

<b>COMPLAINT NUMBER</b>	20/518
<b>ADVERTISER</b>	NZCU Baywide
<b>ADVERTISEMENT</b>	NZCU Baywide Television
<b>DATE OF MEETING</b>	19 October 2020
<b>OUTCOME</b>	No Grounds to Proceed

**Advertisement:** The NZCU Baywide television advertisement starts with the voiceover "Stress less and imagine the possibilities: a family holiday, a home renovation or sort your debt. Whatever your goal you could borrow \$10,000 from \$38/week..." The following text was written in small print: "Example calculated on a secured loan with full repayments over 17 year period at an interest rate of 8.90% p.a. Total repayments of loan - \$13,843 indicative only, Weekly repayments are indicative only. This indication is intended as a guide only & is not an offer from NZCU Baywide. Interest rates & fees are subject to change. Variable interest rate. Terms & conditions, normal lending criteria apply. A \$250 approval fee and other fees apply."

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

**Complaint:** Hi, the TV advertisement on TV1 for Credit Union Baywide trading as NZCU Baywide has a voiceover that comments a quick string of benefits of getting a personal loan with the company, one being to "pay off your/that debt". I am still unsure if I heard it correctly, as I simply couldn't believe this predatory financial lender was promoting their debt as a way of managing existing debt. Absolutely disgusting and surely goes against the Advertising Standards and possibly the Fair Trading Act, and whatever other legislation is in place around financial lending/credit unions -- I'm not a lawyer/expert so I don't know. I hope I misheard it, but I wanted to report now (first time complainer) so I didn't forget. I'll be looking out for it again. Very sad as low socio-economic communities suffer from these predatory loan shark lenders, and it literally doesn't get any worse than persuading people in debt to get a new loan to pay off an existing loan.

**The relevant provisions were Code for Financial Advertising - Guideline 1 (b), Principle 1, Principle 2;**

#### **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.

**Guideline 1 (b) Exaggeration:** Advertisements shall not portray unrealistic or exaggerated financial expectations or outcomes.

**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** noted the Complainant's concerns the advertisement was promoting debt as a way of managing existing debt.

The Chair referred to the NZCU Baywide website, which has the following text:

"Looking at debt consolidation options? You could reduce your weekly payments and avoid paying high interest with a debt consolidation loan. You might be able to save hundreds of dollars on interest and pay off your debt quicker by transferring your credit card balance and other high interest debt to a NZCU Baywide loan."

The Chair said the advertisement was describing a particular type of loan, a debt consolidation loan, which is designed to enable a consumer to pay less interest on their existing loan/s and debts. The Chair said the advertisement was not misleading and did not portray unrealistic or exaggerated financial expectations or outcomes. She ruled the advertisement had been prepared with the required standard of social responsibility to consumers and society.

The Chair said taking into account the context, medium, audience and the product being advertised, the advertisement did not breach Principle 1, Principle 2 or Guideline 2(b) 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](http://www.asa.co.nz). Appeals must be made in writing via email or letter within 14 calendar days of receipt of this decision.