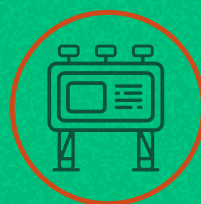




2018

CROSS BORDER COMPLAINTS REPORT



EASA

EASA – the European Advertising Standards Alliance is the single authoritative voice on advertising self-regulation in Europe. 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) 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 27 SROs from 25 European countries and 13 advertising industry associations, including advertisers, agencies and the media. EASA is also a member of ICAS (The International Council on Ad Self-Regulation) and through its membership additionally partners with 14 SROs worldwide.

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 EASA's SRO (Self-Regulatory Organisation) network ensures that the Cross-Border Complaints (CBCs) mechanism works. CBCs are complaints about advertisements originating in media or from advertisers based in another country to that of the complainant. The EASA Secretariat coordinates this type of complaint 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 circulating in one EU Member State was carried in media originating in another. Currently EASA's CBC system covers not only all 26 European SRO members which handle complaints but also the international network of SROs which are members of the International Council for Advertising Self-Regulation (ICAS).

- **In 2018, EASA's SRO network handled 192 cross-border complaints, 30% more than in 2017. In total, 180 CBCs were resolved over the course of 2018.**
- **Most cross-border complaints were lodged by UK complainants (91% of all complaints).**
- **Advertisements from the Netherlands and Ireland generated the highest number of cross-border complaints (24% and 18% of all complaints respectively).**
- **21% of cross-border complaints were upheld while 58% of complaints were rejected as the ads complained about were not found in breach of SR codes; additionally, 2% of complaints were resolved informally to the satisfaction of complainants.**
- **Misleading advertising was the main issue complained about (82%).**
- **Digital Marketing Communications was the most complained about medium (84%).**
- **Leisure services (36%), retail (13%), clothing and accessories (7%) as well as gambling (7%) were the most complained about industry sectors.**
- **The majority of cross-border complaints were resolved within three months (75%).**

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

In 2018 EASA’s SROs received 192 and resolved 180 cross-border complaints

In the course of the year, EASA received a total of 192 cross-border complaints, which shows a nearly 30% increase in received cross-border complaints in comparison to 2017. Out of all received complaints, 168 were resolved in the course of 2018, whereas 24 complaints were still under investigation at the end of that year¹. Additionally, 12 complaints lodged in 2017 were also closed in 2018, thus resulting in 180 resolved cross-border complaints in 2018. It accounts for a 34% increase in the number of resolved complaints in 2018²

The analysis of the annual statistics (depicted in Figure 1 below) suggests that over the past five years the average number of cross-border complaints remained relatively stable. However, due to an increase in cross-border complaints over in 2018, the past five-year average rose by almost 10% and is currently around 154 cross-border complaints received per year by EASA’s network.

Figure 1: Cross-border complaints received/resolved between 2014 and 2018



Source: Annual Cross-Border Complaints Report 2018

¹ Mainly due to relatively large share of complaints filed within the last trimester of 2018, particularly the month of December

²² The number of resolved cross-border complaints increased by 34%

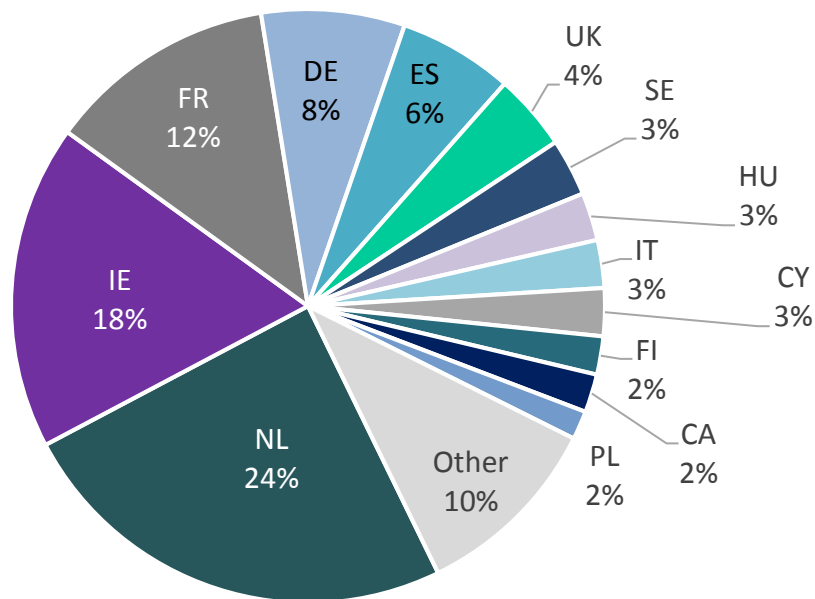
2 The Country of Origin

Ads from the Netherlands and Ireland generated the highest number of cross-border complaints in 2018

The EASA Cross-Border Complaints System requires that all advertisements comply with the advertising laws and codes in the country in which the medium carrying the advertisement is based; in the case of direct mail and Digital Marketing Communications (DMC), the country of origin is the one in which the advertiser is based; and in the case of Online Behavioural Advertising (OBA), the country in which the principal decision-making presence is.³

In 2018, advertisements from the Netherlands and Ireland generated the highest number of cross-border complaints, 24% and 18% of complaints respectively. Other countries of origin of the advertisement that prompted frequent complaints were France (12%), Germany (8%) and Spain (6%).

Figure 2: Cross-border complaints per country of origin in 2018



Source: Annual Cross-Border Complaints Report 2018

³ 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.

Regarding the advertisements originating in the Netherlands, UK complainants lodged 96% of complaints about these ads. Most of the complaints (94%) were concerned about misleading advertising. The highest share of complained about ads (57%) originating in the Netherlands concerned leisure services.

British consumers also lodged 94% of cross-border complaints regarding advertisements originating in Ireland and 80% of complaints about ads from France. Misleadingness was a highly dominant issue in Irish ads (85%) but less prominent in French commercial communications (54%). In terms of products and services complained about, the categories in both Ireland and France were rather mixed without any significantly leading category (for an overview of all products and services complained about in CBCs in 2018, please turn to [section 7](#)).

Overall, the annual statistics shows (see an overview, presented in Table 1) that despite some fluctuations, on average, the most complained about ads for the past five years were originating in media or by advertisers based in the Netherlands, France, Ireland, Germany and Spain. It is also worth noting that the cross-border complaints network expands every year and includes more markets outside Europe. In 2018 a total of 11 complaints were sent to self-regulatory bodies in Canada (4 complaints), Australia (2), Mexico (2), India (1), New Zealand (1) and South Africa (1).

Table 1: Cross-border complaints per country of origin between 2014 and 2018

Country	2018	2017	2016	2015	2014
<i>Netherlands</i>	47	51	33	21	18
<i>Ireland</i>	34	11	25	23	33
<i>France</i>	24	19	13	11	35
<i>Germany</i>	15	3	4	8	6
<i>Spain</i>	12	10	10	11	6
<i>United Kingdom</i>	8	12	13	9	8
<i>Sweden</i>	6	2	6	2	1
<i>Cyprus</i>	5	3	2	2	1
<i>Hungary</i>	5	2	2	2	1
<i>Italy</i>	5	1	1	4	4
<i>Finland</i>	4	0	2	0	0
<i>Canada</i>	4	2	2	2	2
<i>Poland</i>	3	3	6	3	0
<i>Czech Republic</i>	2	1	3	0	0
<i>Austria</i>	2	1	1	1	1
<i>Greece</i>	2	0	4	1	1
<i>Portugal</i>	2	0	0	0	0
<i>Turkey</i>	2	0	0	0	0

Country	2018	2017	2016	2015	2014
Belgium	1	4	6	5	4
Lithuania	1	0	2	0	1
India	1	4	1	0	0
Other	7*	4	12	11	12

Key: category "Other" in 2018 include Australia and Mexico, which handled two complaints each, as well as Romania which handled one complaint

Source: Annual Cross-Border Complaints Report 2018

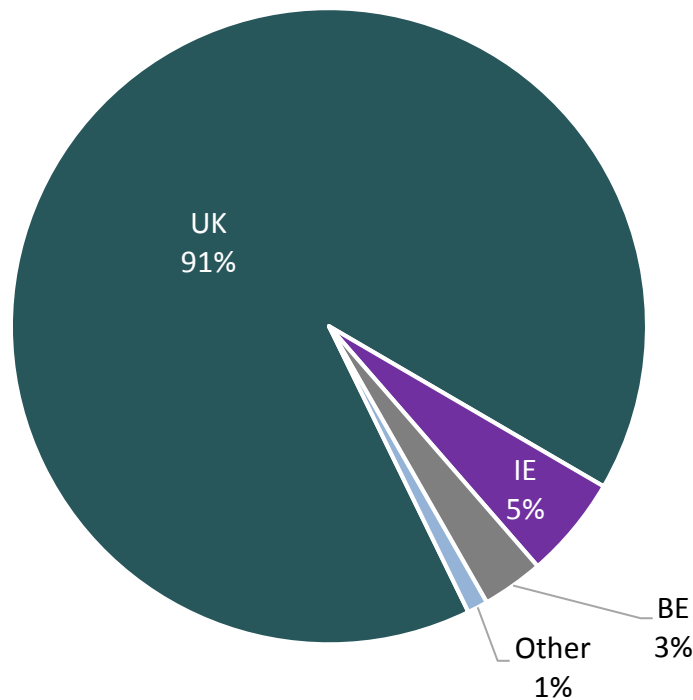
3 The Origin of Complainant

91% of cross-border complaints were lodged by UK complainants

In 2018, UK complainants remained the most active in terms of lodging the cross-border complaints (91% of all complaints). As noted upon in the previous section of this report, the advertisements from the Netherlands (25%) and Ireland (18%) were amongst the most complained about by the UK complainants. However, it is also important to note that the complainants from the UK challenged advertisements originating from 24 different countries (including six non-European countries). Continuing trends of the previous year, most of these cross-border complaints (86%) were about allegedly misleading advertising. Furthermore, the highest share of complaints was related to leisure services (37%), followed by retail (14%) and clothing, footwear and accessories (7%).

In 2018 the cross-border complaints were also lodged by Irish (5%), Belgian (3%), French and Spanish consumers (1 complaint each), as showed in Figure 3, below.

Figure 3: Advertisements complained about per country of origin of complainant in 2018



Source: Annual Cross-Border Complaints Report 2018

The annual statistics show (see an overview, presented in 2) that over the years UK complainants have filed-in the largest share of cross-border complaints, three to five times more complaints compared to all other complainants of other countries combined.

Table 2: Cross-border complaints per country of origin of complainant between 2014 and 2018

Country	2018	2017	2016	2015	2014
UK	174	103	121	85	108
Ireland	10	19	10	12	5
Belgium	6	6	1	1	3
France	1	4	4	1	5
Spain	1	1	1	1	2
Germany	0	1	5	2	0
Netherlands	0	1	1	5	1
Italy	0	0	1	1	0
Sweden	0	0	1	0	1
Other	0	0	0	3	4

Source: Annual Cross-Border Complaints Report 2018

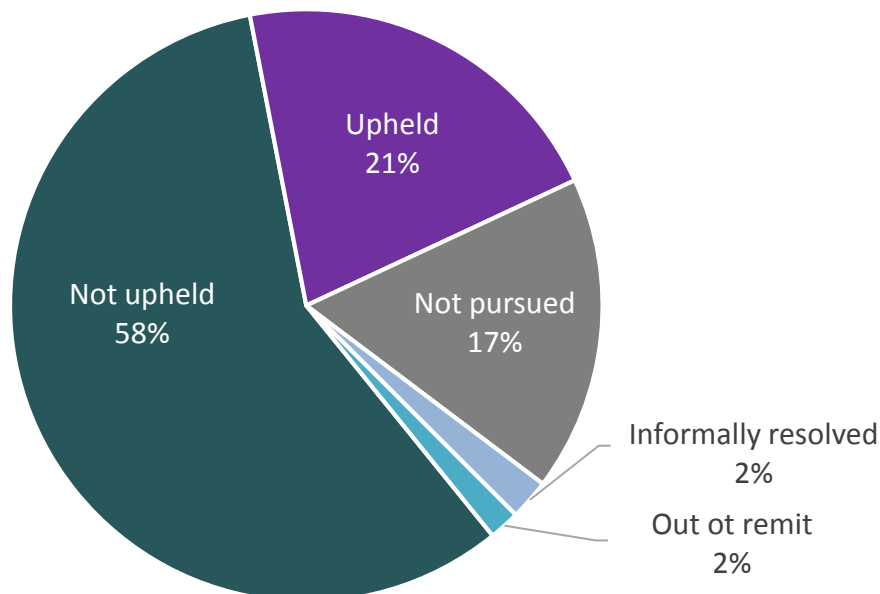
4 Outcome of Resolved Complaints

21% of cross-border complaints were upheld and thus the ads were found to be in breach of the advertising codes, while 58% of ads complained about were found in compliance with the SR codes

In 2018, 58% of ads complained about were not found in breach of the SR codes, while 21% were considered non-complaint with the national SR codes and were thus upheld. Additionally, in 2% of all CBC cases the agreement was reached informally to the satisfaction of the complainant (i.e. meaning advising the advertiser to modify the ad or compensate the losses to the consumer due to misleading advertising). The other 2% of CBCs were found out of remit of the SRO in the country of origin. This means that the complaints were either about the issues not covered by the SRO (e.g. complaints about the products/services rather than the advertisement itself) or the advertisers were not based in the SRO the CBC was referred to. In the latter cases the SROs in the country of destination either tried to resolve the case in their country or transferred the complaint to other bodies.

17% of all complaints overall fell into the “not pursued” category, which includes complaints that could not be investigated due to insufficient evidence, complainant’s decline to further communicate with the SRO or inability to reach the advertiser and cooperate with them in the complaint investigation process.

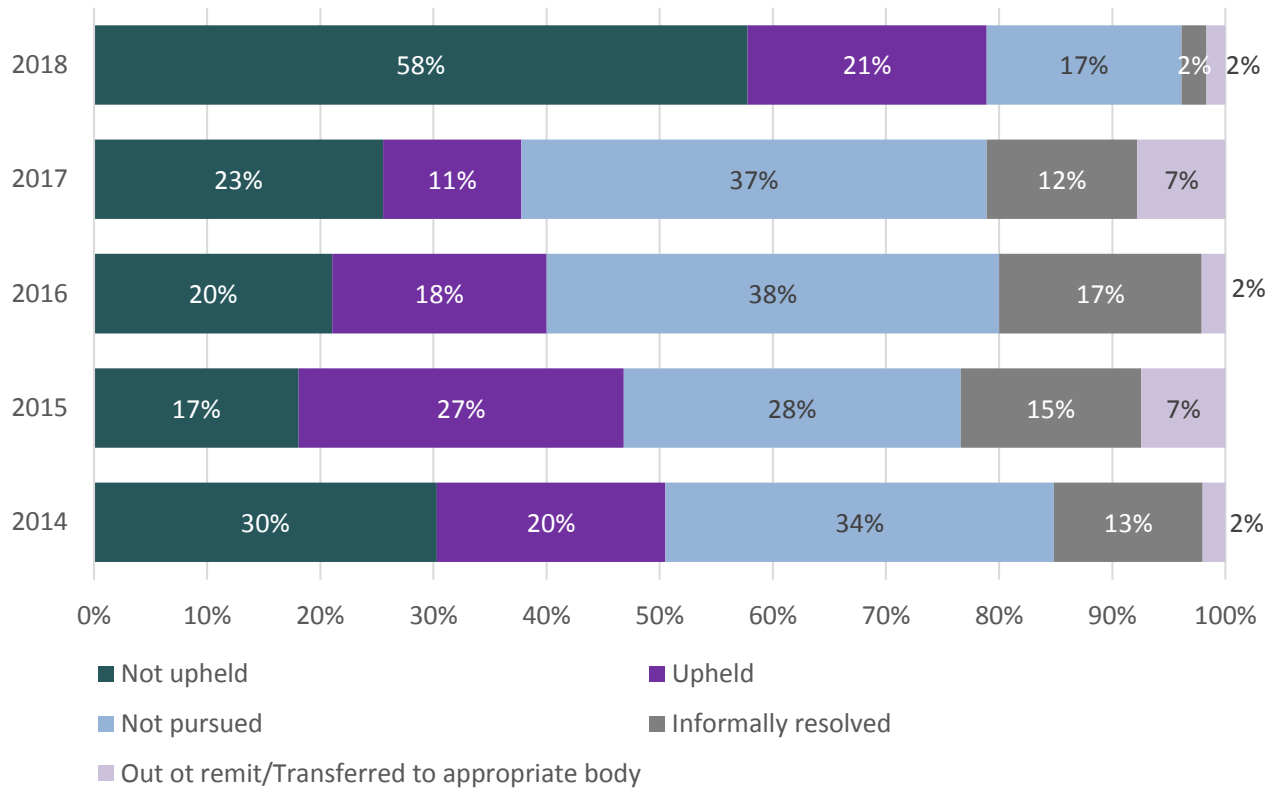
Figure 4: Cross-border complaints per outcome in 2018



Source: Annual Cross-Border Complaints Report 2018

The comparison of data of the outcome of cross-border complaints between 2014 and 2018 (see Figure 5) reveals a sharp increase in not upheld complaints in the last year. Furthermore, complaints that were found in breach of the SR codes were more frequent as well. At the same time the proportion of complaints that were not pursued decreased significantly, suggesting that consumers may have become more aware of the information submission process for lodging the complaint or that both complainants and advertisers across Europe may have been more cooperative in providing additional information needed for successful case investigation.

Figure 5: Cross-border complaints per outcome between 2014 and 2018⁴



Source: Annual Cross-Border Complaints Report 2018

⁴ The figures include “Partially upheld” complaints into the category of “Upheld” complaints to make it comparable with the previous years. Excludes the category “Out of remit” in order to avoid duplication

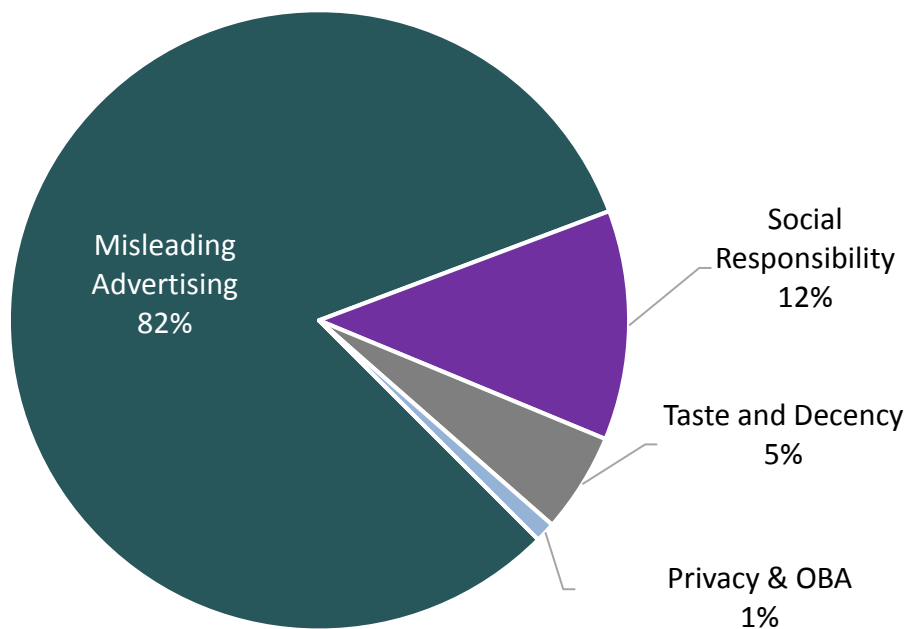
5 Issues Complained About

Misleading advertising continues to be the main issue complained about

Continuing the trends set in the previous years, in 2018, the largest share of cross-border complaints (84%) concerned misleading advertisements.

12% of complaints were related to social responsibility issues and 5% were triggered by taste and decency issues. In these two categories the leading topic was irresponsible advertising to kids, mostly referring to gambling ads online (46%). Other social responsibility and decency issues included disrespectful gender portrayal in the way of sexualisation, objectification or body image (23%), as well as violence and vulgar language in ads (13%). Finally, privacy and data protection issues raised 1% of complaints.

Figure 6: Cross-border complaints per issue in 2018

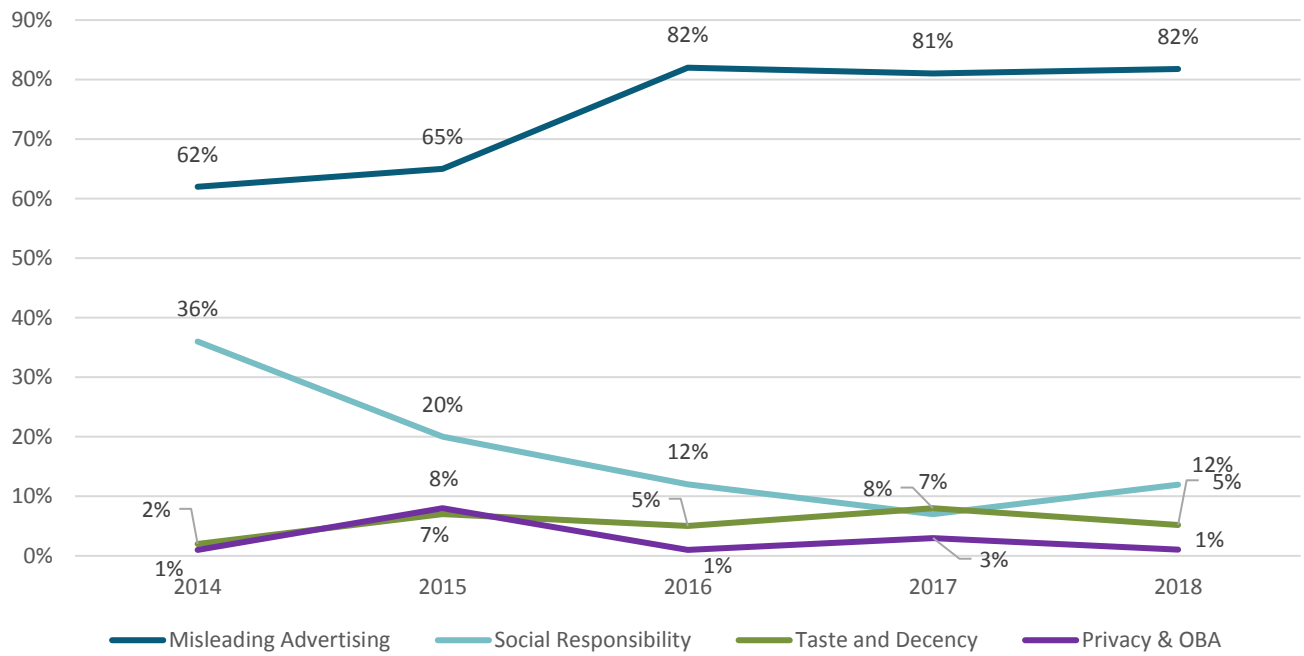


Source: Annual Cross-Border Complaints Report 2018

Figure 7 below illustrates that over the last five years misleading advertising continues to account for the highest share of complaints, with a multi-year average of 74%.

The complaints about alleged breaches of taste and decency and social responsibility ranked second highest over the five years with an overall average of 23% (adding social responsibility and decency categories together). Privacy issues accounted for 3% of complaints between 2014 and 2018, on average.

Figure 7: Cross-border complaints per issue between 2014 and 2018



Source: Annual Cross-Border Complaints Report 2018

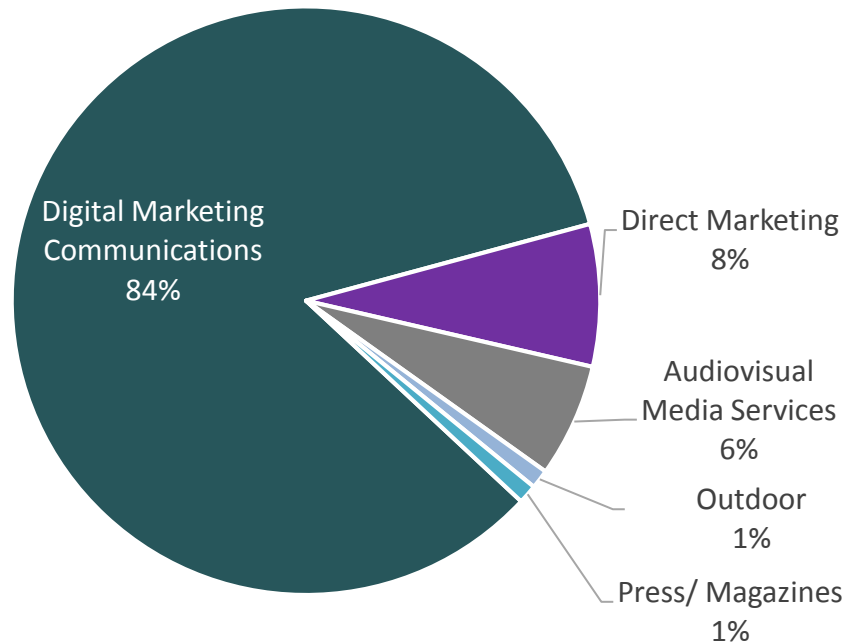
6 Media

Digital Marketing Communications were the most complained about media

Digital Marketing Communications (DMC) accounted for 84% of cross-border complaints demonstrating a continuing steady increase in consumer concerns over DMCs. Advertisements received as direct marketing triggered 8% of cross-border complaints.

Cross-border complaints against advertisements appearing on Audiovisual Media Services (AVMS) prompted 6% of cross-border complaints, while press/magazine advertising provoked 1% of complaints.

Figure 8: Cross-border complaints per medium in 2018

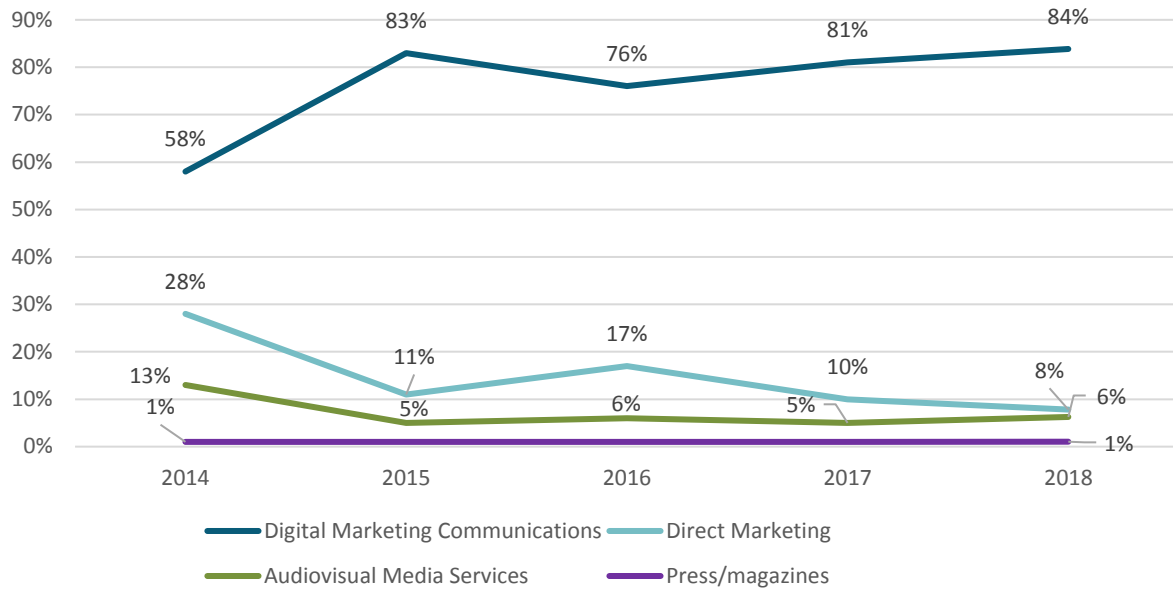


Source: Annual Cross-Border Complaints Report 2018

Annual statistics show that the DMCs have been generating by far the most cross-border complaints in the recent years with an average of 76% of complaints in the period 2014-2018.

Advertisements received as direct marketing have ranked second in a multi-year comparison with an average of 15% of complaints between 2014 and 2018. However, cross border complaints about direct marketing have been declining in the past couple of years. Audiovisual media services have prompted 7% of complaints on average in the past five years, while ads in press/magazines did not provoke more than 1% of complaints, on average.

Figure 9: Cross-border complaints per medium from 2014 to 2018



Source: Annual Cross-Border Complaints Report 2018

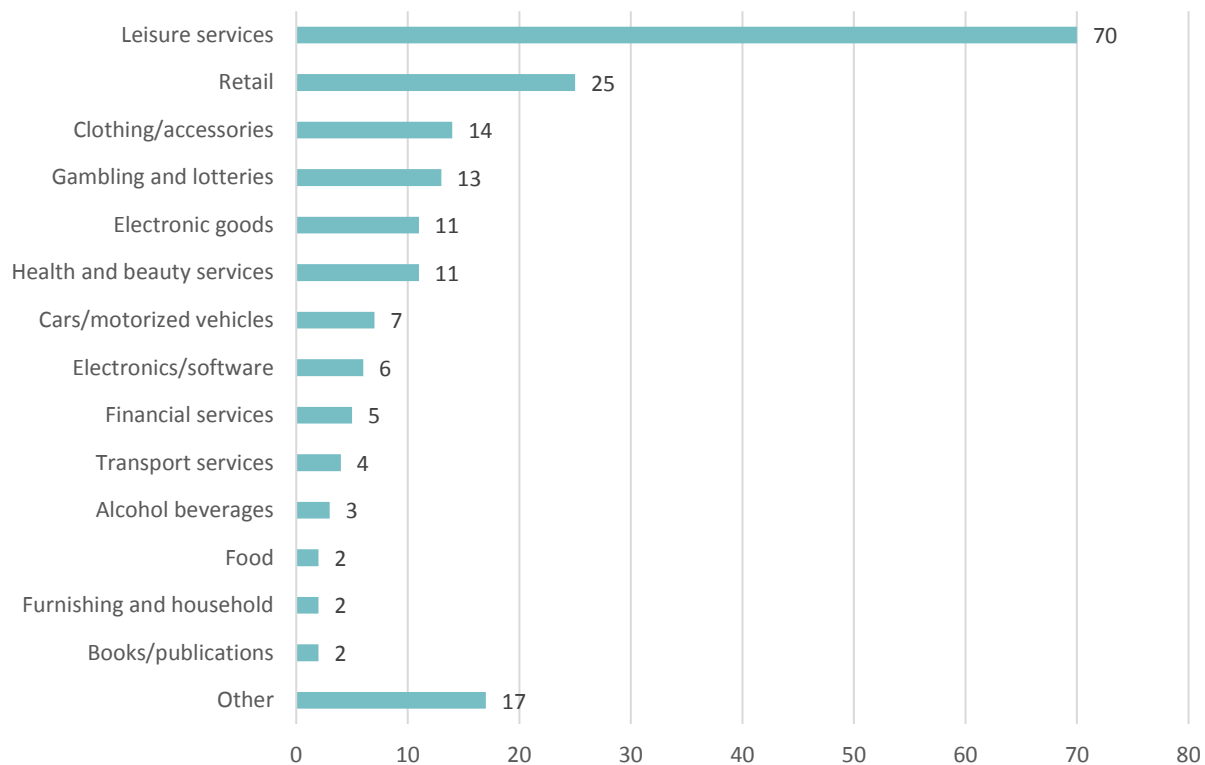
7 Complaints about Advertising for Products and Services

Consumers continued to lodge most complaints regarding advertising of leisure services

In 2018, the most complained about sector was leisure and tourism services with 36% of complaints. This category includes hotels and holiday accommodation, travel and renting services, entertainment, sports and leisure activities, and dating services.

Retail (13% of total complaints) was the second most complained about sector, while clothing, footwear and accessories came third (7%). Consumers around Europe also rather frequently complained about alleged breaches of the SR codes regarding marketing communications for gambling and lotteries (7%), as well as health and beauty services (6%) and electronic goods (6%).

Figure 10: Cross-border complaints in terms of products and services in 2018



Source: Annual Cross-Border Complaints Report 2018

A more detailed breakdown of complaints per products and services, which allows for comparison of complaints throughout the years, can be found in Table 3 below.

The trend of rising numbers of complaints about advertising for leisure services was once again reinforced in 2018, with number of complaints rising by 24%, between 2017 and 2018. Furthermore, the biggest increase in number of complaints was seen in categories of retail and gambling: by 84% and 77%, respectively.

Table 3: Cross-border complaints in terms of products and services between 2014 and 2018

Products and services	2018	2017	2016	2015	2014
Leisure service/Tourism	70	53	31	25	17
Retail	25	4	-	-	-
Electronic equipment/Software and other IT products	17	8	19	5	8
Clothing/Accessories	14	13	9	14	15
Gambling/Lotteries	13	3	13	16	27
Health/Beauty	11	12	8	11	9
Cars/Motorised vehicles	7	3	4	2	4
Financial/Business services	5	4	4	4	16
Food/Alcohol	5	4	2	1	4
Transport	4	5	28	12	8
Internet services/Telecommunication	-	6	10	12	7
Other (products/services)	21 ⁵	19	21	9	14

Source: Annual Cross-Border Complaints Report 2018

⁵ For 2018 the category includes sectors that received not more than one complaint per sector, which include among others, complaints on books, magazines, newspapers, social media services, furnishing and household goods and real estate services.

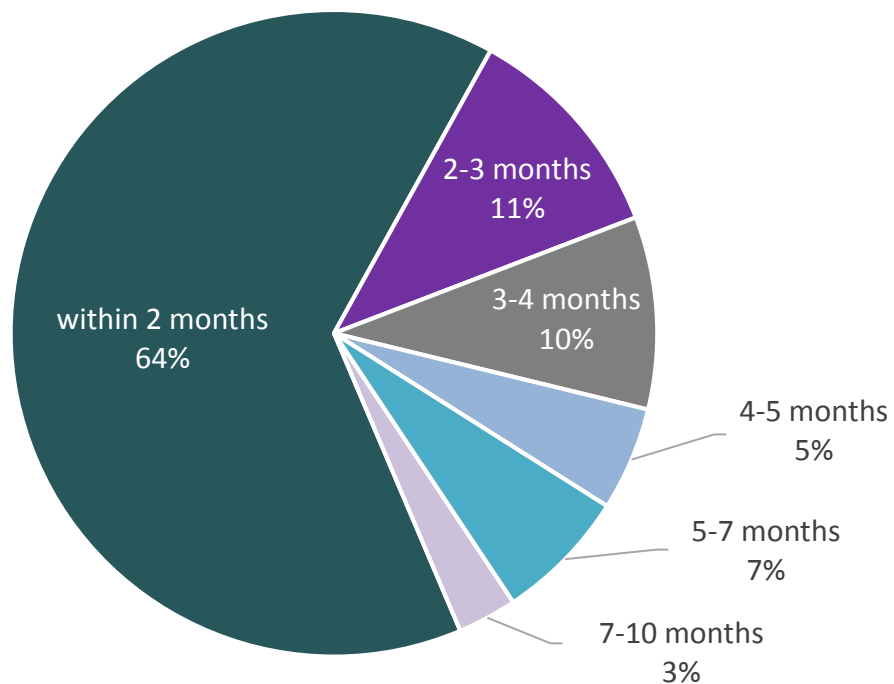
8 Speed of the Resolution of Complaints

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 two days, whereas more complex cases may take longer. If scientific substantiation of advertising claims is required, complaints may lead to a prolonged investigation. As cross-border complaints are handled by two SROs translation of the necessary information and documents may be required which might considerably extend the complaint handling time.

In 2017, SROs resolved 64% of cross-border complaints received in less than 2 months and another 11% in 3-month time, bringing a total of 75% of all complaints handled within 3 months. Additional 15% of cross-border complaints were resolved within half a year and 10% of cases required an investigation period of six months or longer.

Figure 11: Speed of cross-border complaint resolution in 2018



Source: Annual Cross-Border Complaints Report 2018

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 around 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.



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