

Help Note

Price Indications and Comparisons in Teleshopping Advertising



Regular BCAP Help Notes offer guidance on the interpretation of the BCAP Code. BCAP intends the Help Notes to help advertisers, agencies and broadcasters interpret the Code but they are not a substitute for the Code. The guidance is based on ASA(B) adjudications and neither constitutes new rules nor binds the ASA(B) Council in the event of a complaint about a broadcast advertisement that follows it. For advice on specific broadcast ads, you should consult the broadcaster, the Radio Advertising Clearance Centre (www.racc.co.uk) or, for TV advertisements, Clearcast (www.clearcast.co.uk), as appropriate.

We have become aware of the potential for misleading price comparisons or price indications in teleshopping advertising. Advertisers are entitled to price products at any level they want but must ensure that comparative or illustrative prices, whether they be Recommended Retail Prices (RRP), guide prices, or similar, are genuine and not likely to mislead. This applies both to explicit and implied comparisons.

The BIS Pricing Practices Guide offers general advice on how to ensure that price claims and comparisons are compatible with the Consumer Protection from Unfair Trading Regulations 2008. The Pricing Practices Guide advises that vendors should not compare prices with an amount described only as “worth” or “value”. We interpret that as meaning when products are described as worth £x, there should be documentary evidence to support the claim. Supported by Trading Standards advice, BCAP believes terms such as “guide price” have a similar implication to “worth” and the same constraints therefore apply. These requirements apply to teleshopping advertisers:

Exclusive offers:

- If a product or service is exclusive and therefore available only from the advertiser, the use of “guide prices” or similar is likely to mislead unless it is the price for which the advertiser usually offers the product or service. (Comparisons cannot normally be made unless the brand name, model and specification are identical. Exceptions may be permissible if the advertisement honestly states that the product is identical except that it is sold elsewhere under a different name or, for example, in a different colour.)

Non-exclusive offers:

- Rule 3.39 of the BCAP Code states that “Advertisements that include a price comparison must state the basis of the comparison. Comparisons with competitors’ prices must be with the prices for identical or substantially equivalent products or services and must explain significant differences between the product or services. If the competitor offers more than one similar product or service, the advertisement must compare the advertiser’s price with the price for the competitor’s product or service that is most similar to the advertised product or service.”.
- Broadcasters must hold documentary evidence to support price claims before transmission.
- A guide price (or similar) should normally be the average of real prices which consumers have typically paid at three retail outlets that are independent of the advertiser. Advice from Trading Standards is that valuations are not sufficient as they are not adequate or objective evidence.

Recommended Retail Prices etc:

An RRP or similar indication may be quoted only if:

- The product has been sold, on normal commercial terms, to significant and independent competitors of the advertiser and
- The price does not differ significantly from the price at which the product has been generally sold.

Please note the Restriction on Agreements (Specified Domestic Electrical Goods) Order 1998 made it illegal for suppliers to provide RRP's for certain goods*.

Comparison with advertiser's own previous price:

The Pricing Practices Guide recommends that, unless the advertisement states otherwise: (a) The quoted previous price should be the last price at which the product was available to consumers in the previous 6 months and (b) The product should have been available to consumers at that price for at least 28 consecutive days in the previous 6 months .

For advice on non-broadcast marketing communications, consult the CAP Copy Advice team on 020 7492 2100 or e-mail advice@cap.org.uk.

Notes:

*The Restriction on Agreements (Specified Domestic Electrical Goods) Order 1998 applies to "camcorders, cold food storage equipment, dishwashers, hi-fi systems, televisions, tumble driers, video cassette recorders, washing machines".

Please bear in mind that in all areas of price indications the DTI Code of Practice applies.

Please see <http://www.dti.gov.uk/ccp/topics1/guide/misleadingprice.pdf> for further information.