Introducțion

Ad Standards is committed to fostering community confidence in Canadian advertising and to ensuring the integrity and viability of advertising through effective industry self-regulation. As an independent, not-for-profit body, we administer the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumer complaints about ads. Ad Standards Clearance Services reviews creative and offers consultative services in five categories, to help ensure advertising complies with relevant regulations.
An Effective Consumer Response Mechanism is Essential to Maintaining Public Confidence in Advertising.

At Ad Standards, we recognize that an effective consumer response mechanism is essential to maintaining public confidence in advertising. Through our Consumer Complaint Procedure, we accept and respond to consumers’ complaints about advertising appearing in Canadian media.

Reporting on complaints upheld by Ad Standards’ independent Standards Councils is an important part of the process. The Complaint Case Summaries provide invaluable learning for both the advertising industry and the public regarding how Councils interpret and apply the Canadian Code of Advertising Standards.

This 2018 Ad Complaints Report provides an account of the number of consumer complaints received and investigated over the past year, information about the types of complaints upheld, and insights regarding consumer concerns in 2018.

For more information about complaints upheld by Councils from January 1, 2018 to December 31, 2018, see the Case Summaries published on our web site at:

adstandards.ca/2018Complaints

A Guide to Resources Online

To learn more about the Canadian Code of Advertising Standards, Interpretation Guidelines and the Consumer Complaint Procedure, visit:

adstandards.ca

Online resources include:

• Canadian Code of Advertising Standards
• Interpretation Guidelines
• Advisories
• Ad Complaints Reporting (including Complaint Case Summaries)
• Consumer Complaint Submission Form
2018 HIGHLIGHTS

1,205 ads generated consumer complaints

747 ads were accepted and reviewed

167 ads raised potential Code issue

Complaints about 104 ads were administratively revolved

63 ads referred to Councils for adjudication

35 ads were found to contravene the Code by Councils
Overview

In 2018, consumers submitted 2,005 complaints to Ad Standards*. Of these, 1,252 complaints met the criteria for acceptance and review under the Canadian Code of Advertising Standards (Code). The remaining 753 complaints could not be reviewed because they did not fall within the Code acceptance criteria. These included: complaints in which no specific advertisement was identified; complaints about advertisements that were no longer current; complaints about foreign advertising or political/election advertising; and complaints about advertisements that did not meet the Code definition of advertising.

Of the 1,252 complaints that met the Code acceptance criteria for review, the majority (771) did not in fact raise issues under the Code and were not further investigated after the initial review. Nonetheless, Ad Standards’ staff responded to each complainant explaining why no issue was found. The remaining 481 complaints were found to have merit and were either forwarded to Councils for adjudication (356) or administratively resolved by staff (125).

The independent Councils adjudicated 356 complaints about 63 advertisements. Of these, 323 complaints were upheld about 35 advertisements. Case Summaries of these upheld complaints can be found at: adstandards.ca/2018Complaints

*In October 2018, Ad Standards instituted a new complaints acceptance policy, which states that “a maximum of 10 complaints per advertisement or campaign will be accepted and reviewed.” The complaint review process itself is unchanged.

### COMPLAINTS SUMMARY

<table>
<thead>
<tr>
<th>Received</th>
<th>2,005</th>
<th>ADS/CASES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accepted and reviewed by Ad Standards staff</td>
<td>1,252</td>
<td>747</td>
</tr>
<tr>
<td>Raised potential Code issue</td>
<td>481</td>
<td>167</td>
</tr>
<tr>
<td>Administratively resolved by Ad Standards staff</td>
<td>125</td>
<td>104</td>
</tr>
<tr>
<td>Forwarded to Councils for adjudication</td>
<td>356</td>
<td>63</td>
</tr>
<tr>
<td>Determined by Council to contravene the Code</td>
<td>323</td>
<td>35</td>
</tr>
</tbody>
</table>

### Administratively Resolved Complaints

Ad Standards uses a streamlined procedure to handle simple, non-complicated complaints, such as price errors and other inaccuracies in retail advertising. Complaints that raise issues under Clause 1 (Accuracy and Clarity) and/or Clause 3 (Price Claims) will be classified Administratively Resolved by staff if the advertiser promptly withdraws the advertisement and takes corrective action after being notified of the complaint. Complaints handled in this manner are not forwarded to Councils for adjudication.

In 2018, 125 complaints about 104 advertisements were Administratively Resolved by staff.

### Complaints by Code Clause

The Code sets the standards for acceptable advertising and provides the basis for the review and adjudication of consumer complaints about advertising. Of the 1,252 complaints that met the Code acceptance criteria, most involved concerns relating to:

- Accuracy and Clarity (Clause 1) and Price Claims (Clause 3)
- Unacceptable Depictions and Portrayals (Clause 14)
- Safety (Clause 10)
**Clause 1 (Accuracy and Clarity) and Clause 3 (Price Claims)**

In 2018, Ad Standards reviewed 849 complaints (concerning 412 advertisements) alleging misleading or inaccurate advertising (Clauses 1 and/or 3). Ultimately, Councils upheld 320 complaints about 27 advertisements.

These involved advertisements that omitted relevant information, did not clearly state all pertinent details of an offer, contained unsubstantiated claims, or contained misleading price claims.

**Clause 14 (Unacceptable Depictions and Portrayals)**

Most complaints evaluated under Clause 14 involve subjective matters of personal taste or preference and do not ultimately raise issues under the Code.

322 complaints about 233 advertisements were reviewed under Clause 14. Of these, Councils adjudicated and upheld 13 complaints about six advertisements. The balance did not meet the threshold to raise issues under this clause.

**Clause 10 (Safety)**

A total of 47 complaints about 37 advertisements involved safety concerns, and one was upheld by Councils about one advertisement.

**Complaints by Key Code Clauses**

![Chart showing complaints by key code clauses]

**Other Code Clauses**

**Clause 2 (Disguised Advertising Techniques)**

18 complaints about 13 advertisements were reviewed under this clause, and one was upheld by Councils about one advertisement.

**Clause 4 (Bait and Switch)**

29 complaints were reviewed about 25 advertisements, and two were upheld by Councils about two advertisements.

**Clause 5 (Guarantees)**

Two complaints were reviewed about one advertisement and one was upheld by Councils about one advertisement.

**Clause 6 (Comparative Advertising)**

Three complaints were reviewed about two advertisements and no complaints were upheld by Councils.

**Clause 7 (Testimonials)**

Eight complaints were reviewed about eight advertisements and no complaints were upheld by Councils.

**Clause 8 (Professional and Scientific Claims)**

28 complaints were reviewed about 20 advertisements, and four were upheld by Councils about four advertisements.

**Clause 11 (Superstitions and Fears)**

18 complaints were reviewed about 13 advertisements and no complaints were upheld by Councils.

**Clause 12 (Advertising to Children)**

Eight complaints were reviewed about seven advertisements. None were upheld by Councils.

**Clause 13 (Advertising to Minors)**

One complaint was reviewed about one advertisement, and was not upheld.
Complaints by Category of Advertising

For the second year, Ad Standards received the highest number of complaints about advertising by non-commercial entities with 540 complaints. Of these, 470 complaints were submitted about advocacy advertising, particularly advertising that consumers found to be misleading and/or derogatory to women sponsored by pro-life organizations. The category that traditionally generates the highest number of complaints, retail advertising, followed with 245 complaints. Third, with 232 complaints, was advertising in the leisure services category (including bars and restaurants, hotels/accommodation, and entertainment).

Complaints by Media

As always, advertising on television, with 708 complaints, garnered the highest number of complaints of any medium. Advertising on billboards, in transit, and other out-of-home media generated the second highest number of complaints (473). Digital advertising, including advertising on advertiser-owned websites, display advertisements and email advertising messages accounted for 270 complaints.
Consumer Concerns

In 2018, more complaints were submitted to Ad Standards than in any year over the past two decades. Along with the record number of total complaints, Ad Standards received a record number (849) of complaints alleging that particular advertisements were misleading and inaccurate under Clause 1. This can be attributed to the large volume of complaints submitted about allegedly misleading advertising by non-commercial organizations. Today’s consumers are knowledgeable and skeptical, and will not hesitate to let Ad Standards know if they believe claims in advertising cannot be substantiated and are misleading. Examples of advertisements found by Councils to contravene Clause 1 can be found in case summaries at: adstandards.ca/complaints
INFLUENCER MARKETING

A Self-Regulatory Success Story

An increasingly popular marketing technique for advertisers is to use online influencers (endorsers/reviewers) to promote their brands. Consumers often trust recommendations by influencers they follow, but do they know whether the blogs, posts and reviews they see on social media are genuine or sponsored by a brand? To help consumers understand when a blog/post/review has been sponsored, in 2016, Ad Standards introduced a new Interpretation Guideline to the Code that requires clear and prominent disclosure of any material connection between an influencer and the endorsed product or service.

Since then, Ad Standards received numerous inquiries from influencers asking for guidance on how they should disclose a material connection. What language should be used and what format?

As well, over 40 complaints were submitted by one influencer about non-disclosure in posts by other influencers. It soon became apparent that there was real need for guidance and education about disclosure for influencers. The Federal Trade Commission in the US had published guidance for influencers, but there was nothing comparable in Canada.

In early 2017, Ad Standards brought together leading members of the influencer marketing industry to form an Influencer Marketing Steering Committee for the purpose of developing a best practices disclosure document to help influencers and advertisers understand and meet the disclosure requirement in the Code. These best practices were launched in March 2018, and provide concrete examples of how to disclose a material connection with a brand on various social media platforms, including Twitter, YouTube, Instagram, Snapchat, and blogs. It also gives examples of what not to do. Furthermore, because influencers also do business outside of Canada, these best practices are consistent with expectations of regulators in the US and other jurisdictions.

Members of the Steering Committee were instrumental in spreading awareness of the initiative throughout the influencer community at industry speaking events and by providing interviews in many trade and media publications.

Is it working? Evidence of its success is that Ad Standards has received very few complaints about non-disclosure since the guidelines were launched and publicized.

View the full Disclosure Guidelines
The Consumer Complaint Procedure

Established by the Canadian advertising industry over 50 years ago, the Consumer Complaint Procedure provides Canadian consumers with a mechanism to submit written complaints about advertising currently running in Canadian media.

1. Complaint Receipt
   Each written consumer complaint is reviewed by Ad Standards against the Canadian Code of Advertising Standards.

2. Preliminary Review
   Ad Standards conducts a preliminary evaluation of the complaint. If the complaint does not raise an issue under the Code, we send a letter of explanation.

3. How Complaints are Handled
   If the complaint raises an issue under the Code, the advertiser is requested to provide its comments on the complainant’s concerns. If a Code issue remains, the complaint is forwarded to Council for adjudication.

4. Council Review and Decision
   Complaints forwarded to Council are carefully reviewed under the Code. If Council determines that the advertisement contravenes one or more clauses of the Code, Council will uphold the complaint. The advertiser is asked to withdraw or amend the advertising.

5. Appealing a Council Decision
   If the consumer or advertiser disagrees with Council’s decision, the consumer or advertiser can request an appeal.
The Standards Councils

As Standards’ independent, volunteer Standards Councils (Councils) play a vital role in ensuring objective and fair complaint adjudication. While Ad Standards administers the process by which consumers submit their written complaints about advertisements, those complaints that raise potential issues under the Code are reviewed and adjudicated by Councils. The Councils include senior industry and public representatives from across Canada, who are committed to helping ensure that Canadian advertising is truthful, fair and accurate.

The complete list of Standards Council representatives is available online.

To Submit a Consumer Complaint

If you have a concern about an ad you see or hear currently running in Canadian media, visit adstandards.ca to learn about how to submit a consumer complaint.

Complaints can be submitted to Ad Standards using the Online Complaint Submission Form or mail your written complaint to:
Ad Standards
33 Bloor Street East
Suite 303
Toronto, ON, M4W 3H1