



ASIC
Australian Securities &
Investments Commission

REGULATORY GUIDE 234

Advertising financial products and services (including credit)

November 2025

About this guide

This guide is for promoters of financial products, financial advice services, credit products and credit services, and publishers of advertising for these products and services.

It contains guidance to help promoters comply with their legal obligations not to make false or misleading statements or engage in misleading or deceptive conduct.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This draft version was issued in November 2025 and is based on legislation and regulations as at the date of issue.

Previous versions:

- Superseded Regulatory Guide 234 *Advertising of financial products and advice services (including credit): Good practice guidance*, issued November 2012, which updated the guidance to include new information on credit products and services.
- Superseded Regulatory Guide 234 *Advertising of financial products and advice services: Good practice guidance*, issued February 2012

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

DRAFT

Contents

A	Overview	4
	Purpose of this guide	4
	Overview of this guide	5
	Our regulatory powers	6
B	When advertising may be misleading	7
	Returns, features, benefits and risks	7
	Warnings, disclaimers, qualifications and fine print.....	14
	Fees and costs	17
	Comparisons.....	23
	Past performance and forecasts.....	26
	Use of certain terms and phrases.....	32
	Target audience	35
	Photographs, diagrams, images and examples	38
	Nature and scope of financial advice and credit assistance.....	39
C	Media-specific guidance	41
	Mass media.....	41
	Audio advertisements	42
	Film and video advertisements	42
	Internet advertising	43
	Outdoor advertising	44
D	Publishers and media outlets.....	46
	Publisher responsibility	46
	Sponsored content.....	47
	Aggregators and comparison sites	47
	Appendix 1: Quick reference guide to advertising guidance for promoters in RG 234	48
	Assessing advertising	48
	Advertising guidance for promoters.....	50
	Appendix 2: Other ASIC guidance.....	52
	Product specific guidance.....	52
	Other guidance	52
	Key terms	54
	Related information.....	56

DRAFT

A Overview

Key points

Consumers are heavily influenced by advertisements for products and services when making financial decisions and seeking financial advice.

We have developed guidance to help promoters comply with their legal obligations to not make false or misleading statements or engage in misleading or deceptive conduct.

Our guidance applies to any communication intended to advertise financial products, financial advice services, credit products or credit services.

While the primary responsibility for advertising material rests with the organisation placing the advertisement, publishers and media outlets may also have some responsibility for content.

ASIC has a range of regulatory powers that we can exercise for dealing with false or misleading statements or misleading or deceptive conduct. We may take a greater interest in advertisements that do not meet this guidance when considering whether to make further inquiries or to exercise our regulatory powers, amongst other things.

Purpose of this guide

- RG 234.1 Consumers are heavily influenced by advertisements for products and services. Advertisements that do not fairly represent the product or its key features and risks, or the nature and scope of the service, can be misleading and create unrealistic expectations that may lead to poor financial decisions.
- RG 234.2 This regulatory guide sets out guidance to help promoters comply with their legal obligations to not make false or misleading statements or engage in misleading or deceptive conduct. Following our guidance will also help raise standards in advertising more generally.

Who our guidance applies to

- RG 234.3 Our guidance is relevant to:
- (a) promoters of financial products, financial advice services, credit products and credit services. The promoter will sometimes be the product issuer or credit provider, but can also be a third party such as a financial adviser, credit service provider, distributor or agent; and
 - (b) publishers of promotions about these products and services, such as television networks, newspapers, radio stations, social media and digital platforms.

DRAFT

What our guidance applies to

RG 234.4 Our guidance applies to any communication whose purpose is to inform consumers about or promote financial products, financial advice services, credit products or credit services.

Note 1: References to ‘financial advice services’ in this guide mean the provision of financial product advice as defined in the ASIC Act: see s12BAB(5), ASIC Act.

Note 2: This guide uses the term ‘credit products and credit services’ to refer broadly to both credit facilities under the ASIC Act and credit activities under the National Credit Act. References to ‘credit products’ includes both credit contracts and leases.

RG 234.5 It applies to advertising communicated through any medium in any form, including mass media, audio, film, video, internet and outdoor advertising. See Section C for more details.

RG 234.6 Some financial products, due to their risk or nature, require further specific guidance. This guide should be read in conjunction with our other product-specific advertising guidance: see Appendix 2.

RG 234.7 Advertising does not generally include statements in a regulated disclosure document, such as a prospectus, Product Disclosure Statement (PDS) or Financial Services Guide (FSG). This guide also does not cover the design of financial or credit products or their distribution.

RG 234.8 Separate to the prohibitions on false or misleading statements and conduct, the Corporations Act, National Credit Code and ASIC Act prohibit certain other types of conduct related to the promotion of financial products / services and credit. This includes unsolicited selling conduct, deferred sales of add-on insurance, and advertising about certain offers of securities and financial products. This guide does not cover these prohibitions: see Appendix 2 for other ASIC guidance.

Overview of this guide

RG 234.9 Appendix 1 contains an overview of the advertising guidance for promoters in this guide:

- (a) Table 1 in Appendix 1 contains an overview of our guidance on when advertising might be misleading which is applicable to all media, outlined in more detail in Section B; and
- (b) Table 2 in Appendix 1 contains an overview of some media-specific issues relevant to when advertising might be misleading, outlined in more detail in Section C.

Industry guidance

RG 234.10 Industry guidelines, standards and codes have a useful role to play in ensuring that advertisements are not misleading or deceptive. This is because

DRAFT

consumers will generally expect promoters and publishers to comply with accepted industry guidelines.

- RG 234.11 We encourage industry bodies to develop and enforce guidelines, standards or codes that build on the principles of our guidance and respond to the specific needs of the sector.
- RG 234.12 Our guidance will also be relevant to sector-wide advertising undertaken by industry associations on behalf of members.

Our regulatory powers

- RG 234.13 ASIC has a range of regulatory powers that we can exercise for dealing with false or misleading statements or misleading or deceptive conduct. Information sheet 151 *ASIC's approach to enforcement* ([INFO 151](#)) addresses these regulatory powers, and our general approach to enforcement.
- RG 234.14 We may take a greater interest in advertisements that do not meet our guidance when considering whether to make further inquiries or to exercise our regulatory powers, amongst other things.

DRAFT

B When advertising may be misleading

Key points

The guidance in this section covers:

- returns, features, benefits and risks (see RG 234.16–RG 234.33);
- warnings, disclaimers, qualifications and fine print (see RG 234.34–RG 234.41);
- fees and costs (see RG 234.42–RG 234.61);
- comparisons (see RG 234.62–RG 234.79);
- past performance and forecasts (see RG 234.81–RG 234.102);
- the use of certain terms and phrases (see RG 234.112–RG 234.123);
- the advertisement's target audience (see RG 234.124–RG 234.137);
- photographs, diagrams, images and examples (see RG 234.138–RG 234.143); and
- the nature and scope of financial advice and credit assistance (see RG 234.144–RG 234.147).

RG 234.15 Advertisements should give balanced information so that consumers can understand the nature of the product or service being advertised. Balance is important for ensuring that the overall effect of an advertisement creates realistic expectations about a product.

Returns, features, benefits and risks

RG 234.16 Advertisements for financial products and credit products should give a balanced message about the returns, features, benefits and risks associated with the product. Advertisements should not overstate the potential benefits (e.g. investment returns) or create unrealistic expectations by giving undue prominence to the benefits compared with the risks.

Example 1: Lack of balance about high-risk strategy

A credit provider promoted that consumers could pay off a 25-year mortgage in 10 years while maintaining their existing monthly repayment amount. Consumers could only potentially achieve this claim if they undertook a 'strategy' which included taking out a second loan to purchase a residential investment property. The 'strategy' relied on the value of the investment property appreciating at a high enough rate for consumers to sell their investment property and pay off both loans (i.e. the existing home loan and investment loan).

ASIC was concerned that the credit provider's advertising may mislead consumers because the claim relied on the past performance of the property market continuing into the future and was based on a number of assumptions that were not disclosed in the promotional material.

DRAFT

Returns, features and benefits

RG 234.17 Where an advertisement states or implies that a particular benefit is likely, it should include a statement about the risks associated with obtaining that benefit, or about the product generally. Where appropriate, the advertisement should also include a clear explanation of the assumptions made in predicting the benefit.

Example 2: Representations about high-risk investment management

An AFS licensee promoted itself through its website, publications and seminars as a specialised derivatives dealer. It represented that investors could participate in the lucrative options trading marketplace with minimum effort, in the knowledge that a professional options trader was assisting them to manage all aspects of their trading. The advertisement claimed that by using the licensee's time-tested risk management method, consumers could earn superior returns in a high-risk market.

ASIC raised concerns that these representations were misleading and deceptive as they overstated the ability of a consumer to obtain the results claimed. We obtained an injunction restraining the licensee from making further advertisements.

Example 3: Benefits restricted to certain circumstances

A mortgage broker promoted that a particular home loan could help consumers pay off their debt sooner, using an online calculator that demonstrated considerable savings over time.

ASIC was concerned that the broker's promotional material did not inform consumers that they would need to make considerable additional repayments above their monthly repayments to achieve the promoted claims. We obtained orders in the Federal Court against the mortgage broker, which included a declaration that the mortgage broker had contravened the ASIC Act, and orders restraining the broker from continuing to make these representations.

Example 4: Lack of balance about benefits and risks

ASIC identified several misleading advertisements that made claims suggesting that reverse mortgages did not need to be repaid. The statements in the advertisements included 'There are no repayments', '...no loan repayments ever' and 'No need to make repayments!!'. Although reverse mortgages do not usually require the borrower to make regular repayments during the course of the loan, they must eventually be repaid. We raised these concerns with the promoters of the advertisements. In each case, the promoter took immediate steps to either withdraw or amend its advertising.

Note: Use of the term 'reverse mortgage' is restricted under the National Credit Act: see RG 234.119.

DRAFT

- RG 234.18 Claims made about consumer outcomes of products and services must be able to be substantiated or otherwise have a reasonable or evidence-based justification for the claim. Promoters should keep records which can substantiate or justify any claims or representations made in its advertising material.

Example 5: Substantiating significant debt management claims

A provider of debt management services represented on its website that it had wiped \$80 million in debt and saved consumers \$30 million in interest.

ASIC was concerned that the statements were false or misleading, as the provider was unable to substantiate these figures, nor was there a reasonable or evidence-based justification for these representations. The evidence produced by the provider indicated that the statements were false and misleading.

ASIC issued infringement notices to the provider and the provider also removed the representations from its website.

- RG 234.19 Claims about features of a product or service should only be made if a consumer can reasonably expect those features to be available to them. An advertisement should not present a one-sided view of a product's key features to overstate the benefits associated with the product.

Example 6: Overstating the benefits of a credit repair service

ASIC took court action against a credit repair firm after claimed able to 'clean' a consumer's credit history by removing negative listings, without investigating whether consumers in fact had any negative listings or if any such listings could be removed.

The court found that these were false or misleading representations and ordered the firm and its director to pay pecuniary penalties. ASIC also obtained an undertaking from the firm to refund some consumers.

Example 7: No reasonable basis for asserting features claimed

ASIC took court action against a company that offered and marketed a non-cash payment facility, which used a crypto-asset token, to a general audience. Among other breaches, the company was found to have made a public statement that acquirers of the product could confidently exchange tokens for other crypto-assets or currencies through independent exchanges.

The court found that the only digital currency exchange that accepted the relevant token was an exchange which was not independent of the offeror and did not permit crypto-assets to be exchanged with each other. Accordingly, at the time of the advertisement, such exchanges neither existed nor was there any reasonable basis for believing they would come into existence, and the offeror of the product had engaged in misleading or deceptive conduct.

DRAFT

Example 8: Misrepresenting the nature of the product

An advertisement suggesting that goods may be leased or rented before the consumer decides whether to purchase those goods would be misleading if the consumer does not have a right or option to purchase the goods.

An advertisement would also be misleading if it implied that rental payments would be deducted from the purchase price, but the agreement merely gives the consumer the option to purchase equivalent goods, rather than the actual goods they had been leasing.

- RG 234.20 If a product offers certain benefits that are mutually exclusive (i.e. they cannot be taken up simultaneously), this should be made clear in the advertisement.
- RG 234.21 An advertisement should not contain an open-ended promise about a benefit if it is likely that circumstances will change so that the promise will become misleading. It is important to remember that an advertisement may create a lasting impression in consumers' minds. If circumstances change, merely withdrawing the advertisement may not alter the fact that certain expectations have been created, and the advertisement may have an effect that is misleading.
- RG 234.22 Where an advertisement contains a promise about a benefit that is likely to change if circumstances change, the advertisement should be qualified by a prominent statement that alerts the consumer to the fact that circumstances may change.

Example 9: Bait advertising

A credit card was widely advertised as having a 'low ongoing rate' of 9.99% per year, while warning consumers about the short-term nature of offers made by some competitors.

ASIC raised concerns with the company promoting the card when, two months later, they introduced a higher interest rate for cash advances, of 13.99% per year. We were concerned that consumers who responded to the earlier advertising may not have had the benefit of the credit card at the advertised price for a sufficient period of time.

- RG 234.23 If an advertisement offers certain discounts or pricing, the promoter should ensure that it delivers the discounts or/or pricing as advertised.

Example 10: Failing to deliver promised insurance discounts

ASIC took court action against an insurer that had advertised certain loyalty and no-claim discounts to renewing customers because the insurer had used an algorithm to calculate insurance premiums, which did not pass on the promised discounts.

DRAFT

- RG 234.24 The court found that by failing to deliver the advertised benefits, the insurer had made false or misleading representations, and ordered the insurer to pay pecuniary penalties.

Greenwashing

- RG 234.25 Promoters should take care to avoid misrepresenting the extent to which a financial product or investment strategy is environmentally friendly, sustainable or ethical ('greenwashing'). Greenwashing distorts relevant information that a current or prospective investor might require to make informed investment decisions.

Example 11: Conduct inconsistent with greenwashing representations

ASIC took action against a trustee of a superannuation fund for (among other things) making misleading claims that investments in certain activities and industries, such as gambling, coal mining and oil tar sands, were fully excluded. Advertisements for the fund used terms such as 'we do not invest', 'no way' and 'eliminate', even though the fund held securities in these activities and industries.

The court noted that the use of these terms unequivocally suggested that these investments would be fully excluded and that these statements had not been qualified. Accordingly, the court found these representations were misleading and ordered the trustee to pay a pecuniary penalty.

- RG 234.26 For further information and examples of potentially misleading or deceptive practices, see Information Sheet 271 *How to avoid greenwashing when offering or promoting sustainability-related products* ([INFO 271](#)).

Consistency with disclosure documents

- RG 234.27 When an advertisement draws attention to specific features of a product, those statements should be consistent with the product's features and the disclosures in any corresponding disclosure documents (e.g. a PDS, FSG or prospectus) or contracts.

Example 12: Credit card contract terms

When a credit card contract includes a standard clause allowing the provider to unilaterally raise the interest rate at any time, the promotional campaign for the card should not contain a 'guarantee' that the interest rate will stay low.

Example 13: Insurance policy limitations

An advertisement for insurance used phrases such as 'guaranteed acceptance' and 'no exceptions', although the policy had significant exceptions. ASIC took action on the basis that an advertisement should not imply that clients

will definitely be paid in certain situations if the policy's terms contain limits on when claims will be paid out. The insurer agreed to pay out all benefits where a claim had been rejected due to the exclusions not mentioned in the advertisement.

Example 14: Advertised claims not reflected in PDS

An issuer of capital-protected products and structured products produced marketing material claiming that the fund's units provided investors with a tax deductible interest expense. However, this claim was not substantiated in the PDS, which encouraged potential investors to seek their own independent advice about the deductibility of interest and borrowing expenses.

ASIC imposed licence conditions on the product issuer requiring, among other things, the appointment of a legal firm to monitor certain advertising and marketing material to ensure that it was not potentially deceptive or misleading.

- RG 234.28 To ensure consistency with a disclosure document, promoters should be aware that a statement in the disclosure document may become misleading when it is taken out of context in an advertisement. An advertisement should not include or rely on context or additional material that is not included in the disclosure document.

Risks

- RG 234.29 Information about the risks of a product should be clear, and not hidden or difficult to understand, and should be given sufficient prominence to information about returns and benefits. The tone of the advertisement should not undermine the importance of the risks.

Example 15: Misleading investors on risk characteristics

ASIC took court action against a group of entities who advertised several classes of promissory notes. ASIC was concerned that the advertisements failed to accurately advertise the risk profile of the notes.

The advertisements represented that the notes were comparable to bank term deposits, when they were of significantly higher risk, the notes carried no risk of default, when there was a risk that the principal investment could be lost, and that the principal investment would be repaid in full on maturity, when the entity could extend the time for repayment for an indefinite period. Representations were also made that some of the notes were fully secured when they were not.

The court found that the entities had engaged in misleading or deceptive conduct and making false and misleading statements in relation to these representations and ordered the entities to pay penalties.

DRAFT

Example 16: Understating potential risks relative to benefits

ASIC became aware of an options trader who marketed and sold options-trading software. Marketing material included statements such as 'Options trading is easy' and 'Returns of 5–10% per month and 60–120% per year can consistently be achieved'.

We accepted an enforceable undertaking under which the company agreed to permanently refrain from using these phrases in connection with options trading. The company also agreed to provide a refund to people who had bought the product after one or more of the statements were made to them.

Example 17: Advertising high-risk contracts for difference

Contracts for difference (CFDs) are high-risk financial products with the potential to expose investors to large losses. An advertisement for CFDs should not include prominent headline claims such as 'Build personal wealth with low-risk trading strategies' and 'Safely harness the leverage power of CFDs' because this does not accurately reflect the risks of trading in CFDs.

- RG 234.30 The safety or security of a product should not be overstated. There are very few products that can claim that they are fully insured or guaranteed.

Note: The Australian Government's Financial Claims Scheme (FCS) protects deposits in authorised deposit-taking institutions (ADIs) such as banks, building societies and credit unions up to a specified limit. It does not apply to investment products offered by an ADI.

Example 18: Overstating product safety

ASIC was concerned that credit products, including margin loans, were being marketed in print media, online and within a brochure using the line 'Stress-free strategies to accelerate your wealth—A guide to borrowing to invest in shares'. There are risks involved in gearing to invest in shares that would make it unlikely that any such strategy would be 'stress-free'.

We raised these concerns with the company, which agreed to cease using the term 'stress-free'.

- RG 234.31 When a product has a high level of risk or special risk factors that would not be apparent to the target audience, an advertisement for that product should clearly disclose the nature of these risks.
- RG 234.32 When a product poses significant risks that would not ordinarily be expected by a consumer, an advertisement should include a prominent warning about these risks.

DRAFT

Example 19: Prominent warning of unexpected risks

Trading in CFDs involves the risk of losing substantially more than the initial investment, and CFD investors do not own or have any rights to underlying assets. These are risks that might not be expected by consumers used to trading in securities. Their advertisements should therefore include a sufficiently prominent warning outlining these risks.

- RG 234.33 When a product, or a feature of a product, is introduced that makes the product significantly different from other similar products, the advertisement should give prominence to the different or innovative features if they would not ordinarily be expected by a consumer. This is particularly important if the product exposes a consumer to unusual risks.

Warnings, disclaimers, qualifications and fine print

- RG 234.34 We recognise that an advertisement will not always include in its headline claim all information about the product that is relevant to the consumer's decision. However, the more that a qualification is required to balance the information contained in the headline claim, the more prominently placed the qualification should be. The headline claim must not itself be misleading.

Example 20: Failure to state the exclusions applicable to advertised insurance benefits

ASIC pursued criminal action against an insurer and its marketing/selling agent in relation to advertisements published online by both entities regarding travel insurance available to consumers. The insurer's website advertised the maximum benefits payable to consumers but did not always state that sub-limits, terms, conditions or exclusions applied.

The court found that the information published online misrepresented the characteristics or level of coverage of its travel insurance, and convicted and fined the entities for making false or misleading statements.

Example 21: Loan interest rate benefits not available to all

When a home loan provider promotes an attractive interest rate discount that is only available to large loans, any interest rate discount restrictions should be prominently displayed.

Sometimes interest rate discounts are tiered between amounts borrowed, increasing for larger loans. Home loan providers generally promote the most attractive discount.

In such cases, ASIC does not consider the home loan provider can rely on a statement such as 'up to X%', to describe the discount if it is only available in limited circumstances, and this is not prominently disclosed. The use of qualifying phrases such as 'up to' or 'from' should generally be approached with caution, because the overall impression created by an advertisement may still be that the maximum benefit is more widely or readily available than is the case.

DRAFT

- RG 234.35 If warnings, disclaimers and qualifications are required, they should not be inconsistent with other content in the advertisement, including any headline claims. They should also have sufficient prominence to effectively convey key information to a reasonable member of the audience on first viewing of the advertisement. Information is less likely to be noticed and understood if it is in fine print, contained within a dense block of text, only shown on television or a computer screen for a brief period, or placed where there is distracting content shown simultaneously.
- RG 234.36 Statements referring the consumer to another website or webpage, or a document such as a PDS, prospectus or contract, will not be sufficient to correct a misleading or deceptive headline claim: see *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* [2011] FCA 1254.

Note: See RG 234.161–RG 234.169 for further guidance on internet advertising.

Example 22: Benefits only available to new customers

A bank advertised an account as being free of monthly account-keeping fees for customers depositing at least \$2,000 per month.

ASIC was concerned that the advertisements created the impression that the initiative to remove monthly service fees applied automatically to existing account holders when this was not the case. We accept that financial services providers do, from time to time, offer special promotions that only apply to new customers. It is important, however, that advertising clearly states whether an offer is available to existing customers (and, if so, how to access it). The bank agreed to take a number of steps to ensure that its existing customers had not been misled, including writing to all of them.

Example 23: Qualifications and warnings to be included in an advertisement

If the headline claim for a superannuation fund that members ‘pay a low administration fee of \$104 per annum’ is prominently qualified by a statement that ‘other fees and charges apply—refer to our PDS’, consumers will immediately be aware that the administration fee does not represent the only cost. On the other hand, if the headline claim is qualified only by a statement suggesting that consumers ‘refer to our PDS’, consumers will have no reason to suspect that other costs will be incurred.

Example 24: Qualification on a different webpage to the advertisement

In a review of advertising for general insurance products, ASIC identified some online advertisements for offers and discounts that appeared unqualified but were in fact subject to conditions such as age restrictions and absence of at-fault claims.

DRAFT

These banner advertisements did not include reference to restrictions on the offers and discounts, which were outlined elsewhere on the insurers' websites as part of the product information. To prevent misleading consumers, internet banner advertising itself should mention the restrictions for an offer. Including a link or reference to a webpage where restrictions can be found is unlikely to correct a misleading impression. We wrote to the insurance industry to outline our concerns.

RG 234.37 If warnings, disclaimers or qualifications are included in an advertisement, they should be in a form similar to the main body of the advertisement so that the consumer can understand the warning, disclaimer or qualification.

RG 234.38 If the main body of an advertisement for a financial product is in a language other than English, any warnings, disclaimers or qualifications should be in the same language.

Example 25: Disclaimers in a different language to the main advertisement

A mortgage broker published advertisements aimed at Chinese-speaking home buyers. The benefits of the mortgage product, including its low interest rate, were presented in Chinese but the disclaimers and qualifications were in English.

In response to concerns raised by ASIC, the mortgage broker agreed to amend its advertising.

RG 234.39 If a qualification is required, it must be published at the same time as the original message. Subsequent qualifying disclosures will not be effective as the misleading impression will already have been created.

RG 234.40 Qualifications should not be used to change the meaning of a headline statement. Some headline claims are so strong that any separate qualification will not correct any misleading impression.

Example 26: Claims too strong to be adequately qualified

An insurer advertised the option to pay an insurance premium on a monthly basis using terminology such as 'Cut your car insurance into 12 easy monthly payments'.

ASIC raised concerns that this could give the impression that the annual premium is simply split into 12 payments, whereas the total of the 12 monthly payments was in fact more than the price the consumer would pay if they opted to pay annually. Even if the advertisement included fine print stating that the sum of 12 monthly premiums is more than the option to pay an annual premium, the strength of the headline claim would be significantly greater than that of the fine print and would convey a dominant message to consumers. We wrote to the insurance industry to outline our concerns about this type of advertising.

DRAFT

- RG 234.41 Some warnings or notices are required to be included in an advertisement under various provisions of the Corporations Act or other laws rather than because they qualify a headline claim. In these cases, the warning does not necessarily need to be as prominent as the headline claim.

Note 1: The particular provision requiring the warning may set out specific content or format requirements for the warning. See RG 234.60 for guidance on the comparison rate warning required by the National Credit Act.

Note 2: A credit licensee must include its credit licence number in any printed advertisement: s52, National Credit Act; reg 13, National Credit Regulations.

Fees and costs

- RG 234.42 Where a fee or cost is referred to in an advertisement, it should give a realistic impression of the overall level of fees and costs a consumer is likely to pay. When a headline claim about a fee or cost is used in an advertisement, any exclusions or qualifications should be contained within the headline claim or be clearly and prominently noted within the advertisement.

Example 27: No fees (but only in certain cases)

Unless there is clear and adequate qualification, an advertisement should not promote an online savings account as earning high interest 'with no fees' when, in practice, the account with no fees is not a stand-alone product, but must be linked to another account that does attract fees.

Example 28: Omission of important fee information

Promoting a savings account as having 'no annual fee' when the same account has a monthly fee that is not mentioned in the advertisement that cumulatively amounts to a yearly cost, may mislead consumers about the cost of having that account.

Example 29: Exclusions and qualifications

Some basic deposit products may allow consumers a certain number of free transactions per month, after which an 'excess transaction' fee applies.

An advertisement for such a product should not claim that it is 'fee free' without qualifying that headline claim with necessary information about the way fees are applied.

Example 30: Omission of details about a product's novel feature

ASIC took action against entities that advertised 'no deposit' and 'interest-free' terms for a 60-month period for purchases of goods from a franchised store. Some of the advertisements merely stated that 'fees and charges apply'. However, the terms required customers to take out a particular

credit card to purchase the goods, which had establishment and monthly service fees attached.

The court found that the entities had engaged in misleading conduct and made false or misleading representations. This was because consumers who wished to make a purchase under the advertised terms had to enter into a fundamentally different arrangement than the one promoted, namely a credit contract linked to a credit card, which required them to pay establishment and monthly service fees.

- RG 234.43 An advertisement should not state that there is only one fee if there are other costs associated with the product that consumers will incur. Promoters should not assume that clients will understand the distinction between ‘fees’ and ‘costs’. If an advertisement refers to the fees that apply, it will generally need to positively state whether or not other costs apply.

Example 31: ‘Free’ claims where fees or costs are payable

Some promotions state that transactions are ‘free’ on an account when the account is in fact subject to account-keeping or monthly fees. While it is true that there is no additional charge for a particular transaction, there is nevertheless a cost to use the account. The word ‘free’ conveys a strong impression and should not be used where there is any charge to use the product.

Example 32: Distinction between superannuation fees and costs

A superannuation fund advertised that its members would pay ‘one low fee’, but did not mention that other items, called ‘costs’ or ‘charges’, would also apply. ASIC raised concerns that these representations may mislead consumers. In response, the superannuation fund made appropriate changes to its promotional material.

- RG 234.44 Where an advertisement promotes attractive features of a product, the advertisement should also disclose any fees that are payable to receive those features.

Example 33: Fees payable to receive benefits

Home loan packages may offer consumers savings on fees and other discounts, in some cases across a range of products. A consumer usually has to pay an annual fee to access the benefits of a home loan package. Advertisements for these packages or offers, including the discounted prices that are part of a package, should not promote ‘no’ or ‘low’ fees without adequate disclosure of the annual package fee.

DRAFT

Impact of fees and costs on advertised returns

- RG 234.45 When an advertisement promotes products with multiple fee options, it may be misleading to only give returns for the option that shows the highest net returns.

Example 34: Quoting net returns on fund product

A fund's five-year net returns may be 10% yearly for the entry fee option and 9.6% yearly for the nil-entry fee option. Acceptable alternatives for quoting net returns are:

- give returns for both options;
- only give returns for the option with the lower net return; or
- give returns for the option with the lower net returns, and disclose the returns for the other option in a footnote.

- RG 234.46 Where an advertisement promotes a scenario for a specific investment period, it may be misleading to not deduct entry and exit fees.

Example 35: Including entry, exit and other fees in return advertised

A fund advertises that if an investor had 'placed \$10,000 in the fund in 2015, it would be worth \$740,000 today.'

The present-day value advertised should be calculated on the basis that the hypothetical investor had bought the investment at the start date and sold it at the end date. The appropriate methodology would include:

- deducting all relevant fees, including entry, annual, exit and performance fees;
- calculating returns on an 'offer to bid' or 'entry price to exit price' basis; and
- applying current fees, even if different fees existed over the relevant period.

- RG 234.47 The effect that the fees and costs may have on returns for a financial product should be clearly stated in an advertisement. For example:
- (a) returns should be net of fees and costs to the greatest extent practicable;
 - (b) where the fee level is variable, the maximum fee should be deducted from the possible returns advertised;
 - (c) where it would be impractical to deduct some fees or costs, the existence of undeducted fees and costs should be prominently disclosed;
 - (d) where practicable, the size of undeducted fees and costs should be disclosed;

DRAFT

- (e) where a product is offered with multiple fee options, any advertised returns should make clear which fee option they relate to; and
- (f) where a scenario is given for a specific investment period, entry and exit fees should be deducted.

Note: See also Examples 5, 6 and 41 for further examples relating to fees and costs.

Fees for financial advice services

- RG 234.48 Where an advertisement makes a claim about the fees or costs associated with a financial advice service, this should be easily understood, and any qualification clearly and prominently noted in the advertisement. An advertisement should not suggest that an advice service is ‘free’ or ‘low cost’ if, in fact, the consumer would pay for the service indirectly through the fees and costs of any financial products they are placed in or through an administration fee incorporating fees or costs associated with a financial advice service.

Note: Divisions 4 and 5 of Pt 7.7A of the Corporations Act contain a ban on conflicted remuneration structures, such as commissions and volume-based payments, see Regulatory Guide 246 *Conflicted and other banned remuneration* (RG 246).

Interest rates

- RG 234.49 Under the National Credit Code, an advertisement for a credit product does not need to include an annual percentage rate, but must do so if the advertisement states the amount of any repayment. The advertisement must also include references to any fees and charges: s150, National Credit Code.

Note: Section 27 of the National Credit Code defines ‘annual percentage rate’ under a credit contract to mean a rate specified in the contract as an annual percentage rate. An annual percentage rate is the interest rate charged to the borrower, excluding expenses such as account opening and account keeping fees. It is the basic cost of credit as a percentage of the total loan amount.

- RG 234.50 Depending on the nature of a credit product, the cost to a consumer may involve a combination of interest charges and other fees and costs.
- RG 234.51 Where an advertisement refers to interest rates and/or fees and charges, it is important that the advertisement gives consumers a realistic impression of the overall costs.

Example 36: Significant fees in addition to interest charges

A provider of a short-term or small amount credit contract should not promote a loan with a low or 0% interest rate in a manner that suggests a low overall cost if a consumer will incur fees or other charges.

DRAFT

Example 37: Comparison involving discounted interest rate

An industry association promoted the average savings consumers could achieve if they obtained a home loan from one of its members instead of from its competitors. The calculated savings were based on a sample of members and included some lower-rate, non-standard home loan products. Further, the industry association calculated the savings based on a cost comparison made shortly after an official increase in the cash rate, at a time when competitors' rates had increased in line with the cash rate but shortly before the members used in the sample followed suit.

ASIC was concerned that consumers were at risk of being misled about the nature of the savings in the advertisement as the industry association had not clearly and prominently disclosed the types of interest rates used in the comparison, or that it was based on only a sample of members. Further, we considered that the industry association may not have used an appropriate point-in-time selection to calculate savings. We contacted the association, which agreed that future advertisements would clearly disclose the types of rates used and the selective nature of any comparison.

- RG 234.52 In many cases, credit contracts are structured with an initial promotional period, where a discount interest rate applies and/or other fees are waived, before the interest rate and fees revert to a higher level on an ongoing basis. If an advertisement includes details of this interest rate or fees, it should state, with equal prominence, the period for which the discount applies.
- RG 234.53 The advertisement should also describe what the interest rate or fees revert to (e.g. the standard variable rate), but this need not be stated with equal prominence to the discount rate or fees. The degree of prominence required depends on any unusual features of the discount rate or period. For example, we would expect the following reversion rates to be stated more prominently:
- (a) if the advertisement is for a honeymoon interest rate on a home loan and the reversion rate is something other than the lender's standard variable rate; or
 - (b) if the advertisement is for a discount interest rate for a balance transfer on a credit card and the reversion rate is the higher cash advance interest rate rather than the standard purchase interest rate.
- RG 234.54 The advertisement also need not state the current amount of the discount rate or fees, unless the advertisement puts emphasis on savings that would be obtained during the discount period only, but without clarifying that these savings would not continue during the entire period of the loan.

Comparison rates

- RG 234.55 A comparison rate is a tool to help consumers identify the true cost of a loan. It is a rate that includes both the interest rate and fees and charges relating to a

loan, reduced to a single percentage figure. An advertisement must contain a comparison rate if it contains an interest rate: s160, National Credit Code.

Note: An advertisement is not required to include an annual percentage rate but must do so if it states the amount of any repayment: s150, National Credit Code.

- RG 234.56 Part 10 of the National Credit Code establishes the methodology for calculating the comparison rate for a loan. Advertising an incorrectly calculated comparison rate is likely to mislead consumers about the true cost of a loan.

Example 38: Incorrect bank calculation of comparison rate

A bank advertised a discounted interest rate for a home loan that consumers could only access as part of a home loan package that has an annual fee. The bank failed to include this fee when calculating the advertised comparison rate.

ASIC was concerned that the comparison rate understated the true cost of the loan. We took action and the bank agreed to use a correctly calculated comparison rate in its advertising.

- RG 234.57 An advertised comparison rate must be identified as a comparison rate and the comparison rate must not be less prominent in an advertisement than any interest rate or the amount of any repayment stated in the advertisement: s164, National Credit Code. We consider that the following examples would result in the comparison rate being less prominent than the advertised interest rate:
- (a) a comparison rate is smaller in size or faded in colour when compared to the interest rate;
 - (b) an interest rate is published online, and a consumer is required to click through or additionally do something (such as move their cursor over the interest rate) to view the comparison rate; or
 - (c) the location of the displayed comparison rate in the advertisement is such that it is easy for a consumer to overlook it, or it is not in close proximity to the displayed interest rate (e.g. if a multi-page advertisement displays the comparison rate on one section of the promotional material and omits it from another section where an interest rate is displayed).
- RG 234.58 Ensuring that the comparison rate is no less prominent than the interest rate does not necessarily mean that they must be presented identically (e.g. both in the same colour and against an identical background). However, if the interest rate is bright and the comparison rate substantially less vivid by comparison, or blended into the background because of a lack of colour differentiation, then even if they are shown in the same font size, it is likely that the comparison rate would be considered less prominent.

- RG 234.59 A comparison rate in an advertisement must be accompanied by a warning about the accuracy of the comparison rate and that the comparison rate is accurate only for the example given in the advertisement: s163, National Credit Code; reg 99, National Credit Regulations. The warning is intended to make consumers aware that, while a comparison rate can be a useful tool for comparing the cost of different loans, it is important to consider all of a loan's features and not just focus on the comparison rate.
- RG 234.60 While the comparison rate warning reminds consumers to look at both the cost and features of a loan, we acknowledge that the rate itself will be of primary interest. Accordingly, the comparison rate warning need not be as prominent as the headline figure in the advertisement. However, the warning must be given in the same form as the comparison rate is given (i.e. in spoken or written form) unless the credit advertisement is on television, the internet or other electronic display medium: reg 99, National Credit Regulations.
- RG 234.61 Where the advertisement is in the form of an online banner advertisement, it may not always be possible to include the warning on the same page as the comparison rate. It will be sufficient that, at a minimum, the advertisement contains a clear link or reference to the warning, and the reference should be as near to the comparison rate as possible. The reference should use clear language to help make the consumer aware that this is important information that they should consider before making a decision about the product (e.g. 'comparison rate warning' or 'important information about the comparison rate').

Note: See RG 234.41 for our guidance on warnings or notices required under the Corporations Act.

Comparisons

Comparisons between products

- RG 234.62 When comparing products in an advertisement, the products should have sufficiently similar features to make the comparison relevant and not misleading.

Example 39: Comparison of dissimilar products

Debentures involve significantly higher risk than bank term deposits. An advertisement for a debenture should not make a statement such as 'Is your money earning 6.3% per annum in a bank term deposit?', or to encourage the consumer to 'Invest with us and receive 9.75% per annum instead', as this would not be an appropriate comparison. These two products have very different risks and are not sufficiently similar to allow for such a comparison.

Note: An advertisement for a debenture should not state that the product is, or compares favourably to, a bank deposit: see Regulatory Guide 156 *Advertising of debentures and unsecured notes* ([RG 156](#)) at RG 156.11.

DRAFT

- RG 234.63 Where only one particular feature of a product is highlighted, a comparison may be misleading if it ignores other key features.

Example 40: Insurance policy comparison ignoring other features

An insurance policy that offers a reduced premium but has an increased excess should not be compared with another policy on the basis of the premium without considering the excess on both policies.

- RG 234.64 Where a comparison is made showing differences in outcome over time, it is important to ensure not only that the differences are accurate and relevant but also that they will remain consistent for a reasonable period of time.
- RG 234.65 Where a comparison has been made over a short period, any limitations of such a comparison should be clearly disclosed.
- RG 234.66 When comparing the performance of an investment with a financial product or a benchmark or investment that is different in terms of investment objectives, fees, types of investments made, or countries or markets covered, the differences should be clearly disclosed. However, disclosure may not always be sufficient to correct any misleading impression if the comparison is simply inappropriate and unreasonable.

Comparison of benefits and returns

- RG 234.67 Any comparison of benefits and returns should be accurate, balanced, current, and have a reasonable basis.
- RG 234.68 The facts on which any comparison or contrast of returns is based should be verified, and any relevant assumptions disclosed.
- RG 234.69 An advertisement should not present a comparison in a way that would create a misleading impression of the product. In particular, the use of strong terms such as 'high' and 'low' to compare particular benefits or returns may be misleading if these kinds of benefits or returns are only likely to occur if certain conditions are in place, and this is not explained.

Example 41: Selective comparison of savings

Without proper disclosure, an advertisement should not claim that a consumer is able to achieve a 'high' level of saving by switching from another financial product provider if, in fact, the average amount saved is actually low (e.g. if the 'high' level of saving could only be obtained if a consumer was currently with an unusually expensive provider).

- RG 234.70 Where the past performance of an investment is compared to only a sub-set of comparable investments, the selection of other investments should have a fair and objective basis. For example, it is likely to be misleading to exclude

investments that had a better past performance record in terms of return and/or risk.

- RG 234.71 Some comparisons are produced by external third parties (e.g. research houses) and only produced at infrequent intervals (e.g. annually). Care should be taken to ensure the comparison is not outdated and therefore potentially misleading.

Comparison against benchmarks

- RG 234.72 Where promoters use past performance information, comparisons with a benchmark or the average for a class of similar products or services should be used.
- RG 234.73 If a comparison is with an index for a dissimilar class of products or services as a contrast, this point should be clearly communicated, if there is a risk some members of the audience may misunderstand the intent of the comparison.
- RG 234.74 Where a benchmark is administered by an organisation that is affiliated with the promoted product or service, this benchmark should not be used unless it is widely recognised.

Ratings

- RG 234.75 Ratings can be used by consumers to compare different products and may include both credit ratings issued by credit rating agencies as well as ratings, recommendations and opinions produced by financial product research houses.
- RG 234.76 The rating used in an advertisement should be properly explained either in the advertisement itself or by including details of where an investor can obtain further information about the meaning of the rating and the rating scale.
- RG 234.77 Where ratings are used, the advertisement should also state that ratings are only one factor to be taken into account when deciding whether to invest in a financial product or take up a credit product.
- RG 234.78 Only current ratings should be used. If the ratings are likely to change, the promoter should consider inserting a qualifying statement: see also RG 234.21–RG 234.22.

Awards

- RG 234.79 Where awards received are included in an advertisement for a product, the grantor of the award should be clearly identified and the award explained, including the currency of the award. An advertisement should make it clear if an award is granted by someone related to the promoter.

DRAFT

Example 42: Disclosing awards

If an advertisement includes a statement such as 'Best Investment Product of the Year Award', it should include an explanation of who granted this award and any relationship with the product issuer.

Past performance and forecasts

- RG 234.80 Advertising with information about past performance has a greater risk of being misleading if it is presented in a way that:
- (a) implies it constitutes a projection illustrating the likely future value of an investment; or
 - (b) creates the impression that substantially the same returns will be achieved in the future; or
 - (c) gives disproportionate prominence to past performance and implies that simple past performance figures should be the sole or dominant method of selecting a financial product or service.

Promotions relying on past performance

- RG 234.81 An advertisement for a product with information about past performance should draw attention (unambiguously and without reservation) to the fact that the past performance is not indicative of future performance.
- RG 234.82 Such a warning is necessary because some consumers may hold an unrealistic belief about the predictive power of past performance information.
- RG 234.83 This warning should be presented legibly or audibly (or both) in the main part of the promotion and in close proximity to the past performance information. It should:
- (a) be on the same page;
 - (b) be in a font size that is easily read and/or in speech that is easily understood; and
 - (c) not be buried among other text.
- RG 234.84 Possible wording for future performance warnings may include: 'Past performance is not a reliable indicator of future performance' or 'Investments can go up and down and past performance is not necessarily indicative of future performance'.
- RG 234.85 A warning is likely to be ineffective if it might be interpreted as implying a likelihood (though no guarantee) that past performance will be repeated (unless such an implication can be substantiated), or does not adequately bring the audience's attention to the issue.

DRAFT

- RG 234.86 Examples of future performance warnings that are less likely to be effective include: ‘Past performance is not a guarantee of future performance’ and ‘Future returns may vary.’

Example 43: Implying an investment’s past performance will continue

A managed investment scheme published an advertisement stating that it was ‘the best performing of all funds sold in Australia over 15 years’.

ASIC raised concerns that the use of the word ‘performing’ created the impression that substantially the same returns achieved in the past would continue to be achieved in the future, and this may not necessarily be the case.

We were also concerned that the advertisement focused on the past performance of the fund as the sole or dominant method of selecting an investment, rather than also presenting other information to assist an investor in deciding whether or not to invest in this particular financial product. The managed investment scheme withdrew its advertisement in response to our concerns.

- RG 234.87 Where past performance information is used to support a claim about an entity’s skill or good performance (overall or in a particular sector), it may be misleading to use past performance information selectively to exaggerate the entity’s success or disguise its lack of success.

Example 44: Selective mention of past performance

An advertisement for ABC Funds states, ‘ABC is achieving excellent returns for its clients. For instance, the ABC Australian Share Fund has five-year returns of 18% p.a., that were 3% p.a. above the sector median’.

This promotion may be misleading if most of ABC’s funds had five-year returns below the sector median.

Time periods for past performance information

- RG 234.88 An advertisement may be misleading if it uses past performance information from:
- (a) an inappropriate or irrelevant period, including an inappropriately short time period; or
 - (b) inconsistent time periods which show better performance by the selection of periods.

Example 45: Use of inappropriate past investment period

A trustee of a superannuation fund published advertisements about one of the fund’s investment options that referenced 10-year performance figures which did not relate to the period directly preceding the date of the advertisement, or the period for which the most recent performance figures were available. The advertised past performance figures were higher than

the more recent performance figures available. The advertising also did not note the time period that related to the performance figures.

ASIC was concerned that this use of past performance information without providing all the necessary information, may be misleading or deceptive and issued infringement notices.

RG 234.89 If an advertisement contains past performance information, it should include information relating to a relevant and sufficient period (or periods) of past performance to give a balanced indication of past performance.

RG 234.90 What is a ‘sufficient period’ to give a balanced indication of past performance will depend on a range of factors, such as:

- (a) the usual holding period for such an investment;
- (b) the volatility of performance in the asset class;
- (c) the volatility of performance in the particular investment; and
- (d) the sensitivity of the investment’s performance to different market conditions.

RG 234.91 An advertisement which refers to past performance should include past performance information for standardised periods:

- (a) the single figure for the per annum return over the previous five years; or
- (b) the single figure for the per annum return for the whole period the investment has been available (if less than five years).

Note: In this context, ‘year’ means 12 months, not a calendar year or a financial year.

RG 234.92 Where a reference to past performance includes performance rankings, the rankings should be disclosed over the same standardised period(s).

RG 234.93 If the performance history is less than five years, the return for the whole history should be shown and the period stated. However, the use of a return figure for the standardised period will not always prevent the advertising from being misleading. There may be other important performance or contextual factors that mean past returns are of less than usual relevance to future prospects, that should be shared with consumers.

RG 234.94 Performance information for standardised periods should be at least as prominent as other performance information. Non-misleading past performance information can be given for other periods, as long as the figures for standardised periods are also given, and are at least as prominent.

RG 234.95 For cash-type investments, information for standardised periods is not necessary, and it is sufficient to give performance information for the most recent period. For cash-type investments with a fluctuating rate, the ‘current

DRAFT

rate' is an annualised return based on a minimum seven-day average. A cash management trust is an example of a cash-type investment.

- RG 234.96 For investments that have operated for less than one year, using such a short performance period to promote the investment would usually be inappropriate and may be misleading (cash-type investments excluded). An exception is reports aimed at existing clients of the product or service (and/or their advisers) that are clearly for information purposes and not promotional purposes. Regular publications, such as a periodic fact sheet, may contain the latest month, quarter or year-to-date figure, provided such figures are clearly for information purposes and are not displayed more prominently than other figures.

Calculation of returns

- RG 234.97 All figures should be calculated in accordance with industry standards and common industry practices (unless inconsistent with this guidance). To aid comparison and avoid misleading the audience, divergent methodologies should be avoided.
- RG 234.98 Returns for periods of one year or more should be annualised. Returns for periods less than one year should not be annualised (an exception is cash-type investments) as investment values and distributions can vary considerably, so annualising short-term returns may give a misleading impression.
- RG 234.99 An advertisement has a greater risk of being misleading if it uses a non-standard methodology without clearly disclosing the deviations from standard practice and their implications.
- RG 234.100 If returns are calculated in a foreign currency, this should be drawn to the consumer's attention. If returns are calculated in a foreign currency and returns in Australian dollars would be significantly different, the advertisement should show the impact of exchange rate variations on returns in both Australian dollars and the foreign currency.

Forecasts

- RG 234.101 Information about future performance should only be used in advertising where it is relevant and there are reasonable grounds to provide the information. If a person makes a representation about any future matter for a financial product, but does not have any reasonable grounds for making the representation, the representation is taken to be misleading: s769C.

DRAFT

- RG 234.102 It should be clear from any advertisement that forecasts about future performance may not occur. For detailed guidance on the use of forecasts, particularly in the context of financial products: see RG 170.

‘Non-actual’ past performance figures

- RG 234.103 To the extent that actual past performance information for a product or service does not exist, promotions can only contain ‘non-actual’ past performance information where the result will not be misleading.
- RG 234.104 ‘Non-actual’ performance covers a broad range of data. Terms that may be used when describing ‘non-actual’ performance include ‘hypothetical’, ‘indicative’, ‘simulated’ or ‘modelled’ past performance.

Note: the term ‘indicative’ is not recommended for describing non-actual past performance in advertising, as some people may assume it means indicative of future returns.

- RG 234.105 Promoters should exercise extreme care on this issue to avoid the advertising being misleading as people in a target audience may assume that non-actual past performance information accurately reflects how the investment would have performed.
- RG 234.106 Whether the use of non-actual performance is misleading will depend on all the circumstances, including how it is presented, the assumptions behind the data, and the audience.
- RG 234.107 ‘Non-actual’ performance information is more likely to be misleading where:
- (a) it does not accurately represent how the investment would have performed if it had existed in the past; or
 - (b) the calculation involves significant assumptions that do not necessarily reflect how the investment would have performed if it had existed;
 - (c) the calculation involves significant selections, adjustments or assumptions that may not apply in the future;
 - (d) the assumptions and adjustments used to produce the information are not readily available to the audience or unlikely to be understood by the audience;
 - (e) the information concerns the performance of another existing product or service, which a different entity was responsible for achieving, especially where the performance achieved required a degree of skill;
 - (f) the calculation involves selections, adjustments or assumptions where a favourable result may have been achieved by using the benefit of hindsight;

DRAFT

- (g) the non-actual past performance is not based entirely on other existing investments.

RG 234.108 In general, the only scenarios where non-actual performance may be able to be used in a non-misleading way (given appropriate presentation) are:

- (a) when a new investment fund is identical to an existing investment fund, except for different fees (e.g. a new retail fund will invest in an existing wholesale fund); or
- (b) when the new investment fund will mirror an index.

Calculation of past performance

RG 234.109 The methodology for calculating the past performance should be readily available (e.g. in a PDS or website). However, where people may be misled without this information, it should be sufficiently summarised in the advertising itself.

RG 234.110 Once an investment has an actual history, any non-actual returns should be clearly separated from the actual returns and adequately explained. Merely attaching footnotes or similar, to distinguish non-actual from actual returns within a table is unlikely to be effective in alerting the audience to the distinction.

RG 234.111 If a mathematical model has been created with the benefit of hindsight, 'back-tested' data may give a misleading impression of the fund manager's ability to choose a strategy that will succeed in the future.

Example 46: Presenting past performance information

A retail fund that has been operating since January 2022 seeks to compare past performance with actual fund performance. To give a longer term view of the retail fund's performance in this asset class, it shows longer returns for its wholesale fund. The wholesale fund has identical investments and the returns have been adjusted to reflect fee differences in the fund's comparison details, see below.

Example 46 – past performance calculation

	1 year	3 years	5 years	10 years
Retail fund (%)	9	n/a	n/a	n/a
Wholesale fund (%)	n/a	11.5	7	12

Note: Figures are percentage per annum up to 30 September 2025.

DRAFT

Use of certain terms and phrases

- RG 234.112 Care should be taken when using certain terms and phrases in an advertisement, particularly where the way those terms and phrases are used is not consistent with the ordinary meaning commonly recognised by consumers (e.g. 'free', 'secure' and 'guaranteed').
- RG 234.113 Some terms and phrases have such a strong connotation for consumers that they should only be used in advertising with great care. While literally correct, it may be inappropriate to use them in consumer advertising.

Example 47: Advertising the speed and cost of services

A debt management firm advertised that it could provide 'free debt assistance', without disclosing that there was a limit to the offer and that charges applied for most of the services. The 'free' component referred to the initial phone consultation. The firm also claimed that it could reduce debt in 'minutes' and provide '15sec approval', which could not feasibly be achieved.

ASIC was concerned that the statements misrepresented the cost and speed of the services. The debt management firm agreed to amend its advertising and paid the infringement notices ASIC issued.

Example 48: Using words in a different context to their ordinary meaning

A bank advertised an account as an 'everyday savings account'. However, ASIC was concerned that, under the restrictive terms and conditions, the product would not have the degree of flexibility implied by the term 'everyday savings', and would, in fact, be more suitable for long-term savings. The bank agreed to review its advertising.

- RG 234.114 Inappropriately using terms and phrases can:
- (a) create expectations that cannot be met;
 - (b) indicate a certain level of security that does not exist; and
 - (c) indicate different levels of protection and different levels of risk.

Example 49: Inappropriate use of certain terms and phrases

A debenture issuer used phrases such as 'Invest with certainty!' and 'The rate you choose is secured for the term of your investment'.

ASIC was concerned that the use of words like 'certainty' and 'secured' materially overstated the safety of investing in debentures to vulnerable investors. We accepted an enforceable undertaking from the issuer to stop the potentially misleading advertising.

DRAFT

Example 50: Using certain terms and phrases to understate risks

An options trader marketed share trading software using statements such as 'Writing covered calls is the same as share rental or renting real estate'.

ASIC raised concerns that these words could convey a misleading or deceptive impression by comparing a more risky product (options trading) with a commonly understood investment that has lower risks (real property investment). We accepted an enforceable undertaking under which the company agreed to permanently refrain from using these, or similar, terms in connection with options trading.

Technical language and industry jargon

- RG 234.115 Industry concepts or jargon may not be well understood by many consumers and should be avoided unless the advertisement is unlikely to be seen by any consumers outside a defined group and the promoter can be confident that those consumers are familiar with the subject matter. It should not be assumed that consumers will understand concepts used within a particular industry or even understand the products themselves.

Example 51: Industry jargon

ASIC became aware that some superannuation funds were advertising that consumers would be charged 'only one low fee', where, in fact, other costs such as transaction costs would apply. While industry might understand a distinction between fees and costs, it should not be assumed that consumers would be aware of such a distinction. We issued a report warning funds against such advertising.

Use of certain terminology

- RG 234.116 Advertisements must not use terminology in certain circumstances that is restricted by law. For example, the Corporations Act restricts the use of certain terminology in certain situations, including:
- (a) the terms 'independent', 'impartial' or 'unbiased'—in circumstances where a person (or the person's employer) receives a commission, volume bonus, or other benefit that may reasonably be expected to influence the person (s923A); and
 - (b) the terms 'stockbroker', 'sharebroker', 'insurance broker', 'general insurance broker', and 'life insurance broker'—in circumstances where a person is not authorised by conditions on an AFS licence to use those terms (s923B).
- RG 234.117 The *Insurance Act 1973* (Insurance Act) also restricts the use of certain terminology, including in certain circumstances in which a person carries on a business or is proposing to carry on a business and the person uses:

- (a) the term ‘insurance’ to describe a product or service that is not insurance but in all the circumstances could be mistakenly believed to be insurance (s114(1), Insurance Act); or
- (b) the term ‘insurer’ to describe a person that supplies a product or service and;
 - (i) the product or service is not insurance but in all the circumstances could be mistakenly believed to be insurance; or
 - (ii) the person is not authorised or registered to carry on an insurance business under relevant legislation (s114(2)–(3), Insurance Act).

RG 234.118 The National Credit Act also prohibits the use of certain terminology by credit licensees when offering to provide a credit service to a consumer in certain circumstances, including the terms:

- (a) ‘independent’, ‘impartial,’ ‘unbiased,’ or a word of similar import (s160B); and
- (b) ‘financial counsellor,’ ‘financial counselling’ or a word of similar import (s160C); and

Note: There are defences to these prohibitions, see s160C(2) – (4) and s160B (2) – (3) of the National Credit Act.

RG 234.119 Reverse mortgages are a product type that is tailored to a very specific set of consumer objectives. An advertisement using the term ‘reverse mortgage’ would be misleading if the product advertised did not include the set of features typically found in a reverse mortgage, such as a ‘no negative equity’ guarantee: s13A, National Credit Code; s133DE, National Credit Act.

Note: The National Credit Act includes various obligations for persons who engage in credit activities for reverse mortgage contracts.

Endorsements and testimonials

RG 234.120 Advertising should not falsely represent that a product or product issuer has an endorsement or approval that it does not actually have. We will be particularly concerned where advertisements claim endorsement or approval by ASIC. Advertising must not reproduce the ASIC logo or other ASIC graphics without express approval from ASIC.

Note: Promoters can refer to ASIC’s MoneySmart website (www.moneysmart.gov.au) in advertisements to help consumers understand the products or services offered.

Example 52: Claimed community endorsement

An organisation published promotional material for a financial product being sold to Aboriginal and Torres Strait Islander consumers using

DRAFT

images, designs and colours that suggested affiliation with or endorsement by the community. There was, in fact, no such affiliation or endorsement.

ASIC took action against the organisation, which agreed to stop using the Aboriginal flag on any marketing materials and include a disclaimer on all material that it is not associated with Aboriginal or government organisations.

- RG 234.121 Testimonials from individuals should be attributed to them and should be authentic.
- RG 234.122 Celebrity endorsement of a product is likely to be seen by consumers as a badge of approval and the message is more likely to be accepted on its face and trusted.
- RG 234.123 Any testimonials or messages from well-known identities, celebrities or media commentators should be genuine and truthful. They should also only contain reasonably held, informed opinions about the product or service being advertised.

Example 53: Celebrity testimonials

A celebrity should not claim that they are satisfied with a particular financial product and that they would recommend it to anyone, if they know very little about the product they are endorsing or have not used that product.

Target audience

- RG 234.124 Promoters should consider the characteristics of the actual audience that is likely to see the advertisement (e.g. their financial literacy, knowledge, demographics) and whether the advertisement provides adequate information for that audience.
- RG 234.125 The promoter's target audience for an advertisement might be different from the actual audience that sees the advertisement. However, the actual audience must be taken into account. The actual audience may have no starting assumptions about a product, or assumptions that are very different from those envisaged by a promoter: *ASIC v Latitude Finance Australia (No 2)* [2024] FCA 1205.

Example 54: Dealer finance not available to all customers

Car dealers may advertise finance options at attractive interest rates. These advertisements are often targeted to consumers who may be credit-impaired or reliant on welfare benefits. These advertisements may be misleading if the advertised interest rate is not available to members of that target audience.

DRAFT

- RG 234.126 Any statements in advertising about the consumers for whom a product is suited should also be consistent with the product's target market determination (TMD).

Note: For guidance about advertising content where a TMD has been made, see Regulatory Guide 274 *Product design and distribution obligations* ([RG 274](#)).

Claims about suitability of products

- RG 234.127 Advertisements should not state or imply that a product is suitable for a particular class of consumers unless the promoter has actually assessed the suitability of the product for the particular consumers targeted by the advertisement.
- RG 234.128 This applies whether the statement of suitability is direct (e.g. through the use of terminology such as 'no credit check required') or implied (e.g. through the use of confusing or non-standard product descriptions that misrepresent the true nature of the product).

Example 55: Misrepresenting the nature of the product to a particular audience

An advertisement by a motor vehicle dealer may promote the availability of 'finance' for consumers seeking to purchase a vehicle. The advertisement should not state or imply that the finance will be appropriate for a person seeking to purchase a vehicle if the finance promoted, or the option that delivers an advertised price or payment amount, is in fact a lease.

- RG 234.129 Where the features or complexity of a product are such that it will only be appropriate for a limited group of people, promoters should do their best to ensure that the advertisement only targets that group and not a wider audience: see also RG 234.149.

Responsible lending

- RG 234.130 Credit licensees must comply with the responsible lending conduct obligations in Ch 3 of the National Credit Act. The key concept is that credit licensees must not enter into a credit contract with a consumer, suggest a credit contract to a consumer or assist a consumer to apply for a credit contract if the credit contract is unsuitable for the consumer.

Note: Regulatory Guide 209 *Credit licensing: Responsible lending conduct* ([RG 209](#)) sets out ASIC's views for meeting the responsible lending obligations in the National Credit Act.

- RG 234.131 The assessment about suitability must be based on inquiries about a consumer's requirements and objectives and financial situation. If carried out appropriately, these inquiries may take some time, and in most cases are likely to include inquiries about a consumer's credit history. Credit licensees should carefully

consider whether promotional claims about ‘no-doc’ type products, or ‘instant’ or very fast approval, or approval with ‘no credit checks’, are either misleading or reflect practices that do not comply with the responsible lending obligations.

RG 234.132 Advertisements should not state or imply that a credit product is suitable for a particular class of consumers unless the credit provider (or credit assistance provider) has actually assessed the suitability of the product for the particular consumers targeted by the advertisement. For example, an advertisement for a credit product should not use terms such as ‘guaranteed acceptance’ or ‘pre-approved’, given the need to follow up a general promotional message like this with an individualised assessment process when an application is received. In addition, even where a product may be suitable for an identified class of consumers, the advertisement should not imply that a more individualised assessment has been carried out (i.e. the advertisement should make clear that a consumer within that class may, but only may, qualify or find the product suitable).

RG 234.133 The use of terms such as ‘conditions apply’ or ‘find out if you qualify’ may not always be sufficient to warn consumers that the advertised product may not be suitable for them, or made available to them, depending on the nature of the product and the distribution of the advertising campaign.

Example 56: Representations about ‘guaranteed’ finance

Advertisements for personal finance stated that finance was ‘guaranteed’ and said, ‘no application refused’. ASIC’s view was that such claims were either incorrect and misleading, because responsible lending obligations would prevent credit from being provided if it was unsuitable, or, if correct, demonstrated poor and potentially unlawful lending practices.

Example 57: Representations about a ‘100% success rate’

Advertisements for mortgage products stated a mortgage broking firm had a ‘100% success rate’. ASIC was concerned that the representation may be misleading because it suggested that credit will be provided to all applicants (and doing so would likely be non-compliant with responsible lending obligations owed by lenders or brokers).

In response to ASIC’s concerns, the mortgage broking firm agreed to make changes to its advertising material.

Distribution channels

RG 234.134 Particular care should be taken when presenting advertisements for products that can be acquired directly from the issuer rather than through an adviser, broker or intermediary.

RG 234.135 Advertisements should also not rely on a third party to correct a misleading impression created in the advertisement itself.

DRAFT

Complexity

- RG 234.136 Care should be taken to ensure that the advertisement is sufficiently simple and capable of being understood by the audience likely to see it. The more complex a product (either in terms of the structure of the product or the ability of consumers to understand the risks posed by the product), the more important it is for an advertisement to be simple and clear to avoid creating a misleading impression.
- RG 234.137 The more complex the product, the less likely it can be advertised in limited space (e.g. internet banner advertisements, signs in public venues, 30-second television commercials) without being misleading.

Example 58: Audience for complex products

An advertisement for a complex financial product might be appropriate for the readers of a specialist publication, but may not be appropriate for general newspaper readers or television viewers.

Photographs, diagrams, images and examples

- RG 234.138 Images in advertising (e.g. in print and television advertising) can create a particularly significant impression on consumers, potentially more significant than that created by written or spoken messages.
- RG 234.139 If the effect of an image is to contradict, detract from or reduce the prominence of qualifying statements, this may make the advertisement more likely to mislead.

Example 59: Contradictory placement of images and text

Many retail catalogues advertise that a consumer can take out an interest-free loan to purchase products from the retailer (e.g. whitegoods and furniture). Where the interest-free loan is only available for a minimum purchase amount (e.g. \$500), the advertisement should not include the interest-free option in the context of images of cheaper items which, if purchased in isolation, would not be available interest free. The message conveyed by the image may be misleading, even if the advertisement has fine print stating which products qualify for the interest-free loan.

- RG 234.140 The use of imagery associated with success, wealth, safety and security may particularly distract consumers from any contrasting messages about the risks and drawbacks of a particular product or service.
- RG 234.141 Images should not be used where they are likely to misrepresent the nature, stage or scale of the product or the issuer's business. This is the case whether or not the photograph has a disclaimer.

DRAFT

Example 60: Misleading image—age of consumer

The price of funeral insurance typically depends on the age of the consumer. An advertisement that states a low price that is only available to younger customers should not include photographs of older consumers that are ineligible for the low-price offer.

Example 61: Misleading image—stage of development

An advertisement for a prospectus for a mining exploration company should not include images that suggest the business is at a more advanced stage than it is. For example, showing images of a working mine if the business is still at the exploration stage of the project.

RG 234.142 Tables, diagrams, graphs, charts and maps can help present information in a way that is easy for consumers to absorb, provided that they are not used in a misleading way. Promoters should:

- (a) present tables, diagrams and other illustrative charts in the simplest way possible, providing clear captions and including key assumptions;
- (b) provide keys for more complex diagrams and graphs; and
- (c) select scales, time periods and other inputs that fairly represent the information and do not give skewed outputs. Where graphs or maps are used to compare information, the same scale should be used, or the document should explain that the same scale has not been used and the reasons for this.

RG 234.143 Examples and case studies present information in a way that consumers can more easily relate to and understand (e.g. to illustrate how formulae work). Examples should be provided on a consistent basis. They should be accompanied by a clear explanation about the purpose for which they are included and the assumptions on which they are based. If an example is used to show an increase or upward change, an example showing a decrease or downward change should also be included (and vice versa).

Nature and scope of financial advice and credit assistance

Financial advice

RG 234.144 An advertisement for a financial advice service should not create unrealistic expectations about what the service can achieve. In particular, advertisements should make clear any relevant limitations on the breadth of services offered. An advertisement should not suggest that, in recommending a financial product for a consumer, the adviser will consider all relevant financial products across the market if this is not the case. It also should not describe an advice service as

DRAFT

offering ‘full financial plans’ or ‘comprehensive financial advice’ if the adviser is only able to advise on a narrow range of issues or financial products.

- RG 234.145 An advertisement should not create a misleading impression about the nature and extent of a financial adviser’s experience and qualifications.

Example 62: Financial adviser experience

If an individual financial adviser is being featured in a firm’s promotion, their industry sector experience should not be misrepresented as matching that of the advertised product or service being if the professional expertise mentioned is from a different sector.

Credit assistance

- RG 234.146 Similarly, credit assistance can be provided in a variety of different ways, depending on the consumer’s needs, the structure of the provider’s business and its area of expertise.
- RG 234.147 An advertisement should be clear about the scope of the service that will be provided to the consumer.

Example 63: Limited range of products

A mortgage broker may have access to loans from a number of lenders. However, in practice, the mortgage broker generally only considers one or two main lenders when making a recommendation to a client. In this case, it may be misleading if the mortgage broker advertises that ‘a wide range of lenders is available’. Similarly, a credit assistance provider should not promote that they are a ‘broker’ if they are only affiliated with one credit lender (and therefore, consumers who use the provider’s services will only ever be assisted to take out a loan with that lender).

Note: See RG 234.146.

Example 64: Misleading about the outcome of the service

A finance broker or debt negotiator should not advertise that their services will result in a consumer becoming ‘debt free’ if, in fact, what they can provide is a consolidation loan or structured repayments for existing loans.

DRAFT

C Media-specific guidance

Key points

We have provided guidance to help promoters develop advertisements for certain media, including:

- mass media, such as radio, television, newspapers and magazines (see RG 234.148–RG 234.160);
- internet advertising (see RG 234.161–RG 234.169); and
- outdoor advertising (see RG 234.170–RG 234.172).

Mass media

RG 234.148 Mass media refers to media channels used for mass communication, such as radio, television, newspapers, magazines and the internet. Mass media advertising can take the form of audio, video, images, text, or a combination of all four.

RG 234.149 Mass media has the capacity to reach a wide audience, often beyond the promoter's target market. Promoters should consider the characteristics of the actual audience that is likely to see the advertisement (e.g. their financial literacy, knowledge, demographics) and whether the advertisement is accurate, balanced and helpful for that audience: see RG 234.124.

Accuracy

RG 234.150 Information in advertisements should be current. Advertisers should be vigilant to ensure that advertisements are withdrawn if they are no longer up-to-date. Particular care should be taken for advertisements using media that is likely to date quickly (e.g. social media, such as X, formerly Twitter).

Distinguishing advertising and program content

RG 234.151 Due to the nature of some mass media, there is some potential for uncertainty to arise about whether content is paid advertising, or normal program or editorial content. Consumers may not employ the same critical analysis of program content as they do for advertising and other commercial messages they are exposed to.

RG 234.152 If the form of an advertisement is advertorial (e.g. a live read by a radio announcer or an online product review on a social media platform), there is potential for consumer confusion if a clear distinction is not drawn between the advertising and the program content. A clear demarcation for sponsored content should be made so that the distinction is readily apparent to consumers.

DRAFT

Example 65: Paid commentary

Where a radio presenter has a commercial agreement with a particular promoter, this should be clearly disclosed on air before the presenter reads any scripted advertising, makes comments about the promoter's products or interviews any person related to the promoter.

Note: The Australian Association of National Advertisers' (AANA) Code of Ethics provides that advertising shall be clearly distinguishable as such, as advertising material.

- RG 234.153 This is particularly the case where the advertising material is presented in a 'high trust' environment or context where a consumer would not ordinarily expect to see paid advertising, such as social media and online platforms.

Example 66: Blogs

If a blog includes both paid advertising and news and opinion content about financial products, the advertising should be presented in a manner that sets it apart from the news or opinion content, unless the advertisement is accompanied by a clear and prominent statement that it is advertising content.

Audio advertisements

- RG 234.154 The general principles about ease of understanding apply to all media, but may be particularly challenging for audio advertisements (e.g. radio and audio streaming such as podcasts) because, unlike video or print advertising, warnings and disclaimers cannot be run at the same time as the headline message or main body of the advertisement.
- RG 234.155 Where warnings or disclaimers are used in audio advertisements, they should be read at a speed that is easy for an average listener to understand.
- RG 234.156 Telemarketing and messages on hold are also forms of advertising. Statements made over the telephone about a product or service are subject to the same regulation as advertisements in other media. Similarly, our guidance also applies to advertising through podcasts.

Film and video advertisements

- RG 234.157 The combination of images and sound in film and video advertisements can make it particularly easy for consumers to be distracted from important information such as information about risks.
- RG 234.158 Warnings or disclaimers used in film and video advertisements should be prominent despite the distractions. An average viewer should easily understand any disclaimer or conditions on the first viewing of an advertisement: see RG 234.35.

DRAFT

- RG 234.159 In particular, reasonable consumers may not pay attention to disclaimers that are barely visible in real time: see *Australian Securities and Investments Commission v Latitude Finance Australia (No 2)* [2024] FCA 1205 at [384].
- RG 234.160 Our guidance on film and video advertisements applies, regardless of the distribution medium.

Internet advertising

- RG 234.161 Internet advertising can take a variety of forms, including but not limited to webpages, banner advertisements, pop-up advertisements, full screen advertisements, in-app advertising, embedded advertising (e.g. product placement), video streaming (e.g. YouTube), social media (e.g. Facebook, Instagram, TikTok and X, formerly Twitter), internet discussion sites (e.g. Reddit), sponsored content (e.g. business-sponsored content from social media influencers).
- RG 234.162 Internet advertising through mediums such as banners and pop-ups is often relatively short. Promoters should consider the overall impression created by these kinds of advertisements when viewed by itself for the first time.
- RG 234.163 Online advertising can be advantageous for consumers because it can incorporate more engaging forms of media, can be interactive and more accessible. Providing a facility for a consumer to quickly access additional information (e.g. by ‘clicking through’ to another webpage) can be an effective way of providing further details and helping to engage the consumer. However, providing a facility for a consumer to access additional information cannot be used to correct a misleading overall impression in the advertisement.

Note: See RG 234.34–RG 234.41 for further guidance on the use of warnings, disclaimers, qualifications and fine print in advertisements.

- RG 234.164 We consider that promoters should be particularly careful about using a facility for a consumer to access additional information where an advertisement is on a third-party site or platform, rather than an advertisement on the promoter’s own website. Where a consumer views an advertisement on a third-party site or platform, the consumer will have less motivation to actually access that additional information, because doing so will necessarily interrupt their current online activity.
- RG 234.165 The physical limitations of a particular medium are not a reason for producing an advertisement that might mislead see also RG 234.137 and *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* [2011] FCA 1254.

DRAFT

Example 67: Internet banner advertising

If a banner advertisement on a webpage includes a strong headline claim about the potential returns available from a financial product, it should balance this with information about the risks. The stronger the headline claim, the more important it is for the risk information to be included in the banner advertisement itself and not included in a reference to another page where the consumer can find out information about the risks.

- RG 234.166 Social media platforms such as Facebook, TikTok, X (formerly Twitter), YouTube and Instagram allow promoters to deliver short advertisements directly to consumers. As with other forms of advertising, promoters should consider the overall impression created by the advertisement when viewed for the first time. Promoters should carefully consider the appropriateness of some media channels if content limitations mean that there is insufficient space to provide balanced information.
- RG 234.167 Promoters and consumers should be able to keep a record of an advertisement, including any disclaimers or warnings. This will provide support should any future dispute arise about the advertisement.
- RG 234.168 Some internet sites provide lengthy disclaimers that scroll quickly. Similar to the issues with radio and television, any information should be comprehensible to an average consumer on the first viewing of the advertisement.
- RG 234.169 Social media influencers who discuss and/or promote financial products and services online (also known as ‘finfluencers’) must ensure that promotional material is not misleading and complies with other relevant financial services laws. For further information see Information Sheet 269 *Discussing financial products and services online* ([INFO 269](#)).

Example 68: Social media ‘finfluencer’ advertising

ASIC was concerned about social media ‘finfluencers’ who were suspected of unlawfully promoting high-risk financial products. ASIC was concerned that the social media content produced by these finfluencers were accompanied by misleading or deceptive representations about the prospects of success of the products and the trading strategies that were promoted. This included representations that themselves as so-called trading experts and sharing images of lavish lifestyles, sportscars and luxury goods.

ASIC issued warning notices to these finfluencers.

Outdoor advertising

- RG 234.170 Outdoor advertising includes media such as billboards, posters, signs in public venues and aerial displays. These media pose challenges in

DRAFT

communicating an accurate and balanced message because the advertisements are often not able to be scrutinised closely by a consumer—for example, if viewed from a distance or from a moving vehicle.

RG 234.171 Promoters should take into account the conditions in which an outdoor advertisement will be viewed when considering whether the overall impression of the advertisement is misleading or deceptive.

RG 234.172 Outdoor advertising may be better suited to promoting brand or product recognition, rather than conveying more complex information about a product.

DRAFT

D Publishers and media outlets

Key points

Publishers may also bear some responsibility for the content of an advertisement.

We encourage publishers and media outlets who deal with advertisements for financial products, financial advice services, credit products and credit services to:

- understand their responsibilities when publishing advertisements; and
- refuse to publish, or cease publishing, an advertisement if we tell them the advertisement is the subject of regulatory action.

Publisher responsibility

- RG 234.173 While the primary responsibility for advertising material rests with the organisation placing the advertisement, the publisher may also have some responsibility for the content of an advertisement. However, it is a defence to a prosecution if the publisher received the advertisement for publication in the ordinary course of its publishing business and did not know, and had no reason to believe, that the publication would amount to an offence: s1044A, Corporations Act; s12GI(4), ASIC Act.
- RG 234.174 This guide is intended to help publishers minimise the legal and reputational risks that flow from the publication of advertising that contravenes provisions of the Corporations Act and ASIC Act.
- RG 234.175 We also expect publishers to cease publishing an advertisement if we inform them that it is currently subject to a stop order or public warning notice. We will assist publishers by making this information available.
- RG 234.176 Where a publisher contributes to the content of an advertisement (e.g. in writing advertorials) or otherwise has an active involvement in the promotion of a product or service (e.g. through co-branding, or where a social media influencer uses their platform to promote a product or service), we regard the publisher to be in the same position as the promoter in terms of its responsibility to take into account the guidance in Sections B and C. We consider that this level of active involvement may mean that the defence for publishers in s1044A is unlikely to apply.

DRAFT

- RG 234.177 Where a promoter is not responsible for the initial publication (e.g. a comment or testimonial made by another person on the promoter's website or Facebook page), if the promoter becomes aware of the message and decides not to remove it, the promoter will be considered responsible for the message, at least from the time that it becomes aware of it: *Australian Competition and Consumer Commission v Allergy Pathway Pty Ltd (No 2)* [2011] FCA 74.

Sponsored content

- RG 234.178 Sponsored content and paid commentary fall within the scope of advertisements covered by our guidance: see RG 234.151–RG 234.153.
- RG 234.179 Sponsored content includes text or video content about products (or a class of products) or services in exchange for advertising revenue but appear as editorial or program content, regardless of the medium. This also includes online content which contains 'click through' links to products and services which consumers may access when engaging with the content.

Aggregators and comparison sites

- RG 234.180 Comparison sites or aggregators provide comparisons between multiple providers for different products (e.g. credit cards or insurance), commonly ranking them in order based on cost or interest rate. If the site includes awards or ratings for certain products, the basis for such should be clearly disclosed.
- RG 234.181 Aggregators should disclose any links to the providers of the products that are being compared, including commissions, referral fees, payments for inclusion in comparisons and/or payments for 'featured' products.
- RG 234.182 A warning should be included if not all providers are included in the comparison.
- RG 234.183 Advertisements on aggregator sites should be clearly disclosed as such to prevent consumers being misled about the ranking of the product.
- RG 234.184 Unless it is not the case, the aggregator should include a warning that products compared do not compare all features that may be relevant to the consumer (e.g. flood cover for home insurance).

DRAFT

Appendix 1: Quick reference guide to advertising guidance for promoters in RG 234

RG 234.185 This overview is intended to serve as a quick reference guide to RG 234 to assist financial industry advertisers in complying with their legal obligations to not make making false or misleading statements or engaging in misleading or deceptive conduct.

Assessing advertising

RG 234.186 When determining whether an advertisement is misleading or deceptive, the overall impression given by the advertisement is very important. In assessing the overall impression, the following factors are relevant:

- (a) the subject of the advertisement;
- (b) the content of the advertisement;
- (c) the format of the advertisement;
- (d) the audience for the advertisement;
- (e) the channel or platform used to communicate the information; and
- (f) the likely effect of the advertisement.

RG 234.187 For financial and credit product advertising, the following questions will help determine whether a campaign or promotion could create unrealistic expectations, and whether an advertisement is easy to understand:

- (a) If the advertisement is about a particular product or product feature, does the advertisement clearly and accurately describe it?
- (b) Does the advertisement provide a balanced and clear view of what the product is likely to deliver?
- (c) Are the costs, risks, fees, limitations, and other drawbacks of the product or service clearly described and presented?
- (d) Does the complexity of the product prevent it from being advertised clearly via the chosen channel or platform and if so, how can the complexity be addressed by the promoter?

RG 234.188 For advertising relating to a financial advice or credit assistance service, the following questions will help determine whether campaign or promotion could create unrealistic expectations:

- (a) Does the advertisement create realistic impressions about what the financial advice or credit assistance is likely to achieve, cover or address?

DRAFT

- (b) Are the limitations of the advice or assistance clearly identified including the basis on which it will be given?
- (c) If the advertisement refers to costs, does the advertising give a realistic impression of the cost of the advice or assistance?
- (d) If the advertisement makes any claims about the impartiality of the service, does it accurately describe any relevant relationship?

Determining what is misleading or deceptive

RG 234.189 In determining whether an advertisement is misleading or deceptive, the following legal principles generally apply:

- (a) There is no requirement that the promoter intended to mislead consumers—the relevant question is whether the advertisement is in fact misleading or likely to mislead.
- (b) It is not necessary to show that consumers have actually been misled—the law prohibits conduct that is likely to mislead.
- (c) The relevant test is the reaction of an ordinary and reasonable member of the advertisement’s audience—normally anyone who is neither unusually astute nor unusually gullible.
- (d) The relevant audience is the class of persons or group of individual(s) to whom the advertisement was directed (which may include the general public).
- (e) Consumers cannot be expected to study or revisit an advertisement—the most important consideration is the overall impression created by the advertisement when viewed for the first time.
- (f) Qualifications of a headline claim must be clear and prominent—some headline claims are so strong that any separate qualification will not correct any misleading impression.
- (g) If an advertisement is misleading, then it cannot be cured—a promoter cannot rely on an accurate disclosure document or contract to undo the effect of a misleading advertisement.
- (h) Silence can be misleading or deceptive when it is reasonable for a consumer to expect disclosure of important information—silence on important details can render a statement misleading, even though it is factually correct.

RG 234.190 The above principles on misleading or deceptive advertising will generally apply regardless of the media used.

DRAFT

Advertising guidance for promoters

RG 234.191 Table 1 contains an overview of our guidance on when advertising might be misleading, which is applicable to all media, outlined in more detail in Section B of this guide.

Table 1: Overview of guidance in Section B

Message content	Summary of guidance
Returns, features, benefits and risks	Advertisements for financial products and credit products should give a balanced message about the returns, features, benefits and risks associated with the product. Benefits should not be given undue prominence compared with risks.
Warnings, disclaimers, qualifications and fine print	<p>Warnings, disclaimers and qualifications should not be inconsistent with other content in an advertisement, including any headline claims. Warnings, disclaimers and qualifications should have sufficient prominence to effectively convey key information to a reasonable member of the audience on first viewing the advertisement.</p> <p>Consumers should not need to go to another website (or other page of the website) or document to correct a misleading impression.</p>
Fees and costs	Where a fee or cost is referred to in an advertisement, it should give a realistic impression of the overall level of fees and costs a consumer is likely to pay, including any indirect fees or costs.
Comparisons	<p>Comparisons should only be made between products that have sufficiently similar features or, where an advertisement compares different products, the differences should be made clear in the advertisement.</p> <p>Comparisons should only be made about returns if the information used is current, complete and accurate.</p> <p>If an advertisement discloses a rating, the rating used should be properly explained either in the advertisement itself or by including details of where an investor can obtain further information about the meaning of the rating and the rating scale.</p>
Past performance and forecasts	<p>Past performance information should be accompanied by a warning that past performance is not indicative of future performance.</p> <p>Forecasts about the future performance of a financial product should be based on reasonable assumptions and should also state that the forecasts are not guaranteed to occur.</p>
Use of certain terms and phrases	<p>Terms and phrases should not be used in a particular way by industry where these are not consistent with the ordinary meaning commonly recognised by consumers (e.g. 'free', 'secure' and 'guaranteed').</p> <p>Industry concepts or jargon should be avoided unless the promoter is confident that these terms will be understood by the audience.</p>
Target audience	<p>Advertisements should be capable of being clearly understood by the audience that might reasonably be expected to see the advertisements.</p> <p>Advertisements should not state or imply that a product is suitable for particular types of consumers unless the promoter has assessed that the product is suitable for that class.</p>

DRAFT

Message content	Summary of guidance
	Advertisements for complex products that are only appropriate for a limited group of people should not be targeted at a wider audience.
Consistency with disclosure documents	Where an advertisement draws attention to specific product features, the advertisement should be consistent with information contained in any disclosure document (such as a PDS or prospectus) or contract.
Photographs, diagrams, images and examples	Photographs and images should not contradict, detract from or reduce the prominence of any warnings, disclaimers or qualifications. Graphical presentations should not be ambiguous or overly complicated.
Nature and scope of financial advice and credit assistance	Advertisements for a financial advice service should not create unrealistic expectations about what the service can achieve. Advertisements about credit assistance should be clear about the scope of the service that will be provided to the customer.

RG 234.192 Table 2 contains an overview of our guidance on some media-specific issues relevant to when advertising might be misleading, outlined in more detail in Section C of this guide.

Table 2: Overview of media-specific guidance in section C

Platform	Summary of guidance
Mass media	Promoters should consider the actual audience that is likely to see the advertisement and whether the advertisement is accurate, balanced and helpful for that audience. Advertising should be clearly distinguished from normal program or editorial content.
Audio advertisements	Warnings, disclaimers and qualifications should be read at a speed that is comprehensible to an average listener.
Film and video advertisements	Information about risks and any warnings should be easily understood by an average viewer on the first viewing of an advertisement and not undermined by distracting sounds or images.
Internet	Promoters should consider the overall impression created by an internet banner advertisement when viewed by itself for the first time. Promoters should consider the appropriateness of using new media channels for advertising if content limitations mean there is insufficient space to provide balanced information. Consumers should be able to keep a record of an advertisement, including any disclaimers or warnings.
Outdoor advertising	Promoters should take into account the conditions under which an advertisement will be viewed (e.g. from a distance or from a moving vehicle) when considering whether the overall impression of the advertisement is misleading or deceptive.

DRAFT

Appendix 2: Other ASIC guidance

RG 234.193 This appendix lists other ASIC regulatory guidance that may be relevant to advertising conduct.

Product specific guidance

[RG 38](#) *The hawking provisions*

[RG 45](#) *Mortgage schemes: Improving disclosure for retail investors*

[RG 46](#) *Unlisted property schemes: Improving disclosure for retail investors*

[RG 98](#) *Licensing: Administrative action against financial services providers*

[RG 156](#) *Advertising of debentures and unsecured notes*

[RG 175](#) *AFS licensing: Financial product advisers-Conduct and disclosure*

[RG 205](#) *Credit licensing: General conduct obligations*

[RG 209](#) *Credit licensing: Responsible lending conduct*

[RG 218](#) *Licensing: Administrative action against persons engaging in credit activities*

[RG 227](#) *Over-the-counter contracts for difference: Improving disclosure for retail investors*

[RG 228](#) *Prospectuses: Effective disclosure for retail investors*

[RG 231](#) *Infrastructure entities: Improving disclosure for retail investors*

[RG 232](#) *Agribusiness managed investment schemes: Improving disclosure for retail investors*

[RG 240](#) *Hedge funds: Improving disclosure*

[RG 275](#) *The deferred sales model for add-on insurance*

Other guidance

[RG 53](#) *The use of past performance in promotional material*

[RG 254](#) *Offering securities under a disclosure document*

DRAFT

[RG 100](#) *Enforceable undertakings*

[RG 104](#) *Licensing: Meeting the general obligations*

[RG 168](#) *Disclosure: Product Disclosure Statements (and other disclosure obligations)*

[RG 170](#) *Prospective financial information*

[RG 173](#) *Disclosure for on-sale of securities and other financial products*

[RG 228](#) *Prospectuses: Effective disclosure for retail investors*

[RG 274](#) *Product design and distribution obligations*

[INFO 99](#) *Disclosure of credit ratings in Australia*

[INFO 140](#) *Australian Consumer Law substantiation notices: Your rights*

[INFO 151](#) *ASIC's approach to enforcement*

[INFO 152](#) *Public comment on ASIC's regulatory activities*

[INFO 269](#) *Discussing financial products and services online*

[INFO 271](#) *How to avoid Greenwashing when offering or promoting sustainability-related products*

[INFO 275](#) *Infringement notices: Your rights*

DRAFT

Key terms

Term	Meaning in this document
ADI	Authorised deposit-taking institution-has the meaning given in s5 of the National Credit Act
AFS licence	An Australian financial services licence means a licence under s913B that authorises a person who carries out a financial services business to provide financial services Note: This is a definition contained in s9
AFS licensee	A person who holds an Australian financial services licence under s913B Note: This is a definition contained in s9
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
CFD	Contract for difference
Ch 6D (for example)	A chapter of the Corporations Act (in this example numbered 6D), unless otherwise specified
consumer lease	A consumer lease to which the National Credit Code applies Note: See s169–171 of the National Credit Code.
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
CP 155 (for example)	An ASIC consultation paper (in this example numbered 155)
credit activity (or activities)	Has the meaning given in s6 of the National Credit Act
credit assistance	Has the meaning given in s8 of the National Credit Act
credit contract	Has the meaning given in s4 of the National Credit Code
credit licence	An Australian credit licence under s35 of the National Credit Act that authorises a licensee to engage in particular credit activities
credit licensee	A person who holds an Australian credit licence under s35 of the National Credit Act
credit product	Includes credit contracts and consumer leases
credit products and credit services (collectively)	Refer broadly to both credit facilities under the ASIC Act and credit activities under the National Credit Act
credit service	Has the meaning given in s7 of the National Credit Act

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Term	Meaning in this document
financial advice service	<p>A service that provides recommendations or statements of opinion that:</p> <ul style="list-style-type: none"> • are intended to influence a consumer making a decision about a financial product; or • could reasonably be regarded as being intended to have such an influence <p>Note: See s12BAB(5) of the ASIC Act for the exact definition.</p>
Financial Claims Scheme	The Financial Claims Scheme (FCS) is an Australian Government scheme that serves to protect deposit-holders who hold deposits with Australian authorised deposit-taking institutions, as well as general insurance policyholders and claimants in the event one of these institutions fails
financial product	<p>Generally a facility through which, or through the acquisition of which, a person does one or more of the following:</p> <ul style="list-style-type: none"> • makes a financial investment (see s763B); • manages financial risk (see s763C); • makes non-cash payments (see s763D) <p>Note: See Div 3 of Pt 7.1 of the Corporations Act for the exact definition.</p>
Financial Services Guide (FSG)	<p>A document that must be given to a retail client in relation to the provision of a financial service in accordance with Div 2 of Pt 7.7 of the Corporations Act</p> <p>Note: See s9 the exact definition.</p>
INFO 140 (for example)	An ASIC information sheet (in this example, numbered 140)
Insurance Act	<i>Insurance Act 1973</i>
MoneySmart	ASIC's website for consumers and investors: www.moneysmart.gov.au
National Credit Act	<i>National Consumer Credit Protection Act 2009</i>
National Credit Code	National Credit Code at Sch 1 of the National Credit Act
National Credit Regulations	<i>National Consumer Credit Protection Regulations 2010</i>
Product Disclosure Statement (PDS)	<p>A document that must be given to a retail client in relation to the offer or issue of a financial product in accordance with Div 2 of Pt 7.9 of the Corporations Act</p> <p>Note: See s9 for the exact definition.</p>
reg 20(5) (for example)	A regulation of the National Credit Regulations (in this example numbered 20(5))
RG 45 (for example)	An ASIC regulatory guide (in this example numbered 45)
s769C (for example)	A section of the Corporations Act (in this example numbered 769C), unless otherwise specified

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Related information

Headnotes

advertising, Australian financial services (AFS) licence, credit product, credit service, disclaimers, false or misleading statements, financial advice service, financial product, hawking prohibition, mass media, misleading or deceptive conduct, Product Disclosure Statement (PDS), promoter, publisher, target audience, warnings

Legislation

Australian Securities and Investments Commission Act 2001, s12BAB(5), 12BB, 12DA, 12DB, 12DC, 12DF, 12DG, 12DO, 12DR, 12DS, 12GB, 12GD, 12GI(4), 12GBA, 12GLA, 12GLB, 12GLC, 12GM, 12GX, 12GY, 12GNB, 12GXA, 93AA

Corporations Act 2001, Ch 6D, Pt 7.7A, Pt 7.9, s 283BH, 283BHA, 708(1), 734, 734(4)–(7), 736, 739(2), 739(3), 769C, 912(1)(c), 912A(1)(a), 914A(1), 915C(1), 920A, 920B, 923A, 923B, 992A, 992AA, 1012E, 1018A, 1018B, 1020E, 1020E(3), 1041E, 1041H, 1041I, 1044A, 1311B, 1311C, 1324

Insurance Act 1973, s114

National Consumer Credit Protection Act 2009, Chs 3 and 6, Sch 1, s6–8, 33, 35, 45, 47(1)(d), 52, 55, 80–81, 133BE–133BF, 133DE, 160B, 160C, 167, 177–179, 182; National Credit Code, s4, 150, 154, 160, 163–164, 169–171

National Consumer Credit Protection Act 2009 (National Credit Code), s13A, 154, 156, 169–171

National Credit Regulations 2010, regs 13, 20(5), 99

Other information

Australian Competition and Consumer Commission, [Advertising and selling guide](#), July 2021

The Australian Association of National Advertisers' (AANA) [Code of Ethics](#)

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