



24th April 2008

Radio Advertising Clearance Centre
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RACC's Remit

The Radio Advertising Clearance Centre (RACC) is responsible for checking the content of prescribed radio advertisements and sponsorship credits, against the requirements of the Broadcast Committee of Advertising Practice (BCAP) "Radio Advertising Standards Code". We do this on behalf of UK radio licensees to help ensure that radio commercials do not offend, mislead or harm listeners. RACC approves an average of around 20,000 radio commercials for broadcast each year.

This is the RACC's response to **Ofcom Update: Proposals to curb unfair additional charges levied by communications providers on consumers' bills (28th February 2008)**

Ofcom is aiming to ensure that additional charges, due to a number of factors, are fair and that communications providers clearly market the true cost of their service. Factors that can lead to additional charges that Ofcom highlights are:

- 1) Not paying by direct debit;
- 2) Late payment;
- 3) Having service restored after it has been restricted or suspending following late payment;
- 4) Early termination fees (terminating a contract with the specified minimum contract period).

Any additional information required in radio advertising, impacts hugely on the overall effectiveness of the medium and as such, has a knock on effect on the radio industry as a whole. RACC's primary concern is to ensure that the consumer is protected and not misled by radio advertising, but we are also keen to ensure that this is achieved with as little negative impact on the radio industry as possible.

To take each point separately:

Not paying by direct debit

Where a price is given for a telecommunications product in radio advertising, we view all terms and conditions of the advertised price and in most circumstances, require the ad to make a reference to the conditions. If there is an additional charge for not paying for direct debit, we would expect that to be made clear in the conditions that are published and available to the

consumer, but we would not expect there to be a specific reference in the advertising. It is our view that the majority of consumers have access to bank accounts and the option to pay by direct debit, so the number of consumers that would have no option than to pay the additional charge is limited. We would insist that advertisements highlighted to listeners that there were conditions that must be met to receive the advertised product, but do not believe that this particular condition is significant enough to warrant it being spelt out in radio advertising.

There is no evidence in the form of complaints about radio advertising, as far as we are aware, that indicates that consumers have been misled on this matter.

Late Payment

We do not believe that it is advertising's job to warn listeners of the penalties of breaching the contract they have signed at point of sale. The onus must be on the communications company to ensure that the consumer is fully aware of the penalties if they breach the contract, prior to a contract being exchanged, not on radio advertising.

Restoring service after restriction or suspension

As above, consumers should be made aware of the consequences of non payment, or late payment, but at the point of sale and in the published terms and conditions. It is not the job of radio advertising to inform listeners of all of their contractual obligations, or the obligations of the advertiser to the consumer.

Early termination fees

Wherever a radio advertisement gives a price which requires a minimum term contract, we ensure that the minimum term contract requirement is made clear. It is, therefore, clear to listeners that the advertised price is dependent on the completion of a minimum contract.

RACC / 24.4.08