

<b>COMPLAINT NUMBER</b>	20/070
<b>ADVERTISER</b>	Westpac New Zealand
<b>ADVERTISEMENT</b>	Westpac, Radio
<b>DATE OF MEETING</b>	12 May 2020
<b>OUTCOME</b>	Not Upheld No Further Action Required

### Summary of the Complaints Board Decision

The Complaints Board did not uphold a complaint about a Westpac radio advertisement. The Board said the advertisement was not misleading as the financial product was described correctly and the humour used in the advertisement related to different options to cut costs.

### Description of Advertisement

The Westpac radio advertisement has a woman hanging out her teabags to dry wondering if there is a smarter way to cut costs. The voiceover states you can cut costs with a Westpac credit card with zero annual fees for two years. The advertisement says lending criteria and eligibility, terms, fees, and charges apply.

### Summary of the Complaint

The Complainant is concerned the advertisement is sending an irresponsible message saying being frugal is foolish and using a credit card is more financially sensible.

### Issues Raised:

- Social Responsibility
- Truthful Presentation

### Summary of the Media's Response on behalf of Advertiser

The Media said the advertisement used the exaggerated analogy of reusing tea bags as a cost saving to humorous effect. However, there was no exaggeration used for the financial product. It outlines the finite duration of "zero fees" and explicitly states that terms and conditions apply and directs consumers to the website for more information.

### Relevant ASA Codes of Practice

The Chair directed the Complaints Board to consider the complaint with reference to the following codes:

### 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.

### Relevant precedent decisions

In considering this complaint the Complaints Board referred to precedent decision 19/143 which was Not Upheld.

The full versions of decisions since 2015 can be found on the ASA website:

<https://www.asa.co.nz/decisions/>

**Decision 19/143** concerned a radio advertisement for the financial service, Moola. The advertisement used the line “Whenever I want extra cash, I just Moola it, easy”, which the Complainant considered to be irresponsible.

The Complaints Board said the Advertiser had a clear lending policy on its website that informed potential customers of the fees and interest rates associated with their loan. The Complaints Board said the radio advertisement was unlikely to mislead, deceive or confuse consumers about the lending service being offered.

### Complaints Board Discussion

#### *Consumer Takeout*

The Complaints Board agreed the likely consumer takeout of the advertisement is consumers can cut costs by choosing a credit card with zero fees for two years, rather than continuing with an existing credit card charging fees. The advertisement suggests an exaggerated alternative for saving money could be to re-use tea bags.

#### *Is the advertisement likely to mislead, deceive or confuse consumers?*

The Complaints Board said the advertisement was not likely to mislead or deceive consumers. This is because the attempt at humour in the advertisement was incidental to the clear information provided about the terms and conditions that applied to the credit card offer. The Complaints Board said, in addition to the advertisement directing consumers to the website, there were several steps required to be able to sign up for a new credit card which would include confirmation that the consumer was aware of the applicable terms and conditions.

#### *Is the advertisement discouraging frugality?*

The Complaints Board did not consider the advertisement to be discouraging frugality. The Complaints Board said the reference to reusing tea bags is a common analogy for saving money, which many consumers will be familiar with. The Board said the Advertiser uses humour to portray the concept of cost cutting. The Complaints Board said the advertisement was not disparaging about saving money, but rather used the juxtaposition of the tea bag scenario versus the savings to be made from the zero-interest credit card offer.

#### *Does the advertisement observe a high level of social responsibility?*

The Complaints Board said the advertisement had observed the high standard of social responsibility required of financial advertising. The Complaints Board said the advertisement highlighted alternate ways of saving money, and did not imply that being careful with money was a negative concept. The Board said the Advertiser was suggesting that some cost-cutting measures are more effective than others.

The Complaints Board unanimously agreed the advertisement was socially responsible, taking into account context, medium, audience and product and was not in breach of Principle 1 or Principle 2 of the Code for Financial Advertising.

### Outcome

The Complaints Board ruled the complaint was **Not Upheld**.

No further action required

**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.

## APPENDICES

1. Complaint
  2. Response from Media on behalf of Advertiser
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### Appendix 1

#### COMPLAINT

The advertisement claimed that frugal, money saving activities were foolish and that using a credit card was more financially sensible. This is completely inaccurate and irresponsible information especially for those struggling to keep up their cost saving regimes.

### Appendix 2

#### RESPONSE FROM MEDIA, NZME ON BEHALF OF ADVERTISER,

We write on behalf of NZME (the broadcaster) and Westpac (the advertiser) in response to the above complaint regarding Westpac's radio advertising.

This response updates our earlier response of 17 March 2020.

This advertisement was designed and submitted on behalf of the client, but accepted by NZME for broadcast, as we believe it does not contravene ASA codes.

The ASA has identified Principles 1 and 2 of the Code for Financial Advertising as potentially being relevant:

*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 complainant has indicated a concern regarding the statement that consumers should "cut costs the smarter way" (instead of reusing tea bags) in advertising credit cards with "zero annual fees for two years".

The takeout from the advertisement is that, instead of reusing tea bags, a consumer could save money on annual fees on a credit card. While there is exaggeration used in the advertisement in relation to the storyline (being the example of reusing tea bags in what may be considered an extreme way to save money), this is used for humorous effect. By contrast, there are no exaggerations used in relation to the financial product itself. The advertisement explicitly states that "lending criteria and eligibility terms, fees and charges apply. After two years the standard annual fee will apply." It also directs consumers to find out more on Westpac's website.

We therefore do not consider that the advertisement was misleading, or deceptive; it is also socially responsible in clearly outlining the finite duration of “zero fees”, and where further information could be found.

In decision 19/143, a similar consideration was made by the Board regarding short term lender “Moola”. That decision specifically referred to the business practices Moola takes to assess borrower suitability, and access to information regarding lending on its website. In that case, the complaint was not upheld because of the factors above.

We note that Westpac has a rigorous lending criterion to establish the suitability of particular customers, and their ability to meet repayment requirements. In no circumstances would credit cards be issued without Westpac representatives providing the customer with all relevant information, such as full disclosure of the applicability of interest rates, terms and conditions of use, and fees associated with the card.

Additionally, information regarding the “zero fee for two years” promotion is available for customers to consider online (<https://www.westpac.co.nz/credit-cards/zero-annual-fee/>). This page contains more specific terms and conditions, and also points to both alternatives to using a credit card, and access to money management workshops, budget calculators, and the “Cash Nav” tool. Westpac also provides clear information on its website regarding consumer lending terms and conditions generally.

We consider that:

- the express statements as to lending criteria, terms, fees, and charges within the advertisement;
- the call to action directing customers to Westpac’s website for more information;
- the comprehensive information on the website, and reference to alternatives to credit cards; and
- the steps that Westpac take during the credit card application process:

taken together, mean that the advertisement is not misleading or irresponsible in content or context, and is not socially irresponsible.

Finally, we note that the campaign creative has since been removed from all channels in line with Westpac’s shift of focus to COVID-19 responses and solutions for customers. The exception to this is posters within Westpac’s branches, to which customers currently have limited access, and which also be replaced over the next week. The promotion – and all information relating to it – is still available (including on Westpac’s website) until 20 May 2020.