

## Advertising Standards Authority release new Financial Advertising Code

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On [17 November 2021](#) the Advertising Standards Authority (ASA) released the new Financial Advertising Code (the Code). The Code is intended to replace the existing Code for Financial Advertising. It will apply to new financial advertisements from 1 March 2022, and existing financial advertisements from 1 June 2022.

This new Code should be carefully considered by any entity involved in the advertising of financial products or financial services. The Code specifies that the responsibility of compliance with the Code is "shared between all parties to the advertisements including the advertiser, agencies and media organisations".

### Scope of the Code

The Code regulates and applies to all advertising of financial products and services placed in any media, including, but not limited to, television, radio, print, out of home (for example, billboards, bus shelters and buses), cinema, digital, email, websites, social media (including user-generated content), influencers, videos, apps, advergames, addressed and unaddressed mail, brochures and point-of-sale material.

The Code applies to financial products and services which the Code defines as "any product or service relating to insurance, banking, credit, investment, payment services, financial or risk management, funds management, foreign exchange, or advice or educational services in relation to any of those things". The Code now also specifies products such as buy now pay later (BNPL) products, share trading platforms and cryptocurrencies. [A detailed but non-exhaustive list of these products and services can be found in the Code.](#)

The new Code simplifies the definition of "Financial Advertising" which now means "any message, the content of which is controlled directly or indirectly by the Advertiser, expressed in any language and communicated in any medium with the intent to influence the choice, opinion or behaviour of those to whom it is addressed and is for the purpose of promoting a Financial Product or Service".

### Structure of the Code

The Code is comprised of two main principles, with rules sitting underneath each of these.

The first principle is that Financial Advertising must be prepared and placed with a high standard of social responsibility to consumers and society. Beneath this sits the rule that Financial Advertising must be easily understood by consumers.

The second principle is that Financial Advertising must be truthful, balanced and must not be misleading. There are two rules which sit beneath this principle:

- Financial Advertising must not mislead or be likely to mislead, deceive or confuse consumers, abuse their trust or exploit their lack of knowledge - misleading may be by implication, inaccuracy, ambiguity, exaggeration, unrealistic claim, omission, false representation or otherwise
- Advertisements must not use tests, surveys, research results or quotations from technical and scientific literature in a manner that is misleading or deceptive.

The ASA expect emphasis to be placed on compliance with both the spirit and intention of the Code. The Code notes that it is possible for advertising to be in breach of one or more of the principles in the Code without being in breach of a specific rule. As such, advertisers should take care to ensure they comply with the principles of the Code, as well as the rules.

### Next steps

In addition to the Code, financial advertisements in New Zealand are also subject to the Advertising Standards Code (ASC).

If you would like any assistance with understanding how the new Code may impact your business or your advertising compliance process, please contact a member of our [financial services regulation team](#).

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