

COMPLAINT NUMBER	20/071
ADVERTISER	Booster NZ
ADVERTISEMENT	Booster NZ, Television
DATE OF MEETING	9 March 2020
OUTCOME	No Grounds to Proceed

Advertisement: The Booster television advertisement says in part: “I know when it comes to your nest-egg, the safety of your money is king. That’s why term deposits are attractive, they are lower risk, unfortunately the returns are lower too. That’s why Booster created the Private Land and Property Fund. It’s designed to help you get better returns, while your capital is backed by land and property that you can see, visit and touch.”

The Chair ruled there were no grounds for the complaint to proceed.

Complaint: Directly targeted at the elderly, property is promoted as though it is an asset class with no risk. A direct comparison is made to term deposits, which is absurd. I understand that low interest rates continue to prevail but property is cyclical. You can expect land values to go to one third of valuation in event of a market correction and the value of an investment asset can materially deteriorate when tenants depart. The advertisement is irresponsible.

The Chair noted the Complainant’s concern the advertisement, targeting at the elderly, is irresponsible to present investment opportunities in land assets as being superior to term deposits.

The relevant provisions were Code for Financial Advertising - Principle 1, Principle 2;

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.

The Chair carefully reviewed the advertisement and said the likely consumer takeout is that choosing to invest in Booster, which is a private property and land fund, could be an option for consumers who want a more concrete investment option as capital is backed by physical land assets.

The Chair said the advertisement does not say there is no risk involved in the investment but rather that investors may prefer to have tangible assets sitting behind their capital. The advertisement presents an alternative investment option which consumers are likely to research before committing to.

The Chair said having an older presenter did not necessarily target a particular audience.

The Chair said the advertisement did not meet the threshold to mislead or deceive consumers and had been prepared with the required standard of social responsibility. The Chair said the advertisement was not in breach of Principle 1, Principle 2 of the Code for Financial Advertising.

The Chair ruled there were no grounds for the complaint to proceed.

Chair's Ruling: Complaint **No Grounds to Proceed**

APPEAL INFORMATION

According to the procedures of the Advertising Standards Complaints Board, all decisions are able to be appealed by any party to the complaint. Information on our Appeal process is on our website www.asa.co.nz. Appeals must be made in writing via email or letter within 14 calendar days of receipt of this decision.