

Guide: Running Facebook Ads with WhatsApp CTA for Payday Loan Businesses

Easy-to-understand guide on running ads with WhatsApp Business call-to-action (CTA) for payday loan companies. This guide will help you understand the restrictions that happened and how to avoid them in the future.

1. Why Restrictions Occurred

WhatsApp's Financial Services Policy

WhatsApp has strict policies for businesses that promote financial services, particularly high-risk ones like payday loans. Since payday loans can involve high interest rates and short repayment terms, they are considered risky. WhatsApp and Facebook (both owned by Meta) are careful about allowing financial businesses to advertise because they want to prevent scams, fraud, and consumer exploitation.

Common Reasons for WhatsApp Account Restriction:

Violation of WhatsApp Commerce Policy:

WhatsApp doesn't allow promotion of certain financial services such as payday loans, cryptocurrencies, and unsecured short-term loans without proper licensing and transparency.

Misleading Information:

Any false or unclear details about the loan terms, interest rates, or fees can lead to restrictions.

Spam-like Behaviour:

If the WhatsApp account sends too many unsolicited messages or uses aggressive marketing tactics, it can be flagged for spam.

2. Why Facebook Stopped Running WhatsApp CTA Ads

Facebook's ad policies align with WhatsApp's guidelines on financial services. When you create ads with a WhatsApp CTA, Facebook checks whether the linked WhatsApp Business account follows their policies. If the WhatsApp account has been restricted, Facebook will not allow the associated ads to run. Here's why:

Financial Services Policy:

Facebook has specific rules for promoting financial products, including payday loans. Ads must be transparent, provide clear terms, and meet local legal requirements.

Prohibited Practices:

Facebook disallows ads that mislead users about loan conditions, interest rates, or repayment periods. Failure to comply results in rejection or banning of ads.

3. Do's and Don'ts for Payday Loan Businesses

Do's:

Transparency:

Clearly show all terms, interest rates, repayment schedules, and any fees in the ad and on WhatsApp.

Legal Compliance:

Ensure your business is licensed and compliant with local lending laws. Use terms and conditions that reflect the regulations of your region.

Use Proper Disclaimers:

Include disclaimers about the risks of payday loans and provide all necessary consumer information upfront.

Moderate Messaging:

Frequency: Avoid sending frequent, unsolicited WhatsApp messages, as this could lead to account suspension for spam-like behaviour.

Don'ts:

Don't Mislead:

Do not hide any fees, rates, or conditions. Misleading ads are not allowed and will get your ad campaign blocked.

Avoid High-Risk Terms:

Refrain from using words like “guaranteed approval,” “bad credit no problem,” or “instant loans,” as these phrases trigger suspicion about unfair practices.

Don't Operate Without Licensing:

Always ensure that your company has the necessary legal licenses to run and advertise payday loans.

Don't Spam Customers:

Avoid aggressive marketing through WhatsApp, such as spamming users with offers or sending unsolicited messages.

4. Best Practices to Avoid Future Restrictions

Follow Meta's Ad Policies for Financial Products and Services:

Always ensure your ads follow Facebook's guidelines for financial services ads. I will send a separate document for the policies that is easy to read and understand.

Provide Full Transparency on WhatsApp:

Use WhatsApp as a customer service tool rather than a sales-heavy platform. Be responsive to questions about loans, provide clear documentation, and avoid high-pressure sales tactics.

Regularly Review WhatsApp's Commerce Policy:

Keep up to date with WhatsApp's guidelines for financial services businesses. These are subject to change and need to be followed strictly. I will send a WhatsApp easy to understand document in this regard to go through.

5. Conclusion

By following these guidelines will be a good start to reduce the likelihood of future restrictions on your WhatsApp Business account and Facebook ads. Transparency, compliance with local laws, and adherence to Facebook and WhatsApp's policies are key to successfully running payday loan ads without being restricted.