

EU Self-Regulation of Online Behavioural Advertising – Q&A

Q. The Advertising Standards Authority (ASA) is to regulate Online Behavioural Advertising from 4 February 2013. What does this mean?

- A. The Committee for Advertising Practice (CAP) – the industry body that writes UK advertising self-regulatory rules, administered and enforced independently by the ASA – has announced that, from 4 February 2013, it will enforce practices that businesses (third parties such as ad networks and other ad tech companies) are implementing across all EU markets. These practices aim to provide internet users with transparency and greater control over customised advertising on websites based upon previous anonymous web browsing activity (known as behavioural advertising). The full CAP statement is available at: www.cap.org.uk.

All national Self-Regulatory Organisations (SROs) across most European countries are implementing similar rules to ensure the ‘tried and tested’ consumer complaints process for advertising content can apply to behavioural advertising, and supports the EU-wide initiative.

Q. What is this EU wide initiative?

- A. The initiative – backed by the UK Government and the European Commission - aims to provide internet users across all EU and EEA markets with clear, transparent and contextual information about the collection and use of information for behavioural advertising, as well as ways this information can be controlled and managed, and ways to turn it off altogether.

At the heart of this initiative is a new symbol or icon (see below) that is now appearing in or around the advertisements on websites, as well as on web pages themselves. When a user clicks on the icon he or she will be able to find out more about the information collected and used for this purpose. The icon also links to ways for internet users to manage their interests, such as via privacy dashboards or ad preference managers. It also links to a pan-European website now available in 24 different EU languages – www.youronlinechoices.eu – with helpful advice, tips to help protect privacy and a control page where the user can turn off behavioural advertising. The initiative will be backed up by a consumer education campaign in 2013.



You can find out more about the initiative at www.youronlinechoices.eu/goodpractice or download our fact sheet at: www.iabuk.net/obafactsheet.

Q. How do the CAP Code rules relate to this initiative?

- A. The new UK rules complement the EU-wide system, and will help to deliver on the goal to provide consistent transparency and control measures to internet users across Europe and, in doing so, build trust in data-driven digital advertising. **There are no new obligations for businesses, although they will be expected to co-operate with the ASA (and any other relevant country SRO) in the event of an unresolved consumer complaint.**

Q. How will it all work in practice?

- A. The ASA will handle unresolved consumer complaints and, from February 2013, there is to be a new section on www.youronlinechoices.eu/uk dedicated to this. This will make it simple for consumers in the UK to contact the ASA.

SROs will effectively be the independent 'back stop' for any issues raised by internet users. In the event of an unresolved complaint, the ASA will either formally investigate the complaint or refer it to the relevant country SRO depending on the business' 'country of origin'. This ensures that complaints, as well as any enforcement required, can be dealt with in a consistent manner right across Europe and businesses will only have to deal with one SRO. In investigating an unresolved complaint, SROs are likely to liaise with approved EU technology providers who will be monitoring compliance on an on-going basis, supported by a new trading seal to encourage compliance within markets.

Q. What sanctions will the ASA have at its disposal in the event of an unresolved breach of the rules?

- A. It is anticipated that, in most cases, co-operation between the involved parties will result in any breach of the rules being resolved informally. In the event of a continued breach the ASA will have a range of sanctions available, including the existing sanctions for ad content self-regulation, such as 'name and shame'. The ASA will also have the power to remove the trading seal that a business will receive in complying with the EU industry Framework as well as the removal of the EU licence for the icon itself. The monitoring of compliance across Europe is expected to pick up any compliance issues before an internet user actually complains.

Q. How will the ASA be funded to play this role?

- A. The EU self-regulatory programme will predominantly be financed by a fee for the use of the icon across EU markets, as well as a fee to run and constantly improve the industry-wide website, www.youronlinechoices.eu. This funding will be administered by a new EU body – the European Interactive Digital Advertising Alliance (EDAA) www.edaa.eu – and SROs, including the ASA, will receive a proportionate amount to help them fulfil their roles.

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