



Independent
Broadcasters of Ireland

Response to

Consultation Document

on

Central Bank Consumer Protection Code

July 2011

About the IBI

IBI represents national, regional multi-city and local commercial radio stations throughout Ireland. While all the members are independent broadcasters there still exists a very diverse collection of radio stations – diversity in ownership, target audience, location, franchise area to name but a few. Independent broadcasting in Ireland has never been as strong as it is today with 2.428 million people tuning into independent radio on a daily basis.

Advertising and sponsorship are the backbone of commercial radio and without these, commercial radio stations would cease to exist. Since the first commercial radio station began broadcasting in July 1989 there has been concerted effort on the enticement of sponsors and advertisers to independent commercial radio on a local, regional and national level by individual radio stations, station groups and specific national advertising organisations.

Independent radio stations were instrumental in the development of BAI's General Commercial Communications Code through submissions made by the IBI during the consultation phase. Despite the commercial importance of advertising, broadcasters are conscious of adhering to all regulatory guidelines and the implementation of these codes has been of utmost importance to independent broadcasters since their introduction.

Independent radio stations exist for their audiences and without the audience the commercial station itself would not exist. Independent radio stations are conscious at all times of the need to treat the audience fairly and not to expose the listeners to broadcast material that would exploit, coerce, mislead or offend.

Review of the Consumer Protection Code

The IBI welcomes the Central Bank's consultation on the Consumer Protection Code. Over the past two years members of the IBI have formed part of an industry delegation that held meetings with representatives of the Financial Regulator's office to discuss this very issue.

Despite raising many issues concerning the broadcasting of advertisements for financial products and services, the IBI is disappointed that the only reference made to advertising in the Consultation Document is to print advertisements. We hope that this will be rectified and specific requirements for radio broadcasting included in any subsequent consultation process and in the final draft of the Consumer Protection Code. In anticipation of this, the following points should be considered as part of any code for the benefit of the radio listeners.

We believe that a distinction must be drawn between the treatment of advertising financial products and services on radio and other more visual forms of advertising. Current regulation regarding disclaimers on radio advertisements are resulting in confusion for listeners. This is largely due to the extensive amount of information that is required in advertisements for financial products. It is not possible to present similar amounts of information on an audible platform as it is to present the information visually and the result of the current regulation to radio listeners is confusion.

A report conducted on financial terms and conditions in radio advertising in the UK outline the thoughts of the listener as follows:

- Terms and conditions on radio ads were too dense;
- Critical information was missed due to the overload of information;
- Wealth warnings were more for providers rather than buyers;
- Treatment of financial advertisements was at odds with the way radio as a medium is used;
- Were intrusive on radio and effected the enjoyment of the medium.

Most worryingly, people surveyed stated that they "zoned out" when the terms and conditions began and suggested that simpler and shorter information would add to the decision making surrounding the purchase of products or services. The IBI would

suggest that radio specific guidelines be introduced to ensure that all pertinent details are easily understood by the listeners. The IBI would also encourage discussions between the Financial Regulator/Central Bank and the radio groups, both IBI and RTÉ, to ensure that regulation surrounding financial advertising is effective, user friendly, in the interest and for the benefit of the listener.

The consideration and inclusion of the recommendation as stated above would have a real and positive effect on independent broadcasters and on the very large community of people who choose to tune in to independent commercial radio stations.

The IBI remains, as always, available to discuss the contents of this submission in further detail.