COMPETITION AND MARKETS AUTHORITY 21ST CENTURY FOX / SKY MERGER INQUIRY Notes of a hearing with IPSO and IMPRESS held at Competition and Markets Authority, Southampton Row, London on Tuesday, 17 October 2017 PRESENT: FOR THE COMPETITION AND MARKETS AUTHORITY - Panel Member Sarah Chambers Tim Tutton - Panel Member FOR THE STAFF Joel Bamford - Project Director Sabrina Basran - Project Manager Tim Capel - Legal Director - Project Director Jennifer Halliday - Legal Adviser Conor McCarthy Rafia Saif - Project Officer FOR IPSO Charlotte Dewar - Director of Operations Matt Tee - Chief Executive FOR IMPRESS Jonathan Heawood - Chief Executive Officer Ed Procter - Chief Operating Officer Digital Transcription by WordWave International Ltd trading as DTI 8th Floor 165 Fleet Street London EC4A 2DY Tel No: 0207 404 1400 4043 Fax No: 0207 404 1424 Email: ukclient@dtiglobal.eu

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1	Q.	(<u>Mr Bamford</u>) Thank you for making yourselves available today. I am Joel
2		Bamford. I am the Project Director on the staff side of the inquiry. We will
3		start from our side with some introductions. You can see the names in front of
4		you but we will tell you who we are and what we do and then ask you to
5		introduce yourselves. Then we will go through some of the procedural points.
6		As I said, I am Joel.
7	Q.	(Mr McCarthy) I am Conor. I am on the legal case team here at the CMA.
8	Q.	(<u>Mr Tutton</u>) Tim Tutton. I am one of the panel members.
9	Q.	(<u>Ms Chambers</u>) Sarah Chambers. I am another panel member.
10	Q.	(<u>Mr Capel</u>) Tim Capel, Legal Director on the case.
11	Q.	(Ms Basran) Sabrina Basran, Project Manager on the case.
12	Q.	(<u>Mr Bamford</u>) And in the background?
13	Q.	(<u>Ms Saif</u>) I am Rafia Saif, Project Officer.
14	Q.	(<u>Ms Halliday</u>) I am Jennifer Halliday. I am a Project Director.
15	Q.	(<u>Mr Bamford</u>) And from your side?
16	A.	(<u>Ms Dewar</u>) I am Charlotte Dewar. I am the Director of Operations at IPSO.
17	A.	(<u>Mr Tee</u>) I am Matt Tee. I am the Chief Executive at IPSO.
18	Α.	(<u>Mr Heawood</u>) I am Jonathan Heawood. I am the Chief Executive of
19		IMPRESS.
20	Α.	(Mr Procter) Good afternoon. I am Ed Procter. I am Chief Operating Officer
21		at IMPRESS.
22	Q.	(<u>Mr Bamford</u>) Before we start, I will just set the hearing in context. We have
23		published, in this investigation, both the administrative timetable which sets
24		out the various steps along the way and also our issues statement which sets
25		out the things that we will be considering and particularly the types of
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evidence that we are interested in. The aim of this hearing is to explore some of those issues but, obviously, directly in relation to the fact that we regard you as the regulatory bodies for news publishers in the UK.

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We have previously sent you information around procedures and our treatment of evidence and so on. If you would like to amend or add to any of the things you say today we will be very happy to take those in writing, and we may follow up if we have any questions as well.

8 We will be taking a recording of the meeting. In the spirit of having an open 9 inquiry, we plan to publish a transcript of that on our website. We will put that 10 before you for accuracy and any confidential information as well.

One of the things that I am told by my lawyers I have to say at every one of these is that we need to remind you, as we remind everyone, that it is a criminal offence under section 117 of the Enterprise Act 2002 to provide false or misleading information to the CMA at any time including this hearing. We are hoping to hold this in the spirit of we will ask questions, looking for open, frank and honest answers.

Before we begin, do you have any questions for us? No, okay. So, I am just
going to kick off and then I will pass over to others around the table.

Just on newspaper regulation in general and, more specifically, post-Leveson, we understand that both IPSO and IMPRESS were set up following the Leveson inquiry. Before we ask questions of each organisation, we would be interested in the views of yourselves as representatives of those organisations and with your own backgrounds in the media as to the impact on the media following Leveson and in particular the Murdoch Family Trust-owned newspapers. So, this could arise from this inquiry itself or the impact that it

1 has had through the rise in social media or online provision.

2 I am going to open it up to whoever would like to talk first.

A. (<u>Mr Tee</u>) I will say a bit first. The first thing I would say is that I think it is quite
difficult in written news media, online and in print, to disentangle the cause of
certain things that you might observe happening. I can say that I observe
things happening but I would be very hesitant before claiming those to be an
IPSO effect, as it were.

8 Let me talk through some of the things that I think have happened that have 9 had an impact. The question of digital is unquestionably a very significant 10 issue for the whole of the news media industry, and for News UK no less than 11 others. In the time that we have been going, The Sun has both been behind 12 the paywall and come out from behind the paywall. That had the effect for us 13 of increasing the number of complaints we received; actually, not by a huge 14 amount but it did increase the number of complaints. If you can see an article 15 online it is easier to complain about it, I guess. I would point to that as a 16 significant factor.

17 Although News UK have some of the best-selling newspapers both in mass 18 market and in broadsheet, both of them are suffering from falling print 19 circulations. There is nothing new or different about that across the whole of 20 the news media industry. That pushes them into the desire for greater 21 audiences online, which both of them are achieving. The Times is notable 22 across the UK newspaper industry for having probably the hardest paywall of 23 any of the newspapers; essentially, you have to be a subscriber if you want to 24 access most of The Times's content. That has meant that, because you have 25 more difficulty getting access to their content if you do not pay for it, in some

ways fewer people see that content. That is a choice they have made. I
would say they appear to be more confident in that economic model than
some other newspaper companies are about the economic models that they
are pursuing. I do not know the numbers behind that but that is certainly the
impression that the company give.

6 In terms of the behaviour of newspapers post-Leveson, I would observe that 7 Leveson certainly had an impact. The fact of the inquiry had an impact. The degree to which what we see now is a product of that continuing or of 8 9 regulatory climate I think is open to some debate. I would certainly say - and 10 Charlotte would share this with me - over the period that we have been going I 11 think we have seen some changes in behaviour. I would not isolate News 12 Group newspapers particularly in this. An example might be the stories about 13 people undergoing gender transition. If you were to look at stories from three 14 years ago in the tabloid press about people undergoing gender transition you 15 would see perhaps a different tone of coverage than you might see today. As 16 I say, I would not claim that as a particularly IPSO effect but I think I would 17 observe it as being true.

Q. (<u>Mr Bamford</u>) Just to pick up, you talked about The Sun, pre and post paywall
and the difference in the number of complaints potentially driven by just the
sheer viewing numbers. Was there, in your observation, any change in the
type of article that was complained about?

A. (<u>Ms Dewar</u>) I would have to go back and check the numbers but I think there
is a huge distortion in our statistics why a very small number of articles get an
absolutely enormous number of complaints. I would be tempted to suggest,
although I would have to check that we have had more of those mass

complaints since the paywall dropped because, of course, people can then
share the link to the offending content. Of course, the existence of a paywall
did not prevent mass complaints before because people can also share
screengrabs or share quotations and we could still get loads of complaints
from people who never actually saw it in its originally published form.

Q. (<u>Mr Bamford</u>) When you talk about people sharing articles for the purpose of
complaints, are there any other online platforms or news providers who have,
essentially, used that tool to generate complaints against what is their
competitor or another organisation?

10 A. (<u>Mr Tee</u>) It is not a behaviour we see very much, if at all.

11 Α. There certainly is critical coverage, especially for newspapers (Ms Dewar) 12 that operate media news, but we do not see that as a major driver. The major 13 drivers are Twitter, Facebook and sometimes petition websites. I would just 14 say that those complaints are all dealt with as one complaint. We consider a 15 set of concerns about an item of coverage or about a behaviour. We do not 16 operate a petition system but that is a perfectly valid way for people to use 17 IPSO services as a means of registering a concern.

Q. (<u>Mr Bamford</u>) In terms of the impact of the media post-Leveson, have you seen a difference in terms of - you talked about a change of tone, for example - any particular story over the last three years? Have you have seen that the newspapers that you would regulate have a change in the impact around those stories as well, ie they get picked up in a different way or they have a different influence over what is discussed more generally through the media?

25 A. (<u>Ms Dewar</u>) I think conventional wisdom would be - and it may be true - that

the impact of the mainstream media, as it is now known, is being reduced by the existence of social networks and the ability that it creates for different people to have a voice. But I think it is often the case that what people are having a voice about is indeed content that is produced by the same mainstream media providers and a lot of what is shared is that content. It is very difficult to say whether the impact is changing, especially given the short period and the rapid changes.

8 Q. (Mr Tutton) Just following on from that point, do you have a sense of whether, 9 effectively, the greater impact of online is simply amongst groups who would 10 probably not read newspapers anyway? I am thinking particularly of younger 11 groups. So, how much is it simply the young consume news and media 12 generated through different means and, therefore, that has the effect you are 13 talking about? Or is it actually people who are already Times readers, FT 14 readers or whatever, just making much more use now of online? Or do you 15 get a feel for that either way?

- A. (<u>Mr Tee</u>) We do not do the same sort of research that Ofcom does, for
 example, on viewing. So, I do not know is the honest truth. If I look at my
 children's consumer habits, which is purely anecdotal, I would say they come
 across mainstream news because they are interested in a topic, not because
 they are seeking out mainstream news.
- Q. (<u>Mr Bamford</u>) Just turning to yourselves, whether you have any thoughts or
 observations around changes post-Leveson either in the complaints that you
 see or the way that the media that you regulate is put forward.
- A. (<u>Mr Heawood</u>) Yes, I would just make a few general points. The one thing to
 get absolutely clear is that we do not regulate any News UK publications. I

think you are aware of that. Constitutionally, we could regulate them, should they volunteer to be regulated by us. It is an optional voluntary framework and we are, obviously, open to that if that was what they wanted to do. So, these are general remarks rather than specific to News UK.

The big thing that has hit all of us since Leveson is the explosion in the sources of news media that are available, as we have just touched on. That has posed a really obvious challenge for regulation; what are we regulating; who are we regulating and on what basis, what authority, particularly when a publication is trans-jurisdictional and can be very ephemeral. You have such a spectrum now of types of news producer and disseminator, the simple publisher platform distinction does not hold any more. There are private news groups; people using WhatsApp to share news and to talk about news in a private forum. There are people commenting on news threads on newspaper websites and on new kinds of websites in a public forum but without any editorial oversight. Challenges within challenges there.

One thing that we certainly feel is that, actually, the Leveson framework of voluntary but incentivised regulation is actually a better fit with that landscape than it is sometimes given credit for. Most of our members are digital. They are digital-first publishers and most have been established within the last five or ten years. Some are much older and some have print outlets as well. I think the reason that they have joined us is because, partly, they actually want to be distinguished against all the other white noise on the internet. I am not talking about News UK publications. I am just talking about the general immensity of information which may or may not look like news and may or may not be news in any meaningful sense. These are publishers who come

from a journalistic background or who aspire to have journalistic standards and need some kind of kitemark of credibility, of trustworthiness.

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I think particular drivers for that with them are the debate around fake news, which has, obviously, increased public concern about who do you trust -- and also about hate speech. That is a much bigger topic now, partly because there are some quite well organised social media campaigns both against mainstream media and others for what they would do to tackle hate speech. So, I think members of ours, certainly, are looking for regulation as a way of protecting themselves from legal threats but also demonstrating that they are a bit different from the rest.

11 To that extent, you might say this framework fits guite well with the new digital 12 age of publication. Clearly, from a public policy perspective, there are still huge regulatory gaps and black holes out there. The challenge for all of us is 13 14 to decide whether we want to try to close those gaps and create a regulatory 15 landscape where everyone is regulated in some way, whether it is WhatsApp 16 or individual users or new media providers, or to retain this very voluntary 17 approach where, actually, in the absence of incentives to be regulated, you may see not only new media players choosing to be unregulated, you may 18 19 see old media players choosing to be unregulated as well, because who 20 wants to be regulated? On the face of it, it is not a thing you wake up in the 21 morning particularly keen to be.

So, the landscape, I do not want to comment on the content of what is going on but in terms of the social concern and trust in the press, it is lower than ever; particular concerns around fake news and hate speech and particular question marks for all of us who are in the game of trying to regulate corners

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of this very complex ecosystem.

Q. (<u>Mr Bamford</u>) When you talk about new, mainly online members having it as
a distinctive factor - "Kitemark" I think is the term you used - are you getting a
sense from them, having IMPRESS regulating them and them able to put that
on their website or in their blurb on their app, that they feel they have more
impact or more standing with a consumer base?

A. (<u>Mr Heawood</u>) Anecdotally, yes. I am not sure that we have got hard
quantitative evidence for that. It is very early days. Anecdotally, that is one of
the primary reasons they give for wanting to sign up in addition to various
slightly more tangible benefits that they get.

11 Ed might want to chip in there.

A. (<u>Mr Procter</u>) A good example of that is access to council meetings.
 Increasingly, local councils require news publishers to be part of some sort of
 regulation system before they will give them access to meetings. So, that is a
 tangible benefit for new online publishers of being regulated by IMPRESS.

A. (<u>Mr Heawood</u>) Similar to that, there is a scheme the BBC has recently
launched, the Local Democracy Reporter scheme, where they have made a
little bit of licence fee funding available to news publishers across the UK.
One of the conditions for access to that funding is being able to demonstrate
that you are complying with some kind of standards, for example, by being
regulated by one of us, essentially.

Q. (<u>Mr Bamford</u>) Thank you for that. I am going to turn to Conor who has a few questions.

Q. (<u>Mr McCarthy</u>) There are a few things that we are particularly interested in today, one of which is something we have touched on already, which is,

effectively, the impact post-Leveson of various regulatory changes which have occurred and how that has impacted in practice on the press and the standards within the press. We are interested in exploring also some of those changes in the regulatory framework and what those mean in practice relatedly. And, ultimately, also how you apply some of the standards in practice; it would be helpful for us to get a bit of a better understanding in relation to that.

The first question arises from something that was said a few moments ago about the fragmentation of the market for news post-Leveson, the WhatsApp groups, social media. Do you think in some way that has reduced the significance of IPSO or IMPRESS as regulators as opposed to the time of Leveson -- so, post-Leveson, are those market changes -- has that impacted on your significance as regulators?

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14 A. (Mr Tee) I do not feel it has a great deal. We still regulate all of the national 15 newspapers that are regulated. We regulate the vast majority of local 16 newspapers. I absolutely acknowledge that people have other news sources 17 these days, but what research has been done shows that they have news 18 brands which they trust more than other brands and those are often ones 19 which used to exist in newspaper format or probably still do. Certainly, the 20 number of complaints we receive is not going away. In fact, we received 21 15,000 complaints last year and we are likely to receive over 30,000 this year. 22 So, there is no sense, from our point of view, that the public are saying, "This 23 section of the media that is regulated by IPSO is less important and so we do 24 not care as much if we think they are breaching standards"; almost the 25 opposite in many ways. I do not get a sense of that.

1 I acknowledge people get news in different ways and we face a number of 2 challenges in, not least for us, a number of the newer digital news sites, 3 particularly the ones who are less organic perhaps than some of Jonathan's If you take people like BuzzFeed and the Huffington Post, 4 operations. 5 established in the way that, previously, a newspaper would have been 6 established, with quite significant staff; they have both taken journalists from 7 what we would call mainstream press. They are guite significant operations. You would have to ask them but my sense is they would be nervous about 8 9 being regulated by a UK regulator given that they see themselves as a global 10 operation, operating in a different way to traditional territorially based 11 newspapers. That is, unquestionably, an issue for us.

12 Still, I do not get a sense that news consumption in this country has shifted, to 13 a degree that makes our regulation less important, onto new providers of 14 news. The BBC is still a huge provider of news. The people who have 15 traditionally published newspapers in this country are still a significant source 16 of news for people.

17 Α. (Mr Heawood) It depends what you want regulation to do, really. If you have 18 an idea that news content regulation could exist in the same way that regional 19 healthcare regulation could where you could have the entirety of the 20 profession and industry braced by a single regulator or a cluster of regulators, 21 I think that is almost impossible to imagine in the modern news context. It 22 might have been conceivable 20 or 30 years ago in the UK. It is simply not 23 possible. So, you have to revisit what is it you are trying to achieve. If you 24 think that the underlying aim is to protect the public from the serious harm that 25 might follow from breaches of their individual rights, then the law has a job to

do as well as regulators. If it is about upholding standards of journalism, then we can do our bit. Ofcom can do its bit in relation to broadcasting. As long as - certainly for the press - we exist in a voluntary framework, we can only do it for those who choose to come on board, which is precisely why Leveson recommended incentives, for the reason that no one gets up in the morning wanting to be regulated. He said there is going to need to be some nudge factors. We still do not have those incentives.

8 The simple economic analysis - again, no judgement on the publishers in 9 question - would suggest that there will be a pressure against regulation over 10 the coming years in the absence of any countervailing pressure in favour of 11 regulation. It just seems absolutely straightforward opportunity cost analysis.

- 12 Q. (<u>Mr McCarthy</u>) You have mentioned the incentives. Is there any indication as
 13 to when those incentives might come into being?
- A. (<u>Mr Heawood</u>) The secretary of state announced to the select committee the other day that she is shortly to make her decision on section 40 of the Crime and Courts Act, which is currently the missing incentive. We, obviously, do not know what that decision is and we do not know what the parliamentary process is -- it would depend what the decision is what then has to happen next.

Q. (<u>Mr McCarthy</u>) Of course, yes. Just thinking then about Leveson and the
 regulatory framework, Leveson levied a number of specific criticisms to the
 old Press Complaints Commission. Those were that it was not so much a
 regulator but more effectively a complaints-handling body; that it suffered from
 certain structural deficiencies, one of which was the lack of independence; it
 had inadequate powers, especially regarding the effectiveness of its

investigations; and also that the powers at its disposal were under-utilised. Those were the four big criticisms of the Press Complaints Commission.

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I am just wondering if each of you could talk about the extent to which each of your organisations addresses -- or to the extent to which it addresses those criticisms that Leveson levied against the old Press Complaints Commission.

Α. (Mr Tee) I would say that our organisation addresses all of those. There will be some disagreement as to the degree to which it addresses all of those.

If we take independence, we have a majority of lay people on our board. Our board is chaired by a former Court of Appeal judge who was particularly known for being independent, possibly eccentric in his judging days. We have negotiated a budget with the industry which lasts till the end of the contract period. IPSO is established on a set of legally binding five-year contracts. Apart from one or two very exceptional possibilities, it is impossible for a publisher to leave that contract by themselves. We have agreed a funding settlement for all of that period and have that in writing. So, funding is not an 16 issue for us. I meet with the industry three times a year to update them on what is going on in the organisation. Other than that, the industry has no part in my organisation.

19 So, from an independence point of view, I think we have taken the structural 20 steps to ensure independence. In our situation, independence partly comes 21 from how you behave. I think we behave independently. I can say, hand on 22 heart, that no newspaper editor has ever rung me up to try to get me to 23 change a decision that we were about to make or have made.

24 So, independence I think we manage to a large degree. We have greater 25 powers than the Press Complaints Commission did. Those powers include

the power to carry out a standards investigation where we see breaches of
the code which are serious and systemic. We have not yet seen an instance
that, in the opinion of our board, meets that test. The test was intended by
Leveson to be a high bar and we have not yet seen anything that meets that
test.

6 I would say to others who will listen -- the independence of the regulator --7 part of our new powers were very specifically designed to make us more of a 8 regulator than just a complaints organisation. We still handle an awful lot of 9 complaints but we have a compliance function. So, every year, the 10 newspapers are required to report to us their performance against the 11 regulatory code and breaches of that code; also to tell us what training they 12 have in place for their staff in order to be compliant with the code; plus they 13 need to tell us what remedial action they have taken against any issues where 14 the code has been breached. An example of that would actually be within 15 News UK where they were found in breach on a statistical question, 16 interpretation of its statistics. One of the remedial actions was to get the 17 Royal Statistical Society in to give statistical training to their journalists and 18 wider editorial staff.

19 Have I missed one?

20 A. (Ms Dewar) I think you have covered that for us in terms of the different --

21 A. (<u>Mr Tee</u>) Do you want to ...?

A. (<u>Ms Dewar</u>) Yes. One of points that was identified by Leveson was this point
 about major investigations. He highlighted the inadequacy of the Press
 Complaints Commission's response to the phone hacking scandal and, in fact,
 the fact that it simply did not have the capacity, financial or in terms of the

personnel available. I think that is something; that we have an investigatory
 fund that is available that we can call on at any time for immediate infusion of
 funds, should we identify an issue that justifies it.

4 We have a standing pool of panellists who have been pre-screened for the 5 range of expertise of the kinds of issues that we anticipate could rise to the 6 level of justifying a standards investigation. We actually are having orientation 7 for - however many - 15 of them in the next 2 weeks, so they will be fully 8 trained and understand IPSO's powers. Our board are fully aware of the level 9 at which we would consider making an intervention. We monitor standards 10 issues that arise from complaints on an ongoing basis, looking across 11 complaints and also pulling from the annual statements. So, we are very 12 aware of not only major issues that could hit us but also the kinds of concerns 13 that could slowly accrue across a very large number of complaints and thus 14 constitute serious and systemic breaches even if they might not individually 15 rise to the level that causes public concern. We feel we are in a position to 16 act logistically when that moment comes.

17 Q. (<u>Mr McCarthy</u>) Is there something you would like to comment on?

18 Α. Yes. Just to return to Leveson for a moment, there are (Mr Heawood) 19 two aspects to the Leveson package of recommendations. One is that the 20 detail is fairly light touch where he sets out a number of criteria that any 21 regulator should meet in terms of its appointments, its constitution, its powers, 22 its independence, its funding and remedies, offers, et cetera. Crucially, he 23 says that this is not a self-assessment exercise. No regulator should be left to 24 tell the public or other stakeholders, "We are Leveson compliant". He says 25 there are obvious reasons why any regulator might wish to be perceived as

meeting these standards but they need to be externally assessed. That is the
 crucial 50 per cent of the recommendation.

3 So, in IMPRESS's case, we have gone through that process with the Press 4 Recognition Panel, the oversight body. It took nine months last year; PRP 5 reached the decision last October that IMPRESS does meet the standards. 6 That has been challenged by the News Media Association, which went to the 7 High Court, which published its decision last week, which was that the PRP reached the correct decision in the correct way. We can go into the detail, but 8 9 the key point is that we legally do everything that Leveson has distilled in the 10 Royal Charter and recommended.

11 Q. (<u>Mr McCarthy</u>) On that, can I just ask, in relation to IPSO, obviously IPSO has 12 taken the decision not to seek regulation.

13 A. (<u>Mr Tee</u>) The publishers that formed IPSO, to be honest.

- Q. (<u>Mr McCarthy</u>) Sorry, yes, of course. I just wonder if you can comment on
 some of the thinking behind that. I understand that is, essentially, a principled
 position and there is no intention at any stage to seek recognition.
- A. (<u>Mr Tee</u>) As I say, it was a decision taken by our publisher members as
 opposed to a decision taken by us. I think it was felt although you might be
 better asking them across a very broad range of newspaper companies,
 including the Guardian which did not eventually join us, that the mechanism of
 the Royal Charter, although at some arm's length from government was still
 too close to government for them to countenance.
- A. (<u>Mr Heawood</u>) One thing and I always make this point; I think it is really
 important for people to understand that, for a period throughout 2013, those
 publishers as represented by PressBoF, the body which was the historic

1 funding body for the Press Complaints Commission, actually advanced their 2 own Royal Charter. So, at that point, the debate was not over the principle of 3 royal charters; it was over the detail of these two competing royal charters, the 4 one which is the current charter which went forward with cross-party approval, 5 which creates an independent regulation body, and what was, for shorthand, 6 called the PressBoF Charter, which was broadly similar but suggested that 7 the recognition body should, essentially, be PressBoF; that, essentially, a 8 self-regulatory body should be overseen by another self-regulatory body. 9 That was also the subject of -- an appeal of the Privy Council decision to 10 approve the cross-party charter - it was, that was thrown out.

11 So, the principle is a slightly complex one to discern.

A. (<u>Mr Tee</u>) On the issue of the external recognition of how one is doing, while
we are not going to seek recognition from the Press Recognition Panel, we
did commission an independent review of it, done by Sir Joseph Pilling, a
distinguished former civil servant, who came out in a review saying that he
felt, given the stage of our development, that, both in terms of our
independence and effectiveness, we were doing as well as could be
expected.

A. (<u>Mr Heawood</u>) Can I just add one thing which has not been mentioned? You asked the question about what have each of the regulators done to address
Leveson's criticism of the PCC that it was just a complaints-handling service.
An important new service that IMPRESS offers which is a cornerstone of the Leveson recommendations is the arbitration scheme. IMPRESS offers a free-to-access arbitration scheme; that is free to access for members of the public. As of last week, that is also free to access for publishers as well.

IMPRESS has completed its first completed arbitration which led to a
 damages award being made against one of our publishers.

A. (<u>Mr Tee</u>) So, also, there is an arbitration scheme, which is not free to use,
certainly for publishers. It is a low-cost arbitration schemed for claimants.
Publishers pay significantly less than they would pay to go to court but they do
pay. We have no other source of funding other than our publishers and, to a
very small degree, claimants for the arbitration scheme.

Q. (<u>Mr McCarthy</u>) That discussion does lead me on to a separate question
although related. It is slightly invidious, so I apologise in advance. You,
obviously, both have slightly different regulatory frameworks. IMPRESS now
has a different Code of Practice which has been drawn up recently. Your
powers are both slightly different. I am just wondering if you could identify
perhaps the key differences and, importantly, what impact, if any, you think
that has in practice in terms of the effectiveness of your regulation.

15 Α. (Mr Heawood) It is hard to assess the effectiveness in a hard, quantitative, 16 economic way. I have to say, again, I think that there are all sorts of points of 17 detail differences in terms of powers, remedies, et cetera. We feel very 18 strongly that it is at the level of -- the fact of oversight is actually the most 19 significant difference. It is something which is very important to us and to our 20 members; just that guarantee that, as a regulator, that inevitable gravitational 21 pull towards the industry being regulated can be resisted by an equal and 22 opposite gravitational pull to ensure that we are kept on our toes by the Press 23 Recognition Panel. I certainly hope that that means, in the long term, that 24 IMPRESS can become a very trusted partner to the industry and to the public. 25 (Mr Procter) If I can add to that, one of Leveson's criticisms of a previous Α.

system of regulation was that it was not sufficiently accountable to the public
in terms of balancing accountability to the public with press freedom.
Obviously, what the IMPRESS scheme does through IMPRESS putting itself
up for external audit by an independent organisation is it ticks that public
accountability box which I think is a key distinguishing factor between
ourselves and IPSO.

7 Α. The reality is that both schemes are so closely modelled on (Ms Dewar) 8 Leveson that, in another context, it would be described as "plagiarism". 9 Really, the principal powers are the same; the codes follow similar principles; 10 the dealing with representative group complaints, which is another of 11 Leveson's recommendations -- the level of detail at which there are 12 distinctions is very fine. It feels very different, however, because of the 13 difference in scale in terms of the volume of work that we are getting through, 14 the nature of our publishers, the type of publishers they are. I think we will 15 probably, over time, grow to be different because the culture of the 16 organisation grows up and the ways of working grow up and they will grow up 17 in part around the types of issues that we are dealing with. It just simply is the 18 case that, certainly in the group of publishers there in IMPRESS now, it is 19 going to grow into a different organisation than a body that regulates the 20 Daily Mail, the Mirror, The Sun. They are just guite --

A. (<u>Mr Tee</u>) The key difference in impact is that the size of written words that we regulate compared to that which is regulated by IMPRESS is a very significant scale difference. I would also say, without putting too fine a point on it, we regulate everybody that caused concerns that led to Leveson in the first place.
Q. (<u>Mr Bamford</u>) Just to come back to the point Conor was picking up earlier

when you were talking through services, IPSO, the way you dealt with the four
key criticisms of the Press Complaints Commission. Two of them interested
me. One was around carrying out investigations and the other was around
compliance work particularly with respect to training and remedial action. In
terms of your staff hours and the amount of time that you would spend across
compliance work investigations and dealing with complaints how would that
be split would you say?

8 A. (<u>Mr Tee</u>) You are the Operations Director!

9 Α. (Ms Dewar) Yes. It is definitely safe to say the significant staffing focus is in 10 complaints, absolutely. We have eight complaints officers, and that is 11 handling not only complaints that are under investigation but also anyone who 12 complains to us about a matter that falls within our remit, if we decide there 13 was no potential breach of the code raised by the complaint, every single one 14 of those complainants receives an explanation tailored to their complaint, 15 explaining to them why, which we consider is part of the service that we offer 16 to the public. So, yes, that takes a lot of man hours.

On the investigations and regulation side of things, we have a head of
standards and a standards officer, and that also is the majority of my time as
well.

A. (<u>Mr Tee</u>) One point I would make is there is more volume within complaints,
and that is just the nature of receiving as many complaints as we do and
processing them in the way that we do. The head of complaints is of a similar
level of seniority to the head of standards.

Q. (<u>Mr Bamford</u>) In terms of the compliance work, is that a case of looking to see
that they have the right compliance processes in place, but do you also check

1 that those

that those processes have been followed with particular instances?

2 Α. (Ms Dewar) Yes. We get a very good sampling of compliance processes. 3 There are two things. One is we do manually check and make sure that, in terms of the elements of compliance that relate to their public-facing work, 4 5 they are all doing what they need to do. This has been a huge change from 6 the PCC to the IPSO era that all of these publications have complaints forms 7 or a page on their website; there is a very clear way to complain. They all have an apparatus. They have all, especially the national papers, hired new 8 9 compliance staff. They operate more like companies should. They offer corrections columns, so they are correcting things every day. That is a huge 10 11 change. That is one side.

12 In terms of how they actually are dealing with those complaints, we see many 13 of those because if something is not dealt with to the satisfaction of the 14 complainant in the first instance they then are -- this is part of a requirement 15 by IPSO that the publication has to inform the complainant of their right to 16 come to IPSO in relation to anything that relates to the Editors' Code. So, 17 they then come to us. Obviously, those are the unsatisfied customers. So, 18 we have an opportunity to review what they have done and we require them 19 to supply - usually, the complainant will provide it but, if not, the publication 20 needs to - copies of any correspondence. If there is anything there that raises 21 concern we will be aware of it; it will be part of the standards team's review of 22 the complaint. In fact, in the context of an accuracy complaint, which is the 23 majority of the complaints we receive, a failure by a publication to promptly 24 correct an inaccuracy when it has been recognised is, in itself, a breach of the 25 code. So, we can and do uphold complaints simply on the basis of, okay,

maybe there was no failure in terms of how that got into the paper in the first place or online in the first place but that person then used your complaints form, wrote in, said this is a problem, and you did not fix it; you did not fix it promptly or properly. We will then uphold the complaint for that.

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A. (<u>Mr Tee</u>) I will give you an example of where we have observed an
improvement in compliance and that is partly -- it is why separating out
compliance from complaints is a slightly artificial thing to do.

8 If we were to take subterfuge; use of subterfuge is a breach of Clause 10 of 9 our code which you can overcome by demonstrating a public interest. We 10 require that public interest is demonstrated before the subterfuge is used. 11 You cannot just do it and hope you get some good answers. I think it would 12 be fair to say that it is obvious, from the evidence we are given by 13 newspapers to prove that they took appropriate steps to establish the public 14 interest before the decision was taken and that the decision was taken at the 15 right level, that is now -- when we begin an investigation we now almost 16 always receive a stack of emails that demonstrates an audit trail for those 17 decisions; they demonstrate the right meetings were held with the right people 18 and that those meetings were recorded and those decisions were recorded. 19 The degree of formality behind something like that which is a potential code 20 issue has become, I would say, much more rigorous.

Q. (<u>Mr Tutton</u>) Just coming back really to the point - you probably touched on it
earlier as well - and it is the regulatory versus complaints sub-issue. You
have a complaint. You have a finding. Let us say, for the sake of argument,
the finding finds a fault, a problem with the publisher. You take action in
respect of that complaint. What do you then do, if anything, in terms of either

remedying or ensuring that the underlying processes within that, or, in fact,
publishers generally take on board that particular finding?

Α. 3 (Ms Dewar) That is two questions, really. It is that publisher specifically and 4 In terms of that publisher specifically, the then publishers generally. 5 publications at the end of the year -- and, actually, somewhat surprisingly to 6 me, to be frank, this has ended up being one of the most useful functions that 7 was introduced by Leveson. It is the annual statement function whereby, at the end of the year when the dust has settled, the publishers must go down 8 9 the list of any upheld complaints they have had in the year, just anything that 10 is upheld by IPSO, and explain what they have done to try to prevent a 11 recurrence. It totally does away with the situation where an editor has a bad 12 day, getting the email saying, "This has gone against you", and another bad 13 day the day that the adjudication in question has to be published; and then it 14 is in the bin and you move on to the next thing. You have to be able to show 15 what you have done to fix it. That is in terms of the publication in particular.

In terms of in general, any complaint that falls, that raises any potential breach of the code is reviewed by our standards function and standards officer including those that have been resolved amicably with the parties, including those that have been resolved in the publication's internal complaints process if it has come through IPSO. If we see trends, we will consider what to do about it. The main way that we have reacted so far is by issuing guidance.

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We are actually momentarily going to be issuing guidance on reporting of deaths and inquests, which, actually, is going to be accompanied by public information about how reporting on deaths and inquests worked. When the standards team did the analysis, they saw two themes arising; one, journalists

1 really struggling with how to apply the concept of handling publication 2 sensitively, which is a requirement in Clause 4 of the code, but also a lot of 3 public confusion about what their rights were and what they should expect. In 4 particular, one issue that comes up time and again is inquests. The fact that 5 inquests are open to the public and to journalists causes people a lot of grief 6 when they were under the misimpression that they could keep it from granny 7 that the death was a suicide or from the children or -- that is a regular theme 8 of complaint. We are hoping that we can speak to both audiences and draw 9 for the record on those.

Q. (<u>Mr Tutton</u>) That raises a quite important point. In a sense, you have the code which is intentionally high level and then you have the guidance which comes down and, clearly, you can modify the guidance. Have you or have you thought about, in the light of complaints or what has happened, modifying the code itself in any respect?

15 Α. (Mr Tee) I sit on the Code Committee with my chairman and there are three 16 lay members and there are some editors on the Code Committee. The 17 editors are in a majority; it is called the Editors' Code for a good reason. Our view is that what that leads to is an ownership of the code by editors. It is felt 18 19 to be their professional code. I can see arguments for it either way but I think, 20 on three years' reflection, both my chairman who I sit with and I were a bit 21 sceptical about the rightness of that at the beginning, would say there is a 22 great strength in the system by having a majority of editors on the Editors' 23 Code Committee. In order to change the code, any changes to the code have 24 to be passed by the full IPSO board and by the full board of the Regulatory 25 Funding Company which is the industry representative body. It is not just

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decided by the editors.

The code is open to change at any time but, at regular intervals, currently two-yearly, there is a public consultation about changes to the code. That consultation takes in as well as submissions from any member of the public or any group, suggestions from industry for changes to the code and suggestions from our experience about possible changes to the code.

- Q. (<u>Mr Tutton</u>) Just a final one on this; the guidance that you have, is that in the
 public domain?
- 9 A. (<u>Ms Dewar</u>) Yes, absolutely.

A. (<u>Mr Tee</u>) Yes. There is a thing called the Editors' Codebook which is
intended to be the learning from IPSO rulings that applies to individual
clauses of the code. That is available on the website for anybody who wants
to see it.

14 Q. (<u>Mr Tutton</u>) As far as you know, has that become part of journalists' training?
15 A. (<u>Mr Tee</u>) Very much so.

A. (<u>Ms Dewar</u>) One of the motivations for us or one of the values of issuing the guidance is editors are very keen at all levels, genuinely, to avoid getting into trouble. Everybody is under pressure, so, for us, it is a question of helping them; giving them resources to get some certainty about where the lines are.

20 Q. (<u>Ms Chambers</u>) The guidance sits below the code.

21 A. (<u>Ms Dewar</u>) Absolutely.

Q. (<u>Ms Chambers</u>) Is it greater detail? It is a how to and a reacting perhaps
more --

A. (<u>Ms Dewar</u>) It tends not to be how to. As someone who has had a lot of painfully detailed experience in coming up with guidance, people do not want

to be told what the answers are but then they also do want to be told what the
answer are. The form it almost always takes and I think, actually, the most
useful form it can take is questions; telling editors what are the considerations
that the Complaints Committee will expect you to point out.

5 Q. (<u>Ms Chambers</u>) So, it is things that they need to think about?

6 A. (<u>Ms Dewar</u>) Yes.

Q. (<u>Ms Chambers</u>) At the top, you have people who have breached the code,
breaches of the code; so, you can tell who the naughty boys and girls are by
people who have breached the code. I just wondered if there is another layer
below that of publishers who you have discovered have fairly regularly sailed
quite close to the wind and have pushed at the guidance - but I am not quite
sure if that is the role that the guidance plays - and are getting close to
breaching the code but are not quite there.

14 Α. (Ms Dewar) First of all, people sometimes make bad decisions in good faith. 15 People can, with the best will in the world, sometimes breach the code. I think 16 we are very comfortable with that. Part of freedom of expression is 17 sometimes making the wrong decision, particularly when you are operating under short deadlines. So, I think it is up to us to draw the line and it is up to 18 19 the Complaints Committee and, ultimately, in very serious cases, the board to 20 judge what is an appropriate remedy. Part of that will be whether or not there 21 was something wilful about this, whether people were pushing at it and trying 22 to get away with something or whether or not it was just a judgement that fell 23 on the wrong side of the line.

Q. (<u>Mr Capel</u>) Just following up on that actually, I am interested that the
preamble to the code talks about the spirit, not just the letter. So, I wonder if

you could just say a few words following up on what you have just explained
about how you would take that into account if, as Sarah mentioned, someone
was sailing a bit close to the wind. It is quite a hard thing to pin down; it is just
whether you have thought about how to do so.

A. 5 (Ms Dewar) Yes. I think the spirit in which iournalism has been made is very 6 important. Sometimes, we do have situations in which none of us feel 7 comfortable personally with the decision that has been taken and we may 8 disagree very strongly, for example, with an editorial line that has been taken. 9 It is very important; sometimes the Committee will choose to note its 10 disagreement or to gesture its disagreement with the decision that has been 11 taken. Acting as a regulator means acting with discipline sometimes and we 12 have the Editors' Code. Those are the rules that we enforce. We have our regulations and we need to act proportionately, and part of proportionality is 13 14 being consistent about applying the code.

15 Q. (Mr Tutton) It may be repeating the question in a slightly different way, in 16 which case the answer is probably the same; it is in the public domain but 17 there was at least a slight disagreement between the Secretary of State and 18 Ofcom on whether to refer broadcasting standards to the CMA. Part of that seems to be -- and I just say "seems" because, in a sense, Ofcom was 19 20 looking at compliance records, the Secretary of State was saying - your 21 point - it is all about the spirit as well. I was just wondering whether you have 22 any thoughts about, other than compliance records, what sort of evidence 23 there is which could be relevant to considering whether someone has 24 behaved in the spirit of something. I could see an argument. I am not saying 25 somebody has but I can see a theoretical argument being put which says,

"Fine, we understand the compliance is not what all this is about but what else is there?" What else is there apart from evidence on compliance?

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3 Α. (Mr Tee) When it comes to the spirit of the code we would generally take the 4 view that the clauses the code can follow are the demonstration of the spirit. 5 So, we would always be hesitant if somebody was unable to say how a piece 6 of journalism was wrong by being able to cite which clause of the code it had 7 broken but wished to envelop it in a general, "But surely it is against the spirit of professional journalism". So, for us, I think the spirit of journalism is 8 9 explained by the clauses of the code and those are very much the things on 10 which we would judge whether a piece of journalism was in breach of the 11 code or not.

12 Α. (Ms Dewar) Just building on that, maybe in a way we take this for granted. 13 Maybe the way in which the spirit of the code has practical consequences is 14 that the Committee takes a very common-sense approach and it is not a 15 legalistic, technical, looking -- a very clear example is Clause 6 of the code 16 prevents interviewing and photographing children on issues related to their 17 own or another child's welfare without the consent of the parents. The 18 Committee has decided over a long period and in various rulings that, when 19 you say "interview", it would not be appropriate just to take that as the 20 journalist has a microphone and, "What is your name? Tell me about this 21 medical information". It is taking information about children. Using comments 22 posted by a child on a JustGiving page would be considered interviewing. 23 Similarly, photographs; you do not have to have your photographer standing 24 there, taking a picture of the child; it also includes taking photographs from 25 Facebook that have been put up, without the parents' consent.

That is the way in which we think of it. We do not look at things in a highly
technical way. It is, "Is this the behaviour and the protection that the code
was meant to create?"

Q. (<u>Ms Chambers</u>) Does that mean you can find somebody in breach even if
they can try to argue in a rather legalistic way that they did not actually
interview the child? Are there cases in which you have found actual breaches
where, on the strict legal interpretation of the words, they might say that is not
quite what they did?

A. (<u>Ms Dewar</u>) We have to be very careful to not start imagining that the code says something other than what it says, and to be consistent. The example that I gave about children, editors know very well that this is the position and that we are not going to not uphold the breach of a child's privacy on the basis that they used the photo from Facebook rather than taking the picture themselves. That is different from just imagining that the code says any old thing because we do not like it.

16 Q. (Ms Chambers) Sorry, we are hammering away at this because this goes 17 right to the heart of our inquiry really. There must be a transitional stage where perhaps you have not made it as clear as anything what an interview 18 19 means and, therefore, publishers might genuinely believe that the words say 20 what the dictionary definition is, and so you might perhaps not find them in 21 breach. I just wonder if you have any feel for the sorts of publishers, or are 22 there publishers, do you think, who regularly or more than once or twice try to 23 push up against that boundary before the boundary has been clarified? 24 A. (Mr Tee) It is not a behaviour that I recognise. I look across all of the 25 complaints that reach our bar for being worth investigating and what I see is

editors and journalists taking judgements about whether something is within
the code or not. What I do not see, and I see hardly ever, is something where
I think, "You knew that was against the code or you thought that was probably
against the code and you were wiggling on a basis of semantics to try to keep
within it".

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Q. (<u>Ms Chambers</u>) That is not what happens?

7 A. (<u>Mr Tee</u>) I do not get any sense of that from any of our publishers.

8 Q. (<u>Ms Chambers</u>) That is what I was getting at.

9 A. (Mr Heawood) Can I bounce a question back or posit something which might 10 make it -- with all -- it is whether it is relevant here to look at a particular 11 publisher's record, for instance, in relation to the question of regulation more 12 generally; the way it has used its editorial pages and its corporate muscle and 13 its legal muscle to push a particular preferred model of regulation and to really 14 try to suppress an alternative model. For instance, if a newspaper has used 15 its pages routinely to denigrate and to distort people who stand up for another 16 version of regulation; I just do not know, for your inquiry, whether that is 17 relevant information that might evince a kind of attitude towards regulation.

18 Q. (<u>Mr Bamford</u>) Can you give an example of what you are thinking of?

19 Α. Say a newspaper was to consistently run coverage of a (Mr Heawood) 20 regulator like IMPRESS that was distorted and at times inaccurate and it has 21 a preferred regulator like, for instance, IPSO which it writes about in very 22 different terms; it writes about the politicians who back one in different terms; 23 it writes about the campaigners who back one in very different terms; it writes 24 about the judge who recommended that particular framework in very different 25 terms; would that go to the question of attitude towards regulation? You do 1

not have to answer this.

2 Q. (<u>Ms Chambers</u>) We will not be able to come up with an answer.

A. (<u>Mr Tee</u>) I should say, just for the record, that we have never received a
 complaint from anybody at IMPRESS about any of that.

5 Q. (<u>Ms Chambers</u>) We are not really in answering mode, I am afraid.

Q. (<u>Mr McCarthy</u>) Just going back to the question of the code, IMPRESS, I
believe, has, effectively, reformulated it, because previously, until July of this
year, IMPRESS applied or would apply the Editors' Code. Then the decision
was made, I suppose, at some time in the last year or so, to amend or depart
from the Editors' Code. What was the thinking behind that? Can you talk to
some of the most significant changes and why those changes were made?

12 Α. (Mr Heawood) Leveson said that it was not his job to write a code. He said 13 that was one of areas he wanted to stand back from. Nor was it the job of an 14 oversight body or parliament or government. It was a job for the regulator. 15 He was very clear it was a job for the regulator and not the regulator's 16 members, and that the code should be the ultimate responsibility of the board 17 or the regulator. He recommended that any code that was adopted should be 18 subject to thorough public consultation. He had very minimal requirements. It 19 should address standards in relation to accuracy; respect for the rights of 20 individuals, in particular privacy; and the distinction between fact and opinion. 21 So, they were minimal requirements. Other than that, it is the job of the 22 regulator to devise a code in response to consultation. So, we always went 23 into it with that being the plan. It was simply the Editors' Code was the initial 24 standards code.

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The consultation process, there were several stages. The first was actually to

1 look at a whole range of codes from around the world, the current Editors' 2 Code and the BBC Code and the NUJ Code. We looked at about 56 in total 3 and we tried to distil what the really core themes were. Accuracy is always Sometimes it includes, even in press codes, a requirement of 4 there. 5 impartiality which is very alien to our tradition in this country in relation to 6 press regulation. When you look at this you find every country is different. No 7 two codes are the same, but you can find some common DNA way back in 8 the genes. Accuracy, privacy and respect for the rights of children is actually 9 a very common theme.

10 So, we took those as our starting point. We then consulted on those. We did 11 some focus groups, asked the public to rank various potential code 12 requirements. Again, those things came out top but discrimination also came 13 Again, actually, the public are not very familiar with the into the mix. 14 distinction between a press-based accuracy code and a broadcast-based 15 impartiality code. One of their great complaints is that the press is partisan. 16 That is one of the things that most of us who come from a journalistic 17 background take great pride in and take as particular for the course.

18 Q. (<u>Ms Chambers</u>) That is the point.

A. (<u>Mr Heawood</u>) We did not meet their desire for a requirement for impartiality.
We said, "Actually, no, we think, in the context, accuracy is the requirement,
not objectivity, because we have a plural landscape and we think overall that
is what we are here to support".

So, various preferences came out from the public as to what they would like to
see in the code. We then drafted a code which responded to most of that but
dealt with the question of accuracy rather than objectivity. And the real crux

1 was this guestion of discrimination and hate speech and how you frame a 2 code in a way, given that freedom to be partisan. So, we are not in an Ofcom 3 context where the BBC, ITN, Sky would have to be much more careful about 4 expressing opinion. We are in a context where people may have strong views 5 on issues of religion: maybe even on issues of disability rights or LGBT rights 6 and they want to express those views. To introduce a simple blanket 7 protection against any content that might appear to discriminate against a 8 group, in the eyes of that group, we felt, was going to be unworkable.

So, what we have is a couple of clauses which are very similar to the Editors'
Code with respect to the rights of individuals to be free from explicit
discrimination but we introduced a new clause which protects the rights of
groups to be free from incitement to hatred. We see that as setting a much
higher bar and following the law, broadly, in that respect where, if it was a
religious topic, there is a bit more latitude than there would, for instance, on a
discussion about race.

Q. (<u>Mr McCarthy</u>) In relation to accuracy, I think it is right to say that the IPSO code, effectively, prohibits the publication of inaccurate information or inaccurate stories. The IMPRESS code is placing the duty on editors to ensure the publication of accurate information. Do you see that as being a different approach and, if so, how?

A. (<u>Mr Heawood</u>) Our requirement is to take care -- I forget the exact wording. I
 certainly do not think there was an intention to depart radically -- have we got
 the code there?

A. (<u>Mr Procter</u>) I do not think we see great -- the main difference around
accuracy is that the IMPRESS code does define due prominence as normally

1		meaning equal prominence. I think that is a slight difference.
2	Α.	(Mr Heawood) This is the old issue of, if you have a headline of which bits are
3		bound to be inaccurate, do you correct it with a little down page
4		correction?
5		"Must take all reasonable steps to ensure accuracy", I guess. And yours
6		is?
7	A.	(<u>Ms Dewar</u>) Take care not to publish
8	A.	(Mr Tee) Not to publish inaccuracy or distorted information or religious
9	А.	(Mr Heawood) I do not remember from the Code Committee deliberations a
10		particular significance to that.
11	Q.	(<u>Ms Chambers</u>) A negative, no.
12	A.	(Mr Heawood) A different language. I suppose there is a general sense of
13		just stress the positive and try to set
14	Q.	(<u>Mr McCarthy</u>) It may be a slightly lawyer's techy question but actually it does
15		not have any impact in reality, potentially.
16	Q.	(Mr Capel) Maybe more broadly you mentioned that a lot of complaints you
17		get relate to accuracy. If you could just give a little bit of a distillation of how
18		you approach accuracy, what it means and when you would worry that
19		something was inaccurate.
20	Α.	(Ms Dewar) I think our approach is really in two parts. The first is really the
21		procedural one, which is that the wording of Clause 1.1 of the code of taking
22		care not to publish inaccurate, misleading or distorted information is very
23		much about the process of reporting. You could further break it down into
24		two parts. One is what have you done in terms of the reporting of the story?
25		Who have you called? Are you able to show that you have contemporaneous
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notes? The mechanics of good journalism. The second part of that taking
care requirement is how it is presented. If there is a denial where is that
denial? Are people going to see it? Are you suggesting that you know
something is true when, in fact, you just believe something is true or have
deduced it from various facts and, if so, are you clear on what your reasoning
was there? So, that is taking care.

The second half is recognising that things can go wrong, whether or not you
have done a good job in terms of getting it into the paper or onto the website.
That is about recognising and behaving properly when something has gone
wrong. That is inaccuracies being corrected and, if appropriate, apologies
being published in the right cases.

12 The final bit which comes into play and really goes back to some of these 13 themes is about distinguishing between comment, conjecture and fact. That 14 is always, in some ways, the most difficult because that is an overarching --15 sometimes, that covers the same issues as the first part in terms of the way 16 that you present the story but it can be a lot more tricky because one person's 17 claim that appears to be a fact but is actually opinion could be another person's analysis piece. So, that can be very difficult to apply in the real world 18 19 and try to imagine how readers would have understood in a world that blends 20 fact and comment so much. Readers want that sort of information.

A. (<u>Mr Heawood</u>) In terms of our regulatory activity, it is fairly early days. Of the
accuracy complaints we have received or inquiries that we have had, the
anecdotal assessment would be that what we are seeing is that a lot of it
comes down to the nature of the correction; most of our members seem to be
quite keen to correct something if it is drawn to their attention. I do not think
we have yet seen a publisher -- but once, we have seen a publisher who was
very determined that the essence of the story was totally accurate. Normally,
they accept, they may have got some detail wrong and they correct that and
the dispute comes down to the nature of the corrections for the sentence the
complainant wanted to see.

6 Q. (Mr McCarthy) Just to go back, to summarise or encapsulate some of what 7 was discussed earlier, as I have understood what has been said, in particular by IPSO, in terms of your regulatory function, effectively, it breaks down into 8 9 three broad categories. There is the complaints-handling element of things; 10 then there is the possibility of a standards investigation; then the third element 11 is the regulatory function in respect of the annual statements. Effectively, it is 12 reviewing the annual statements and potentially raising concerns with publishers in respect of themes or underlying problems. Does that, broadly, 13 14 encapsulate the three elements of things?

A. (<u>Ms Dewar</u>) We are engaged in regulatory activity on an ongoing basis, so
compliance activities in terms of monitoring they are up to all standards, it is
happening all the time, and decisions about whether to issue guidance; or
sometimes, occasionally, if we see something concerning, we will contact a
publisher and raise an issue on an ongoing basis. So, I would be hesitant to
say that it is all about -- because, at the end of the year, we say, "How did the
year go?"

Q. (<u>Mr McCarthy</u>) In terms of the ongoing activity, could you maybe talk through what that involves a little bit; other than the statements or complaints handling but this residual activity, on an ongoing basis, what would that involve? Is it spot checks on publishers or is it a question of reviewing publications?

1 Α. (Ms Dewar) Yes. The key thing is complaints analysis. Any complaint that 2 has any potential merit, it is reviewed at the conclusion of whatever IPSO's 3 involvement is. So, any complaint that comes to us that has potential merit, that is a potential breach of the code, unless it has already been through the 4 5 publications in the normal complaints process or unless there is some reason 6 not to which may be specific to the case, gets immediately sent, forwarded to 7 the complainant's internal complaints process. Some complaints, that is all 8 we ever see of them because they are resolved to the satisfaction of the 9 complainant within the publications process and that is the end of it, all the 10 way up to complaints that go the full length to a decision by the Committee, all 11 of those are looked at and we have unbelievable spreadsheets of themes and 12 key complaints.

13 Every two months we have a Liaison Committee meeting. That is a 14 committee that involves members of the executive -- the board and the 15 Complaints Committee. They review the latest key points from the complaints 16 analysis and any themes that have accrued over the previous year and 17 discussions of where there are particularly serious co-breaches, so anything that requires publication of adjudication. There will always be discussion 18 19 about whether or not we need to be doing more and how that concern fits in, 20 which could be just we are watching it to see if there is a trend developing 21 here all the way up to something more serious. Or we are looking at guidance 22 or whatever the case may be. So, the Liaison Committee has oversight over 23 that on a cross-organisational basis and can decide whether or not the 24 executives' proposed action is proportionate.

25 Q. (<u>Ms Chambers</u>) Do you have a time series of stats on complaints by theme

and by publication?

2 Α. (Ms Dewar) We do not. It is much more theme based than publication based 3 for the most part. Obviously, we are very aware for these internal purposes 4 we are not making determinations about whether there have been breaches 5 of the code. That is for the Complaints Committee. It is more looking in a 6 more qualitative way as to whether or not issues are arising. An example 7 would be the deaths guidance that I mentioned. That was something that came up in a complaints analysis. As I said, it was not so much necessarily 8 9 that there was a problem with compliance in the sense that we were not 10 having an extraordinary number of breaches of the code. It was not 11 something that was going to be flagged with lots of upheld complaints; it was 12 that we were having a lot of substantive complaints about it, regardless of 13 whether or not they were actually being found to be in breach. So, it felt that 14 we needed to be communicating with our members about how to comply 15 more and we needed to be communicating with the public about what 16 expectations were --

- 17 Q. (<u>Ms Chambers</u>) You do not have a top five publications to watch at the
 18 moment?
- A. (<u>Ms Dewar</u>) The board does. The board gets reporting at every meeting;
 they get the headlines of all upheld complaints for the year.
- Q. (<u>Ms Chambers</u>) It is just on the basis of complaints that have been upheld; it
 is not on any other more qualitative ...?
- A. (<u>Ms Dewar</u>) Yes, it is very important for us to not just be saying that we think
 something looks a bit odd without having any information.
- 25 Q. (<u>Ms Chambers</u>) So, it is the upheld complaints. Do we have proof of that?

1 Q. (Mr Bamford) Is that the same as reported in your annual report?

2 A. (<u>Ms Dewar</u>) Yes.

3 Q. (Mr Tutton) It is an interesting point you raise there, going back to the earlier 4 question raised; if you were looking for evidence of problems which were not 5 purely there in compliance stats, in other words the compliance stats which 6 are upheld complaints -- but it is just in the way that complaints may be 7 providing what other context to call leading indicator or something of where 8 there is an issue arising which may still be a problem even if it has not caused 9 an upheld complaints and it may lead you, as here, to think that, actually, it 10 needs more refined guidance or whatever it happens to be. So, actually, 11 complaints and upheld complaints may both be interesting indicators of 12 something.

A. (<u>Ms Dewar</u>) They may be, and that something could be a standards issue but
 it also absolutely could be a disconnect between public expectation. It is a bit
 like what Jonathan was saying about the public allegedly wants non-partisan
 publications --

17 Q. (<u>Ms Chambers</u>) Impartiality.

A. (<u>Ms Dewar</u>) -- which you would not say, looking at newspaper subscription
figures, is necessarily what they really want. Again, it could be a disconnect
of a different kind.

Q. (<u>Mr Bamford</u>) In terms of themes or looking at those trends, does that ever
lead you to go and look at a particular publisher's or a group of publishers'
actual compliance processes; even though complaints may not be upheld you
might have a concern raised that, on a particular type of complaint, there is a
process that needs to be addressed?

A. 1 (Ms Dewar) Honestly, we have had occasions where we have had concerns 2 about complaints handling within an individual complaint. There are examples 3 of Committee decisions that note those concerns. We can certainly provide 4 some examples. That could be just the Committee choosing to make public 5 its concern and displeasure about that or it could be that it notes that in terms 6 of deciding what the remedy is necessary for a breach. It is also open to it to 7 comment, even when not upholding a complaint, that it has some concerns. 8 So, we do put that out in the open through those individual complaints. If 9 there were severe problems in the handling of complaints, if severe enough, 10 that could be grounds for a standards investigation but we have not got any of 11 that.

Q. (<u>Mr Bamford</u>) Is there a sense that, in your looking at different publications'
compliance processes, you see clear differences in quality or types of
processes that are put in place? Do you have ones that you say, "You are a
large publication. Your processes cover the bare minimum. We think you
need to up your game"?

17 Α. (Mr Tee) I would say I do not see anybody who does not provide an adequate 18 compliance process -- and adequate complaints-handling process. If we did, 19 we would do something about it. I see different models of handling 20 complaints processes. Particularly if you take some of the local newspaper 21 groups, some of them will handle complaints that are more group level; some 22 of them will have them devolved down. If we saw something that was 23 impeding our ability to work on behalf of complainants to resolve complaints, 24 then, as Charlotte says, we might say something in a judgement on an 25 individual complaint and, if we thought it was a systematic problem across a

publisher, then we would begin the steps that might lead to a standards
 investigation.

Q. (<u>Mr Bamford</u>) In terms of when complaints actually come in to you, there can
be a dissonance between a process that is set out in writing and the way it
happens in practice. Is that something that is dealt with through the
complaints process and would be particularly highlighted for the complaints
process?

8 A. (<u>Mr Tee</u>) What sort of dissonance?

9 Q. (<u>Mr Bamford</u>) For example, it could be the process is the complaint will be
10 dealt with in X number of days or it might be escalated to a certain person
11 within a certain number of days and the complaint could be dealt with but not
12 with that speed or with that level of escalation.

13 Α. (Mr Tee) If we were to send you some of the adjudications we have made 14 where we have been critical of the complaints-handling process within a 15 publisher, you would see that that is the sort of thing we would pick up on. 16 We generally have a seven-day turnaround period on correspondence. If 17 publishers are taking a lot longer than that without due cause then we might 18 well say something about that in the adjudication. If we felt that the publisher 19 could have resolved the complaint by giving a more fulsome correction in the 20 first place, we might mention that.

We are not entirely neutral about how those processes are handled. The regulations set out some very clear deadlines and appropriate handling of those complaints and we expect our publishers to stay within those.

A. (<u>Ms Dewar</u>) Yes. It may be helpful to distinguish two quite different things.
One is the period during which a complaint is with the publication's internal

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complaints process. The second is once an IPSO investigation begins.

In terms of the bit where it is over to them, first of all, when we send the complaint to the publication. At that point the complaint is assigned to a complaints officer and that complaints officer's contact details are known to the complainant. They are told that if they have any concern or question or anything arises -- because we are aware of the concern of inequality of arms and that complainants do not necessarily know what their rights are or what the resolution possibilities are. So, they have someone they can call and speak to or email at any point.

10 That process can only unfold over a maximum of 28 days. So, if the 11 publication concerned is failing to come to grips with it, first of all they can 12 come to us at any time. In fact, we tell complainants again at the time that we pass them over, "If you do not hear from them within seven days contact us 13 14 and we will follow this up and make sure --" it is not a formal deadline but, 15 obviously, if something has been sent to the wrong email address or someone 16 is on holiday or whatever, we would like that to be able to be addressed while 17 the publication still has a chance, the best chance to try to resolve that complaint early. If they fail to sort it, that then ends at 28 days. If it is the 18 19 case that there was something there that they really did need to sort, that is 20 something that the Complaints Committee will look very negatively upon when 21 it comes to make its decision.

Q. (<u>Mr Bamford</u>) A couple more questions just on the compliance side of things.
You say that, obviously, the compliance processes, for them to, effectively, be
adequate, they need to meet the minimum standard that you put forward. Do
you have any examples of publishers that you consider go beyond that and

would be what you might call the "gold standard"?

2 Α. (Ms Dewar) We have not defined minimum -- we do not tell them how to do --3 but I think, overall, our concern really -- in fact, we are in the process of developing a basic complaints process as a flat-pack version but that is really 4 5 geared at very small publishers that get very few complaints who have not 6 needed to have formalised complaints processes and are feeling a bit unable 7 to devote the resources to developing these things, and we have a lot more 8 expertise. I would say that all of our national members have good processes 9 in place.

10 Α. (<u>Mr Tee</u>) I think they also see a merit, which some of them would say they did 11 not feel in the same way under the Press Complaints Commission, of early 12 resolution. For some of our national members, rather than a resistance to 13 receive the complaint and be told you have got something wrong, there is a 14 much greater degree of openness to the idea that a small correction or a 15 clarification might be enough for the complainant and you then do not have to 16 dedicate staff time and editorial time to dealing with this complaint going on. 17 So, I would say, generally, amongst the bigger publishers, and that applies to some of our regional publishers as well, they very much see it is in their own 18 19 interests to process complaints as efficiently as possible.

Q. (<u>Mr Bamford</u>) Obviously, IPSO regulates News UK newspapers, which you said before. Just to turn specifically then with regard to the complaint we have received, in your view, how does the number or nature or even the seriousness of the complaints received in respect of those publications compare to other similar publications?

25 A. (<u>Mr Tee</u>) It is very difficult to compare across because newspapers have

different models and attract different complaints but I would say, given the
circulation of the newspapers, that News titles do not receive any more
complaints than I might have expected. They get more complaints about
The Sun than they do about The Times. I do not think that is particularly
surprising. Associated gets quite a lot of complaints about the Mail and Mail
online and, partly because of the sheer size of the readership of Mail online,
Associated tends to get more complaints than News do.

- 8 Q. (<u>Mr Bamford</u>) What about the nature or seriousness of those complaints?
 9 Would you say they were comparative as well?
- 10 A. (<u>Mr Tee</u>) Yes. I have got absolutely no sense that any of our publishers, their
 11 breaches tend to be more serious than other breaches.
- Q. (<u>Mr Bamford</u>) We have talked a little bit about the process and your handling
 of complaints and the providers'. In your opinion, is IPSO satisfied with the
 way that the News publications handle complaints and the processes they
 have in place?

16 A. (<u>Mr Tee</u>) Yes.

A. (<u>Ms Dewar</u>) It is important to say that IPSO has upheld complaints; there are
cases where there have been titles that have been found in breach of the part
of the code that is about handling complaints properly. So, certainly, there are
cases where there are failures of standards. I think the question would be
about was that disproportionate to what you would expect, given the volumes
and all the rest of it. No.

Q. (<u>Mr Bamford</u>) You talked about, for complaints that are upheld, you have, as
you said, the old days where you would go through the problem, you would
put your retraction out and that would be it and everything would be okay and

you can breathe a sigh of relief; and now you have an annual wash-up where
you are going through that. Is the remedial action that you have seen on
those upheld complaints something that you are satisfied meets your
requirements?

5 A. (<u>Ms Dewar</u>) The board has not taken any further action in relation to any of
6 those complaints.

7 Q. (Mr McCarthy) Just one guick guestion in relation to the complaints process. 8 We were talking a little bit about comments or adverse criticism that may be 9 levelled at newspapers which have not conducted a complaints process 10 properly. There is, as you refer to in the code, a specific provision in relation 11 to the speed with which a complaint must be dealt with. Do you have other 12 expectations in relation to process other than just speed? Do you have other 13 expectations as to how a complaint would be dealt with by the newspaper; 14 who would deal with the thoroughness with which it is dealt with for those 15 kinds of things? Or is it just a question of doing it especially quickly?

16 A. (Ms Dewar) I would say two things. One is we are very aware of the nature 17 of the entities that we regulate and we try to avoid creating a disproportionate 18 unmerited burden or bureaucratic requirements about who does what or when 19 they do it or in what form. With that said, in terms of the outcomes, we would 20 want complaints to be dealt with properly. That may just mean reading an 21 email really thoroughly; it could mean really different things in really different 22 contexts. Again, not to return unnecessarily but, in terms of the requirements 23 of responding appropriately when things have gone wrong, that also includes 24 does it cover all the points; does it apologise for the things that needed to be 25 apologised for. So, the thoroughness and the form of that remedy is very

important to the Committee and we will uphold a complaint if it does not cover all of the substantive points.

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3 I would say it is also the case that we would expect complainants to be dealt with respectfully and appropriately. That would be very important as well.

Α. 5 (Mr Heawood) Can I just come in here? It is an interesting example, that 6 again Leveson and the charter require publishers to have adequate and 7 speedy in-house complaints-handling systems. That is part of his vision of self-regulation. When we put ourselves forward to the PRP for recognition, 8 9 we thought that we already had adequate systems in place to check that, 10 rather along the qualitative lines that Charlotte was outlining. The PRP took 11 the view that that was not sufficient for them to be convinced that we met the 12 charter requirements. That was one of the things we had to really strengthen 13 over the course of the nine-month application process to the point that we 14 now have really quite rigorous compliance checks which mean that we do not 15 actually regulate anyone until they have satisfied us that they do have 16 systems and named people and time periods and so on in place.

17 As a point of detail on this, it goes back to the larger point I made earlier. I do not want you to come away with the idea that IPSO is Leveson compliant. It 18 19 just has not chosen or has not been pushed for recognition. You do not know 20 if you are Leveson Charter compliant unless and until you go forward for 21 recognition because it is simply not in your capacity to know that. It is an 22 external assessment --

23 Α. (Mr Tee) It is also not the basis on which we judge ourselves.

24 Α. (Mr Heawood) Apart from saying that you are Leveson compliant.

25 A. (Ms Dewar) We do not. We are not -- we cannot compel the publication to

- apologise.
- 2 Q. (<u>Ms Chambers</u>) It is also not the subject of our inquiry.
- 3 A. (<u>Mr Heawood</u>) It is not your inquiry ...
- 4 Q. (<u>Ms Chambers</u>) It is not our inquiry either, so do not worry about it.

Q. (<u>Mr Bamford</u>) In terms of the compliance process that you are talking about
having in place for publications, you talked about online publications coming
to you and it being a mark of the seriousness of them or the quality of their
journalism. Have they found having that level of compliance process a
particularly challenging thing for them to put in place?

A. (<u>Mr Procter</u>) Yes, some have; and some get through compliance in four or
 five weeks. Some are still in the system four or five months down the line.
 Particularly some of the smaller online publications that may only have two or
 three people working for them, then, sometimes, going through our
 compliance process can be fairly onerous.

15 I think the other thing we have to understand is that because, when IMPRESS
16 was formed we did not have a large body of the legacy publishers to join us,
17 we have an open application process and every month we are signing up
18 nearly five new publications; we have for the last year or so. The way our
19 system works is that publishers will apply to join IMPRESS and the point they
20 apply to join us they have to go through an eight-step compliance process.
21 We will then audit and assess that.

For many of them, they are starting from scratch. So, many of these will not previously have been regulated by the PCC. As part of the compliance process, they will, perhaps for the first time, have to put in place a complaints process. They will have to put in place a complaints policy. They will have to

write a statement of arrangements that sets out their compliance structures.
These are all things that they will be putting in place that perhaps they may
not have had and certainly would not have had to the standards that
IMPRESS would require beforehand. I think that is perhaps another reason
why it takes slightly longer for them to get through the process.

Q. (<u>Mr Bamford</u>) Once they are through the process, am I correct in saying that
you then assess that they are complying with that process, the processes they
have in place, on a regular basis proactively? Or is there something you do in
the way of checking them against when they actually have to deal with a
complaint?

11 Α. (Mr Procter) We have to remember that IMPRESS is a new regulator. We 12 started regulating our first publication in June 2016. We are really just 13 one year through the cycle. What we have done up until now is we do a 14 pre-regulation compliance check and audit. We then enter into a regulatory 15 scheme agreement. At that point, our regulatory remit over the publication 16 commences. At the end of each year, we also undertake further compliance 17 checks at the end of the year and, in a similar way to those that IPSO have 18 explained, there will a report where they will need to sign a self-declaration to 19 say that they are still compliant. They will also need to report information 20 about the number of complaints that they have dealt with and compliance 21 breaches or legal actions taken against them.

We are in the process now of drawing up consultation to look at how our ongoing compliance system would work. Now some of our publishers are entering the second stage, then we will be looking at some sort of audit system based on a targeted system so that we have a rigorous ongoing check

1		of compliance. So, it will not just be based on a report or self-declaration. It
2		will be a much more proactive compliance process.
3	Q.	(Ms Chambers) Have we asked at all about the standards investigations?
4		We have dealt with that, no?
5	Q.	(Mr McCarthy) Just in relation to standards investigations, did you have
6		specific questions in mind?
7	Q.	(<u>Ms Chambers</u>) I may have missed it but have you launched any standards
8		investigations since you
9	A.	(<u>Mr Tee</u>) No.
10	Q.	(Ms Chambers) You have not. What would be the thing that triggers you to
11		do it? And why have you not done it so far?
12	A.	(Mr Tee) Sorry. I thought I had answered that question.
13	Q.	(<u>Ms Chambers</u>) You may well have done and I may have missed it. I may
14		not have been concentrating.
15	Α.	(<u>Mr Tee</u>) There are a series of tests set out in our regulations that will enable
16		us to launch a standards inquiry. The most frequently cited one is serious and
17		systemic breaches of the code. The decision to launch a standards inquiry is
18		a decision for our board. Our board has never considered that anything it has
19		seen has reached the bar to launch a standards investigation.
20	Q.	(<u>Ms Chambers</u>) Have things been put to them from the staff team suggesting
21		that maybe they would want to consider doing so in a particular case?
22	Α.	(<u>Mr Tee</u>) No.
23	Q.	(<u>Mr Tutton</u>) I suppose you would - this is a leading question,
24		obviously - probably consider it a bit of a failure in one sense if what, in the
25		first instance, seems to be non-systemic problems actually escalated to
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systemic.

A. (<u>Mr Tee</u>) It would, clearly, mean that there had been a failure of compliance
because the compliance system should be such that being found to be in
breach of a system should mean that they change their compliance
arrangements in order to remain not in breach afterwards. So, yes, indeed, it
would. It seems to me, if you get serious and systemic breaches, then there
is a failure in compliance in the system anyway.

Q. (<u>Mr McCarthy</u>) Just thinking back to the phone hacking, obviously, what was
at issue there was about, effectively, covert, hidden activity. If there was
something like that going on today are you confident that IPSO would, using
its press report, pick up something like that and be able to launch a standards
investigation or deal with it in other ways?

13 A. (Mr Tee) There are two things that I would say about that, the first of which is 14 we have to be very careful as a regulator and an independent self-regulator of 15 newspapers not to be doing the job of the police. It is very clear to me that 16 phone hacking is a crime. Were we to get evidence of a potentially illegal 17 action, we would report it to the police. I do not see regulation as some sort of 18 halfway house; is this very serious phone hacking? Maybe it is a regulatory 19 matter, not a legal matter. It is very clear that the interception of 20 communications is a legal matter and that should be referred to the police.

The second thing to say is that I would hope that, if something that was seriously against the code and against the ethics of journalism was going on in a newspaper, we would detect that either through it coming through in complaints generally and us seeing that sort of behaviour or through journalists feeling that what was going on in their newsroom was

unacceptable. We run a confidential journalists' hotline. It runs 24 hours a
day. It is run by third party. I would hope that we would get notification
through that. I think there is still enough movement in employment in
newspapers that word of it would begin to get around and we would pick up
on that.

You can never say "Of course", but I would hope that, through a variety of
forms of intelligence, we would pick up on that.

8 Q. (<u>Mr McCarthy</u>) Sorry, I said I did not have any more questions but I have one
9 final one. You mentioned the whistleblowing hotline. Is that used very much?
10 Do journalists ...?

A. (<u>Ms Dewar</u>) It has been used on a small number of occasions but it has not provided us with information on any occasion that has suggested evidence of anything that rose to the level that we needed to act.

Just as a final point on what Matt said, it is a requirement of IPSO membership that all members must have it in all journalists' employment contracts that they follow the Editors' Code of Practice. That puts a journalist now on a very different footing than previously existed, should they be asked to breach the Editors' Code.

Q. (<u>Mr Bamford</u>) I think that is it from our side. Thank you again for coming in today and taking the time to talk to us.

21 A. (<u>Mr Tee</u>) Thank you.

Key to punctuation used in transcript

	Double dashes are used at the end of a line to indicate that the person's speech was cut off by someone else speaking
	Ellipsis is used at the end of a line to indicate that the person tailed off their speech and didn't finish the sentence.
- xx xx xx -	A pair of single dashes are used to separate strong interruptions from the rest of the sentence e.g. An honest politician – if such a creature exists – would never agree to such a plan. These are unlike commas, which only separate off a weak interruption.
-	Single dashes are used when the strong interruption comes at the end of the sentence, e.g. There was no other way – or was there?