

<b>COMPLAINT NUMBER</b>	22/276
<b>ADVERTISER</b>	Archer Group
<b>ADVERTISEMENT</b>	Archer Group, Print
<b>DATE OF MEETING</b>	12 September 2022
<b>OUTCOME</b>	No Grounds to Proceed

**Advertisement:** The print advertisement for Archer Group promotes its rest homes and retirement villages with the headline "Boutique lifestyle villages and homes." The advertisement shows an image of an older male reading a book to a young child. The advertisement contains details about the Archer Group range of facilities. The advertisement states, "100% non-profit."

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

**Complaint:** Christchurch Press 1 September 2022 page 7 (full page ad)

Christchurch Press 12 August 2002 page 11 (quarter page ad)

The advertisement states that Archer is 100% non-profit.

I refer you to <https://archer.org.nz/about/the-kingdom-ministry-fund>.

"Since 2005 \$700,000 has been donated to over 150 ministries".

I refer you to <https://goldenoldiesmission.com/acknowledgements>

"Archer has been very generous in supporting this mission and providing financial support to support the Churches around Fiji through the Golden Oldies Mission trips".

I refer you to the website for "Archer Group - Aged Care and Retirement Living". HOME

"What Archer Group offers" 9. Surpluses reinvested "As a charitable organisation no dividends are paid to shareholders or overseas investors. We donate funds every year to Christian and community projects from any surpluses generated"

I see no distinction between Profit and 'surpluses generated'.

I believe that it is misleading (at least) to state in newspaper advertisements that Archer is "100% non-profit"

**The relevant provisions were Financial Advertising Code - Principle 2; Rule 2(b)**

**Principle 2: Truthful Presentation:** Financial Advertising must be truthful, balanced and must not be misleading.

**Rule 2(b) Truthful Presentation:** Financial Advertising must not mislead or be likely to mislead, deceive or confuse consumers, abuse their trust or exploit their lack of knowledge. Misleading may be by implication, inaccuracy, ambiguity, exaggeration, unrealistic claim, omission, false representation or otherwise.

**The Chair** noted the Complainant was concerned the advertisement was misleading to claim to be 100% non-profit when the company produces surplus profit.

The Chair carefully reviewed the advertisement and said the likely consumer takeout would be that profits are redistributed to others, rather than the rest homes and retirement villages do not make a profit.

The Chair noted the Inland Revenue's definition of a Not-for profit organisation is:

“A not-for-profit organisation is any society, association or group, which can be incorporated or unincorporated. The activities of the organisation are not carried on for the profit or gain of any member, and the rules of the organisation do not allow any money or property to be distributed to any member.”

The Chair said the Archer Group's companies and trust have charitable status which means there are no external shareholders where dividends must be paid, and surpluses can be donated to good causes.

The Chair said the advertisement was unlikely to mislead consumers and was not in breach of Principle 2 or Rule 2(b) of the Financial Advertising Code.

The Chair ruled there were no ground 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 (<https://www.asa.co.nz/complaints/the-appeals-process/>). Appeals must be made in writing with notification of the intent to appeal lodged within 14 calendar days of receipt of the written decision. The substantive appeal application must be lodged with the ASA within 21 calendar days of receipt of the written decision.