



CONSUMER TRUST INITIATIVE





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Radiocentre wants to make sure that Terms and Conditions inform, and do not confuse, listeners. Shorter messages that get across the point have been shown in research to be more effective for consumers. Our FCA confirmed industry guidance illustrates ways of making motors ads more concise and easier for listeners to follow whilst complying with the rules. This is both a better radio listening experience and a better outcome for consumers.

Ian Moss, Chief Executive, Radiocentre



At Global we have always placed our listeners at the heart of everything we do, and we engage with them regularly to understand what's important to them.

We embarked on a project called the Consumer Trust Initiative to look at the impact audio ads with extensive terms and conditions (T&Cs) have on the listening experience, listeners' trust of the media channel and their perception of the advertiser.

The results highlighted both the negative impact long T&Cs have on listeners but also on the consumers' view of the advertised product.

As an advertising business, we have always placed huge value on the trust of our listeners. As such, as of 1 February 2022, we'll be asking all advertisers in the motors sector to reduce their T&Cs to just 8 seconds. We're starting with this sector as ads from this category ordinarily comprise T&Cs that are 60% longer than others, but we'll roll this out for other categories in due course.

Listeners don't understand advertisements with overly complex information

Research carried out by [Radiocentre](#) found only 4% of listeners say they can recall any salient facts as listener attention plummets when long T&Cs are broadcast. The same research shows that long and complicated information often diminishes listener trust.

Similarly, the Advertising Association (AA) found that advertising was the least trusted industry, standing behind gaming, banking and finance. One of the drivers of this mistrust was the T&Cs, which were categorised as 'suspicious advertising'.

Listeners think T&Cs are there to protect the advertiser

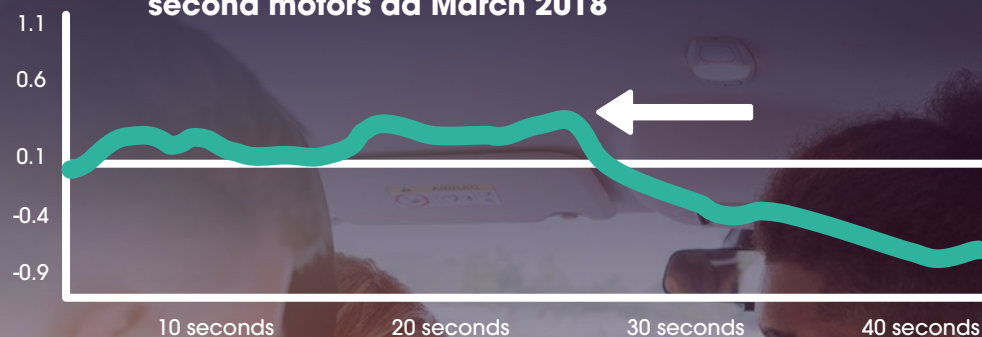
Research conducted by The RadioCentre found:

- 72% of listeners would rather read the T&Cs in their own time on a website
- 60% of all adults think that T&Cs are there to protect the advertiser

“They are likely a legal requirement and the firms clearly don’t care to make them understandable or easy to work out” surveyed radio listener

Listeners stop listening when the T&Cs are too long and complex

Engagement meter output analyser 40 second motors ad March 2018



There are ways to improve the clarity of messaging

Industry Guidance that has been confirmed by the FCA details ways firms can achieve compliance with the relevant rules in the FCA’s Handbook and Principles for Businesses

These guidelines benefit consumers, listeners and advertisers alike. Under the guidelines, T&Cs will still be carried, but they will be far shorter and more concise, meaning the average listener is far more likely to take in the remaining shortened. T&Cs. This ushers in a new practise of making T&Cs easier to understand.

The guidance lists terms which typically aren’t required

- Subject to status
- Over 18s
- You will not own the car
- Personal Contract Hire
- Personal Contract Purchase
- Mileage restrictions
- Representative APR (repeated)
- Subject to availability
- While stocks last
- Regulated by the Financial Conduct Authority
- Retail only

It’s not about removing T&Cs completely
It’s about preventing T&Cs becoming unnecessarily long
Whilst respecting the importance of complying with FCA rules

An example of the new guidance in practice

By removing unnecessary wording these existing T&Cs of 14 seconds can be cut to 8 seconds

"Start your 'Car Make' love story today, for just £179 a month with 0% APR. Now with 5 year warranty."

T&Cs

PCP 'Car Make' Finance. 'Car Model'. 24 months. Deposit £2685. Optional final payment £7714. Subject to status. Over 18s. T&Cs apply. Order by March 31st. Retail customers at participating dealers only. Warranty 100,000 miles or 5 years. Visit 'CarMake.co.uk/warranty'. Search 'Car Model' offers.

"Start your 'Car Make' love story today, for just £179 a month with 0% APR. Now with up to 5 years warranty."

T&Cs

'Car Make' Finance. 'Car model'. 24 months. Deposit £2685. Final payment £7714. T&Cs apply. Order by March 31st. Participating dealers. Search 'Car Make' offers.



I believe the motor industry will welcome these new FCA approved guidelines as they will allow us to streamline the terms and conditions we need to quote when we advertise on radio.

Paul Philpott, President & CEO of Kia Motors (UK)



Trust in radio ads really matters. It's clear that extensive T&Cs not only go down badly with listeners, but often do little to protect them. We welcome the Consumer Trust Initiative and won't take action against shorter T&Cs that comply with the Ad Code.

**Guy Parker, Chief Executive,
Advertising Standards Authority**



Creating a more engaging listener experience

Whilst it's important for advertisers to provide accurate information that can be clearly understood, often the FCA's "clear, fair and not misleading" rule is misinterpreted, and advertisers end up with unnecessarily long T&Cs.

We have been working with Radiocentre to help advertisers understand exactly what it is that their T&Cs do need to say to be compliant with the FCA's rules and Radiocentre have published some [FCA-confirmed Industry Guidance](#) on this and have confirmed (within their handbook) that they "will not take action against a person for behaviour that it considers to be in line with....FCA-confirmed Industry Guidance, which [was] current at the time of the behaviour in question"

"The AA, ISBA and ASA have embarked on a hugely important long-term commitment to rebuild public trust in advertising. Global's 'Consumer Trust Initiative' to remove excessive T&Cs in advertising delivers on this objective - putting consumer's interests at the heart of what they do. I urge all advertisers to embrace this initiative."

Stephen Woodford, CEO, Advertising Association

**ADVERTISING
ASSOCIATION**

Let's work on this together

Global and the Radiocentre will work with advertisers to ensure brands carry adequate T&Cs to protect them, us and consumers and ensure your next radio ad campaign is as effective as possible and can be aired across our radio portfolio.

Please visit global.com/consumertrust to find out more and to hear examples where, complying with guidelines, we've been able to reduce the length of terms and conditions.