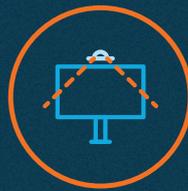




2020

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 acts as a co-ordination point for best practice in the implementation of self-regulation, as well as operational standards for its national Self-Regulatory Organisation (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 42 organisations committed to making sure advertising is legal, decent, honest, and truthful. EASA's membership is made up of 28 SROs from 26 European countries, 13 advertising industry associations, including advertisers, agencies, the media, and 1 digital pure-play company. EASA is also a member of ICAS (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

EASA's Self-Regulatory Organisation (SRO) members ensure that all Cross-Border Complaints (CBCs) are handled effectively and efficiently through a mechanism that relies on a network of independent, impartial, and recognised SROs that exchange constant flows of information.

Cross-border complaints (CBCs) are consumer or competitor complaints filed against advertisements that appear in media or originate from advertisers based in another country than that of the plaintiff. The EASA Secretariat coordinates these types of complaints through a system that has been in operation since 1992, when it was set up in response to the creation of the European Single Market. This mechanism was built to address issues whereby advertising circulating in one EU Member State was carried in media originating in another. Currently, EASA's CBC system covers 28 EASA SRO members in 26 European countries that handle complaints, but also the international network of SROs, which are members of the International Council for Advertising Self-Regulation (ICAS). EASA has members both inside and outside of the European Union who participate in the Cross-Border Complaints mechanism. Each CBC is assessed based on the rules, laws, and regulations of the SRO in the country of origin of the medium or the advertiser, depending on the type of ad.

In 2020, SROs exchanged 337 CBCs, representing a 1.5% increase from the year before and indicating a slight rise in referred complaints compared to the sudden increase in 2019. Consumers in the UK filed the vast majority of CBCs, which targeted, for the most part, adverts originating in the Netherlands and Ireland. The majority concerned digital marketing communications and, as in previous years, targeted allegedly misleading issues contained within the adverts.



EASA's SRO network handled 337 cross-border complaints, 1.5% more than in 2019.



88% of all cross-border complaints lodged by UK plaintiffs



36% of CBCs referred to Irish SRO and 22% to Dutch SRO



87% of CBCs filed for misleading advertising



90% of CBCs targeted ads appearing in digital marketing communications



30% of CBCs targeted ads for leisure services, followed by 13% for food & alcohol, and 10% for health & beauty products

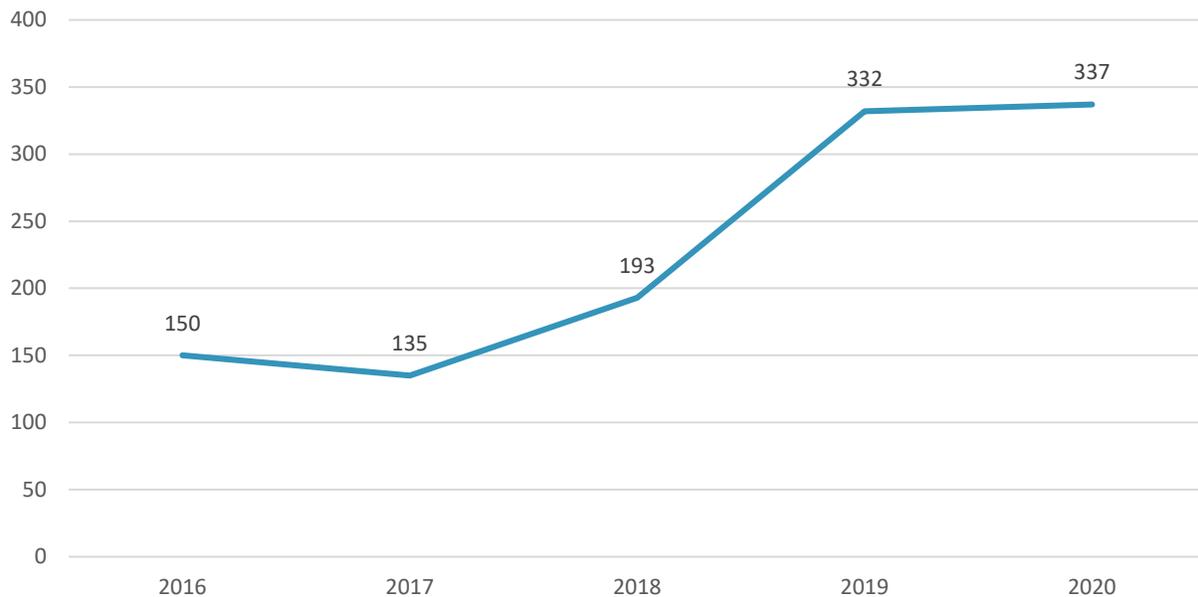
1 The Total Number of Cross-Border Complaints Received

In 2020 EASA’s SROs transferred 337 complaints, 1.5% more than in 2019

Over the course of 2020, EASA was notified of a total of 337 cross-border complaints, which translates into a slight 1.5% increase in referred complaints in comparison with the preceding year. The sharp rise of 2019 seems to reach a plateau in 2020 and stabilise between 330 to 340 cross-border complaints. However, this remains to be confirmed in the subsequent years.

The analysis of the annual statistics (depicted in Figure 1 below) suggests that 2017 saw a slight decrease which later resulted in two consecutive years of increase in referred CBCs. The increase in 2018 continued over in 2019 and materialised into a significant 70% rise. Over the past 4 years, an average of around 230 cross-border complaints were treated annually by EASA’s network.

Figure 1: Cross-border complaints received between 2016 and 2020



Source: Annual Cross-Border Complaints Report 2019 & Online Database¹

¹The “Online Database” refers to EASA’s internal online cross-border complaints platform that member self-regulatory organisations use to register and send their complaints through to other SROs. EASA acts as a facilitator and caretaker of the platform, using the confidential data only for statistical purposes.

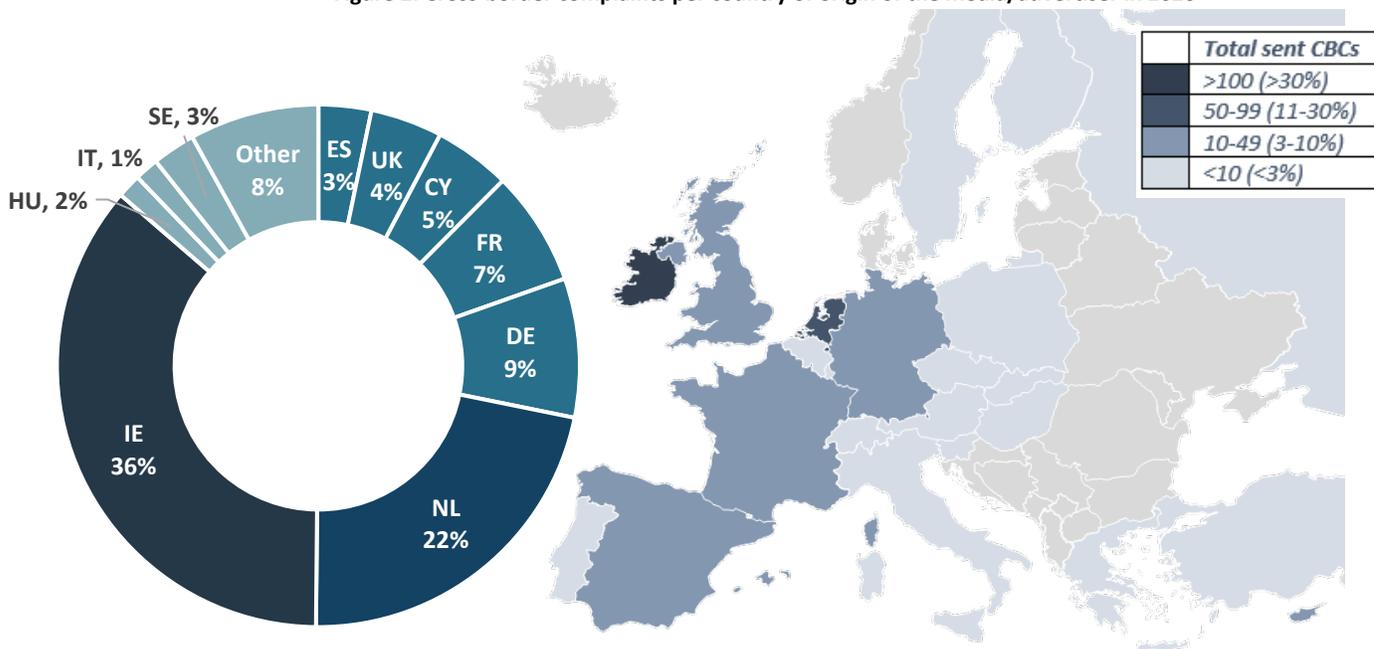
2 The Origin of Advertisements

Ads from Ireland and the Netherlands generated the highest number of cross-border complaints in 2020

The EASA Cross-Border Complaints System requires that all advertisements comply with the advertising laws and advertising self-regulatory codes of the country wherein the medium carrying the advertisement is based. However, in the case of Direct Mail and Digital Marketing Communications (DMCs), the country of origin that is responsible for the complaint is the one wherein the advertiser is based. In the case of Online Behavioural Advertising (OBA), it is the country in which the principal decision-making authority is conducted that counts as the country of origin.² As we will see in subsequent sections of this report, the vast majority of CBCs are against digital marketing communications. This entails that it is the SRO in the country of origin of the advertiser that is responsible for handling the complaint according to local rules and legislation.

In 2020, over a third (36%) of all 337 cross-border complaints were aimed at advertisements produced in Ireland, with another fifth (22%) aimed at ads originating from the Netherlands. These two countries generated the highest number of adverts subject to complaints in other European countries. Overall, they were the countries that received over half of all CBCs. In third place stands Germany at 9%. Other countries where advertisements originated in that prompted frequent complaints were France (7%), Cyprus (5%), the United Kingdom (4%), and Spain (3%). The rest of the countries received less than 5 CBCs.

Figure 2: Cross-border complaints per country of origin of the media/advertiser in 2020



Source: Annual Cross-Border Complaints 2020

² Switzerland requires that advertisements addressed by Swiss-based marketers to consumers in other countries comply with the rules and laws of those countries (known as the “principle of the country of destination”). Consequently, in such cases, the Self-Regulatory Organisation (SRO) in the plaintiff’s country assesses the complaint based on its own national rules before passing it to the Swiss SRO, which communicates the decision to the advertiser. Some other SROs, in EU member countries, operate under different principles as well. However, SROs always share information and best practices to have a swift and definitive decision for each CBC.

The Irish self-regulatory organisation, the Advertising Standards Authority for Ireland (ASAI), received 122 cross-border complaints, as the advertisements complained about all originated in Ireland. UK complainants lodged 98% of these 122 complaints directed to the ASAI. Nearly all the complaints received by the Irish SRO (92%) concerned misleading advertising. The highest share of CBCs (47.5%) that Ireland received were aimed at ads for leisure services.

The same can be said for the Netherlands, with the Dutch SRO, Stichting Reclame Code (SRC), having received 74 cross-border complaints, and the data shows that the British public lodged 96% of these.

The annual statistics (presented in Table 1) show that despite some fluctuations over the past 5 years, the most complained about ads originated in media or were created by advertisers based in Ireland, the Netherlands, Germany, France, Cyprus, and the UK. Several countries have received their first cross-border complaints, such as Russia, whose SRO, AMI RS, joined the EASA network in 2019.

Table 1: Cross-border complaints per country of origin between 2016 and 2020

Country	2020	2019	2018	2017	2016
Ireland	122	110	34	11	25
Netherlands	74	89	47	51	33
Germany	29	15	15	3	4
France	24	20	24	19	13
Cyprus	16	11	5	3	2
United Kingdom	15	17	8	12	13
Spain	11	17	12	10	10
Sweden	9	7	6	2	6
Italy	5	11	5	1	1
Belgium	5	4	1	4	6
Hungary	5	2	5	2	2
Canada	5	4	4	2	2
Finland	3	5	4	0	2
Austria	2	3	2	1	1
Greece	2	3	2	0	4
Czech Republic	2	2	2	1	3
Turkey	1	3	2	0	0
Portugal	1	2	2	0	0
Poland	1	0	3	3	6
Switzerland	1	0	0	0	0
Luxembourg	1	0	0	0	0
Russia	1	0	0	0	0
Slovenia	1	0	0	0	0
Slovakia	1	0	0	0	0
Other ³	0	2	8	8	13

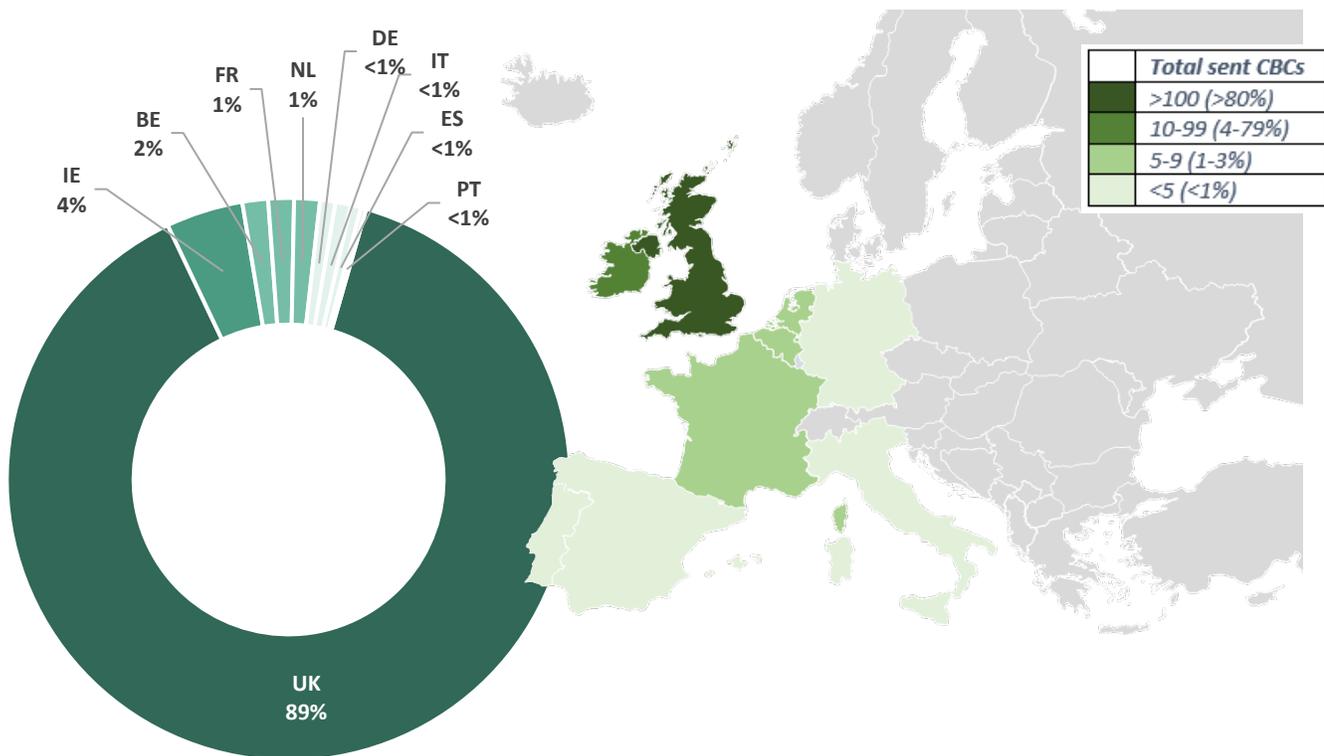
³ Category "Other" in 2019 refers to two complaints sent to New Zealand. In 2018 includes Australia, India, and Mexico, which handled two complaints each, as well as Romania, which handled one complaint.

3 The Origin of Complainants

89% of cross-border complaints were lodged by UK complainants

Through 2020, UK plaintiffs remained the most active in lodging cross-border complaints, having sent 300 objections to marketing practices to the UK SRO, the Advertising Standards Authority (ASA), which then referred the cases to the correct responsible organisation. Advertisements from Ireland (40%) and the Netherlands (24%) were amongst the most complained about by the British public. However, it is also important to note that complainants from the UK challenged advertisements originating from 20 different European countries, plus 5 CBCs sent to the Canadian SRO, Ad Standards. Last year saw cross-border complaints also lodged by Irish (4%), Belgian (2%), French (1%), and Dutch consumers (1%), with the rest of the European countries falling below 1%, as shown in Figure 3, below.

Figure 3: Advertisements complained about per country of the complainant in 2020

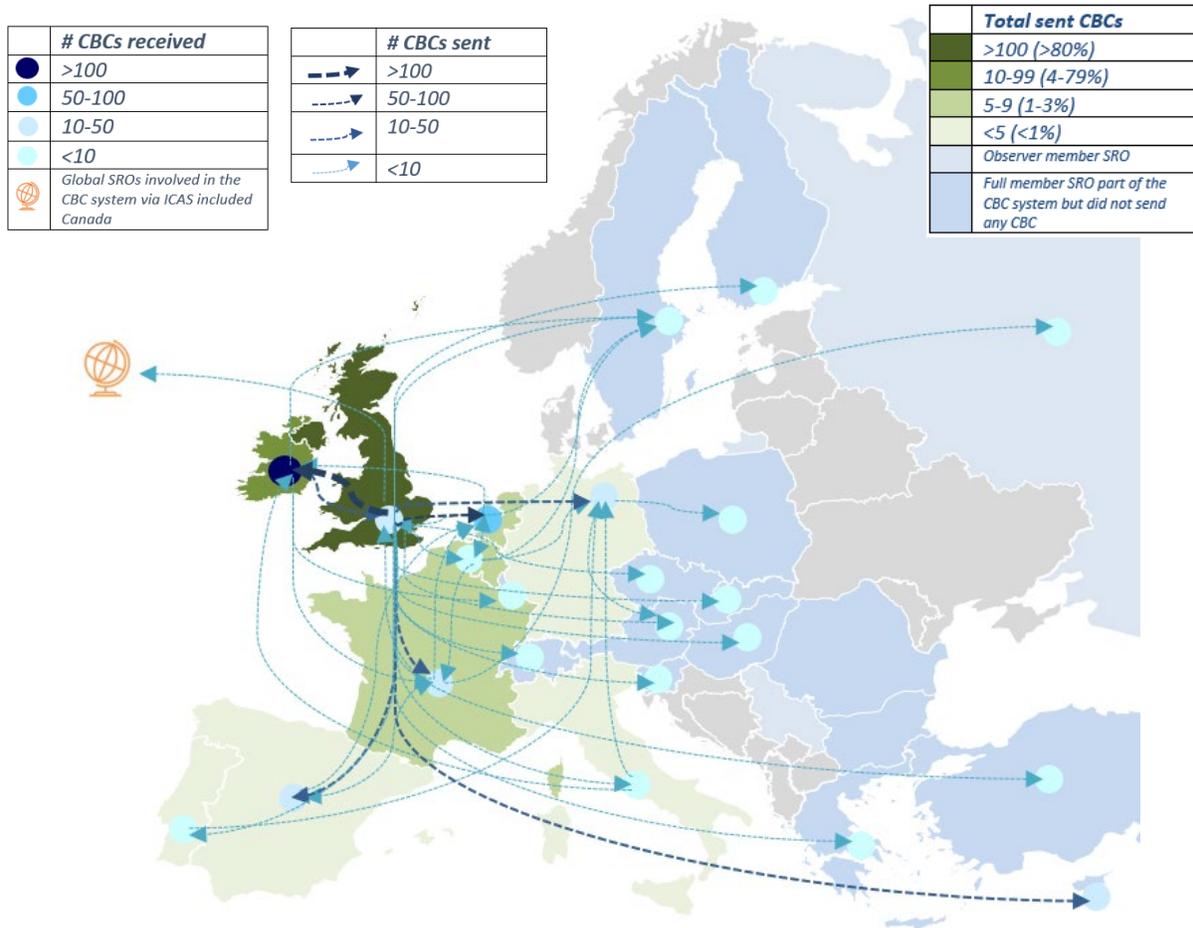


Source: Online Database

The map below provides a complete overview of the cross-border situation throughout 2020. It depicts the number of CBCs each SRO has sent out abroad, the amount received, and the amount sent per country. The arrows reflect the number of CBCs transferred, with the bigger and darker ones mirroring the important cross-border communication between SROs with regard to complaints. The blue disk gradient reflects the number of CBCs received and the coloured countries indicate the total amount of cross-border complaints sent abroad by the SROs.

As illustrated in earlier sections, the largest transfer of referred complaints occurred between the UK and Ireland, and the UK and the Netherlands. Notable transfers also took place from the UK to Germany, to Cyprus, to France, and to Spain as well as between other countries. Overall, the bulk of CBCs was sent and received in Western Europe. Less than 2% of CBCs were sent to the Canadian SRO, Ad Standards, via the ICAS network.

Figure 4: Transfer of CBCs in Europe in 2020



The table below also shows that only a handful of countries are sending over complaints to other countries. The biggest contributor remains the United Kingdom, with nearly 89% of referred complaints originating with the ASA. Over the past six years, UK complainants have filed-in the largest share of cross-border complaints: three to nine times more compared to all other plaintiffs of other countries combined.

The advertising legislation in the UK relies on the codes and rules issued by the Committee for Advertising Practice (CAP). Due to its government mandate to issue rules and guidance for the advertising industry, but also to monitor and review the ads appearing in UK media, the ASA has thus an important clout and is a focal point for all matters on advertising standards. Therefore, consumers are not only aware, but are also guided to report any misleading communication, dishonest ad, and illegal content to the ASA, which ensures that all advertising circulating in the UK is compliant either with their codes or with the codes and laws of other countries, as per the EASA CBC System.

Table 2: Cross-border complaints per country of complainant between 2015 and 2020

Country	2020	2019	2018	2017	2016	2015
United Kingdom	300	291	174	103	121	85
Ireland	15	25	10	19	10	12
Belgium	5	3	6	6	1	1
France	5	4	1	4	4	1
Netherlands	5	2	0	1	1	5
Germany	3	2	0	1	5	2
Italy	3	3	0	0	1	1
Spain	2	0	1	1	1	1
Portugal	1	0	0	0	0	0
Sweden	0	0	0	0	1	0
Romania	0	1	0	0	0	0
Other	0	1*	0	0	0	3

**Other in 2019 represents a complaint filed via EASA's online form.*

Source: Annual Cross-Border Complaints Report 2019 & Online Database

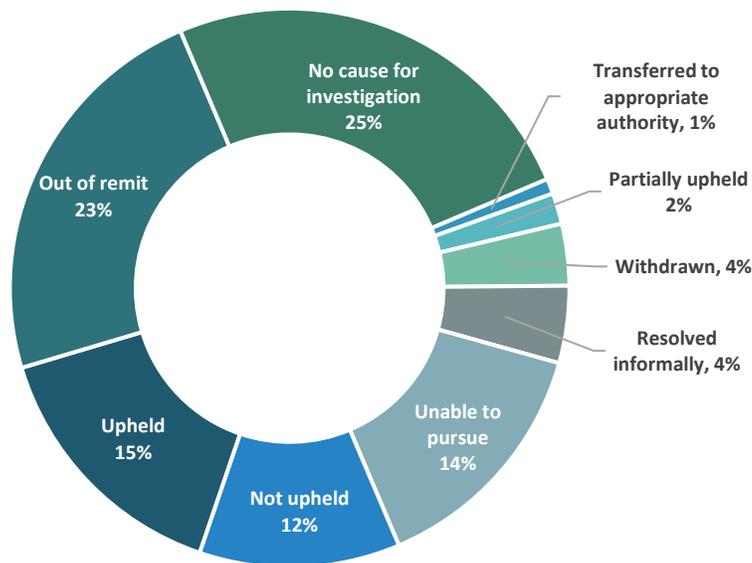
4 Outcome of Resolved Complaints

Nearly a third of complaints were not investigated as SROs had already initiated procedures at national level, and 14% were upheld, whereas 11% were not upheld

SROs did not investigate a quarter of complaints (25%) due to various reasons. For these cases, SROs found that these complaints had either no grounds for a case as the advertisements at hand did not breach any rule or legislation (90% of non-investigated complaints), or that the ad had already undergone an investigation and a decision is pending or already published (10% of non-investigated complaints). The second biggest outcome, as depicted in the graph below, are complaints that fell outside of the SROs’ remit, at 23%. The SRO in the country of the plaintiff may have accepted the complaint under their statutory rules. However, it is the SRO in the country of origin of the media or of the advertiser whose remit counts in referred cases.

SROs’ juries and committees upheld 14% of complaints and rejected 11%, with only a handful (2%) partially upheld as the juries or committees found these CBCs to be groundless but issued private warnings to advertisers, considering the ad to be featuring potentially problematic elements. A further 14% of complaints did not make it to the jury sessions as the SROs’ secretariats were unable to collect sufficient information to bring the case to the committees and were thus classified as “unable to pursue the case”. Such complaints included unresponsive plaintiffs and/or advertisers, and complaints that did not contain the required information about the ad to enable SROs to construct a case. Just over 4% of complaints were resolved informally by SROs. These are complaints where the secretariats of the SRO are able to mediate between the advertisers and the plaintiffs about the former’s grievances. Finally, a mere 1% were transferred to the appropriate authority, either to legal authorities or other local regulatory or self-regulatory organisations. The remaining 3% of complaints were later withdrawn by plaintiffs, in cases where the SRO explained that there are no breaches or grounds for a case.

Figure 5: Cross-border complaints per outcome in 2020

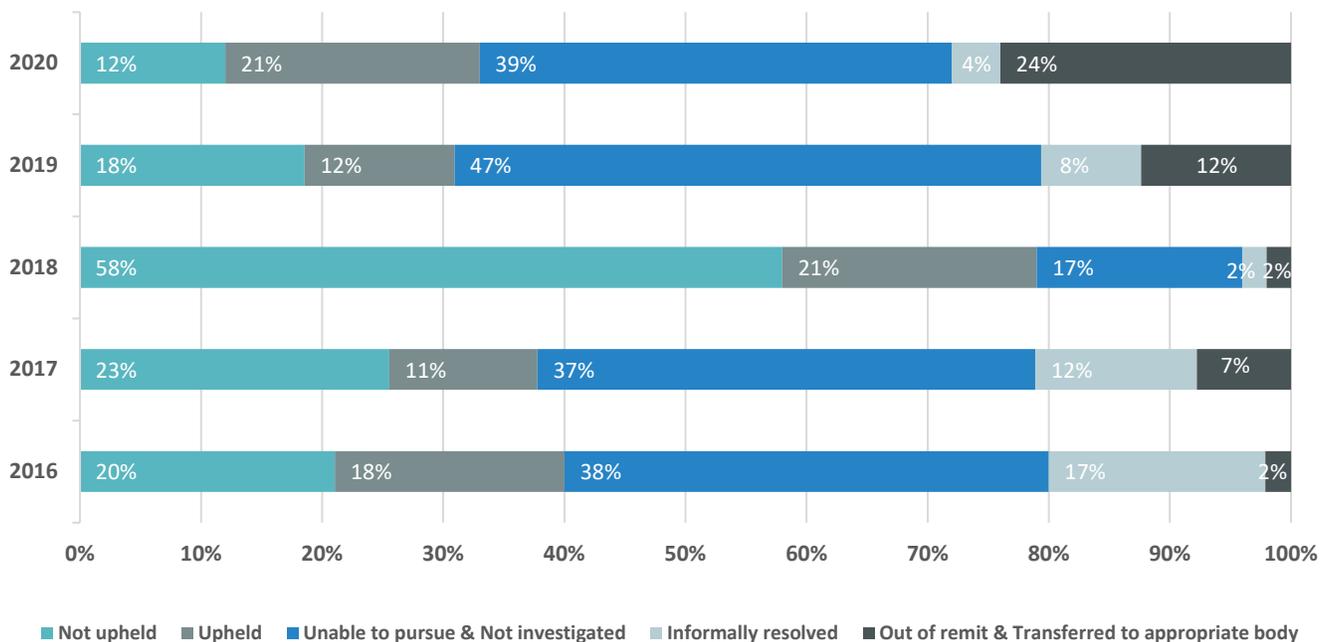


Source: Online Database

Comparing the data of CBCs’ outcomes across the past 5 years (see figure below) reveals a series of contractions and expansions for each complaint outcome. In 2018, the majority of complaints were not upheld, whereas 2019 saw a shift towards an important number of complaints not being investigated by SROs as the targeted advertisements were already subject to close inspection under previous cases or lacked the required information to open a case. In 2020, we saw an increase in the number of complaints upheld compared to the previous year, and a decrease in complaints that were not investigated. Conversely, there has been a rise in the share of complaints that fell outside the remit of the SROs in the country of origin.

Such evolution across years and between categories are normal as each year brings new advertising campaigns, updated self-regulatory rules and procedures, and societal challenges that impact consumers’ tastes and tolerance of the socially and culturally acceptable. An additional factor was the COVID-19 pandemic, which brought a whole category of new ads for various products and services. Complaints against such types of adverts fell perhaps outside many SROs’ remits. Self-regulatory organisations strive to keep ads to high standards both with respect to well-accepted rules and laws but also to new events amid changing norms that current rules may not cover. Consequently, resolving complaints informally or transferring complaints to other, better-suited organisations are ways SROs can navigate the ever-changing societal landscape, all the while keeping ads in line with their Codes. In this sense, SROs are best positioned as focal points in receiving, handling, and mediating consumers’ or other organisations’ complaints rapidly and decisively, especially in times of crises and upending circumstances.

Figure 6: Cross-border complaints per outcome between 2016 and 2020⁴



Source: Annual Cross-Border Complaints Report 2019 & Online Database

⁴ The figures include “Partially upheld” complaints in the category of “Upheld” complaints to make it comparable with previous years.

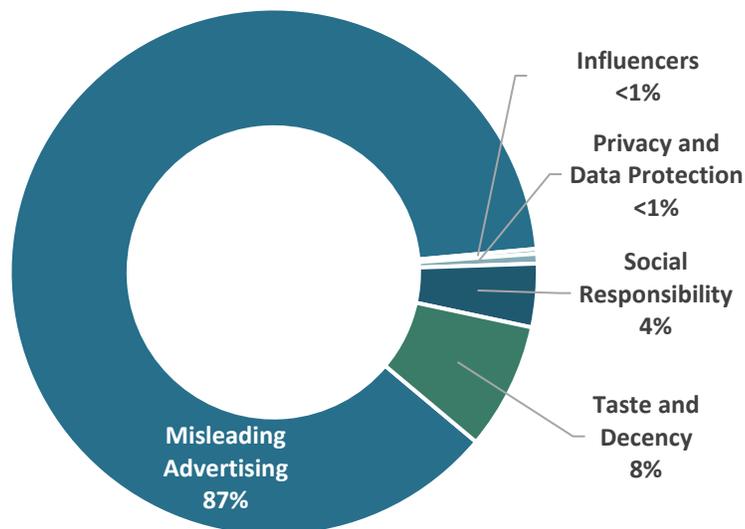
5 Issues Complained About

Misleading advertising continues to be the main issue complained about

Continuing the trend set in previous years, the largest share of cross-border complaints in 2020 concerned misleading advertisements, with 291 complaints dealing with such an issue, or just over 87%. Within this category, consumers mainly objected to advertisements by companies operating in the leisure services sector (at 35%), such as airline companies, bus touring services, accommodation services, etc. The next biggest industry that was complained about with regard to misleading marketing practices was advertising within the food sector with 13%. This indicates that most plaintiffs took issue with adverts for tourist activities and airline companies, as they deemed them to be misleading in their promotional content.

Beyond misleading advertising, consumers also complained about taste and decency issues, at 8% of complaints, which vary largely according to local sensitivities, cultural particularities, and community events. The third biggest issue related to social responsibility at 4% pertains to issues such as discrimination and the responsibility of advertisers in addressing some of the topical matters discussed at the societal level. Privacy and data protection issues were also raised by plaintiffs, though in small numbers, accounting only for 1% of complaints. Interestingly, there was also 1 complaint filed that related to advertising disclosures for an influencer. All marketing communications, even those promoted on social media platforms by private influencers on behalf of advertisers, must be properly, clearly, and correctly disclosed as sponsored, promoted, or in any case as advertising content, to distinguish it from editorial material.

Figure 7: Cross-border complaints per issue in 2020

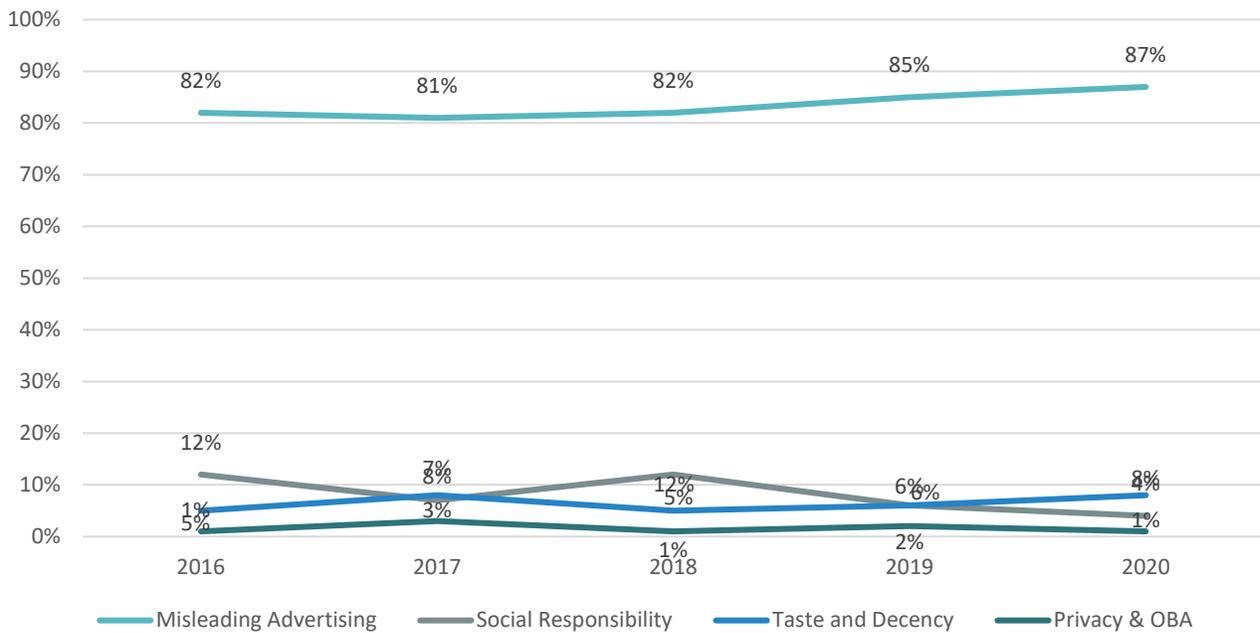


Source: Online Database

This focus on issues about misleading commercial advertising practices is not new, nor has it evolved much in the past 4 years – only a slight 2 percentage-point increase from 2019 to 2020. In fact, as Figure 8 below illustrates, over the last five years, misleading advertising continues to account for the highest share of complaints, with a five-year average of 83%. This shows that consumers are mostly complaining about unclear advertisements that lead them to a purchase that they would have otherwise not conducted, had the advert been clearer or more honest in its promotions.

Complaints about alleged breaches of taste and decency and social responsibility ranked second highest over the past five years with an overall average of 15% (adding both categories together). Privacy issues accounted for just over 2% of complaints between 2016 and 2020, on average. However, these three issues pale in comparison to the broader problem of misleading advertising. In fact, the graph indicates a decrease in complaints about social responsibility and an increase in misleading practices from 2016 through 2020. This rise seems to continue slowly through the past few years and reach close to 90% of issues discussed in CBCs.

Figure 8: Cross-border complaints per issue between 2016 and 2020



Source: Annual Cross-Border Complaints Report 2019 & Online Database

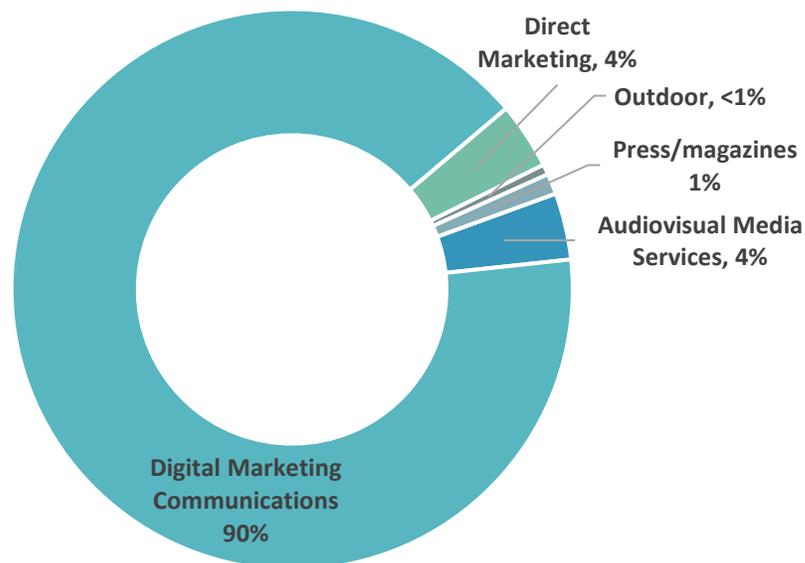
6 Media

Digital Marketing Communications was the media with the most complaints

Digital Marketing Communications (DMCs) accounted for 90% of cross-border complaints, indicating consumers are more susceptible to complain about ads that feature in online feeds and digital platforms than in other media. This category includes social media networks, video pre-rolls, influencer marketing, website advertising, and general online marketing. Advertisements received as Direct Marketing triggered just under 4% of cross-border complaints. This includes direct e-mails and direct post with promotions and commercial communications that target individuals who signed up for a newsletter or a marketing leaflet.

CBCs against advertisements appearing on Audio-visual Media Services (AVMS) prompted less than 4% of cross-border complaints, while out of home advertising accounted for under 1% of complaints. This shows that television ads are comparatively complained about rarely. This could be because, in countries such as the UK and France there is a national SRO that clears every advertisement before airing it on TV and radio. This enables the self-regulatory body or its counterparts to filter through a great deal of misleading or problematic ads that consumers would have otherwise flagged after publication. In this sense, this system of review before publishing is fruitful, with fewer complaints than ever in the past six years (see Figure 10). Moreover, analysing the data, we see that 93% of all complaints in the DMC category are against adverts that have been complained about for misleading content.

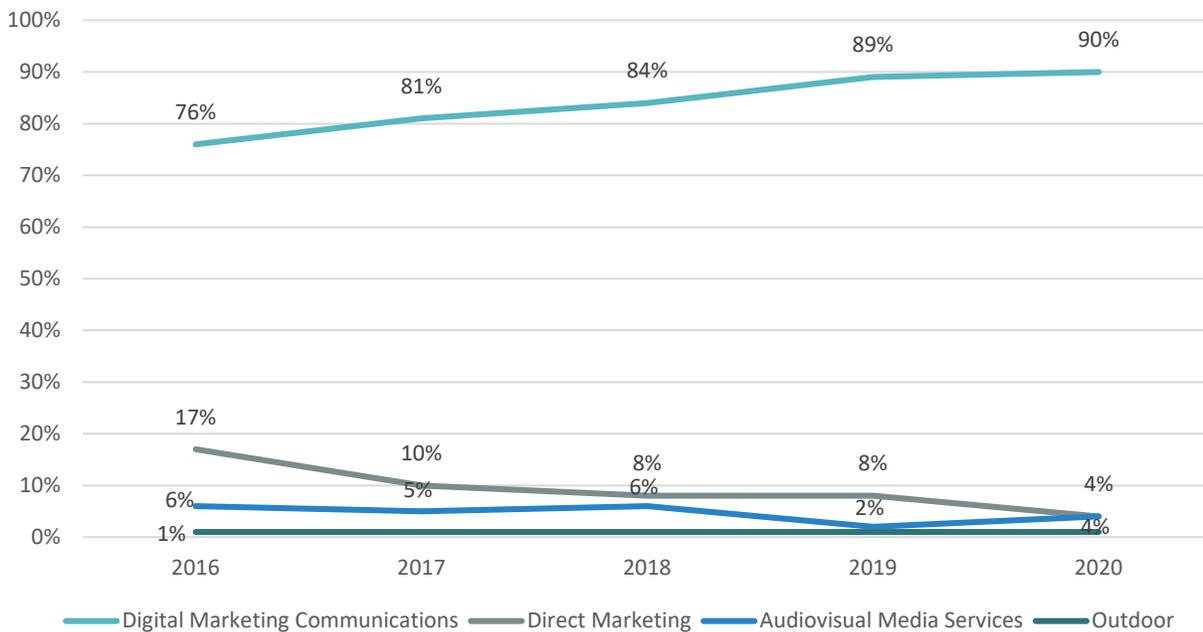
Figure 9: Cross-border complaints per medium type in 2020



Source: Online Database

Annual statistics show that DMCs have been generating by far the most cross-border complaints in recent years, with an average of 84% of complaints in the period from 2016 through 2020. Advertisements received through Direct Marketing media have ranked second, with an average of 9% of CBCs during the same period. However, cross-border complaints about direct marketing have been steadily declining to 4% in 2020, the lowest level since 2016. Audio-visual media services have prompted 5% of complaints on average in the past five years, while out-of-home ads did not provoke more than 1% of complaints yearly since records began. As mentioned earlier, this could be due to the self-regulatory bodies' filter on TV, radio, and out-of-home ads that exists in some countries, leading consumers to flag ads on digital platforms more often than on others, as for DMCs, SROs do not have a pre-clearance system in place. Nonetheless, local self-regulatory organisations offer copy advice services to advertisers ahead of publishing, for all media types.

Figure 10: Cross-border complaints per medium from 2016 to 2020



Source: Annual Cross-Border Complaints Report 2019 & Online Database

7 Complaints about Advertising for Products and Services

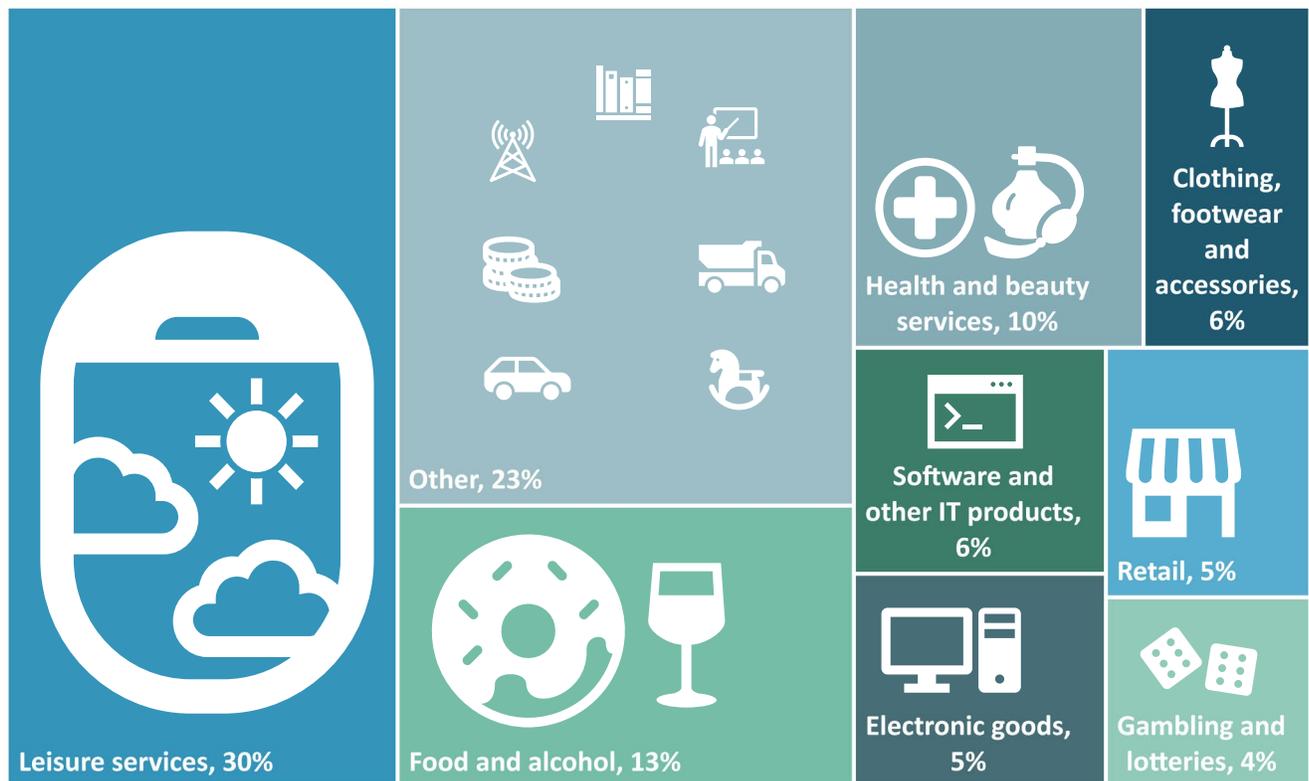
CBCs were mostly against advertising of leisure services, health & beauty, and food & alcohol

In 2020, just under a third of all complaints pertained to leisure services, including airline companies, hotels and holiday accommodations, travel and renting services, entertainment, sports, gaming activities, and dating services.

Food (13% of total complaints) was the second most complained about sector, followed by health & beauty services (10%). Consumers around Europe also rather frequently complained about alleged breaches of the SR codes regarding marketing communications for clothing and accessories (6%), as well as software and IT products (6%). Electronic goods and retail services also accounted each for 5% of CBCs. The retail category also contains online retail markets and e-commerce websites.

The second biggest category, though, as shown in Figure 11, is “Other”, which encompasses different categories and sub-categories of products and services advertised throughout the continent. This includes, as a total out of the 337 complaints, motorised vehicles (3%), toys (2%), transport services (2%), books and newspapers (1%), financial services (1%), telecommunications (1%), and an array of other services each accounting for less than 1% of total CBCs, on top of another 6% of unspecified categories. When considering the data, it becomes evident that consumers complained mostly about advertising practices from companies in the leisure and tourism industry.

Figure 11: Cross-border complaints in terms of products and services in 2020



Source: Online Database

A more detailed breakdown of complaints per products and services can be found below. It allows for a comparison of complaints throughout the past 5 years.

The trend that started in 2016 with the number of complaints about advertising for leisure services rising consistently until 2019 has now seen a slight drop in the number of complaints of about 43% between 2019 and 2020. Furthermore, other sectors have also seen significant variations. The food sector recorded more than twice as many CBCs as the year before, as did the combined categories of electronic devices and IT hardware and software products. Health and beauty services are also on the rise, with a 74% increase. Most notably, the sector for gambling and lotteries saw a massive 225% increase in referred complaints, indicating potential growth in the number of gambling and lottery ads in some parts of Europe.

The retail sector, which includes e-commerce sites and online marketplaces, witnessed a 23% drop in CBCs, as did the clothing sector, with a decrease of 14%. Interestingly, two noteworthy categories have made the mark this year: books, magazines and newsletters with 5 cross-border complaints, and non-commercial advertising with 3 referred cases, which includes political advertising and non-commercial issue-based advertising.

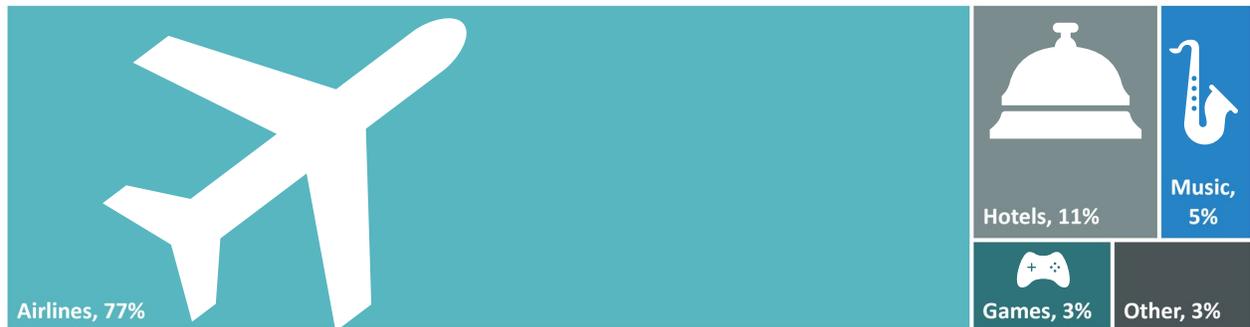
Table 3: Cross-border complaints in terms of products and services between 2014 and 2020

Products and services		2020	2019	2018	2017	2016
Leisure services		102	179	70	53	31
Food (and Alcohol)		43	20	5	4	2
Electronic devices and IT hardware and software products		37	16	17	8	19
Health & Beauty services		33	19	11	12	8
Clothing & Accessories		19	22	14	13	9
Retail		17	22	25	4	-
Gambling & Lotteries		13	4	13	3	13
Automobiles		11	15	7	3	4
Transport		6	6	4	5	28
Financial & Business services		6	3	5	4	4
Telecommunication		5	3	-	6	10
Books and magazines		5	-	-	-	-
Non-commercial		3	-	-	-	-
Other (products/services)		37	17	216	19	21

Source: Annual Cross-Border Complaints Report 2019 & Online Database

The category of leisure services and tourism accounted for over half of all complaints. This sector, as defined for the purpose of this study, includes many different industries that contribute to nearly a third of all complaints transferred across Europe. Of the 102 complaints in this category, over 77% were against airline companies, and a tenth were against hotels and accommodation services. The rest were objections to advertising done by various entertainment services such as film providers, gaming activities, mostly on digital platforms, and music streaming services.

Figure 12: Cross-border complaints in the Leisure services and tourism sector in 2020



Source: Online Database

It is also noteworthy to have a closer look at the health and beauty sector, which encompasses various sub-sectors, industries, and enterprises that operate in different marketplaces. Together, this sector recorded a tenth of all CBCs, or 33 complaints, spread as shown in the below graph. Cosmetic products and services, such as soap manufacturers, laser clinics, and perfume and cologne brands, make up 39% of all cross-border complaints within this sector. Sports equipment, such as digital watches with activity metrics and general outdoor equipment, accounted for nearly a quarter of all health & beauty CBCs. The remaining categories registered each less than 10% of complaints in this category, namely for dental and medical services, medical equipment, food supplements, pharmaceuticals, and veterinary services.

Figure 13: Cross-border complaints in the Health and beauty services sector in 2020



8 European data on CBCs: wrap-up for 2020

*DMCs set to remain dominant media,
food sector to see consistent future increase in CBCs
as consumers stay indoors during the pandemic*

We can conclude, from the analysis of the figures for 2020, that consumers in the British Isles were the source of the vast majority of complaints transferred abroad. The 337 CBCs predominantly targeted misleading digital advertising material from airline companies, food and alcoholic beverage brands, and health and beauty services, of which the marketers' headquarters are in Ireland and the Netherlands.

The statistics for 2020 are more varied in terms of geography and sector than in 2019, when it was primarily airline companies in Ireland that were targeted. As such, multiple sectors have seen an increase in CBCs, whereas leisure services registered a significant decrease, thus diversifying the sectors that were targeted by referred complaints. Yet, the data for 2020 also indicates that CBCs are still principally targeted against digital and online adverts that allegedly contained misleading content. In a year that saw online advertising take a more prominent role, it is expected to see digital marketing communications keep their top place as the most-complained-about media in the near future. This was particularly the case for 2020 when nearly the whole European continent was for numerous months of the year ordered to stay indoors due to the outbreak of the COVID-19 pandemic. The increased time spent inside their homes inadvertently nudged European consumers to shop and purchase services and products online, order food deliveries, stream new films, series, and music albums digitally, order books and magazines on e-commerce sites, and even play the lottery and try out some gambling activities. Less time spent travelling and commuting led to more time dedicated to indoor activities as well. Advertising practices followed this sudden change in behaviour. This trend is visible in the number of cross-border complaints filed against different adverts – complaints are a loose proxy for societal changes in what is considered socially and culturally acceptable and for ad spend. This is reflected in 2020's CBC statistics, with new sectors seeing cross-border complaints directed against them such as gambling and book publications, an increase for others, such as food and alcoholic beverage brands and IT soft- and hardware, but a drop for leisure activities and services.

The impending effects of the COVID-19 pandemic in 2020 has trickled down to the statistics and nature of cross-border complaints and the advertisements targeted in these queries. An increase in complaints against adverts for food products and health and beauty products coincides with the novel coronavirus outbreak, on top of other sectors registering sizeable increases in CBCs. Nonetheless, SROs filtered, handled, and assessed each of the 337 cross-border complaints to ensure that all ads in Europe were accountable for their claims and that they respected the local advertising standards.

Annex: 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 3,400 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 European Single Market. The CBC system is founded on the principle that an advertisement must abide by the rules of the country where the media is based that features the advertisement. However, in the case of Direct Marketing and Digital Marketing Communications (DMCs), the advertisements will generally be expected to follow the rules of the country where the advertiser is based, whereas, in the case of Online Behavioural Advertising (OBA), the country of origin of the company will be based on the principal decision-making presence (headquarters' offices). The **second principle is 'mutual recognition'**. By this principle, EASA members agree to accept advertisements that 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 their complaint lies outside the competence of their national SRO. Hence, the plaintiff's first point of contact will be the local, national SRO. Once the latter ascertains that a complaint is 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 for investigation. The EASA Secretariat is included in all correspondence related to the case and will closely monitor its progress. Furthermore, 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 annually in CBC Reports, published on the EASA website: www.easa-alliance.org.



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