

2014

Cross Border Complaints Report



EASA

EASA - the European Advertising Standards Alliance is the single authoritative voice on advertising self-regulation. EASA promotes high ethical standards in commercial communications by means of effective self-regulation, for the benefit of consumers and business in Europe and beyond.

Effective advertising self-regulation helps ensure responsible advertising, meeting consumers' demand for honesty and transparency, regulators' demand for responsibility and engagement and businesses' demand for freedom to operate responsibly. EASA and its members have developed a robust and coherent system of advertising self-regulation that can respond effectively to new challenges.

EASA is not a Self-Regulatory Organisation (SRO) in itself, but acts as a co-ordination point for best practice in the implementation of self-regulation, as well as operational standards for its national SRO members. Part of EASA's role involves coordinating the cross-border complaint mechanism, EASA also collects and analyses top line statistical data on received and resolved complaints, as well as on copy advice requests and pre-clearance from its SRO members each year.

EASA was set up in 1992 to represent national self-regulatory organisations in Europe, in 2004 it developed into a partnership between national advertising SROs and organisations representing the advertising industry. Today, EASA is a network of 54 organisations committed to making sure advertising is legal, decent, honest and truthful. EASA's membership is made up of 38 SROs from Europe and beyond, and 16 advertising industry associations, including advertisers, agencies and the media. EASA is a not-for-profit organisation with a Brussels-based Secretariat. For further information please visit www.easa-alliance.org.

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Key Findings

This report clearly shows how the EASA's SRO (Self-Regulatory Organisation) network ensures that the Cross-Border Complaints (CBC) mechanism works. Cross-border complaints are complaints about advertisements originating in media or from advertiser based in another country to that of the complainant. The EASA Secretariat co-ordinates this type of complaints through the system that has been in operation since 1992, when it was set up in response to the creation of the Single Market and the resulting need to address problems whereby advertising circulated in one EU Member State was carried in media originating in another.

- In 2014, EASA registered a total of 158 cross-border complaints, 35% more than in 2013. Of all the cross-border complaints received, 129 were resolved over the course of 2014, and 22 were still under investigation at the end of 2014
- Advertisements from France and Ireland generated the highest number of cross-border complaints
- The majority of cross-border complaints were lodged by UK complainants
- 20% of cross-border complaints resolved were upheld
- 29% of cross-border complaints resolved were not upheld
- Misleading advertising was the main issue complained about
- Digital Marketing Communications was the most complained about medium
- Leisure services, gambling and lotteries and financial services were the three most complained about sectors
- The majority of cross-border complaints were resolved within three months

1 The Total Number of Cross-Border Complaints Received/Resolved

In 2014 EASA's SROs received and resolved 129 cross-border complaints

In 2014, a total of 148 cross-border complaints were resolved. In the course of the year, EASA received a total of 158 cross-border complaints. Of the 158 cross-border complaints received in 2014, 129 were resolved in 2014, and 29 were still under investigation at the end of 2014. The analysis that follows in this report focuses exclusively on the 129 complaints that were received and resolved during 2014.

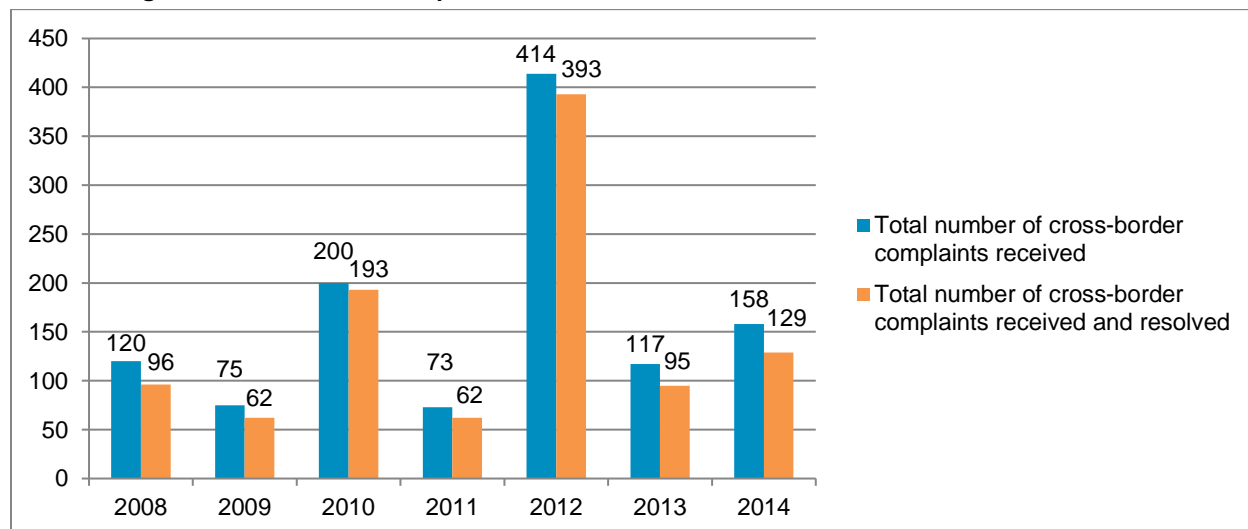
Table 1: Total number of cross-border complaints received between 2008 and 2014

Year	Total number of complaints received	Total number of complaints received and resolved
2014	158	129
2013	117	95
2012	414	393
2011	73	62
2010	200	193
2009	75	62
2008	120	96

Source: Annual Cross-Border Complaints Report 2014

A comparison with the previous years shows that the general average of complaints is increasing. This suggests that advertising self-regulation is effective since European consumers are complaining about advertising regardless of the origin of the advertisement as well as increased awareness of the local self-regulatory systems as a means to lodge complaints. In recent years the majority of cross-border complaints concerned misleading advertising for products and services available online.

Figure 1: Cross-border complaints received/received and resolved between 2008 and 2014



Source: Annual Cross-Border Complaints Report 2014

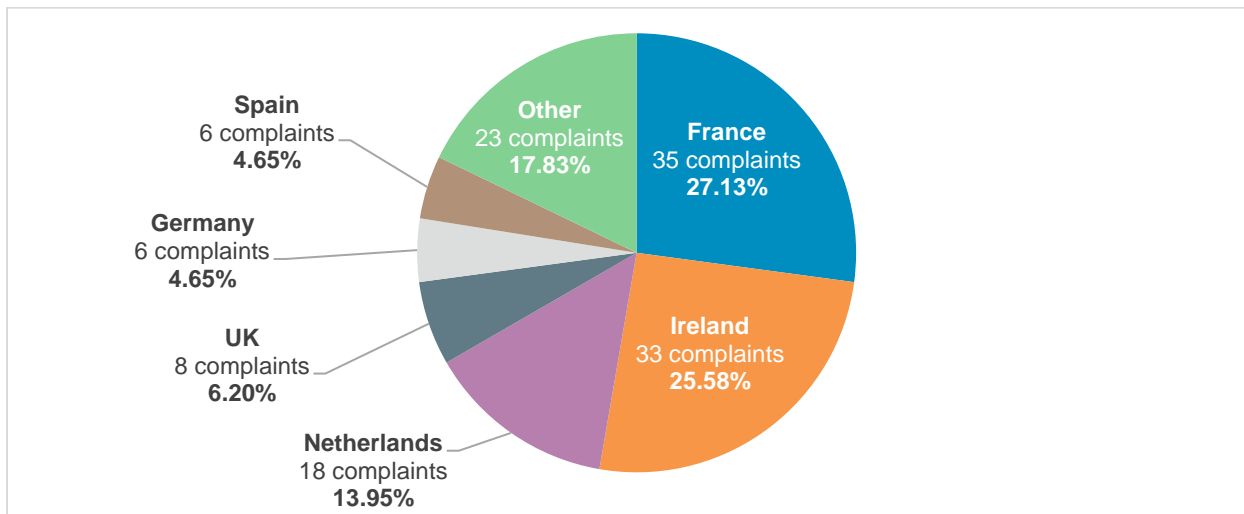
2 The Country of Origin

Ads from France and Ireland generated the highest number of cross-border complaints in 2014

The EASA Cross-Border Complaints System requires that all advertisements comply with the advertising laws and codes in the relevant country of origin, that is to say, the country in which the medium carrying the advertisement is based; in the case of direct mail and Digital Marketing Communications (DMC), the country in which the advertiser is based; and in the case of Online Behavioural Advertising (OBA), the country in which the principal decision-making presence is¹.

In 2014, advertisements from France and Ireland generated the highest number of cross-border complaints, 27.13% and 25.58% complaints respectively.

Figure 2: Cross-border complaints per country of origin in 2014



Source: Annual Cross-Border Complaints Report 2014

Regarding the advertisements originating in France, UK complainants filed the majority of cross-border complaints about these ads (94.29% complaints). The highest share of the complaints about ads originating in France, 57.14%, were provoked by advertising contravening taste and decency rules, which included one particular French TV advertisement for financial services which generated 16 cross-border complaints. The remaining 42.86% complaints were prompted by misleading direct marketing.

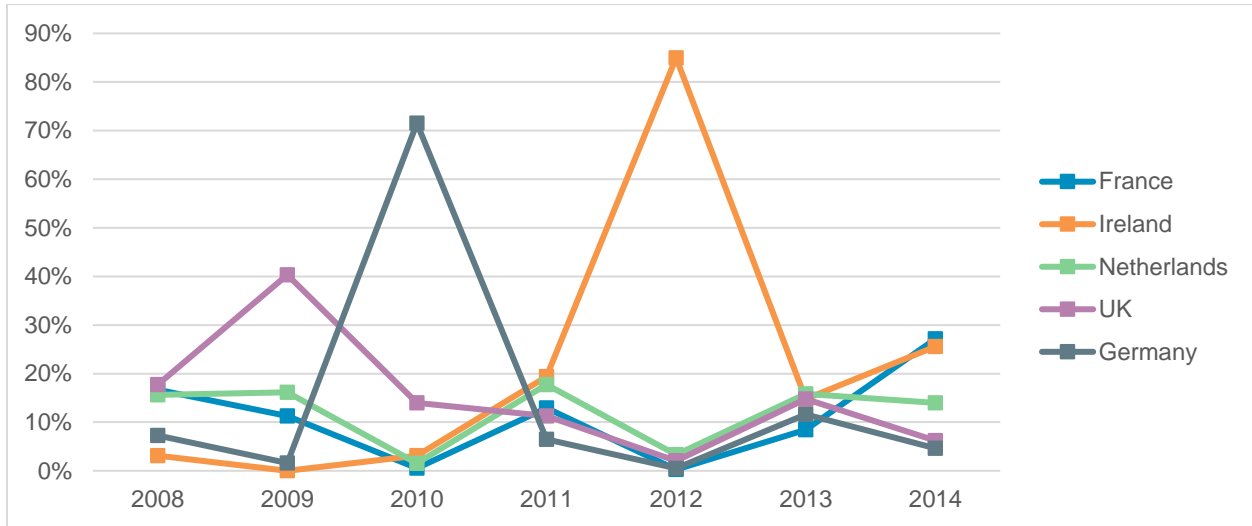
Regarding the advertisements originating in Ireland, UK complainants lodged 96.97% of complaints about these ads. The majority of the complaints (81.82%) concerned one particular advertiser, an Irish online betting platform. The complainants found advertisements for this

¹ Switzerland, as a non-member of the EU, requires advertisements addressed by Swiss-based advertisers to consumers in other countries to comply with the rules in those countries (country of destination). Consequently, in such cases, the Self-Regulatory Organisation (SRO) in the complainant's country assesses the complaint on the basis of its own national rules before passing it to the Swiss SRO, which communicates the decision to the advertiser.

advertiser that allegedly in breach of taste and decency rules (54.55%) as well as misleading (27.27%).

When comparing the results with previous years, it becomes apparent that the share of complaints about ads from France, Ireland and the Netherlands remained high, whilst complaints about ads coming from the UK and Germany decreased.

Figure 3: Cross-border complaints per country of origin between 2008 and 2014 (FR, IE, NL, UK, DE)



Source: Annual Cross-Border Complaints Report 2014

Table 2: Cross-border complaints per country of origin between 2008 and 2014

Country	2008	2009	2010	2011	2012	2013	2014
France	16	7	1	8	1	8	35
Ireland	3	0	6	12	334	14	33
Netherlands	15	10	3	11	13	15	18
UK	17	25	27	7	8	14	8
Germany	7	1	138	4	2	11	6
Spain	1	3	4	6	10	8	6
Belgium	5	0	1	2	3	3	4
Italy	0	0	1	1	2	1	4
Australia	0	0	0	2	0	2	2
Canada	0	0	1	2	1	3	2
Romania	0	0	2	0	0	0	2
Slovakia	0	1	1	0	14	2	2
Austria	30	10	0	1	1	1	1
Cyprus ²	-	-	-	-	-	1	1
Greece	1	0	0	0	0	1	1
Hungary	0	0	0	0	0	0	1
Lithuania	0	0	0	0	0	1	1
Luxembourg	0	0	0	1	0	2	1
Sweden	0	0	0	2	1	0	1
Other	1	5	8	3	3	9	0
TOTAL	96	62	193	62	393	95	129

Source: Annual Cross-Border Complaints Report 2014

² The Cypriot SRO, CARO, joined EASA in 2012.

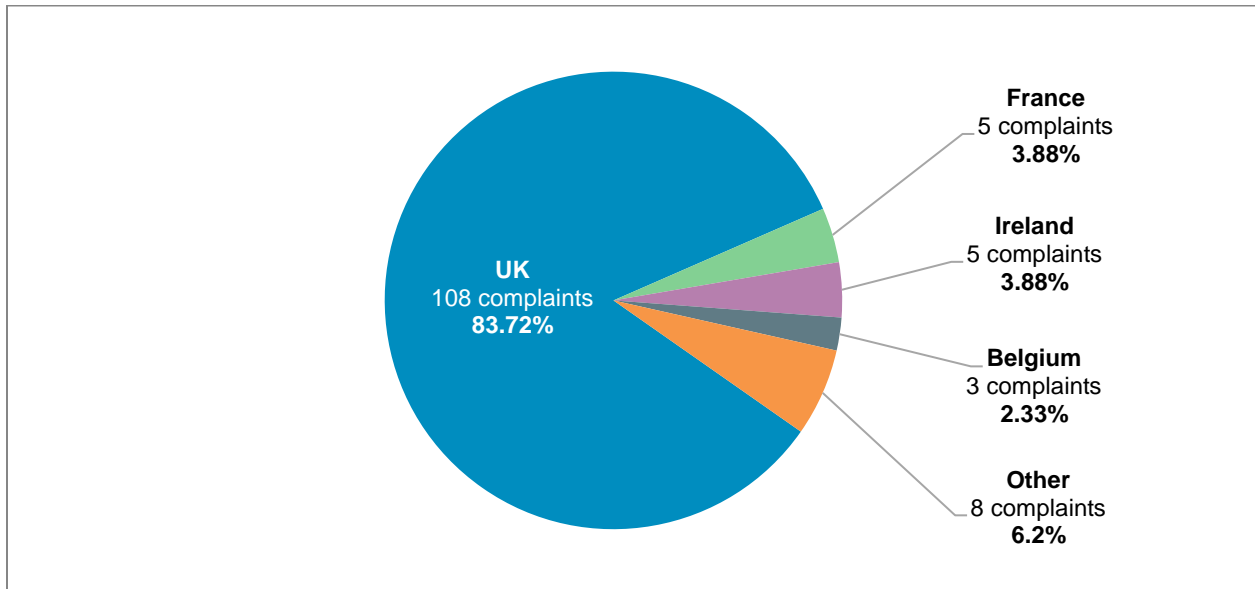
3 The Origin of Complainant

84% of cross-border complaints were lodged by UK complainants

In 2014, UK complainants lodged most of the cross-border complaints (83.72%). UK complainants challenged advertisements originating from 17 different countries. Advertisements from France (30.55%) and Ireland (29.63%) were amongst the most complained about by UK complainants. The majority of these cross-border complaints (62.04%) were about alleged misleading advertising.

At 3.88%, French and Irish complainants came second when ranking countries on the basis of number of cross border complaints filed by complainants. Belgian filed further 2.33% of complaints. The remainder of the cross-border complaints (6.2%) were lodged by complainants coming from Greece, India, Israel, Netherlands, Spain and Sweden.

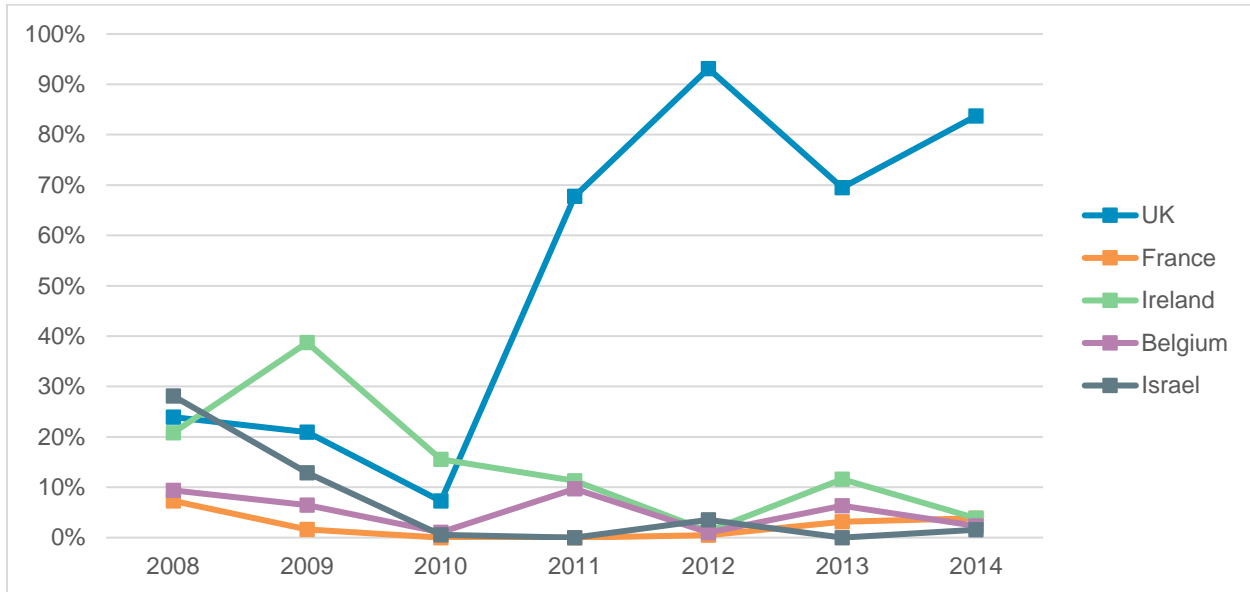
Figure 4: Advertisements complained about per country of origin of complainant in 2014



Source: Annual Cross-Border Complaints Report 2014

It is evident that that over the years UK complainants have reported the greatest share of cross-border complaints. This trend has remained unchanged since 2010.

Figure 5: Cross-border complaints per country of origin of complainant between 2008 and 2014 (UK, FR, IE, BE, IL)



Source: Annual Cross-Border Complaints Report 2014

Table 3: Cross-border complaints per country of origin of complainant between 2008 and 2014

Country	2008	2009	2010	2011	2012	2013	2014
UK	23	13	14	42	366	66	108
France	7	1	0	0	2	3	5
Ireland	20	24	30	7	5	11	5
Belgium	9	4	2	6	4	6	3
Israel	27	8	1	0	14	0	2
Spain	2	0	2	0	1	0	2
Greece	1	1	0	0	0	0	1
India	0	0	0	0	0	0	1
Netherlands	0	1	0	0	0	3	1
Sweden	0	0	0	0	0	1	1
Other	7	10	144	7	1	5	0
TOTAL	96	62	193	62	393	95	129

Source: Annual Cross-Border Complaints Report 2014

4 Outcome of Resolved Complaints

29% of cross-border complaints were not upheld, while 20% were found to be in breach of the advertising codes

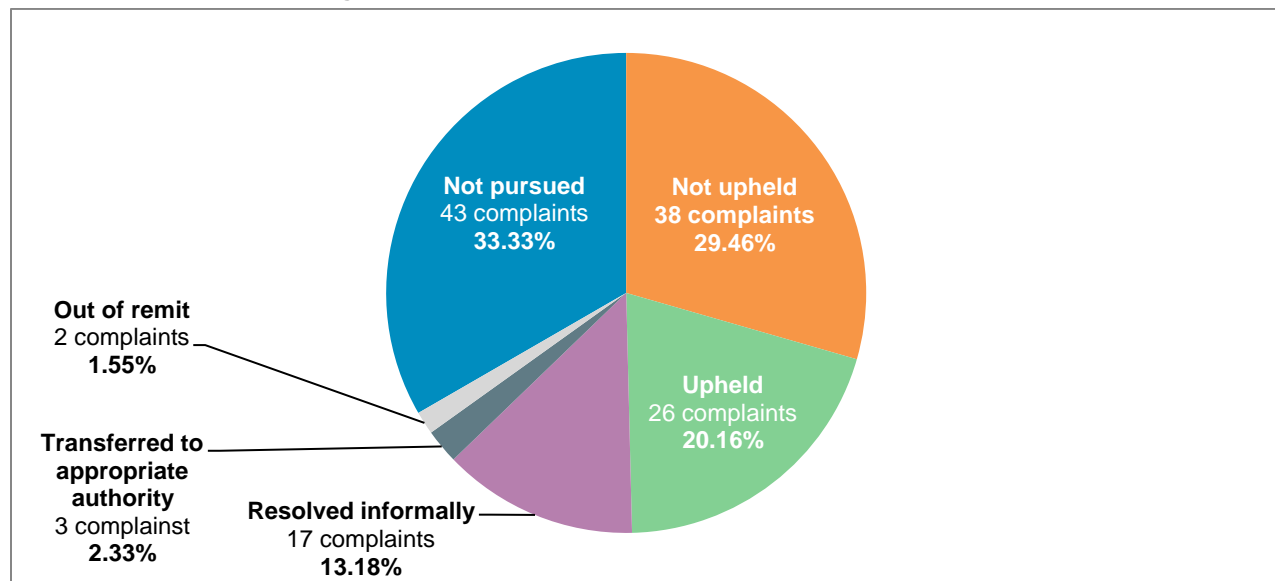
In 2014, more than a fifth of cross-border complaints (20.16%) were upheld. In these cases the relevant SRO jury considered the ad complained about in breach of the advertising code. Nearly a third of complaints (29.46%) were not found to be in breach of the relevant advertising code and were therefore not upheld.

Most of complaints (33.33%) fell into the “not pursued/not investigated” category. This means that complaints are within remit but could not be pursued further, mainly because complainants did not provide enough information.

13.18% of complaints were resolved informally. When resolving cases informally, SRO requests an assurance from the advertiser that the ad will be suitably amended or withdrawn. Cases when the advertiser contacted the complainant directly in order to solve the problem by means of compensation or reimbursement were also considered as resolved informally.

Finally, 2.33% of complaints on average were referred to the appropriate regulatory body.

Figure 6: Cross-border complaints per outcome in 2014

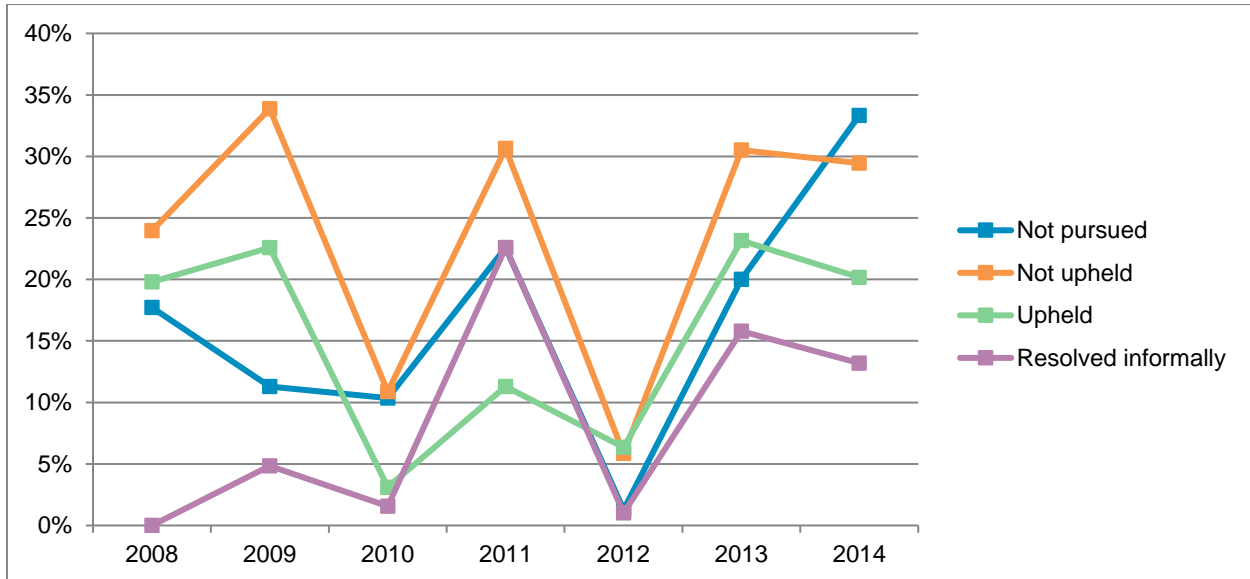


Source: Annual Cross-Border Complaints Report 2014

Looking at the data on the outcome of cross-border complaints between 2008 and 2014, a great fluctuation can be observed between 2008 and 2013.

However, when compared to 2013, the figures for not upheld, upheld and resolved informally complaints remained relatively stable, whilst the number of complaints that were not pursued increased by 66.65%.

Figure 7: Cross-border complaints per outcome between 2008 and 2014³



Source: Annual Cross-Border Complaints Report 2014

³ The figure excludes the following categories: “Transferred to appropriate category” and “Out of remit” due to anomalies occurred in 2010 when unusually high number of complaints against one particular advertisement originating in Germany were transferred to appropriate authority; and in 2012 when unusually high number of complaints against one particular advertisement originating in Ireland were out of remit. Outcome of rulings concerning both advertisements distort the image of outcome for cross-border investigations over the course of years.

5 Issues Complained About

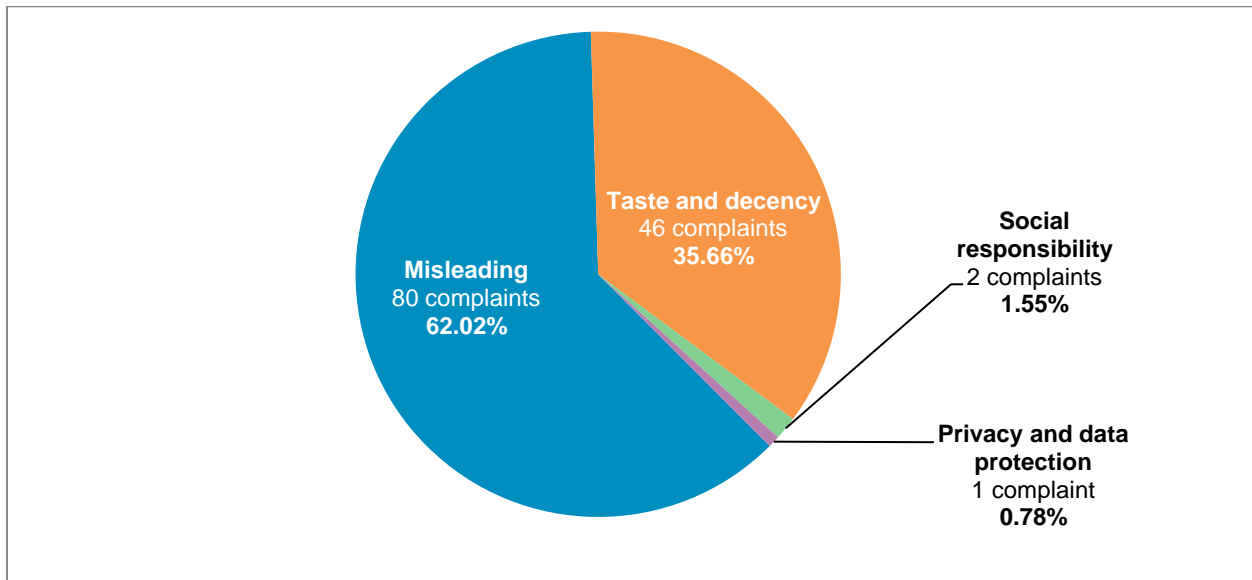
Misleading advertising continues to be the main issue complained about

In 2014, the largest share of cross-border complaints (62.02%) concerned misleading advertisements, out of which 14 complaints (17.5%) were found in breach of the advertising codes.

46 complaints (35.66%) related to taste and decency issues. This category included range of issues, including animal welfare, bad imagery, distress causing, portrayal of gender and violence.

Social responsibility issues, in particular illegal offer and shocking images, provoked two complaints (1.55%).

Figure 8: Cross-border complaints per issue in 2014



Source: Annual Cross-Border Complaints Report 2014

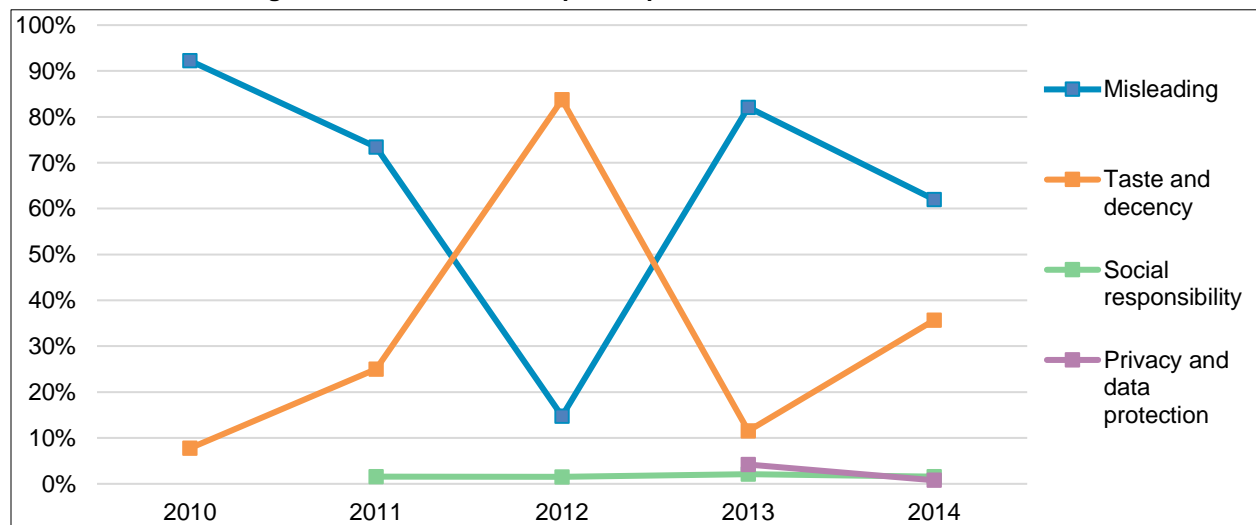
Over the last five years complaints related to misleading advertising accounted for the highest share of complaints, with the exception of 2012 when most of complaints concerned taste and decency.

The complaints about alleged breaches of taste and decency ranked second, with an average of 33%.

Social responsibility generated only a small fraction of complaints between 2011 and 2014, with an average of 1.6%.

Before 2013 no complaints about privacy and data protection were recorded.

Figure 9: Cross-border complaints per issue between 2010 and 2014



Source: Annual Cross-Border Complaints Report 2014

6 Media

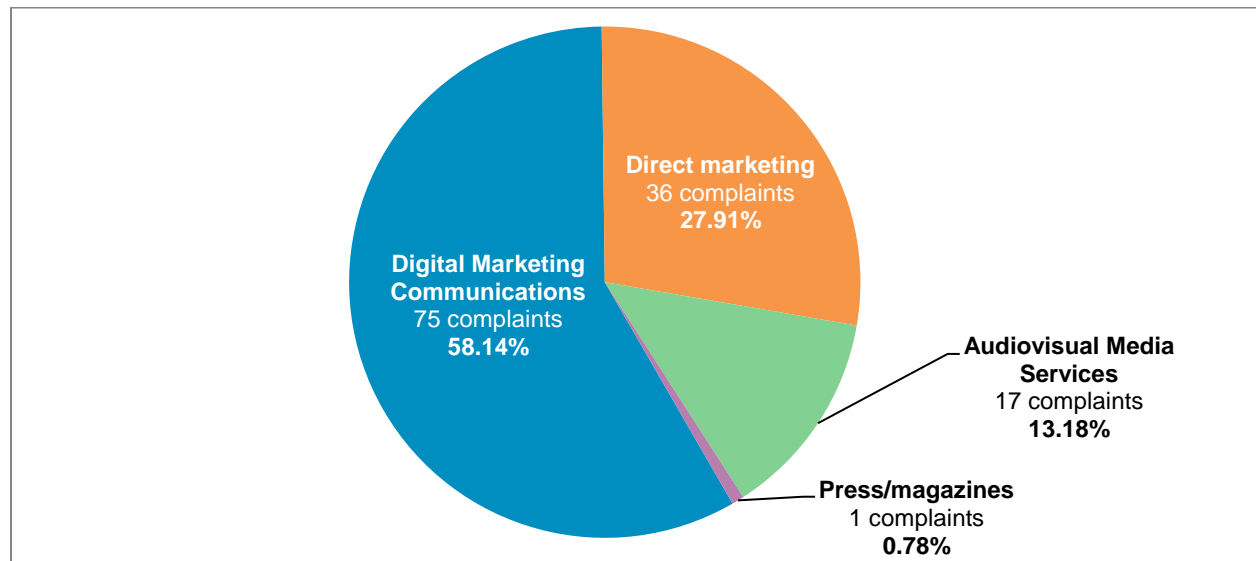
Digital Marketing Communications were the most complained about media

Digital Marketing Communications (DMC) accounted for more 58.14% of cross-border complaints. The highest share, 85.33, of these complaints concerned marketer-owned websites.

Advertisements received as direct marketing triggered 27.91% of cross-border complaints. Out of these, 55.55% were sent by e-mail while 44.44% were sent by post.

Cross-border complaints against advertisements appearing on Audiovisual Media Services (AVMS) prompted 13.18% of cross-border complaints.

Figure 10: Cross-border complaints per medium in 2014

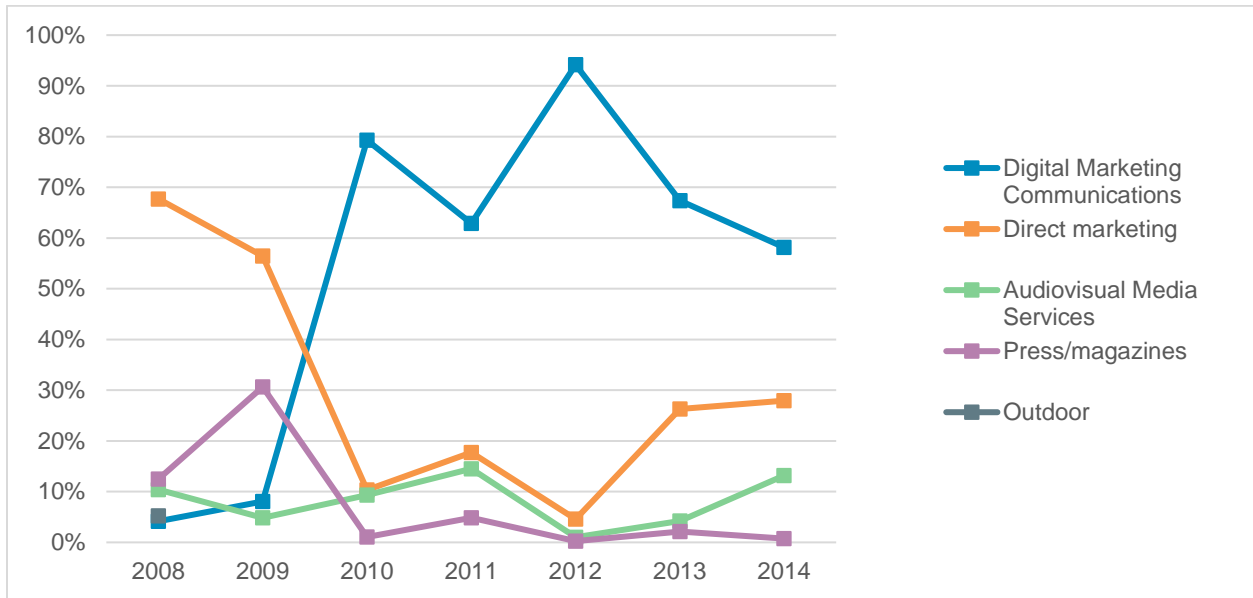


Source: Annual Cross-Border Complaints Report 2014

When comparing the results with previous years, it becomes apparent that since 2010 the main media to generate complaints about advertisements are DMC. In the period 2008-2014, an average of 53.44% of complaints regarded DMC.

Advertisements received as direct marketing have ranked second since 2010. Whilst over the years a substantial decrease in the number of complaints against rogue traders, some increase can be noted since 2010. On average, 30.15% of complaints concerned direct marketing between 2008 and 2014.

Figure 11: Cross-border complaints per medium from 2008 to 2014



Source: Annual Cross-Border Complaints Report 2014

7 Complaints about Advertising for Products and Services

The leisure services sector, the gambling and lotteries sector and the financial services sector were the most complained about sectors

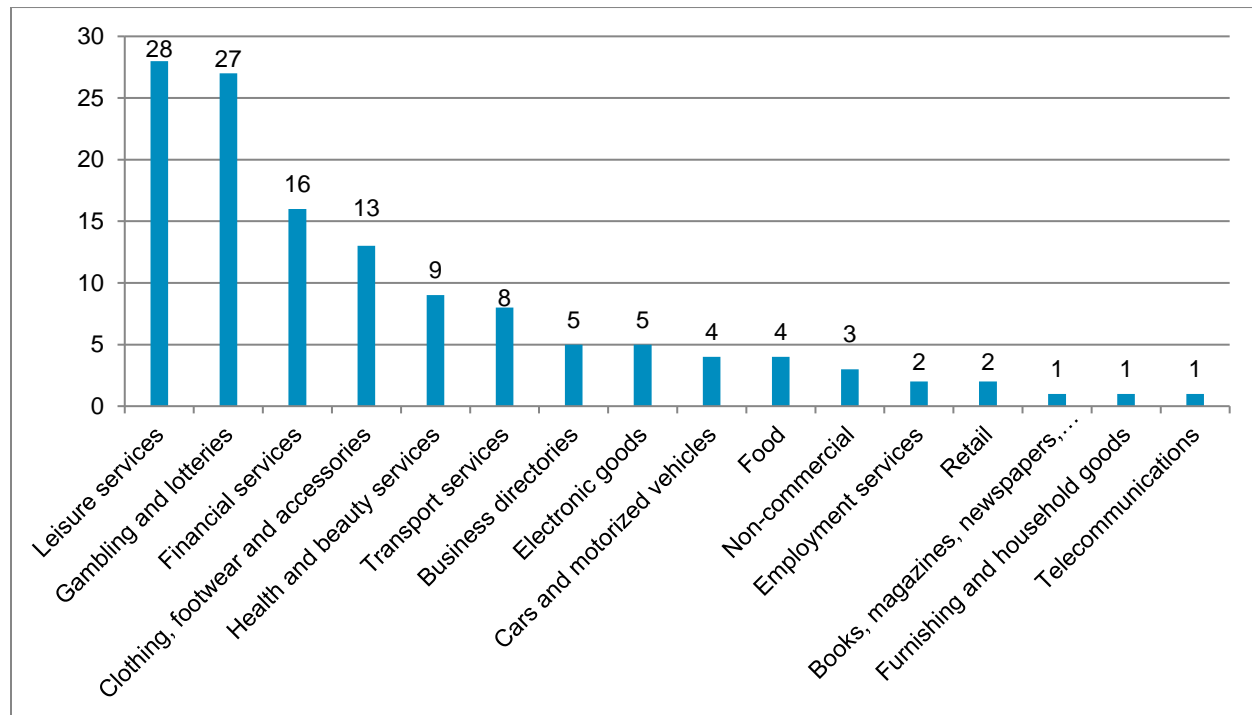
In 2014, the most complained about sector was leisure services with 28 complaints (21.71%). This category includes dating services; entertainment, sports and leisure activities; hotels and holiday accommodation and travel services.

Most of the complaints about advertising for leisure services were lodged by UK complainants (22 complaints, 78.57%) who challenged the veracity of claims made on websites offering hotel booking services. Six of these advertisements originated in the Netherlands and concerned a Dutch-based website for hotel reservations, whereas further four originated in France.

With 27 complaints, gambling and lotteries (20.93%) was the second most complained about sector. All complaints concerned one particular advertiser, an Irish online betting platform, and were lodged by UK complainants. In 18 instances complainants found the advertisements to be in breach of taste and decency rules, while nine advertisements were allegedly misleading. The highest share, 74.07%, of these complaints concerned marketer-owned websites.

Financial services ranked third with 16 complaints (12.4%) about one particular TV advertisement broadcast on a TV channel licensed in France. All complaints were lodged by UK consumers who found the advertisement to be in breach of taste and decency rules.

Figure 12: Cross-border complaints in terms of products and services in 2014



Source: Annual Cross-Border Complaints Report 2014

More detailed breakdown of complaints per products and services which allows for comparison of complaints throughout the years can be found in Table 4.

Advertisements for gambling services remained often complained about.

The number of complaints about advertisements for transport services have been relatively high since 2011.

For the second consecutive year a high number of complaints about advertisement for tourism services was lodged.

Table 4: Cross-border complaints in terms of products and services between 2008 and 2014

Products and services	2008	2009	2010	2011	2012	2013	2014
Gambling	1	0	12	1	329	4	27
Tourism	2	1	0	1	2	12	17
Financial services	0	0	1	0	2	1	16
Clothing	2	0	2	1	0	6	13
Health	5	1	2	4	6	4	9
Transport	9	1	3	14	9	14	8
Internet services	1	1	138	1	3	4	7
Electronic equipment	2	0	0	5	6	6	5
Contact schemes	1	0	0	0	1	1	5
Motoring	1	0	0	3	1	1	4
Food⁴	6	22	3	4	2	0	4
Computers	0	0	0	1	0	3	3
Environment	0	0	0	0	2	0	3
Employment services	0	0	1	0	0	2	2
Jewellery	0	0	1	0	0	0	2
Publications	42	26	17	4	15	7	1
Audio-visual items	0	0	1	0	0	3	1
Household	3	1	0	5	1	2	1
Sports	0	0	0	1	0	0	1
Other⁵	21	9	12	17	14	25	0
TOTAL	96	62	193	62	393	95	129

Source: Annual Cross-Border Complaints Report 2014

⁴ For years 2008-2012, the category included 'Food and non-alcohol beverage'.

⁵ For years 2008-2013, the category included, amongst others, complaints about the following products and services: Alcohol, Cosmetics, Lottery, Medicine, Miracle products, Mobile phones, Non-alcohol beverage, Pornography, Slimming, Telecommunications, Toys.

8 Speed of the Resolution of Complaints

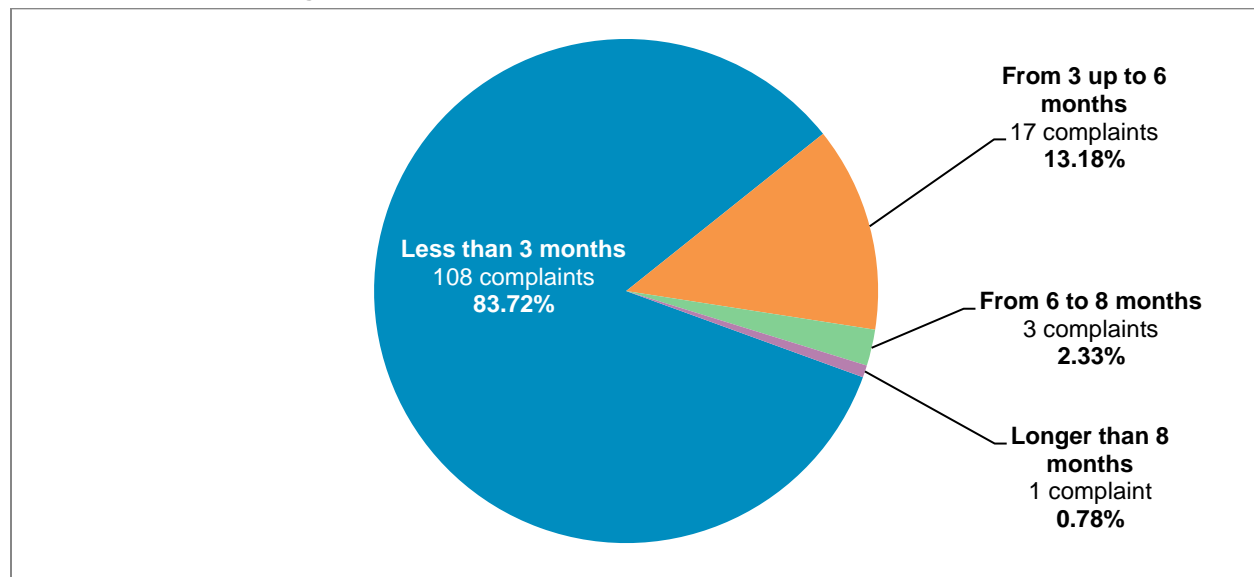
The majority of complaints were handled in less than three months

The speed of complaint resolution varies depending on the complexity of a case. Simple cases can be resolved in as little as three days, whereas more complex cases may take longer. If scientific substantiation of advertising claims is required, complaints may lead to a prolonged investigation. Cross-border complaints are handled by two SROs and often a translation is necessary which might considerably extend the complaint handling.

In 2014, SROs resolved 83.72% of cross-border complaints received in less than three months. 13.18% of complaints were resolved within 3–6 months.

Less than one percent of complaints (0.78%) required an investigation period longer than six months. These complaints included a competitor’s complaint regarding online advertising for a Dutch manufacturer of automotive navigation systems, which was subject to appeal from both sides; a complaint regarding online advertising for a Romanian airline company, for which external advice of the Consumer Protection Authority was sought; a complaint regarding promotional posts on a blog of a Romanian web development company, for which the SRO dealt with technical difficulties of retrieving the posts; and a complaint of an email advertisement for an Irish online betting platform, where the complaint concerned a cash-back offer linked to a particular promotional offer.

Figure 13: Speed of cross-border complaint resolution in 2014



Source: Annual Cross-Border Complaints Report 2014

Annex A: How the Cross-Border Complaints (CBC) System Works

EASA's Cross-Border Complaints System

EASA's Cross-Border Complaints (CBC) system has been in operation since 1992. With the increase of media travelling across borders, the CBC system was established to provide people who wished to make complaints against advertising featured in media or by advertisers originating from outside their home territory with the same redress available to consumers within the country of origin of the media or advertiser. Since 1992, EASA has coordinated nearly 3.000 cross-border complaints.

The Basic Principles of the EASA Cross-Border Complaints System

The first principle is the 'country of origin', a concept enshrined in EU law to facilitate the growth of the Single Market. With regards to the CBC system, an advertisement must abide by the rules of the country where the media is based that features the advertisement. In the case of direct marketing or Digital Marketing Communications, however, the advertisement will generally be expected to follow the rules of the country where the advertiser is based, whereas in the case of Online Behavioural Advertising, the country of origin of the company will be based on the principal decision-making presence (office). The second principle is 'mutual recognition'. By this principle, EASA members agree to accept advertisements which comply with the self-regulatory rules in the country of origin of the media or advertiser, even if those rules are not identical to their own.

The Competent Body

Once the advertisement's 'country of origin' has been established, the complaint will be assigned to the local self-regulatory organisation (SRO). It is not possible to assign a complaint to more than one SRO.

Dealing with a Cross-Border Complaint

The complainant may not initially realise that his or her complaint lies outside the competence of his or her national SRO. Hence, the complainant's first point of contact may be the local SRO. Once the SRO ascertains that a complaint is in fact a cross-border issue, it will first inform the complainant of the Cross-Border Complaints system and the measures that will be taken to handle the complaint. The complaint, along with any other relevant details, is then passed on to the relevant self-regulatory organisation (SRO) present in the country of origin of the media or the advertiser under investigation. The EASA Secretariat is included in all correspondence related to the case and will closely monitor its progress. Further, EASA may become involved in the process by, for instance, recommending the SRO to take certain actions, involving industry bodies where appropriate, and reporting on the outcome of cases once they have been closed.

Ad-Alerts

If an ad shows evidence of deliberate unethical, dishonest or criminal activity, the SRO will transfer the complaint to the relevant government authorities. In these circumstances, the EASA Secretariat may, after discussion with members involved, decide to issue an Ad-Alert, which notifies concerned parties of the advertisers' activities. Ad alerts are published on the EASA website: www.easa-alliance.org.

Publications

Closed cross-border complaints are reported quarterly and annually in CBC Reports, published on the EASA website: www.easa-alliance.org.

Notes

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