suggestions lacked the punch of the original but it was the risk of exaggeration in the ‘punch’ which created the problem over interpretation. I added that it would take very little in my view to make the ads compliant; and that given M&S’s commitment to improved sustainability, I hoped they would be able to get that right.

“ To illustrate my work in the last reporting year I have chosen one Marks & Spencer ad for its beef (requested by the advertiser) and one by Karo Pharma for E45 cream (requested by a complainant).

The Karo Pharma TV ad for E45 skin cream was about transitioning women in a variety of scenes. It appeared at 10 am on Channel 4 and had a scheduling restriction to ensure it did not appear around children’s programmes. The ASA had concluded that the ad told a story about trans womens’ experiences in transitioning and care for their physical and mental health. It showed circumstances where the transitioning might cause skin colour changes. The Council concluded that the ad was not harmful or irresponsible. The complainant who requested a review had argued that the Cass report made it clear that children had been medicalised into transition with little or no evidence and that the ad was negligent. In response I pointed out that this was not the only finding of the Cass report, which did not seek to delegitimise the rights of transitioning people. I said that I did not consider the Council’s decision was either irrational or indefensible.



**Hayden Phillips**  
The Independent Reviewer of the Rulings of the ASA Council





## 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.

**Robin Price**  
Secretary & Treasurer

## Balance Sheet at 30 June 2024

	<b>2024</b>	<b>2023</b>
	£000s	£000s
<b>Fixed Assets</b>	-	-
<b>Current Assets</b>		
Prepayments	20	18
Cash at bank and in hand	299	278
	<u>319</u>	<u>296</u>
Less Current Liabilities	81	84
<b>Net Current Assets</b>	<b>238</b>	<b>212</b>
<b>Total Assets</b>	<b>238</b>	<b>212</b>
<b>Reserves</b>		
Profit & Loss Account	<u>238</u>	<u>212</u>

## Profit and loss account

For the year ended 30 June 2024



	2024	2023
	£000s	£000s
<b>Income:</b>		
Basbof Levy	2,933	2,941
Interest	47	27
<b>Total Income</b>	<b>2,980</b>	<b>2,968</b>
<b>Payments to Self-Regulatory Bodies:</b>		
The Advertising Standards Authority	2,608	2,610
Independent Reviewer	30	30
Broadcast Committee of Advertising Practice	38	36
Other Self-Regulation costs	16	3
<b>Total Self-Regulatory Payment</b>	<b>2,692</b>	<b>2,679</b>
<b>Administrative Costs:</b>		
Staff costs	198	194
Other operating costs	58	69
<b>Total Admin Costs</b>	<b>256</b>	<b>263</b>
<b>Total Costs</b>	<b>2,948</b>	<b>2,942</b>
<b>Profit (Loss) before Tax</b>	<b>32</b>	<b>26</b>
Corporation Tax	6	6
<b>Profit (Loss) after Tax</b>	<b>26</b>	<b>20</b>

# The Board of Directors of the Broadcast Advertising Standards Board of Finance Limited

## Directors as at 30 June 2024

Mark Lund OBE  
Chair

Yvonne Kintoff  
RC

Martin Telling  
IPA

Paul Bainsfair  
IPA

Niamh McGuinness  
CLEARCAST

Stephen Woodford  
AA

James Best  
CAP

Robin Price  
basbof

Magnus Brooke  
CLEARCAST

Phil Smith  
ISBA

**Secretary & Treasurer:**  
Robin Price

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 as at 30 June 2024 are:**

**ADVERTISING  
ASSOCIATION**



**I S B A**



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

**Registered office:**

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Website: [advertisinglevy.co.uk](http://advertisinglevy.co.uk)

Registered in England No. 1195756

**basbof**

Supporting Trust in Advertising

