

Advertising Standards Authority

**Broadcast Advertising
Adjudications**

12 April 2006



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ADVERTISER: British Gas Ltd t/a Scottish Gas and British Gas

AGENCY: Clemmow Hornby Inge Ltd

Date: 12 April 2006

Media: Television

No. of complaints: 5

COMPLAINT:

TV ads for Scottish Gas and British Gas broadcast from November 2005 told the story of customers who were happy to stay with those companies for their energy supply.

- a. One Scottish Gas ad featured Archie (a Scottish Gas customer shown as an animated gas flame) saying “Last year I heard that prices were going up. In fact I read it in the local press. And I thought well, if we change, the other provider might change and put theirs up as well. So we just sat tight. The other provider did put their prices up and I believe it’s all balanced out. So you know, we stayed put and we were happy about that.” As he said this, a pair of evenly balanced animated weighing scales appeared in a corner of the screen.
- b. Other ads in the series, including those for British Gas, were worded similarly but did not include the animated weighing scales.

A competitor, Scottish Power, believed that the claim “it’s all balanced out” and the use of the visual device of the scales implied to customers in Scotland that there was no material difference in price between energy suppliers following the price increases that had recently taken place and that Scottish Gas customers would not be worse off than before. Scottish Power believed that, in fact, Scottish Gas had increased their energy prices by 14%, whereas Scottish Power had increased electricity prices by between 5% and 8% and gas by 12% from prices that they said were already lower than those of Scottish Gas. Scottish Power believed that customers would be worse off financially by staying with Scottish Gas and that, rather than balancing out, the difference in fuel price between the two companies was widening. Scottish Power believed the ads encouraged customers to stay with, switch to or switch back to Scottish Gas for reasons that were not justified.

Four viewers, one from Scotland and three from various parts of England, complained in similar terms. They believed the ads misleadingly implied that Scottish or British Gas prices were broadly comparable with those of their competitors; that customers would be paying no more by staying with Scottish or British Gas and that competitors had increased their prices to match those of Scottish or British Gas.

ADJUDICATION: Complaints upheld

Clemmow Hornby Inge said the claim was a testimonial of a customer’s own story. They said it was the customer’s view that the monetary savings he may have benefited from by switching to Scottish Power (in the case of the ad for Scottish Gas) were small and did not warrant the move because there were additional variables that a customer needed to consider before changing suppliers. They said these included service level and a

customer's history with a trusted supplier. They said it was when all three variables were considered that the customer believed the energy suppliers "balanced out."

British Gas (for Scottish Gas and British Gas) said they believed it was difficult for customers to compare suppliers' prices because suppliers increased their prices at different times of the year. British Gas said the ads aimed to demonstrate to customers that not only British Gas but all major domestic gas suppliers had increased their prices. They said that while it may be correct that a customer was worse off financially by staying with British Gas, they did not intend the ads to claim that energy prices were lower for British Gas customers and did not believe they implied that. They supplied us with information showing how different suppliers had applied increases during 2005 and previous years. These figures showed that, in the period September 2004 to September 2005, dual fuel prices for British Gas customers paying by monthly direct debit increased by 15%, whereas those of their competitors had increased by between 0% and 21%, with Scottish Power increasing by 16%.

The Broadcast Advertising Clearance Centre (BACC) said they had interpreted the testimonials as being from customers who took both electricity and gas from Scottish (or British) Gas, and that the "all balanced out" claim referred not only to the rate or frequency of price increases but to the cost a customer paid for fuel.

The ASA agreed with the BACC's interpretation. We also considered that the testimonial was likely to be taken as a factual claim that customers were unlikely to benefit financially from switching energy suppliers. Because energy suppliers did not impose their price increases at the same time as each other, we understood that the percentage by which a supplier appeared to increase their prices might be higher or lower than their competitors depending on the time period being compared. We also understood that the price a customer paid for their energy, and how this compared with other suppliers' prices, would also depend on the particular tariff a customer was on. To substantiate the claims made, we considered that British Gas needed to demonstrate that the financial cost to customers – and not just the percentage rate by which those costs increased – was broadly comparable for customers of Scottish and British Gas as with alternative suppliers in their areas. The figures supplied by British Gas did not demonstrate this. We checked figures published by Energywatch, the independent watchdog for gas and electricity consumers. Energywatch's figures showed that dual fuel customers very often paid more for their energy by taking it from Scottish or British Gas than they did with any available competitor. We therefore considered that the ads misleadingly implied that there was no material difference in price between energy suppliers and that customers were unlikely to save money by shopping around to compare prices.

The ads breached CAP (Broadcast) TV Advertising Standards Code rules 5.1 (Misleading advertising), 5.2.1 (Evidence), 5.2.3 (Qualifications), 5.4.1 (Visual techniques and special effects) [ad (a) showing the balanced scales], 5.4.4 (Testimonials) and 5.4.6 (Comparative advertising). They must not be shown again in that form.

ADVERTISER: Crookes Healthcare Ltd
AGENCY: McCann Erickson Advertising UK Ltd
Date: 12 April 2006
Media: Television
No of complaints: 1

COMPLAINT:

An ad for Nurofen for Children showed a young baby and claimed that the product was suitable for helping reduce temperature in babies as young as three months old.

A viewer who bought the product complained that the packaging said it was only suitable for children from six months and that for children between three and six months you must consult a doctor. She believed the ad should have made this clear.

ADJUDICATION: Complaint not upheld

The Broadcast Advertising Clearance Centre (BACC) said that the licensed minimum age for the product had been reduced from six to three months. They said that the packaging had since been changed to reflect that but that nevertheless there would be batches of the product still for sale with packaging that pre-dated the change. McCann Erickson endorsed this.

Crookes Healthcare said the Medicines and Healthcare products Regulatory Agency (MHRA) had agreed the change to the minimum age licensed. They agreed that there would still be products for sale with packaging stating the higher minimum age, but that there was no reason why it could not still be sold as long as it was before its expiry date. They accepted that it could potentially be confusing for ads and packaging to state different ages but that there was no safety issue in one of them stating a tighter restriction than the one actually required.

The ASA considered Crookes Healthcare had demonstrated that the product was suitable for babies as young as three months. We understood that inevitably there would be a period of time when the TV ad stated a different age from packaging that pre-dated the change. The ad did not claim, however, that the product was suitable for children of a younger age than the changed licence permitted.

We investigated the ad under CAP (Broadcast) TV Advertising Standards Code rules 5.1 (Misleading advertising), 5.2.3 (Qualifications), 7.3.2 (Physical harm to children) and 8.2.6 (Conditions requiring medical attention) but did not find it in breach.

ADVERTISER: DSG International plc t/a PC World
AGENCY: M&C Saatchi plc
Date: 12 April 2006
Media: Television
No. of complaints: 6

COMPLAINT:

A PC World ad, set in one of their stores, offered an Advent 7000A Intel Celeron M Processor 350 for £349. The sales person said that the laptop had a "... huge 40 gig hard drive, great for watching DVDs, movies ... It's our lowest ever priced laptop. You'll find it hard to beat even on the internet, and I guarantee they won't be in stock for much longer at this price ...".

1. Three viewers complained that the laptop had sold out both in store and on PC World's website before and while the ad was on air.
2. One viewer was told that he could only buy the laptop as part of a higher priced package.
3. Two viewers believed the ad was misleading because it described the laptop as having a "huge 40 gig hard drive" when in fact 40 gb was a minimal system requirement for laptops, and was therefore quite small.

ADJUDICATION:

1. Complaints upheld

The Broadcast Advertising Clearance Centre (BACC) said they believed PC World had sufficient stock to meet demand.

PC World said they had 2000 Advent 7000A laptops available, which they considered to be a significant quantity. They did not advertise the laptop in the national press during the period the ad was on TV in order to ensure there was enough stock to meet demand. They pointed out that the product was still selling in small quantities on the last two days of the TV campaign. PC World felt that they had made an adequate estimate of demand for the product prior to it being advertised and although it sold in larger quantities than expected, they had complied with the requirements of the CAP (Broadcast) TV Advertising Standards Code.

The ASA noted that although a small number of customers may have been able to purchase laptops right up to the end of the TV campaign, the complainants' experience had shown that the number of laptops was not sufficient to meet demand for such a low priced item. We therefore considered PC World did not have adequate stock.

2. Complaint not upheld

PC World said the viewer had been misinformed by staff at the store he visited. They explained that the laptop was also offered as a 'bundle' with some accessories, but all the

laptops were available to be sold separately. The advertised offer was not conditional on buying both the laptop and the accessories.

We noted the laptops were available to buy separately, and not as part of a package. It was unfortunate that the viewer was given the wrong information, but it appeared to have been an isolated incident. We considered the ad had not breached the Code on this point.

3. Complaints upheld

PC World said the claim concerning the size of the hard drive was subjective. The BACC agreed with them. PC World said it was a statement of fact which enabled customers to make their own comparison with other laptops. They explained that while it was perhaps not an unusually large hard drive, it was nonetheless sufficient for all relevant purposes. They said it illustrated that while it was a cheap laptop, there had been no cost cutting by introducing a smaller hard drive. They believed it was a strong specification for its price.

We understood that a 40 gb hard drive was fairly standard for laptops. We appreciated the intention had been to show the laptop was not underpowered, but by claiming the hard drive was "huge" the ad had exaggerated the technical specifications that would normally be expected with such a computer.

The ad breached CAP (Broadcast) TV Advertising Standards Code rules 5.1 (Misleading advertising), 5.2.2 (Implications) and 5.2.3 (Qualifications). It should not be shown again in its current form.

ADVERTISER: Grade One Services Ltd t/a Posh Windows and Conservatories

BROADCASTER: Wave 105.2 FM

Date: 12 April 2006

Media: Radio

No. of complaints: 1

COMPLAINT:

A radio ad for Posh Windows and Conservatories included the claim "Posh Windows and Conservatories have built a sound reputation over 15 years".

The listener challenged the claim, because he believed the company went out of business in 2004, which had invalidated his 10-year guarantee.

ADJUDICATION: Complaint not upheld

Wave 105.2 FM said they had worked with Posh Windows and Conservatories (PWAC) since 1991 and that they endorsed the claim. They explained the previous franchise holder of PWAC was a company called South Coast Marketing Ltd and therefore any guarantee the listener had taken out at that time was the responsibility of South Coast Marketing Ltd. They understood, however, that the new franchise holder offered South Coast Marketing Ltd's customers new extended guarantees.

PWAC said when South Coast Marketing Ltd lost its franchise and it was passed to Grade One Services, it was stipulated that Grade One Services would honour all existing contracts from the old company. They asserted that they had done so and every one of South Coast Marketing Ltd's former customers was sent a letter offering them a new 10-year guarantee or the opportunity to extend their guarantees for a further 10 years at an additional cost. They sent a copy of that letter and an e-mail from the Fenestration Self-Assessment Scheme (FENSA) which stated that PWAC was under no legal obligation to transfer any guarantees issued from South Coast Marketing Ltd. They also sent copies of a letter sent to South Coast Marketing Ltd's customers advising them how to recover money paid in advance for work that was still to be completed.

The ASA noted the listener's guarantee was issued by PWAC and contained no reference to South Coast Marketing Ltd; however, we were aware from discussion with Southampton Trading Standards Department (TSD) as well as the information PWAC sent from FENSA, that consumers' guarantees for double glazing companies were usually non-transferable. Therefore, as the new franchise owner, Grade One Services was under no legal obligation to transfer guarantees issued from South Coast Marketing Ltd. We were aware that PWAC gave consumers the opportunity to extend existing guarantees for a charge or purchase a new guarantee even though they had no obligation to do so. We considered from the information provided by PWAC that they had, wherever possible, honoured South Coast Marketing Ltd's contracts and concluded, they could claim the previous franchise owners' 15-year trading history.

The ad was investigated under CAP (Broadcast) Radio Advertising Standards Code section 2, rule 3 (Misleading advertising) but was not found in breach.