



2021

CROSS-BORDER COMPLAINTS REPORT



EASA

EASA – the European Advertising Standards Alliance – is the single authoritative voice on advertising self-regulation in Europe. EASA promotes high ethical standards in commercial communications by means of effective self-regulation, for the benefit of consumers and business in Europe and beyond.

Effective advertising self-regulation helps ensure responsible advertising, meeting consumers' demand for honesty and transparency, regulators' demand for responsibility and engagement and businesses' demand for freedom to operate responsibly. EASA and its members have developed a robust and coherent system of advertising self-regulation that can respond effectively to new challenges.

EASA acts as a co-ordination point for best practice in the implementation of self-regulation, as well as operational standards for its national Self-Regulatory Organisation (SRO) members. Part of EASA's role involves coordinating the cross-border complaint mechanism. EASA also collects and analyses top line statistical data on received and resolved complaints, as well as on copy advice requests and pre-clearance from its SRO members each year.

EASA was set up in 1992 to represent national self-regulatory organisations in Europe. In 2004, it developed into a partnership between national advertising SROs and organisations representing the advertising industry. Today, EASA is a network of 42 organisations committed to making sure advertising is legal, decent, honest, and truthful. EASA's membership is made up of 28 SROs from 26 European countries, 13 advertising industry associations, including advertisers, agencies, the media, and 1 digital pure-play company. EASA is also a member of ICAS (International Council on Ad Self-Regulation) and through its membership additionally partners with 14 SROs worldwide.

EASA is a not-for-profit organisation with a Brussels-based Secretariat. For further information, please visit www.easa-alliance.org.

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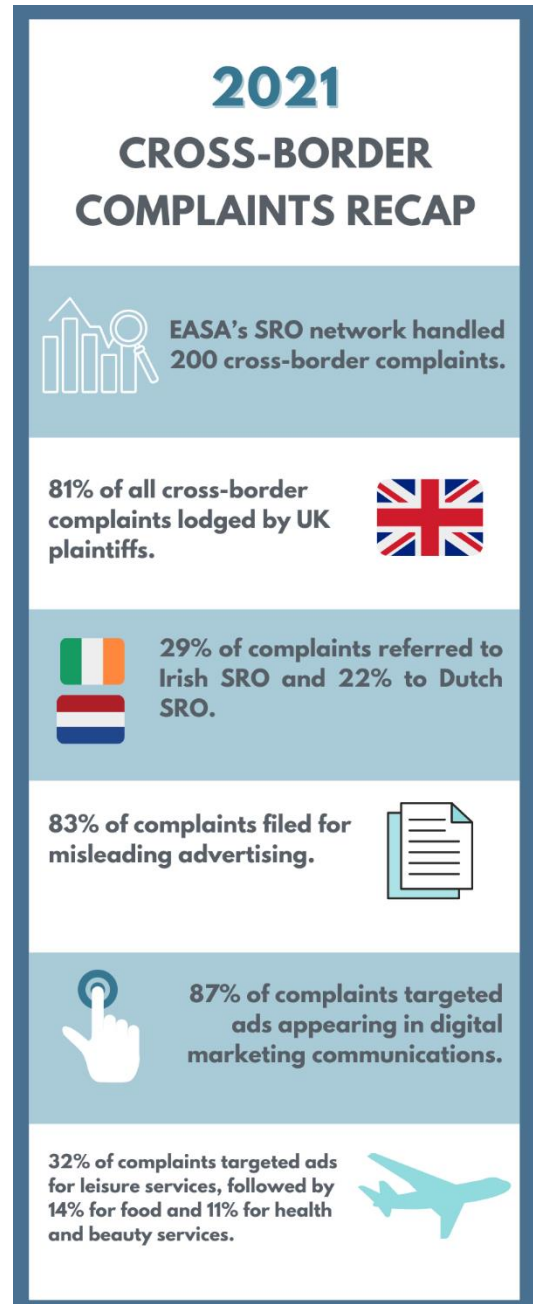
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1 Key Findings

EASA’s Self-Regulatory Organisation (SRO) members ensure that all Cross-Border Complaints (CBCs) are handled effectively and efficiently with a thoroughly developed mechanism based on a network of independent, impartial, and recognised SROs that exchange constant flows of information.

Cross-border complaints (CBCs) are consumer or competitor complaints filed against advertisements that appear in media or originate from advertisers based in another country than that of the plaintiff. The EASA Secretariat coordinates these types of complaints through a system that has been in operation since 1992, when it was set up in response to the creation of the European Single Market. This mechanism was built to address issues whereby advertising originating from one EU Member State was circulated in media from another. SROs receive around 239 complaints annually on average.¹ In 2021, the number decreased by 41% from the year before, totalling 200 CBCS.

- EASA’s CBC system covers **27 EASA SRO** members in **25 European countries** that handle complaints. It also reaches out to international SROs that are members of the International Council for Advertising Self-Regulation (ICAS).
- EASA has members **both inside and outside of the European Union** who participate in the CBC mechanism. Each CBC is assessed based on the rules, laws, and regulations of the SRO in the country of origin of the medium or the advertiser, depending on the type of ad.



¹ Over the past 5 years.

2 The Total Number of Cross-Border Complaints Received

In 2021 EASA's SROs transferred 200 complaints, 41% less than in 2020.

Over the course of 2021, EASA was notified of a total of 200 cross-border complaints, which translates into a 41% decrease in referred complaints in comparison with the preceding year. It stands in contrast to the sharp increase that occurred in 2019 and which seemed to have reached a plateau in 2020. However, it is worth noting that 2011 saw the lowest level of CBCs at 73 and 2012 the highest level ever on record at 414. Therefore, last year's relative decrease is still within the general figures of the past eleven years, and only slightly below the 5-year average. Over the past 5 years, an average of around 239 cross-border complaints were treated annually by EASA's network.

The numbers may be fluctuating due to external factors and dynamics in the market. The post-2020 recovery phase of the Covid19 pandemic still evokes a level of uncertainty that has been felt across the Single Market's economy, which can partly explain the drop in 2021.

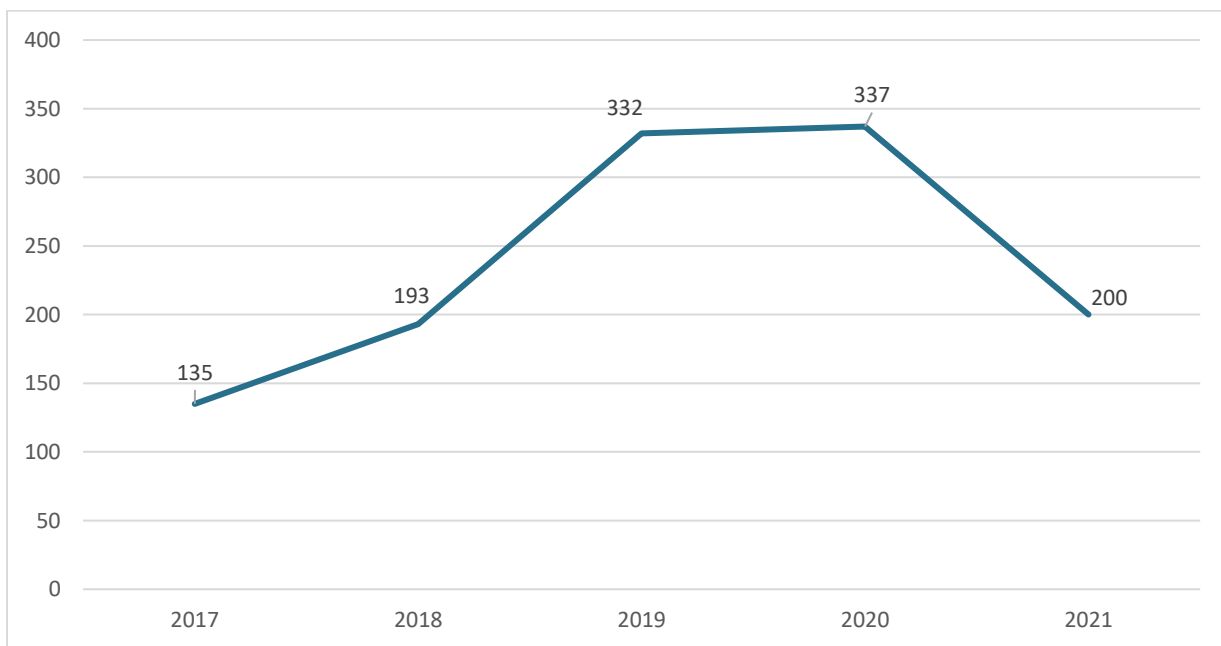


Figure 1: Cross-border complaints received between 2017 and 2021

Source: Annual Cross-Border Complaints Report 2020 & Online Database²

² The "Online Database" refers to EASA's internal online cross-border complaints platform that member self-regulatory organisations use to register and send their complaints through to other SROs. EASA acts as a facilitator and caretaker of the platform, using the confidential data only for statistical purposes.

3 The Country of Origin of Advertisements

Ads from Ireland and the Netherlands generated the highest number of cross-border complaints in 2021.

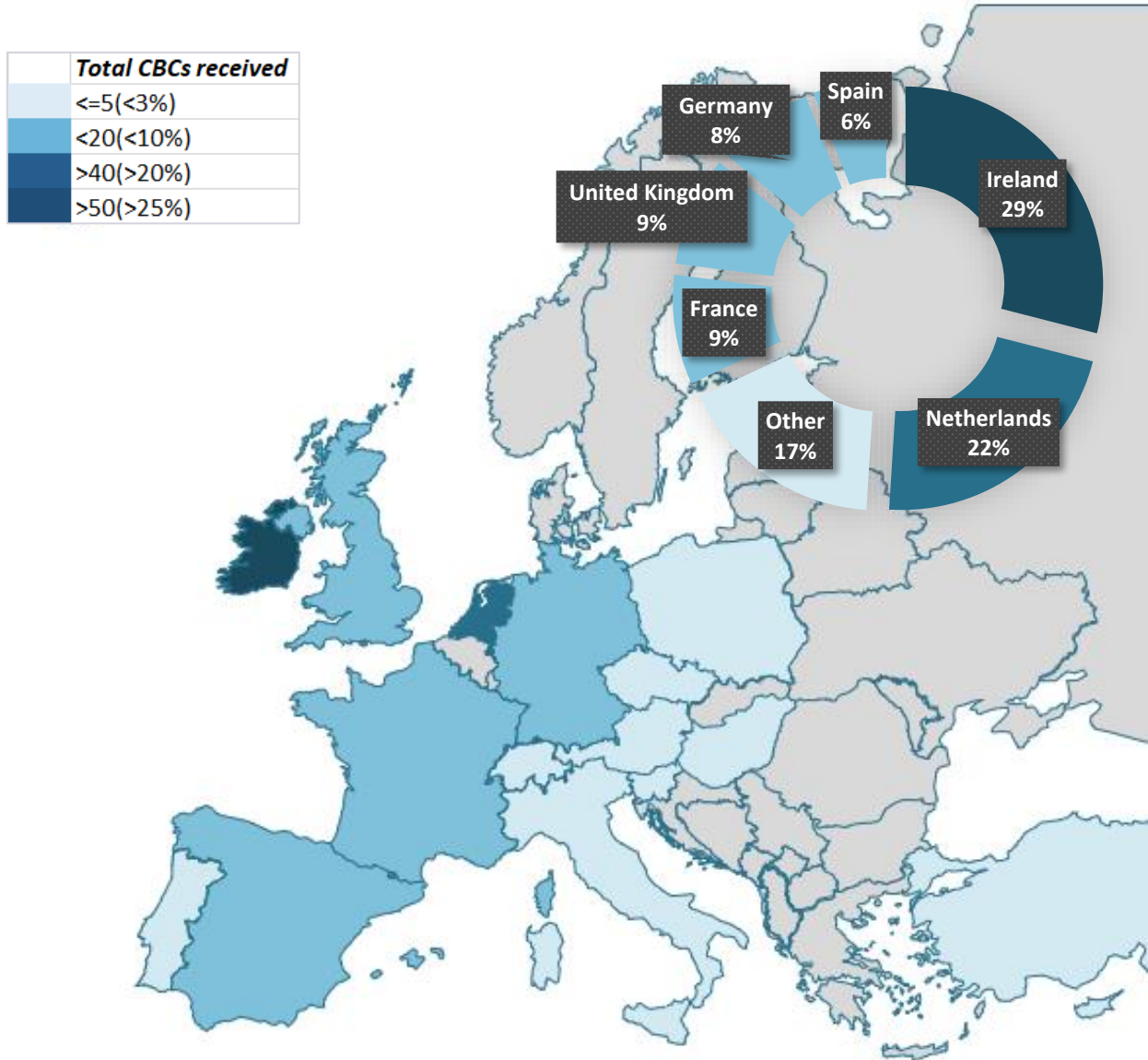


Figure 2: Cross-border complaints per country of origin of the media/advertiser in 2021

Source: Online database

EASA's Cross-Border Complaints System requires that all advertisements comply with the advertising laws and advertising self-regulatory codes of the country wherein the medium carrying the advertisement is based. In the case of Direct Mail and Online Advertising, the country of origin that is responsible for the complaint is the one wherein the advertiser is based. In the case of Online Behavioural Advertising (OBA), it is the country in which the principal decision-making authority is conducted that counts as the country of origin.³ As we will see in subsequent sections of this report, the vast majority of CBCs regard digital marketing communications. According to the EASA CBC system principles, this entails that it is the SRO in the country of origin of the advertiser that is responsible for handling the complaint according to local rules and legislation.

In 2021, almost a third (29%) of all 200 cross-border complaints were aimed at advertisements originating in Ireland, with another fifth (22%) aimed at ads originating from the Netherlands. These two countries, with 57 and 43 complaints respectively, generated the highest number of adverts subject to complaints in other European countries. Overall, they were the countries that received over half of all CBCs, while third place is shared by France and the United Kingdom, both at 9% with 17 complaints each. Other countries where advertisements subject to frequent complaints originated in were Germany (8%), Spain (6%), and Austria (3%). The rest of the countries received less than five CBCs.

The UK complainants lodged 33% of the 161 complaints directed to the Irish Advertising Standards Authority (ASAI). Nearly all the complaints received by the Irish SRO (88%) concerned misleading advertising. The highest share of CBCs (36%) that Ireland received were aimed at ads for food as well as health and beauty services, each accounting for 18% of the complaints. The same can be said for the Netherlands, with the Dutch SRO, Stichting Reclame Code (SRC), having received 43 cross-border complaints, while the data shows that the British public lodged 95% of these.

The annual statistics (presented in Table 1) show that despite some fluctuations over the past 5 years, the most complained ads originated in the same 5 countries: Ireland, the Netherlands, France, Germany, Spain and the UK. The number of complained ads originating from Ireland was especially high in 2020, while closing back in towards the second highest number of complaints (coming from the Netherlands) in 2021.

³ Switzerland requires that advertisements addressed by Swiss-based marketers to consumers in other countries comply with the rules and laws of those countries (known as the "principle of the country of destination"). Consequently, in such cases, the Self-Regulatory Organisation (SRO) in the plaintiff's country assesses the complaint based on its own national rules before passing it to the Swiss SRO, which communicates the decision to the advertiser. Similarly, some other SROs, in EU Member States, operate under different principles. However, SROs always share information and best practices to reach a swift and definitive decision for each CBC.

Table 1: Cross-border complaints per country of origin between 2017 and 2021.

Country	2021	2020	2019	2018	2017
Ireland	57	122	110	34	11
Netherlands	43	74	89	47	51
United Kingdom	17	15	17	8	12
France	17	24	20	24	19
Germany	16	29	15	15	3
Spain	12	11	17	12	10
Austria	5	2	3	2	1
Poland	4	1	0	3	3
Italy	4	5	11	5	1
Cyprus	4	16	11	5	3
Switzerland	3	1	0	0	0
Hungary	3	5	2	5	2
Czech Republic	3	2	2	2	1
Sweden	2	9	7	6	2
Turkey	2	1	3	2	0
Lithuania	2	-	-	1	-
Slovenia	1	1	0	0	0
Portugal	0	1	2	2	0
Slovakia	0	1	0	0	0
Russia	0	1	0	0	0
Luxembourg	0	1	0	0	0
Greece	0	2	3	2	0
Finland	0	3	5	4	0
Canada	0	5	4	4	2
Belgium	0	5	4	1	4
Other ⁴	5	0	2	7	8

⁴ The 'Other' category in 2021 includes Canada and United Arab Emirates

4 The Origin of Complainants

81% of cross-border complaints were lodged by UK complainants.

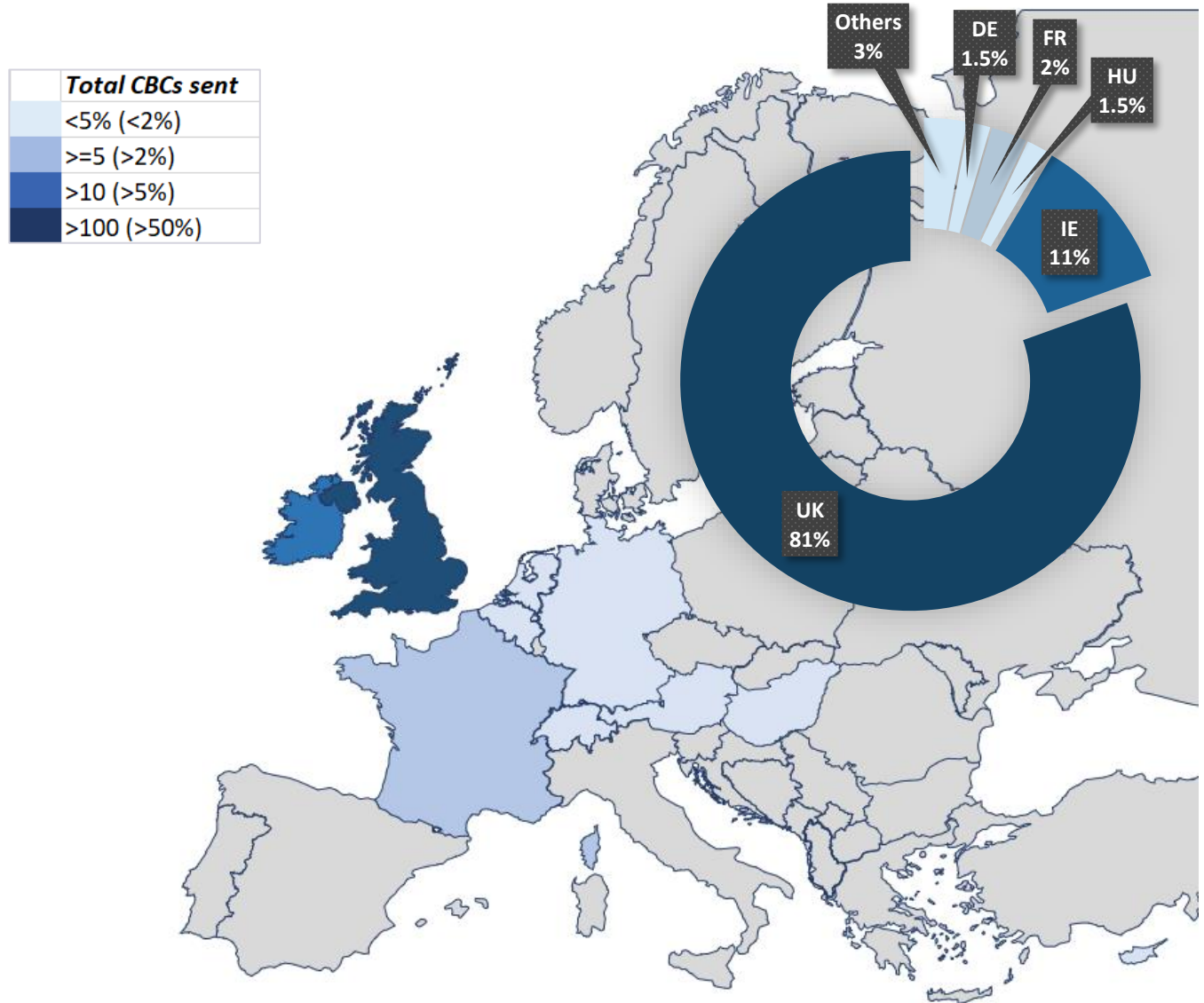


Figure 3: Advertisements complained about per country of the complainant in 2021

Source: Online Database

UK plaintiffs remained the most active in lodging cross-border complaints in 2021, having sent 161 (81%) objections to marketing practices to the British ad self-regulatory body, the Advertising

Standards Authority (ASA), which then referred the cases to the correct responsible national organisation. Advertisements from Ireland (29%) and the Netherlands (21%) were amongst the most complained about by the British public. While complainants from the UK challenged advertisements originating from 18 different European countries, only 5 countries (excluding the UK) – Ireland, Netherlands, France, Germany and Spain – received more than 10 complaints by the British plaintiffs. Although last year's cross-border complaints were again mostly lodged by the UK, complaints were also sent by the Irish (11% - notably to UK), French (3%), Hungarian (2%), and German consumers (2%), with the rest of the European countries falling below 1%, as shown in Figure 3, above. Overall, the largest share of CBCs was sent and received in Western Europe.

The table below also shows that only a handful of countries are sending over complaints to other countries. The United Kingdom remains as the biggest, if not even primary, contributor with 81% of referred complaints originating with the ASA. Over the past five years, UK complainants have filed the largest share of cross-border complaints: three to nine times more compared to all other plaintiffs of other countries combined. Interestingly, the share of UK complainants in 2021 was in fact the lowest it has been since 2017 when they accounted for 77%, only three-percentage points less than in 2021.

The advertising legislation in the UK relies on the codes and rules issued by the Committee for Advertising Practice (CAP). The ASA in turn has an important role to execute the rules and regulate ads appearing on all ads. By ensuring that all ads circulating in the United Kingdom abide by the highest standards and with the regulatory framework supporting this system, consumers are not only aware, but are also guided to report any misleading communication, dishonest ad, and illegal content to the ASA. New countries have also appeared in the statistics – Hungary with three and Austria with two complaints.

Country	2021	2020	2019	2018	2017
United Kingdom	161	300	291	174	103
Ireland	22	15	25	10	19
France	5	5	4	1	4
Germany	3	3	2	0	1
Hungary	3	-	-	-	-
Austria	2	-	-	-	-
Belgium	1	5	3	6	6
Cyprus	1	2	-	-	-
Netherlands	1	5	2	0	1
Switzerland	1	-	-	-	-
Italy	0	3	3	0	0
Spain	0	2	0	1	1
Portugal	0	1	0	0	0
Sweden	0	0	0	0	0
Romania	0	0	1	0	0
Other	0	0	1*	0	0

Table 2: Cross-border complaints per country of complainant between 2017 and 2020

**Other in 2019 represents a complaint filed via EASA's online form.*

Source: Annual Cross-Border Complaints Report 2020 & Online Database

5 Outcome of Resolved Complaints

9% of the complaints received by the SROs were upheld. 15% were not upheld, and over a third of complaints were not investigated as SROs had already initiated procedures at national level, including successes at resolving the case informally, or transferring the case to appropriate authorities

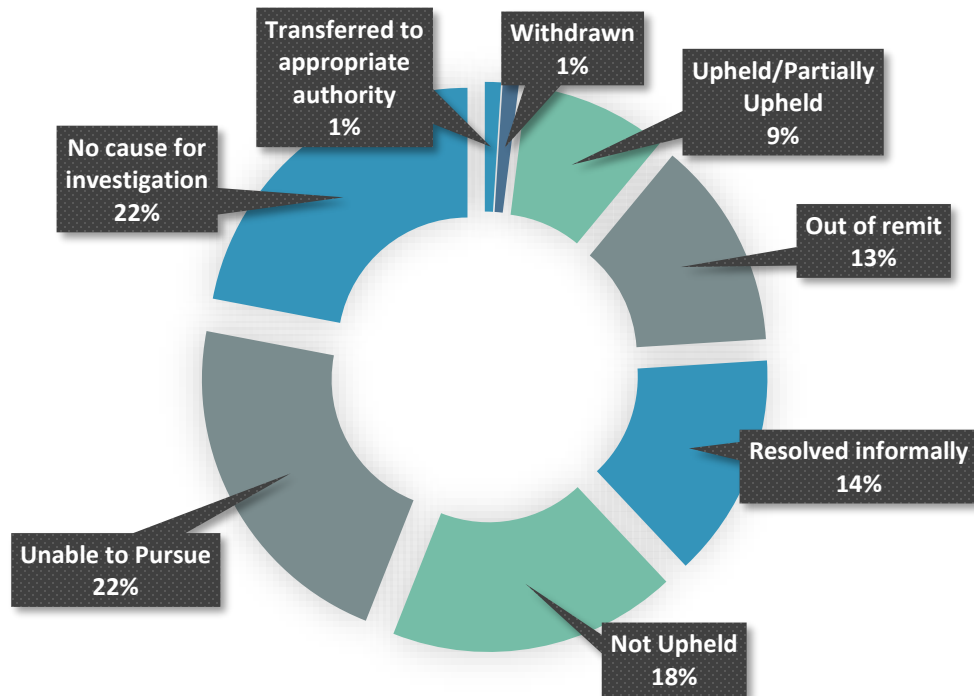


Figure 4: Cross-border complaints per outcome in 2021

Source: Online Database

SROs’ juries and committees upheld or partially upheld 9% of complaints and rejected 18%. Only a handful (1%) were partially upheld as the juries or committees found these CBCs to be groundless for further action but issued private warnings to advertisers, considering the ad to be featuring potentially problematic elements. A further 22% of complaints did not make it to the jury sessions as the SROs’ secretariats were unable to collect sufficient information to bring the case to the committees, usually due to unresponsive advertisers or lack of information given in the complaint. These were thus classified as “unable to pursue”. Over 14% of complaints were resolved informally by SROs, a 200% increase from 2020. These are complaints where the secretariats of the SRO were able to mediate between the advertisers and the plaintiffs about the former’s grievances. SROs can have an important meditative role in certain cases, and as

demonstrated by the substantial increase in informally resolved cases, this role was utilised even further in 2021.

Over a third of complaints received by the SROs were not investigated for various reasons based on decisions made on the national level. For these cases, SROs found that these complaints had either no grounds for a case as the advertisements at hand did not breach any rule or legislation, or that the complaint was unable to be pursued by the SRO, each accounting for 50% of the non-investigated complaints. The second biggest outcome, as depicted in the graph below, are complaints that fell outside of the SROs' remit, at 13%. The SRO in the country of the plaintiff may have accepted the complaint under their statutory rules. However, it is the SRO in the country of origin of the media or of the advertiser whose remit counts in referred cases.

Finally, a mere 1% were transferred to the appropriate authority, either to legal authorities or other local regulatory or self-regulatory organisations. The remaining 1% of complaints were later withdrawn by plaintiffs, in cases where the SRO explained that there were no breaches or grounds for a case.

Comparing the data of CBCs' outcomes across the past 5 years (see figure below) reveals a series of contractions and expansions for each complaint outcome. In 2018, the majority of complaints were not upheld, whereas 2019 saw a shift towards an important number of complaints not being investigated by SROs as the targeted advertisements were already subject to close inspection under previous cases or lacked the required information to open a case. In 2020, we saw an increase in the number of complaints upheld compared to the previous year, and a decrease in complaints that were not investigated. Going into 2021, the number of upheld complaints more than halved, as did the number of complaints that were deemed as 'out of remit.' However, the number of informally solved cases rose to the highest number since 2017. The decrease in overall CBCs was partly due to the on-going COVID-19 pandemic, which restricted traveling and thus shrunk the typically largest sector in terms of complaints.

Such fluctuation across the years and between sectors and categories, even if it may seem drastic, is not out of ordinary. The CBC mechanism is a dynamic system, affected by new advertising campaigns, updated self-regulatory rules and procedures, cultural and social shifts and societal challenges that impact consumers' taste. In the last two years, the COVID-19 pandemic has brought a whole category of new ads for various products and services, as the markets adapted to the great societal changes brought for by the pandemic.

Self-regulatory organisations strive to keep ads to high standards both with respect to well-accepted rules and laws but also to new events amid changing norms that current rules may not cover. Consequently, resolving complaints informally or transferring complaints to other better-suited organisations are ways SROs can navigate the ever-changing societal landscape, all the while keeping ads in line with their Codes. In this sense, SROs are best positioned as focal points in receiving, handling, and mediating consumers' or other organisations' complaints rapidly and decisively, especially in times of crises and upending circumstances. Especially mediation and

informal coordination was found prominent in 2021, with relatively high number of informally solved cases.

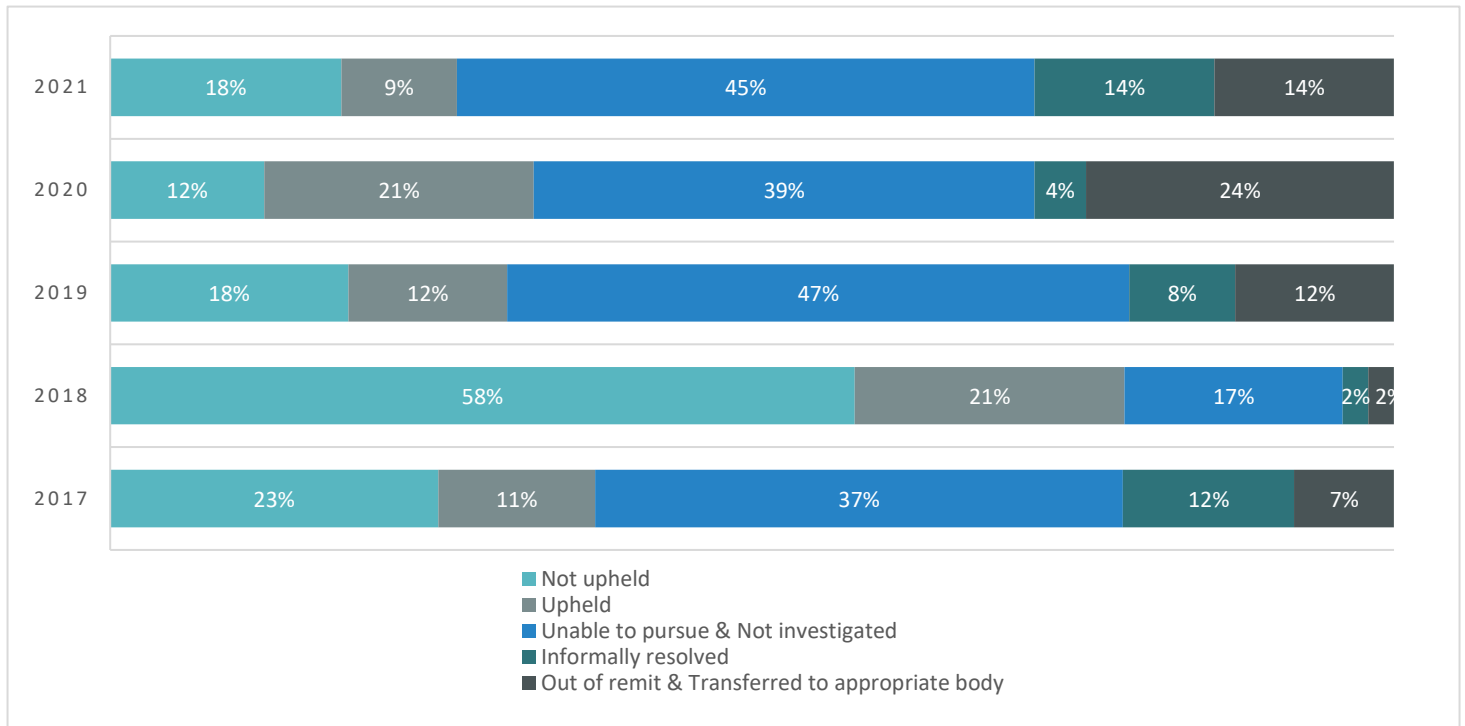


Figure 5: Cross-border complaints per outcome between 2017 and 2021⁵

Source: Annual Cross-Border Complaints Report 2021 & Online Database

⁵ The figures include “Partially upheld” complaints in the category of “Upheld” complaints to make it comparable with previous years and as the share of the former are negligible.

6 Issues Complained About

Misleading advertising continues to be the main issue complained about

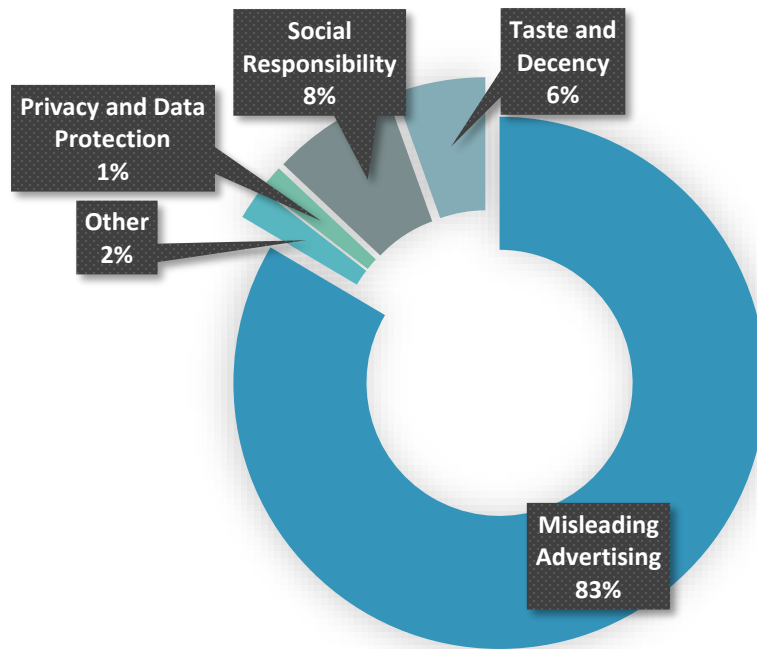


Figure 6: Cross-border complaints per issue in 2021

Source: Online Database

Continuing the trend set in previous years, the largest share of cross-border complaints in 2021 concerned misleading advertisements, with 166 complaints dealing with such an issue, or 83%. Within this category, consumers mainly objected to advertisements by companies operating in the leisure services sector (at 36%), such as airline companies, bus touring services, accommodation services, etc. The next biggest industry that was complained about regarding misleading marketing practices was advertising within the food sector, accounting for 16% of the complaints. This indicates that most plaintiffs took issue with adverts for tourist activities and airline companies, as they deemed them to be misleading in their promotional content.

Beyond misleading advertising, consumers also complained about social responsibility, with 8% of complaints, which pertains to issues such as discrimination and the responsibility of

advertisers in addressing some of the topical matters discussed at the societal level. The third biggest issue related to taste and decency at 6%, which vary largely according to local sensitivities, cultural particularities, and community events. Privacy and data protection issues were also raised by plaintiffs, though in small numbers, accounting only for 2% of complaints. All marketing communications, even those promoted on social media platforms by private influencers on behalf of advertisers, must be properly, clearly, and correctly disclosed as sponsored, promoted, or in any case as advertising content, to distinguish it from editorial material.

This focus on issues about misleading commercial advertising practices is not new, nor has it evolved much in the past 4 years – only a slight 5 percentage-point decrease from 2020 to 2021. In fact, as Figure 8 below illustrates, over the last five years, misleading advertising continues to account for the highest share of complaints, with a five-year average of 83%. This shows that consumers are mostly complaining about unclear advertisements that lead them to a purchase that they would have otherwise not conducted, had the advert been clearer or more honest in its promotion.

Complaints about alleged breaches of taste and decency and social responsibility ranked second highest over the past five years with an overall average of 14% (adding both categories together). Complaints about social responsibility in particular have increased, being 8% in 2021, 4 percentage-points higher than in 2020. This trend may continue as sustainability issues find more relevance also in the ad industry. On average, privacy issues accounted for just over 1% of complaints between 2017 and 2021. However, these three issues pale in comparison to the broader problem of misleading advertising. The graph indicates a wave-like fluctuation of complaints about taste & decency and misleading practices from 2017, increasing in 2020 but decreasing again in 2021.

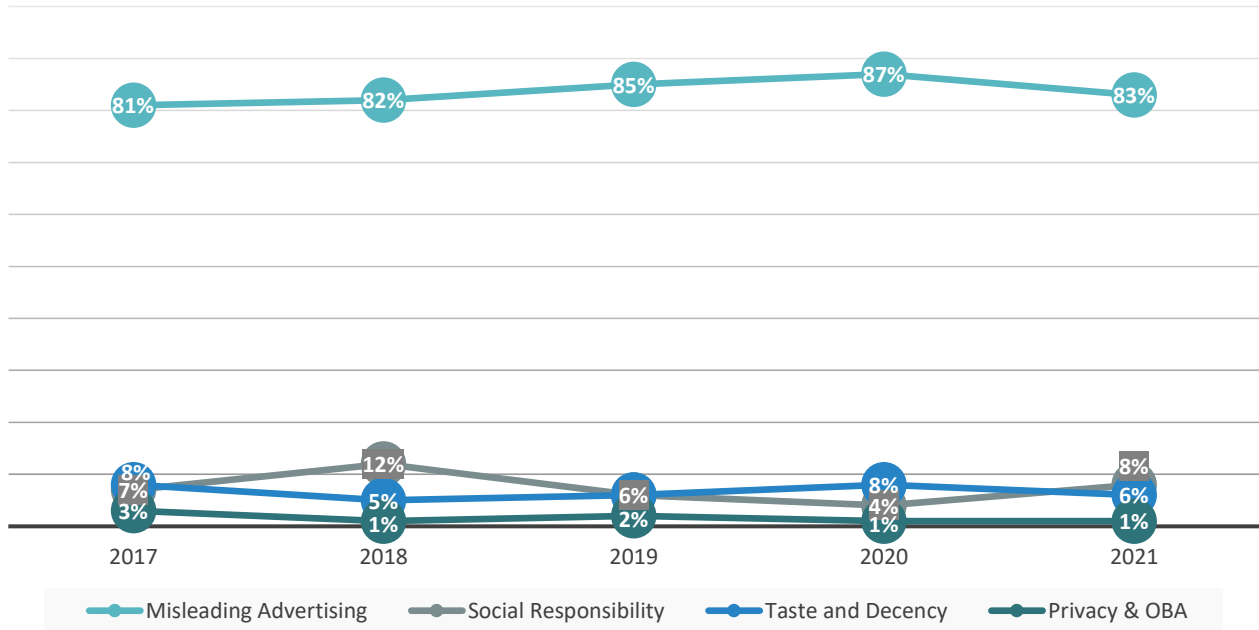


Figure 7: Cross-border complaints per issue between 2017 and 2021 (Excluding the 'Other' category)

Source: Annual Cross-Border Complaints Report 2020 & Online Database

7 Media

Digital Marketing Communications gathered the most complaints among all media categories at 87%.

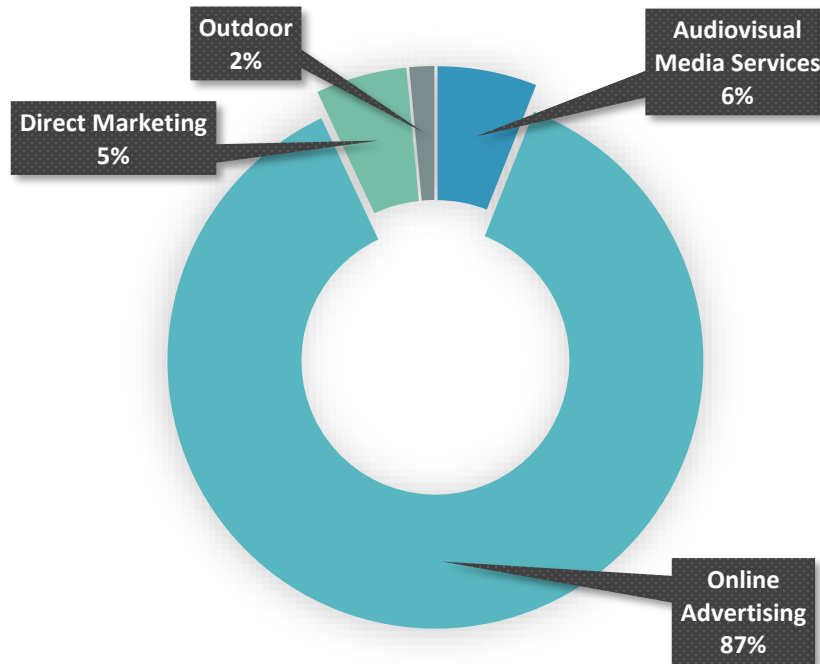


Figure 8: Cross-border complaints per medium type in 2021

Source: Online Database

Online Advertising accounted for 87% of cross-border complaints, indicating consumers are more susceptible to complain about ads that feature in online feeds and digital platforms than in other media. This category was formerly called Digital Marketing Communications, but was then changed to Online Advertising to better reflect its scope that includes social media networks, video pre-rolls, influencer marketing, website advertising, and general online marketing. Advertisements received as Direct Marketing triggered 6% of cross-border complaints. This includes direct e-mails and direct post with promotions and commercial communications that target individuals who signed up for a newsletter or a marketing leaflet.

CBCs against advertisements appearing on Audio-visual Media Services (AVMS), such as television, prompted 6% of cross-border complaints, while out of home advertising accounted for 2% of complaints. This shows that television ads are comparatively rarely complained about. This

could be because, in countries such as the UK and France there is a national SRO – Clearcast and ARPP respectively – that clears every advertisement before airing it on TV or radio. This enables the self-regulatory body or its counterparts to filter through a great deal of misleading or problematic ads that consumers would have otherwise flagged after publication. In this sense, this system of review before publishing is fruitful, with fewer complaints than ever in the past six years (see Figure 10). Moreover, analysing the data, we see that 86% of all complaints in the Online Advertising category are against adverts that have been complained about for misleading content. In addition, there were two complaints filed that related to advertising disclosures for an influencer, one case more than last year. These complaints – while still limited in numbers – may reflect a trend that influencers are becoming increasingly common agents in advertising.

Annual statistics show that Online Advertising have been generating by far the most cross-border complaints in recent years, with an average of 84% of complaints in the period from 2017 through 2021. Over the same period, advertisements received through Direct Marketing media have ranked second, with an average of 7% of CBCs during the same period. However, cross-border complaints about direct marketing have declined to 6% in 2021. Although 2020 saw a slight increase, audio-visual media services have prompted 4% of complaints on average in the past five years. For the first time since the record began, out-of-home ads have increased from 1% to 2% in 2021. As mentioned earlier, the low presence of out-of-home ads could be due to the self-regulatory bodies’ advice for all media types, and filter for TV and radio ads that exists in some countries, leading consumers to flag ads on digital platforms more often than on others.

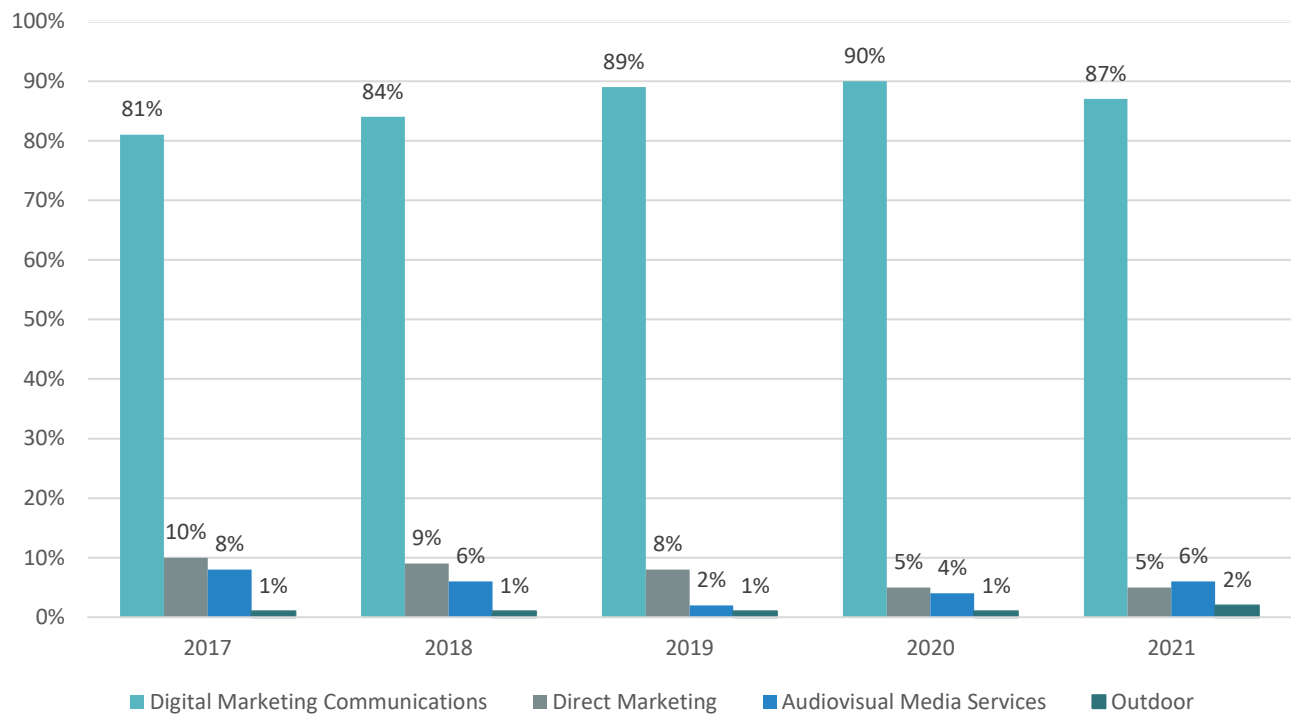


Figure 9: Cross-border complaints per medium from 2017 to 2021
 Source: Annual Cross-Border Complaints Report 2020 & Online Database

8 Complaints about Advertising for Products and Services

CBCs were mostly concerning advertising of leisure services, health & beauty, and food & alcohol.



Figure 10: Cross-border complaints in terms of products and services in 2021

Source: Online Database

In 2021, a third of all complaints (32%) pertained to leisure services, including airline companies, hotels and holiday accommodations, travel and renting services, entertainment, sports, gaming activities, and dating services. Food (14% of total complaints) was the second most complained about sector, followed by health & beauty services (11%). Consumers around Europe also rather frequently complained about alleged breaches of the SR codes regarding marketing communications for clothing and accessories (7%), as well as software and IT products (7%). Electronic goods accounted for 6%, and retail services accounted 2% of CBCs. The retail category also contains online retail markets and e-commerce websites.

Fourth biggest category, as seen in Figure 11, is “Other”, which encompasses different categories and sub-categories of products and services advertised throughout the continent. This includes, as a total out of the 200 complaints, toys (2%), books and newspapers (1%) and

financial services (1%) as well other services each accounting for 1% or less of total CBCs, on top of another 3% of unspecified categories.

The trend that started in 2016 with the number of complaints about advertising for leisure services rising consistently until 2019 has now seen a slight drop in the number of complaints of about 43% between 2019 and 2020, decreasing by 38% in 2021. Despite the numerical plunge in complaints for leisure services, their share of all CBC complaints in fact slightly increased in 2021, even if only by 2 percentage points. Furthermore, other sectors have also seen some variations. In 2020, the food sector recorded more than twice as many CBCs as the year before, as did the combined categories of electronic devices and IT hardware and software products. The increase has continued in 2021, the former accounting for 14% of complaints while the latter has increased to 13%. Health and beauty services are also on the rise with 1 percentage-point increase, after facing a 74% increase in 2020. The sector for gambling and lotteries saw a 75% decrease in 2021 after a massive 225% increase in referred complaints in 2020.

Most categories saw a decrease in 2021, only telecommunications retaining the 5 complaints from 2020. Most notably retail, which dropped 82% from the year before. However, some categories decreased numerically only a little, despite the general decrease in CBCs. The share of clothing and automobiles, for instance, increased from 9% to 11% (when taken together), having had only a small numeral decrease since 2020. Telecommunications received 5 complaints, exactly the same amount as last year. The “other” category, which generally includes miscellaneous online services, had only 4 complaints, a noticeable decrease from 37 of 2020. This decline is partly due to more accurate categorisation adapted to new companies appearing in the statistics.

A more detailed breakdown of complaints per products and services can be found below. It allows for a comparison of complaints throughout the past 5 years.

Products and services	2021	2020	2019	2018	2017
Leisure services	63	102	179	70	53
Food (and Alcohol)	27	43	20	5	4
Health & Beauty services	22	33	19	11	12
Electronic devices and IT hardware and software products	14	37	16	17	8
Clothing & Accessories	13	19	22	14	13
Automobiles	8	11	15	7	3
Telecommunication	5	5	3	-	6
Other (products/services)	5	37	17	216	19
Transport	4	6	6	4	5
Retail	3	17	22	25	4
Gambling & Lotteries	2	13	4	13	3
Books and magazines	2	5	-	-	-
Financial & Business services	1	6	3	5	4
Non-commercial	1	3	-	-	-

Table 3: Cross-border complaints in terms of products and services between 2017 and 2021

Source: Annual Cross-Border Complaints Report 2020 & Online Database

The category of leisure services and tourism accounted for over one third of all complaints. This sector, as defined for the purpose of this study, includes many different industries that contribute to nearly a third of all complaints transferred across Europe. Of the 63 complaints in this category, over 52% were against airline companies, and over a quarter concerned hotels and accommodation services. The rest were objections to advertising done by various entertainment services such as film providers, gaming activities, mostly on digital platforms, and music streaming services.

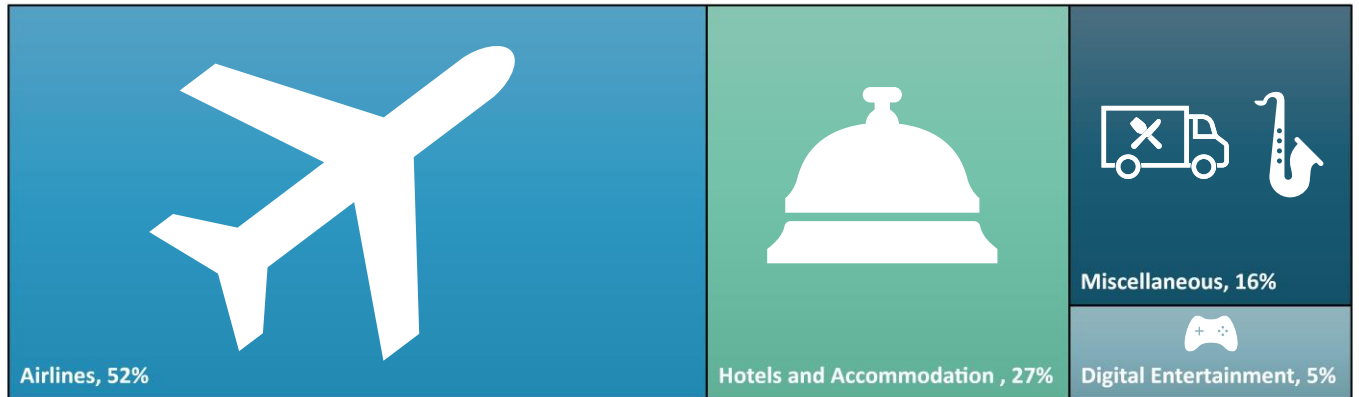


Figure 11: Cross-border complaints in the Leisure services and tourism sector in 2021

Source: Online Database

It is also noteworthy to have a closer look at the health and beauty sector, which encompasses various sub-sectors, industries, and enterprises that operate in different marketplaces. Together, this sector recorded a tenth of all CBCs, or 22 complaints, spread as shown in the graph below. Medical services, such as medical information services received 23% of the complaints, whereas cosmetic products and services, such as perfume brands make up a bit less than 14% of all cross-border complaints within this sector. Similar share of complaints was also directed against food supplements, sports equipment (such as digital watches with activity metrics and general outdoor equipment) and health equipment (such as posture correctors). The remaining category, dental products, received 5% of complaints in this category.

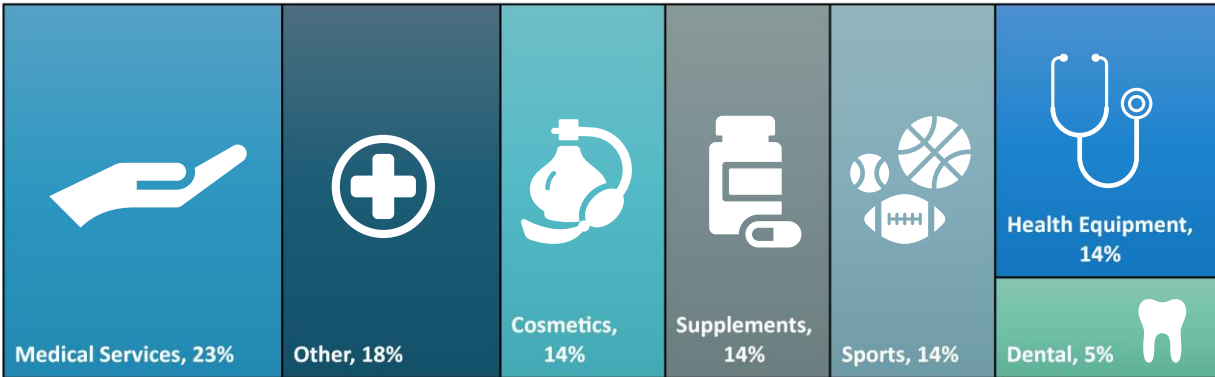


Figure 12: Cross-border complaints in the Health and beauty services sector in 2021

Source: Online Database

9 European data on CBCs: wrap-up for 2021

Decrease in total number of CBCs, Online Advertising remain dominant media, leisure remains the dominant sector for CBCs as Europe moves on from the pandemic era.

We can conclude, from the analysis of the figures for 2021, that consumers in the UK and Ireland were the source of the vast majority of complaints transferred abroad. The 200 CBCs predominantly targeted misleading online and digital advertising material from airline companies, food and alcoholic beverage brands, and health and beauty services, of which the marketers' headquarters are in Ireland and the Netherlands.

Due to the substantial decrease in complaints compared to the year before, the statistics for 2021 are slightly less varied and smaller in scale in terms of geography and sector than in 2020. As such, multiple sectors have seen a decrease in CBCs, although the leisure sector remains the most prominent. Food and health products were the second most complained-about items.

Yet, the data for 2021 also indicates that CBCs are still principally targeted against digital and online adverts that allegedly contained misleading content. Thus, despite the plunge in complaints, the 2021 statistics follow the same trends as in 2020, namely in terms of digital marketing communications being still overwhelmingly the most complained-about media. Continuously developing digitisation implies that the digital realm will remain the medium with the most CBCs for the foreseeable future. As the last two years have been marked by the COVID-19 pandemic, the increased time spent inside their homes inadvertently nudged European consumers to shop and purchase services and products online, order food deliveries, stream new films, series, and music albums digitally, and order books and magazines on e-commerce sites. Advertising practices, online visibility of ads as well as consumption and use of digital services were heavily influenced by the conditions created by the pandemic. While these factors remained visible in the CBC statistics in 2021, the notable drop in number of complaints can partly be attributed to still a level of uncertainty felt across the Single Market's economy.

The pending effects of the COVID-19 pandemic in 2020 and 2021 has trickled down to the statistics and nature of cross-border complaints and the advertisements targeted in these queries. The still substantial share in complaints against adverts for food and health and beauty products coincides with the coronavirus outbreak, continuing into 2022 in the background as Europe looks to recover a lost momentum and moves towards increased digitalisation. Both the pandemic and the attached necessary restrictions as well as the challenges arising from a contracted global economy have created an uncertain economic terrain for consumers and brands. This is reflected both in the number and subjects of cross-border complaints transferred across Europe. While the number of complaints decreased from the previous year, the most complained sectors have remained unchanged, similar to 2020, indicative of the types of ads circulating in Europe. These statistics and figures are a testimony to the successes and challenges for SROs to mediate between consumers rightfully expecting correct, transparent, and

high-quality ads informing them of new products and services, and brands competing to capture audience attention. All in all, SROs filtered, handled, and assessed each of the 200 cross-border complaints to ensure that all ads in Europe were accountable for their claims and that they respected the local advertising standards.

Annex: How the Cross-Border Complaints (CBC) System Works

EASA's Cross-Border Complaints System

EASA's Cross-Border Complaints (CBC) system has been **in operation since 1992**. With the increase of media travelling across borders, the CBC system was established to provide people who wished to make complaints against advertising featured in media or by advertisers originating from outside their home territory with the same redress available to consumers within the country of origin of the media or advertiser. Since 1992, EASA has coordinated around 3,400 cross-border complaints.

The Basic Principles of the EASA Cross-Border Complaints System

The **first principle is the 'country of origin'**, a concept enshrined in EU law to facilitate the growth of the European Single Market. The CBC system is founded on the principle that an advertisement must abide by the rules of the country where the media is based that features the advertisement. However, in the case of Direct Marketing and Online Advertising, the advertisements will generally be expected to follow the rules of the country where the advertiser is based, whereas, in the case of Online Behavioural Advertising (OBA), the country of origin of the company will be based on the principal decision-making presence (headquarters' offices). The **second principle is 'mutual recognition'**. By this principle, EASA members agree to accept advertisements that comply with the self-regulatory rules in the country of origin of the media or advertiser, even if those rules are not identical to their own.

The Competent Body

Once the advertisement's 'country of origin' has been established, the complaint will be assigned to the local self-regulatory organisation (SRO). It is not possible to assign a complaint to more than one SRO.

Dealing with a Cross-Border Complaint

The complainant may not initially realise that their complaint lies outside the competence of their national SRO. Hence, the plaintiff's first point of contact will be the local, national SRO. Once the latter ascertains that a complaint is a cross-border issue, it will first inform the complainant of the Cross-Border Complaints system and the measures that will be taken to handle the complaint. The complaint, along with any other relevant details, is then passed on to the relevant self-regulatory organisation (SRO) present in the country of origin of the media or the advertiser for investigation. The EASA Secretariat is included in all correspondence related to the case and will closely monitor its progress. Furthermore, EASA may become involved in the process by, for instance, recommending the SRO to take certain actions, involving industry bodies where appropriate, and reporting on the outcome of cases once they have been closed.

Ad-Alerts

If an ad shows evidence of deliberate unethical, dishonest, or criminal activity, the SRO will transfer the complaint to the relevant government authorities. In these circumstances, the EASA Secretariat may, after discussion with members involved, decide to issue an Ad-Alert, which notifies concerned parties of the advertisers' activities. Ad-Alerts are published on the EASA website: www.easa-alliance.org.

Publications

Closed cross-border complaints are reported annually in CBC Reports, published on the EASA website: www.easa-alliance.org.





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