

Trivialisation in high-cost short-term credit ads

Advertising Guidance
(non-broadcast and broadcast)

Foreword

The Committee of Advertising Practice (CAP) offers guidance on the interpretation of the UK Code of Advertising (the CAP Code) in relation to non-broadcast marketing communications.

The Broadcast Committee of Advertising Practice (BCAP) offers guidance on the interpretation of the UK Code of Broadcast Advertising (the BCAP Code) in relation to broadcast marketing communications.

Advertising Guidance is intended to guide advertisers, agencies and media owners how to interpret the Codes but is not a substitute for those Codes. Advertising Guidance reflects CAP's and/or BCAP's intended effect of the Codes but neither constitutes new rules nor binds the ASA Councils in the event of a complaint about an advertisement that follows it.

For pre-publication advice on specific non-broadcast advertisements, consult the CAP Copy Advice team by telephone on 020 7492 2100, by fax on 020 7404 3404 or you can log a written enquiry via our [online request form](#).

For advice on specific radio advertisements, consult the [Radiocentre Clearance](#), and for TV advertisements, [Clearcast](#).

For the full list of Advertising Guidance, please [visit our website](#).

Background

These guidelines, drawn up by the BCAP Executive, are intended to help marketers and agencies interpret the rules in the CAP and BCAP Codes. The guidance is based on past ASA rulings. It neither constitutes new rules nor binds the ASA Council in the event of a complaint about an ad that follows it.

Because high-cost short-term credit (HCSTC) ads are often attractive to potentially vulnerable consumers, marketers should be particularly careful to ensure that marketing for HCSTC is socially responsible. The guidance examines the specific issue of whether ads for HCSTC are likely to be considered socially irresponsible by trivialising the seriousness of taking out a loan. When assessing whether ads trivialise the nature of the product, the ASA is likely to consider issues such as the undue emphasis on speed and ease of access, the promotion of the loan for non-essential products and the promotion of the loan to resolve financial difficulties.

The guidance was originally drawn up as a result of BCAP's 2014 Payday Loans Review which, in line with our ongoing commitment to ensure that the Code provides adequate protection for consumers and vulnerable groups, examined concerns that surround payday loan advertising and assessed how the advertising rules were being applied to payday loan advertising appearing on television. The guidance also applies to the interpretation of the CAP Code. The guidance was further revised in December 2016 in light of BCAP's further content review into the content of television ads for HCSTC and the promotion of irresponsible borrowing behaviour.

CAP Code rules

- 1.2 Marketing communications must be prepared with a sense of responsibility to consumers and to society.

BCAP Code rules

- 1.2 Advertisements must be prepared with a sense of responsibility to the audience and to society.

General guidance on trivialisation

The ASA considers that given the potentially serious financial consequences, taking out a loan is a step that should only be undertaken following careful consideration. Ads should not encourage consumers to make an ill-considered or rushed decision about borrowing, particularly without considering the financial implications of doing so. Techniques used in advertising should not distort the nature of the service being offered. Where ads only include factual information and simply alert consumers to the existence of the advertiser and the service they provide, the ASA is unlikely to find that they trivialise the product. CAP and BCAP understand that HCSTC is primarily of benefit to and designed for those in need of money to cover occasional unexpected shortfalls for short periods of time, and are not intended as a wider solution to financial management. Advertisers should be careful not to promote their products as a long-term supplement to irregular, low income. Any treatments that suggest use of the loans outside the above parameters are likely to be found to be irresponsible.

Non-essential products / frivolous spending

References to or the promotion of using HCSTC to fund non-essential purchases such as holidays are likely to be seen as encouraging frivolous spending of borrowed money with potentially serious consequences, and, as such are likely to be found to be irresponsible. Using words relating to necessity can add to this impression and should be handled with care.

Types of purchases

Promoting the use of a loan for the following purposes is likely to be seen as condoning frivolous spending and, therefore, irresponsible:

- *holidays*
- *to go on a shopping trip*
- *to fund a social life*

- *“a weekend away”*
- *“a slap up meal”*

For some consumers, home maintenance or other repairs would be considered essential, and potentially urgent in some circumstances, and depending on context it may not be irresponsible to market a loan for the following purposes:

- fixing a broken boiler
- car repairs
- fixing a washing machine

Using loans to pay for unexpected bills is likely to be acceptable.

Necessity

Phrases related to necessity should be handled with care and, in particular, should not be used where non-essential products are featured in the ad. An example of a reference to necessity would be:

“Get money for the things you really need”

Due consideration of the decision to take out a loan

Phrases about ease / speed

Although it might be a legitimate description of the application process, a disproportionate emphasis on speed and ease of access compared to interest rates is likely to be considered problematic. Such approaches can contribute to an impression that careful thought is not required in advance of taking out a loan. Phrases that the ASA is likely to find problematic include:

“It's fast, easy, and there's never a credit check”

“Money within 24 hours of valuation”

Use of light-hearted themes and humour

Although the use of humour or light-heartedness in an ad is not, in itself, likely to give viewers the impression that taking out a loan is a decision to be taken lightly, an overall and disproportionately jolly, light-hearted or humorous atmosphere, in contrast to the serious nature of the product is likely to be problematic.

Although ads will always be assessed according to their overall content and context, the following factors have the potential to distract viewers from the seriousness of the decision to apply for a loan and should be handled with care:

- use of an animation

- use of songs
- light-hearted and humorous tone
- catchy / upbeat jingles

Implying to viewers that the RAPR is a measure that need not be factored into their considerations as to whether or not to take out a loan is likely to be problematic.

Using loans to resolve financial difficulties

Positioning the use of a loan as of benefit to those having difficulty in managing their finances or implying that it is a suitable method of addressing ongoing financial concerns is likely to be problematic. Loans are primarily of benefit to those in need of money to cover occasional unexpected shortfalls for short periods, and should not be promoted as a solution to wider financial problems. Phrases such as “experiencing one of life’s ups and downs” could be acceptable as long as the rest of the ad does not suggest use to combat financial difficulties. Using characters associated with financial difficulties could result in empathy with their circumstances and result in viewers making a decision about resolving their own financial shortfalls by obtaining a product that may not be suitable for them, and, therefore, irresponsible.

Counteracting the potential impression of trivialisation

Marketing communications are assessed on whether their overall effect is to trivialise the nature of the product advertised. A prudent approach to counteracting any impression that the nature of the product is being trivialised is to include information about the procedures which are followed when assessing loan applications, including checks to ensure that those applying for credit can afford any repayments, regardless of the reason for them applying for a loan. The following phrases are likely to help counteract potential trivialisation but ads will always be assessed according to their overall content and context:

"They looked at my incomings and my outgoings"

"They made sure I could afford monthly repayments"

"It gave us that little bit of leeway to make sure we could get that first payment together"

"Loans are subject to status and affordability"

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