

COMPLAINT NUMBER	17/398
COMPLAINANT	E.Maynard
ADVERTISER	Brand Developers
ADVERTISEMENT	Brand Developers Insurance, Television
DATE OF MEETING	28 November 2017
OUTCOME	Not Upheld

SUMMARY

The television advertisement for Brand Developers Ltd's 'Got You Covered' life insurance offers a life insurance policy of up to \$200,000 against fatal accidents or terminal illness. The advertisement shows examples of how families can be financially protected and quoted testimonials from real-life scenarios

The Complainant said the advertisement was misleading to imply a bank would foreclose on a mortgage within one week and this was not only fear mongering but inaccurate.

The Advertiser substantiated the advertisement by providing a customer testimonial.

The Complaints Board acknowledged the information provided by the Advertiser which supported the scenario presented in the advertisement of a customer's experience with terminal illness and acknowledged this was an actual case history.

The Complaints Board said the advertisement did not reach the threshold to mislead consumers, was not in breach of Principles 1 or 2 of the Code for Financial Advertising and had been prepared with a high standard of social responsibility to consumers and society.

The Complaints Board ruled the complaint was Not Upheld

[No further action required]

Please note this headnote does not form part of the Decision.

COMPLAINTS BOARD DECISION

The Chair directed the Complaints Board to consider the advertisement with reference to Basic Principle 1 and Basic Principle 2 of the Code for Financial Advertising. This required the Complaints Board to consider whether the advertisement had observed a high standard of social responsibility in that consumers often relied on such products and services for their financial security and whether the advertisement was truthful and clear and did not mislead, deceive or confuse customers or abuse their trust, exploit their lack of knowledge or unjustifiably play on fear. That included by implication, omission, ambiguity, exaggerated claim or hyperbole

The Complaints Board ruled the complaint was Not Upheld

The Complaint

The Complainant said the advertisement was misleading to imply a bank would foreclose on a mortgage within one week and this was not only fear mongering but inaccurate.

The Advertiser's Response

The Advertiser defended the advertisement stating it used a real-life scenario and supported this by providing a customer testimonial. The Advertiser said a level of fear is inevitable in life insurance advertising due to the nature of the industry addressing issues such as terminal illness.

The Complaints Board Discussion

The Complaints Board agreed the response from the Advertiser demonstrated a real-life scenario had been re-enacted, in which a bank had begun foreclosure procedures upon becoming aware the customer had lost the ability to meet mortgage repayments. The Advertiser substantiated this story with a customer testimonial release form which confirmed the re-enactment was an accurate representation of their experience.

The Complaints Board said the nature of insurance advertising often required it to highlight worst case scenarios and propose a form of financial protection from these events. In this context an element of fear was justified when discussing injury, loss of property or in this case terminal illness. The Complaints Board said that while such subjects could be unpleasant and elicit fear, they were also a realistic fact of life.

The Complaints Board said the advertisement did not reach the threshold to mislead consumers, was not in breach of Principles 1 or 2 of the Code for Financial Advertising and had been prepared with a high standard of social responsibility to consumers and society.

Accordingly, the Complaints Board ruled the complaint was Not Upheld.

DESCRIPTION OF ADVERTISEMENT

The television advertisement for Brand Developers Got You Covered Insurance offers a life insurance policy of up to \$200,000 against fatal accidents or terminal illness. The advertisement shows examples of how families can be financially protected and quoted testimonials from real-life scenarios which said in part... "I was diagnosed with terminal cancer of the liver. My bank immediately wanted to call up our mortgage, which was highly stressful for my wife and I. But within one week of the confirmation of my illness I received a full payout..."

COMPLAINT FROM E MAYNARD

During this advertisement a man makes a statement that he was diagnosed with terminal cancer and within a week his bank had contacted him demanding repayment of his mortgage. It was because he had this insurance policy he did not lose his home. We know from banks that this is incorrect and they do not do this. This advertisement is not only fear mongering but inaccurate!

CODE FOR FINANCIAL ADVERTISING

Principle 1: Financial advertisements should observe a high standard of social responsibility particularly as consumers often rely on such products and services for their financial security.

Principle 2: Advertisements should strictly observe the basic tenets of truth and clarity. Advertisements should not or should not be likely to mislead, deceive or confuse consumers, abuse their trust, exploit their lack of knowledge or without justifiable reason, play on fear. This includes by implication, omission, ambiguity, exaggerated claim or hyperbole.

RESPONSE FROM ADVERTISER – BRAND DEVELOPERS LTD

We are writing in response to the complaint about this advertisement, received from Elly Maynard on 27 OCT 2017. The advertisement in question, “*Got You Covered*”, advertises Got You Covered Life Insurance.

The advertisement includes a customer testimonial, where the customer reveals he was diagnosed with a terminal illness, and was then asked by his bank to repay his mortgage. The main point of the complaint is as follows...

“We know from banks that this is incorrect and they do not do this.
This advertisement is not only fear mongering *[sic]* but inaccurate!”

We are unsure how the complainant has received advice “from banks” that banks do not demand full payment on mortgages that are unable to be repaid over the period agreed to in the mortgage contract. Their information is simply incorrect. Inability to repay a mortgage results in “foreclosure” – an outcome of non-repayment highlighted in *every mortgage document* provided by financial institutions.

Avoidance of foreclosure (due to permanent disability, terminal illness or death) is the reason banks themselves offer “mortgage repayment insurance” as part of their lending policy...

Protecting your lifestyle – ANZ Life & Living Insurance

ANZ Life & Living Insurance can help protect you and your family if the unexpected happens to you – such as death, critical illness, disability and redundancy. Our range of benefits give you the security of knowing your home can remain your home, whatever happens.

Ref: www.anz.co.nz/personal/home-loans-mortgages/tips-and-guidance/anz-insurance/

Quite simply, if a bank is made aware that you have lost the ability to meet repayments, they will begin foreclosure procedures. In terms of the particular case study highlighted in this advertisement, we have attached the relevant testimonial release form, confirming that all statements are an accurate representation of first-hand accounts.

The advertisement makes it clear that the role of the customer has been re-enacted by an actor (to protect beneficiary privacy) – the attached documentation confirms that the opinions and views stated are an accurate representation of those provided by, and genuinely held by, the people who provided the first-hand accounts.

With regard to the relevant principles in the ASA Codes of Practice, we provide the following responses...

Principle 1 – Financial advertisements should observe a high standard of social responsibility particularly as consumers often rely on such products and services for their financial security.

This advertisement observes a high standard of social responsibility. All relevant information is disclosed. No claims or outcomes are exaggerated, unrealistic, unrepresentative or misleading.

Guidelines

1. **Advertisements shall be set out in a way that allows them to be readily understood by the audience being addressed. All relevant information should be disclosed.**

This advertisement is clear and readily understood. All relevant information is disclosed.

2. **Advertisements shall not portray unrealistic or exaggerated financial expectations or outcomes.**

On event of death or diagnosis of terminal illness, beneficiaries will receive \$200,000 pay-out. This is clear, and not an unrealistic or exaggerated financial outcome.

3. **Advertisements shall not state or imply that investments are safe or free from risk.**

This is an insurance product, not an investment product.

4. **If examples of past performance are used, financial advertisements should make clear this does not necessarily give a guide for the future. Examples used should not be unrepresentative unless clearly identified as such.**

This is an insurance product, not an investment product. All testimonials are confirmed as true, and accurate.

Principle 2 – Advertisements should strictly observe the basic tenets of truth and clarity. Advertisements should not or should not be likely to mislead, deceive or confuse consumers, abuse their trust, exploit their lack of knowledge or without justifiable reason, play on fear. This includes by implication, omission, ambiguity, exaggerated claim or hyperbole.

We agree this advertisement could be seen to play on a single fear – the fear of dying without adequate insurance in place to protect remaining family members from financial burden. As per *all other life insurance advertising*, **highlighting this need is justifiable**... it is the central benefit of purchasing life insurance. There is no instance of viewers being misled, confused or exploited through lack of knowledge – both the need and benefit are real, clearly outlined, and easily understood by a reasonable viewer.

Guidelines

1. **Advertisements shall be accurate and statements and claims able to be substantiated.**

All statements and claims in this advertisement are accurate. All testimonials are substantiated as true, and accurate.

2. **Key information shall be legible and / or audible with care taken to ensure disclosure commensurate with the importance of the information.**

All key information in this advertisement is accurate. All testimonials are confirmed as true, and accurate.

3. **Advertisements shall not claim or imply endorsement by any government agency, professional body or independent agency unless there is prior consent and the claim and endorsement are current and verifiable.**

This advertisement does not claim or imply endorsement by any government agency, professional body or independent agency.

4. **Technical language and statistics are acceptable provided they are relevant and used in a way readily understood by consumers without specialist knowledge. Publication of research results must identify the researcher and source references.**

This advertisement contains no technical language nor statistics.

In conclusion, this complaint is without merit. The advertisement cannot be considered “fearmongering”, nor are any of the claims or statements “inaccurate”. The featured customer was diagnosed with a terminal illness (confirmed) and as a result, their bank initiated procedures of foreclosure on the mortgage (standard practice). The customer’s ability to repay the mortgage in full halted foreclosure proceedings (confirmed). We are a responsible advertiser, and have insured that this advertisement makes no unwarranted, unproven or irresponsible claims, and that it complies with all current relevant advertising codes.

RESPONSE FROM MEDIA – COMMERCIAL APPROVALS BUREAU

BRAND DEVELOPERS TELEVISION ADVERTISEMENT

COMPLAINT: 17/398 KEY: Z120GUC01T RATING: G

We have been asked to respond to this complaint under the following codes:
Code for Financial Advertising – Principle 1, Principle 2

CAB approved this Brand Developers commercial on 13/03/17 with a G classification. Under CAB internal policies, this commercial is classified as a Financial advertisement.

This commercial has been running on-air since March 2017.

A complainant has questioned the details of a testimonial in this commercial, and in their complaint they state, ‘We know from the banks that this is incorrect and they do not do this’.

The testimonials given in this commercial have been vetted by Brand Developers, who hold full detail of the original transcripts and permissions. CAB will defer to the advertiser’s response as they hold full copies of the information relevant to settling this issue.