

10 February 2012

RE: Advertising

The Central Bank of Ireland (“Central Bank”) advised all regulated entities in its letter dated 18 October 2011 that “*we expect regulated entities to move immediately to implement the new requirements relating toadvertising.*” The purpose of this letter is to remind regulated entities of their compliance obligations, particularly in relation to advertisements.

Since the implementation of the revised Consumer Protection Code on 1 January 2012, we have dealt with a number of regulated entities where we had concerns around the fairness, clarity, accuracy and potential for the advertisement to be construed as misleading in their overall content and presentation. In addition, key information in relation to the product or service in a number of advertisements was not sufficiently prominent and was included in smaller print to other parts of the advertisement. Advertisements have also been identified where the qualifying criteria are not included in the main body of the text, with the minimum price or potential maximum saving. Key information and eligibility criteria should be stated with the minimum price or potential maximum saving, in the main body of the advertisement and must be prominent. We have particular concerns regarding some styles of advertising, for example, where terms such as “savings of”, “prices from” and “save up to” are used. Where any such phrases are used, the qualifying criteria for availing of the price must be prominently displayed in the main body of the advertisement.

Regulated entities must be cognisant of the differing sizes of proposed advertisements, and consider how they may appear in their final formats. While the size of the qualifying criteria or smaller print may appear sufficiently prominent in some formats of an advertisement, it may not be clearly legible in the final format. For example, an advertisement on the side of a bus may require the key information to be given great prominence than the same advertisement in print media.

The Central Bank would draw all regulated entities' attention to the requirements of the Code, particularly:

- a) Provision 2.4 which requires that the regulated entity *“has and employs effectively the resources, policies and procedures, systems and control checks, including compliance checks, and staff training that are necessary for compliance with this Code”*.
- b) Provision 9.2 of the Code in relation to advertising requires that *“a regulated entity must ensure that: a) the design, presentation and content of an advertisement is clear, fair, accurate and not misleading; b) an advertisement does not seek to influence a consumer’s attitude to the advertised product or service or the regulated entity either by ambiguity, exaggeration or omission; and c) the nature and type of the advertised product or service is clear and not disguised in any way”*.
- c) Provision 9.6 of the Code requires that *“a regulated entity must ensure that: a) key information, in relation to the advertised product or service, is prominent and is not obscured or disguised in any way by the content, design or format of the advertisement; and b) small print or footnotes are only used to supplement or elaborate on the key information in the main body of the advertisement and must be of sufficient size and prominence to be clearly legible”*.
- d) Provision 9.7 of the Code requires that *“a regulated entity must ensure that any qualifying criteria in relation to: obtaining a minimum price for the advertised product or service; or benefiting from potential maximum savings relating to the advertised product or service is included in the main body of the advertisement.”*

Regulated entities must ensure all advertisements are fully compliant with the Code and make all necessary amendments to systems and controls to ensure compliance.

Yours sincerely

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