



Adblock Bristol / Adfree Cities complaint to the Advertising Standards Authority

Re: Greenwashing HSBC adverts



Date: 26th October 2021

To whom it may concern,

We are writing to lodge a formal complaint about a series of Out Of Home advertisements by HSBC bank, seen in Bristol and London throughout October 2021. In summary, the adverts are greenwash by omission - focusing on the amount the bank intends to invest whilst omitting the substantial amounts it continues to pour into fossil fuels - the leading cause of climate breakdown.

The advertisements (pictured) are considered to be incompatible with the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing, in particular Section 11 regarding Environmental claims, principles **11.1**, **11.2** and **11.4** (please see below for full detail).

We are concerned that this UK-wide advertising campaign strongly misrepresents HSBC as a bank, business and brand that has a positive environmental impact. In fact, banking with HSBC - an investment bank - exposes customers to supporting fossil fuels. HSBC is the 13th biggest funder of fossil fuel companies in the world. The bank provided \$23.5 billion in finance to fossil firms in 2020 alone, including several of the world's biggest polluters (Saudi Aramco, ExxonMobil, Qatar Petroleum and others) and many that are expanding their operations ¹.

HSBC's greenwashing advertisements are to the detriment of citizens wishing to bank responsibly, and also to other banks that can make truthful claims regarding their 'green' credentials. As the industry regulator, it falls to the ASA to ensure that HSBC's and other banks' advertisements comply with the Non-broadcast Code and Government guidance including the Competition and Markets Authority's new Green Claims Code.

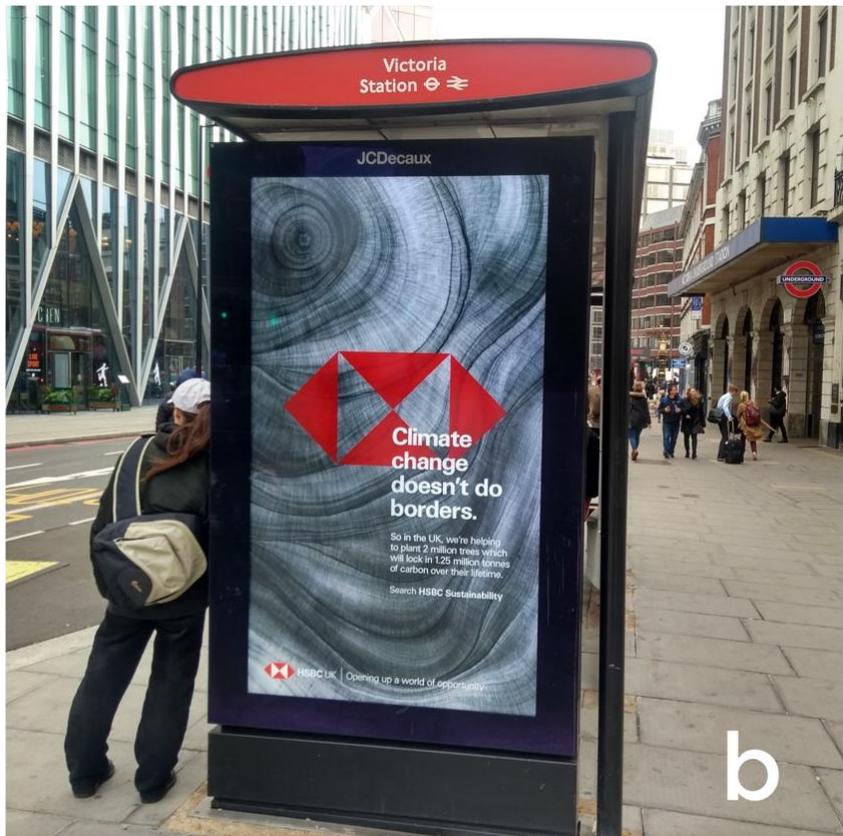
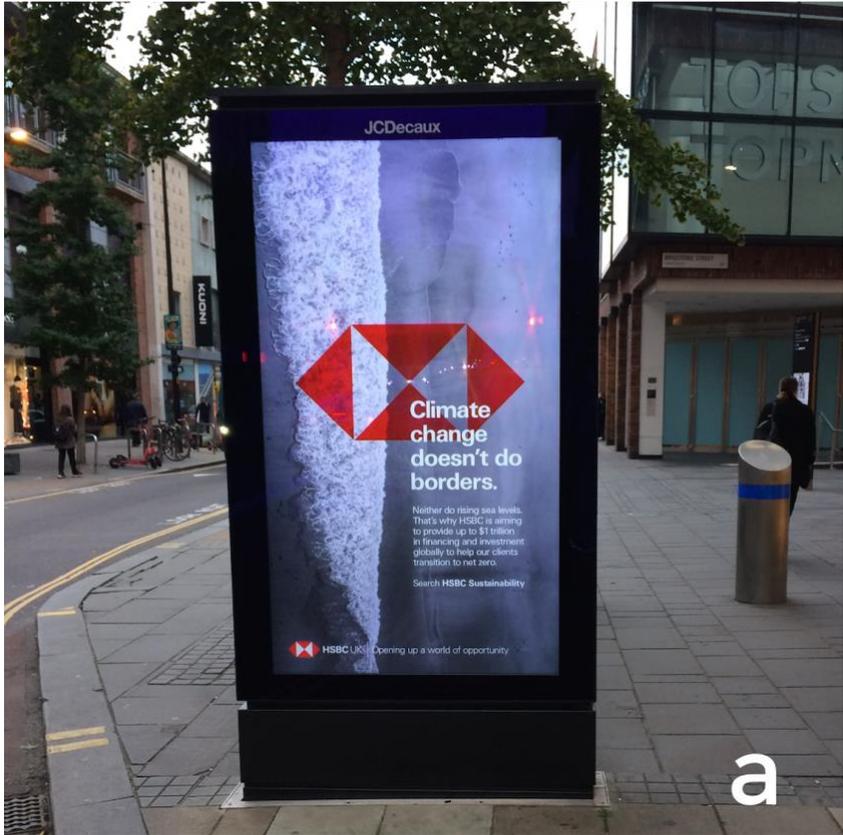
The ASA has said that it "*will be shining a brighter regulatory spotlight on environmental matters in the years to come*" in the context of concerns over the latest IPCC report detailing the devastating impacts of anthropogenic-induced climate change and need for an immediate move away from fossil fuels ². As more and more people attempt to live in an environmentally responsible way, the ASA has a responsibility to support this. We hope you decide to take action on this complaint and look forward to hearing from you.

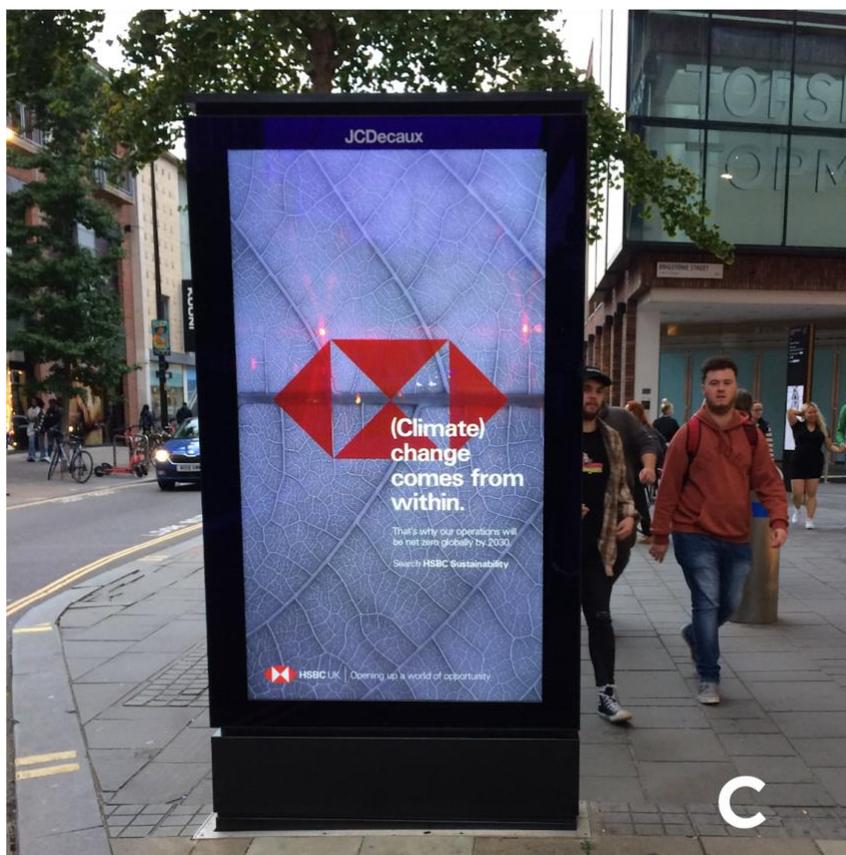
Yours sincerely,

Adblock Bristol and Adfree Cities

¹ <https://www.ran.org/wp-content/uploads/2021/03/Banking-on-Climate-Chaos-2021.pdf>

² <https://www.asa.org.uk/news/asa-statement-on-the-regulation-of-environmental-claims-and-issues-in-advertising.html>





Advertisement detail and complaint:

> HSBC advertisement (a) reads *“Climate change doesn’t do borders. And neither do rising sea levels. That’s why HSBC is aiming to provide \$1 trillion in finance and investment to help our clients transition to net zero.”*

> HSBC advertisement (b) reads *“Climate change doesn’t do borders. So in the UK, we’re helping to plant 2 million trees which will lock in 1.25 million tonnes of carbon over their lifetime.”*

> HSBC advertisement (c) reads *“(Climate) change comes from within. That’s why our operations will be net zero globally by 2030.”*

In this complaint we set out the ways in which the advertisements in question are in breach of Environmental Claim principles **11.1**, **11.2** and **11.4** of the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (the Code).

Section 11 of the Code also states that environmental claims should take account of Government guidance. This includes the new Green Claims Code (GCC), published in September 2021 by the CMA, which has tightened criteria around marketers' environmental and sustainability claims³. The GCC, which applies to businesses making such claims in the UK, enhances the case for regulatory action to be taken in this instance.

Point 1: Advertisements (a), (b) and (c) omit significant information about HSBC's massive contribution to CO₂e emissions, in breach of principle 11.1

11.1 The basis of environmental claims must be clear. Unqualified claims could mislead if they omit significant information.

The claims made in each advertisement (a-c) omit significant information. Each advert places emphasis on HSBC as a 'sustainable' bank, with imagery of renewable technology and trees, and the tagline "*Search HSBC Sustainability*". But each fails to mention HSBC's ongoing financial support to fossil fuel companies. HSBC provided \$110.8 billion in finance to fossil fuels from 2016-2020 and \$23.5 billion in 2020 alone⁴. It continues to support companies devoting billions to fossil fuel exploration and production⁵. With enormous consequences for carbon emissions and global heating, this omitted information entirely undermines any claims made by HSBC regarding sustainability.

Example 1: Advert (a) states that "*HSBC is aiming to provide \$1 trillion in finance and investment to help our clients transition to net zero.*" This omits any information detailing the timeframe, what the money will be used for, or which clients are supported. Clients that are 'transitioning to net-zero' are still increasing emissions this decade, like Shell⁶. An investigation by Unearthed also found that oil and gas firm BP used 'low carbon' money to find and use fossil fuels⁷, showing that simply designating money as low carbon does not guarantee how it will be used.

HSBC provided \$23.5 billion to fossil firms in 2020. If the equivalent money is spent each year from 2022 to 2030, this equals \$211.5 billion. To 2050, this is \$681.5 billion. Omitting this information while placing emphasis on money promised to lower-carbon financing (with a lack of detail of what this would entail) omits significant information that citizens have a right to know.

³ <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims>

⁴ <https://marketforces.org.uk/hsbc/>

⁵ <https://api.shareaction.org/resources/reports/ShareAction-HSBC-Investor-Brief-2021-2.pdf>

⁶ <https://www.bloomberg.com/news/articles/2021-10-22/shell-on-path-to-miss-own-emission-reduction-goals-report-says>

⁷ <https://unearthed.greenpeace.org/2020/08/02/bp-low-carbon-venture-capital-spent-on-fossil-fuels/>

It is also widely accepted that providing financing for 'green' opportunities (though the greenness of the activities must be verified) does not cancel out the environmental harm caused by companies in your portfolio. In HSBC's case, the **\$1 trillion in finance to companies transitioning is a distraction leading people to have a warped sense of HSBC's impact on the planet.**

Example 2: Advert (b) promotes HSBC's involvement in a tree planting scheme that "will lock in 1.25 million tonnes of carbon". This omits information about HSBC's support to companies that are active in deforestation. HSBC is the UK's biggest financier of destructive agribusiness. It provided \$6.85 billion (£5.25 billion) of financing to some of the world's worst deforesters in the years following the Paris Agreement⁸.

The advertisement also omits information about the bank's support of fossil fuel companies which will result in carbon emissions far greater than this stated amount of carbon drawdown. One project supported by HSBC is the Carmichael mine in Australia. HSBC have \$70 million shares in Adani group who own the mine. This mine alone is predicted to emit more than 4.6 billion tonnes of carbon over its lifetime. A small selection of projects financed by HSBC, once they are all operational, will emit 523 million tonnes of CO₂ every year according to Market Forces⁹. **These activities dwarf the amount HSBC is proclaiming to lock in by helping to plant trees.**

Example 3: Advert (c) promotes HSBC's action to reduce emissions across its operations: "our operations will be net zero globally by 2030." This omits significant information regarding HSBC's continued support in finance to carbon-emitting companies beyond 2030.

The bank's policy currently states an intent to stop financing coal, the number one source of global carbon emissions, in non-OECD countries only by 2040. HSBC continues to be a core financial partner to ExxonMobil and Saudi Aramco, both of which are devoting billions to fossil fuel exploration and production into the future¹⁰. If HSBC's 'operations', including (e.g.) its offices' energy use and staff travel, reach net zero by 2030 this will remain **only a tiny proportion of the pollution it is responsible for through its financed emissions (emissions from its fossil fuel**

⁸ <https://www.globalwitness.org/en/press-releases/top-global-banks-and-investors-made-estimated-174-billion-income-paris-climate-agreement-deals-agribusinesses-linked-destruction-climate-critical-forests-and-human-rights-abuses/>

⁹ <https://marketforces.org.uk/hsbc/hsbc-dirty-deals/>

¹⁰ <https://api.shareaction.org/resources/reports/ShareAction-HSBC-Investor-Brief-2021-2.pdf>

clients). Banks' financed emissions are about 700 times larger than the emissions from their operations¹¹.

Point 2: The meaning of terms used in HSBC's advertisement (c) cannot be considered clear to consumers, in breach of principle 11.2.

11.2 The meaning of all terms used in marketing communications must be clear to consumers.

Advert (c) promotes HSBC's action to reduce emissions across its "operations":
"That's why our operations will be net zero globally by 2030."

This terminology is unclear. Consumers are likely to conflate this term with the idea that HSBC is becoming 'net zero' across its activities by 2030. However, the emissions of HSBC's 'operations' only include those associated with (e.g.) its offices' energy use, domestic waste and staff travel (Scope 1 and 2). HSBC's operations are likely to be seen by the public as providing money and financial services to its clients - the word 'operations' is therefore likely to be conflated with this core lending activity - not how much its staff fly to meetings. Given the bank's financing of fossil fuel companies, including companies which are actively expanding their extraction and use of fossil fuels (see **point 1**), the emissions associated with its internal operations are only a tiny proportion of the total emissions for which it is responsible.

This claim misleads citizens into thinking that HSBC is taking leading action on climate change by a 2030 timeframe, which is false.

The term 'net zero' is also one that causes confusion. The CMA's new Green Claims Code states that "*businesses should include accurate information about whether (and the degree to which) they are actively reducing the carbon emissions created in the production of their products or delivery of their services or are offsetting emissions with carbon removal.*" This clarity is lacking.

Point 3: Advertisements (a), (b) and (c) singly and collectively mislead consumers about the bank's total environmental impact, in breach of principle 11.4

11.4 Marketers must base environmental claims on the full life cycle of the advertised product, unless the marketing communication states otherwise, and must make clear the limits of the life cycle. If a general claim cannot be justified, a

¹¹<https://www.bloomberg.com/news/articles/2021-04-27/banks-produce-700-times-more-emissions-from-loans-than-offices?sref=gPAG2MJ8>

more limited claim about specific aspects of a product might be justifiable. *Marketers must ensure claims that are based on only part of the advertised product's life cycle do not mislead consumers about the product's total environmental impact.*

The advertisements in question each place misleading emphasis on HSBC's lower carbon activities. They each actively portray HSBC as a 'sustainable' bank, with imagery of renewable technology and trees, and the tagline "*Search HSBC Sustainability*".

These advertisements suggest and create the overall impression that HSBC as a banking service, business and brand has a positive environmental impact overall. This is false and misleading as to the bank's total environmental impact, which is strongly negative due to the massive amount of financed emissions for which HSBC is responsible (see **Point 1**). It flouts Section 11 of the Code, and is also in breach of the CMA's new Green Claims Code¹².

¹² <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims/environmental-claims-on-goods-and-services>