

# PRESS RELEASE

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## HUDGHTON - ADVERTISING WARNING

Ian Hudghton MEP (Scottish National Party) has issued a warning to businesses in Scotland to beware unsolicited mailings. His warning follows complaints he has received about the actions of advertising firms namely the Liechtenstein-based "European City Guide" and "Tour & Travel Guide". The MEP has written to the European Commissioner for Trade, Erkki Liikanen, demanding that action be taken to tighten up rules on "distance contracts" such as these, which are costing unsuspecting businesses several thousands of pounds.

Explaining the background to his warning, Mr Hudghton said:

"These advertising companies are preying on small businesses. They send out unsolicited mailings in the shape of an order form, which is misleading in the extreme. The form simply looks like a questionnaire and you are encouraged to return it whether or not you wish to advertise in the Guide. What the small print says is that, once you have completed and returned the form, you are tied into very costly and long-term advertising contracts in publications which are of a poor quality and whose effectiveness as a marketing tool is questionable. There is no cooling off period and, even when you write asking to be removed from the Guide, the invoices keep pouring through the letter-box.

Many firms have been frightened to speak out on this scam but I know of countless cases where employers and their staff have suffered great distress and considerable expense. As someone who had their own small business before I was elected to the European Parliament, I understand fully the anxiety this must be causing those who have been caught in the web of these unscrupulous operators.

The advice I have received from Trading Standards is that companies should pay nothing to these publications and, if threatened with legal proceedings, to seek further advice from their local Trading Standards office. I am also keen to strengthen European legislation to prevent other such companies setting up. The European City Guide has said, for instance, that they have "taken legal advice to ensure that European guidelines were observed." If they are able to make such statements then clearly EU law as it stands is inadequate and is allowing dubious business practices to harm small businesses. I have written to Commissioner Liikanen informing him of the complaints I have received and demanding that legislation covering distance contracts be toughened up. In the meantime, I would repeat my warning to businesses to

beware this type of advertising company and especially to check any small print before signing anything.”

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