under their control accordingly to ensure that advertising rules were not being breached.

Another key point is that advertisers must make it easy for the average consumer to be able to judge whether or not they are seeing an ad. In the event that an advertiser gets a celebrity to endorse their brand, then they too have to adhere to this rule. On Twitter, CAP has suggested that advertisers use #spon or #ad to make this obvious.

The guidance also advises that advertisers should take care to target their ads suitably when using social media and consider whether the content of an ad is appropriate given where it will be displayed and who it will be seen by. The CAP Code obviously places much emphasis on protecting children, for example. CAP also suggests that advertisers should be careful when running competitions on social media website and take the same precautions as they would offline, for example, by providing terms and conditions upfront.

The full CAP guidance note is available at: <http://www.cap.org.uk/News-reports/Media-Centre/2013/The-rules-of-social-engagement.aspx>.

Why this matters

Social media is becoming an ever more important tool for brands looking to market their products and services, offering an excellent opportunity to interact with an audience, often for relatively little financial outlay. However, the ICO and CAP guidance clearly demonstrates that marketers should approach social media campaigns with the same diligence that they would when preparing other ads, as the usual advertising and data protection laws will still apply.

Mark Smith, Solicitor, Osborne Clarke

Supercar Lifestyle promotion challenged

Jisue Glinnis Lee

Journal of Direct, Data and Digital Marketing Practice (2013) **15**, 83–84.
doi:10.1057/dddmp.2013.41

What happened

The Advertising Standards Authority (ASA) investigated a complaint about a misleading prize promotion. An email was sent out to entrants into a competition in the November 2012 edition of *Evo* magazine. It stated:

‘Congratulations [name] you have won one of our runner-up prizes! A FREE TUITION SESSION WITH EX F1 DRIVER IAN ASHLEY AND THE TEAM. As a runner-up you will be coached on how to drive like a professional racing driver’.

The text continued, ‘The session will run from MIRA’s secret Test facility in Nuneaton ... To claim your exclusive tuition session please contact our booking team on [phone number] or simply fill in our

contract form by selecting the link below ... We look forward to seeing you in 2013’.

On claiming the prize, the email recipient was informed that he had to pay an insurance premium of £199 in order to receive it. This was not stated in the terms and conditions.

Two issues were raised:

1. Whether the runner-up prize was genuine as opposed to the prize having been offered to all remaining entrants.
2. Whether the promotion was misleading by not stating in the terms and conditions that payment was required in order to claim the prize.

What Supercar Lifestyle had to say

1. Supercar Lifestyle said they had named the first prize winner, who had booked tuition for June 2013. Clients who attended the event gave excellent feedback and they could provide testimonials.
2. They pointed out that the email had stated that terms and conditions applied and that the competition was subject to liability and registration. They said that, while the tuition was free of charge, the insurance payment of £199 covered damage to vehicles, damage to the circuit and personal injury while the client was in control of the car.

What the ASA had to say

1. Runner-up prize offered was not a genuine prize — upheld
The ASA found that Supercar Lifestyle decided to run a second competition of which Dennis Publishing Ltd (publishers of *Evo* magazine) was unaware. The email under investigation corresponded to the second competition and it had been sent to all entrants of the original competition by Supercar Lifestyle without Dennis Publishing Ltd’s knowledge. No runner-up prize had been agreed on in the original competition either.

The email stated, ‘Congratulations [name] you have won one of our runner-up prizes!’. However, no documentation showed how the runners-up had been selected. No documentation was found to ensure that the prize offered in the email was a genuine competition prize.

On that basis, the ASA concluded that the prize was not a genuine one and that the ad was misleading.

2. Ad was misleading — upheld

The ASA acknowledged that the £199 insurance payment would cover what Supercar Lifestyle claimed it would cover. The payment, being a significant condition of the promotion, should have been mentioned clearly in the email. However, that information was not included and the ASA concluded that the promotion was misleading.

Action taken

The ASA reminded Supercar Lifestyle of its responsibility to offer genuine prizes for competitions and to state clearly all significant conditions of the offer.

Why this matters

It is important to flag up any significant conditions of a promotion at an early stage and to only offer prizes as part of a genuine prize promotion with clear terms and conditions.

The full ruling can be found at:
http://www.asa.org.uk/Rulings/Adjudications/2013/6/Supercar-Lifestyle-Ltd/SHP_ADJ_225392.aspx

Jisue Glinnis Lee, work experience student, Osborne Clarke

OFT publishes guidance on ongoing contracts with consumers

Aisling Pringleton

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Topic: Advertising regulation

Who: The Office of Fair Trading (OFT)

Where: United Kingdom

When: June 2013

Law stated as at: 5 August 2013

What happened

The OFT has published new guidance, entitled ‘Key Issues in Ongoing Contracts’, in relation to ongoing or longer-term contracts with consumers. The guide builds on a report carried out by the OFT in 2010 on consumer contracts, which highlighted those terms that can be particularly harmful to consumers. The report notes significantly (although perhaps not unexpectedly) that consumers rarely read contracts in full before entering into them, with the result that they are often unaware of the terms to which they have agreed.

Although it is very difficult to police this, the study found that even where consumers are taking reasonable care in reading the contracts, they are still making mistakes in interpreting important contractual terms. On the basis of the 2010 study and the recent experience of enforcers working in this area, the OFT has published the guidance in order to help to address common problems faced by consumers that arise from ongoing contractual relations with service providers.

Common problems associated with ongoing contracts

Ongoing contracts involve often long-term contracts between consumers and suppliers that involve repeat or regular supply of goods and services, for example, club or membership subscriptions, insurance contracts, telecoms and broadcast service packages, banking services, and utilities. The OFT observes that consumers can experience a range of problems in their ongoing contractual relations with businesses, particularly as contracts involving longer-term relations can be more complex and often based on a business’ standard terms, which are rarely reviewed or tailored to meet individual customer needs.

Perhaps because of the longer periods of time over which the contracts are performed, customers appear to be more tolerant of problems. This, coupled with lethargic efforts towards switching, means that consumers become locked into unfavourable agreements.