

## Decision of the ADVERTISING REGULATORY BOARD

Complainant	Tshepo Ngaleka
Advertiser	Renault South Africa (Pty) Ltd
Consumer/Competitor	Consumer
File reference	Renault South Africa – Tshepo Ngaleka
Outcome	Upheld
Date	5 August 2020

The Directorate of the Advertising Regulatory Board has been called upon to consider a complaint against a Renault Sandero television commercial.

### Description of the advertising

The voice over states: *“We’re here to get you back on the road. Experience the freedom of driving a brand-new Renault Sandero. The first six months instalments are on us, plus you get a standard three-year service plan and a comprehensive five-year warranty. Go to [renault.co.za](http://renault.co.za) to find out more. Renault. The most fuel-efficient brand in SA”.*

The following wording appears on the screen:

“FIRST 6 MONTHS INSTALMENTS ARE ON US!”

“2 YEAR 30 000KM SERVICE PLAN”

“5 YEAR 150 000KM WARRANTY”

“THE FIRST 6 MONTHS INSTALMENTS ARE ON US!\*”

## Complaint

The Complainant submitted that it is common language that if someone says “it’s on them”, it simply means that they will pay for that item. The advertising purports as if Renault South Africa will be paying the instalments of the consumer for the six months, which is not the case. The payments will only start after six months whilst the consumer is charged interest, and no one is covering their monthly instalment for those six months.

## Response

Renault South Africa submitted that nowhere in the advertisement does it state that the Renault Sandero will be paid for by Renault SA for 6 months.

The disclaimer at the bottom of the advertisement clearly states that the “offer is equivalent to a R20 000.00 saving or up to 6 monthly instalments”

The offer was structured with R20 000 financial support which equates to a R20 000 saving or cash back to the client equivalent of 6 monthly instalments of R2899pm as per the advertised scheme.

## Application of the Code of Advertising Practice

The following clauses were considered in this matter:

Misleading claims – Clause 4.2.1 of Section II;

Truthful representation – Clause 4.2.7 of Section II

## Decision

Having considered all the material before it, the Directorate of the ARB issues the following decision.

Clause 4.2.1 of Section II of the Code provides that:

*“Advertisements should not contain any statement or visual presentation which, directly or by implication, omission, ambiguity, inaccuracy, exaggerated claim, or otherwise, is likely to mislead the consumer”.*

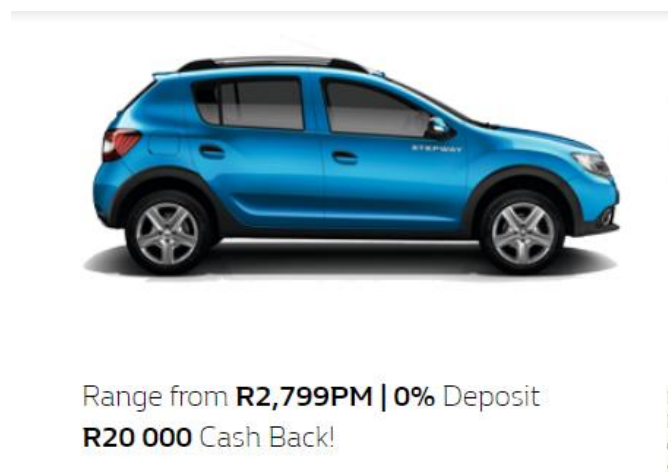
Clause 4.2.7 of Section II of the Code provides that:

*“Where material information is superimposed on screen, the print shall be clearly visible and remain on screen long enough to be easily read by the hypothetical reasonable viewer”.*

In essence, the complaint is that the first 6 months of instalments are not “on” the advertiser, as interest still runs. The Advertiser submits that the offer is not that Renault will physically pay 6 months of instalments, but that they will give a “cash back” (or discount) to the consumer equivalent to 6 months payment. This is supported by the current wording of the offer on the Advertiser’s website.

It would appear that what the complainant expected was a six-month payment holiday or grace period. What in fact happened was that they were given a “cash back” or discount of R20 000 (which is about equivalent to 6 months payments), but were expected to start paying the instalments immediately. A failure to do so attracted interest.

The question really is as follows: would the reasonable person have expected to have a 6 month “payment holiday”? The Directorate starts by noting that the current advertising on the website is absolutely clear as to what the consumer could expect:



This, in its accuracy, draws attention to what is innately confusing about the television commercial. By using the phrase “6 months instalments are on us”, the Advertiser makes the consumer think that the time required for the payments is relevant, and that the offer therefore arguably relates to a payment holiday or grace period. This is both from the reference to the time period, the reference to “instalments”, and the phrase “on us”. If the commercial had said, “6 months value cash back” it might have been clearer; or, of course,

if they had settled for the clear offer that they use on their website – R20 000 cash back, with no confusing reference to instalment payments.

The final thing that the Directorate considered was the current context of advertising, where a number of marketers are offering “corona relief” with payment holidays and delayed instalment sales. In this context, it becomes even more likely that the consumer might understand that the offer is a 6-month grace period before payments must start. It would appear that it is not.

**Based on the above, the Directorate finds that the claim, “the first 6 months instalments on us!” is misleading, and therefore contravenes Clause 4.2.1 of Section II of the Code of Advertising Practice.**