





Regulation of Electoral Finance Focus Group Review

A research report from Deltapoll

October 2020

Background and methodology

The independent Committee on Standards in Public Life (CSPL) is conducting a review of the current system for regulating election finance: looking at what the regulation of election finance should achieve, how it is regulated, and specifically whether the present system meets the challenges of elections in the twenty-first century.

As part of its consultation exercise, Deltapoll was commissioned by the Committee to undertake an online qualitative investigation to ascertain people’s concerns in relation to election finance, specifically in relation to core principles and values that are important to the public in context of election expenditure regulation.

The core themes that the Committee wished to explore included:

* + Public opinion about the fairness of current regulation of election finance;
  + The principles and values governing the finance of elections that are important for the public;
  + Public perceptions of what is reasonable and practical in terms of regulation, including perceived limitations for smaller parties;
  + The levels of concern about foreign interference, digital campaigning and illegal donations;
  + Public awareness of the Electoral Commission and its role in the regulation of election finance.

Deltapoll conducted three focus groups ‘virtually’ on Zoom on Tuesday 29th and Wednesday 30th September and Thursday 1st October 2020.

All groups were comprised of a mix of gender and were recruited across social and economic categories BC1C2. The first group recruited people from the 24-30 age band, the second from the 31-45 age band, and the third from the 46-60 age band. All participants were ‘interested’ in politics and voted in elections, with varying levels of knowledge of the way party politics is funded.

Qualitative research is an interactive process between researcher and participants: its strength is in allowing participants’ attitudes and opinions to be explored in detail, providing an insight into the key reasons underlying their views. However, discussion results are based only on a small cross-section of the public, especially when budgetary considerations limited the number of focus group sessions to just three. As a result, both Deltapoll and the Committee recognise the limited nature of the qualitative investigation, outcomes from which (reported here) should be considered to be indicative rather than a full evidence base. Further, the design features employed imply that outcomes cannot be taken to be necessarily representative of the wider population.

Research findings

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| Perceptions of electoral regulation: knowledge and awareness  It is probably a statement of the obvious that the regulation of election finance is a subject that receives little attention in everyday life. This likely underpins the prevailing feeling in these focus groups that elections in the UK are ‘fair’. Group members not unreasonably felt that if elections were ‘unfair’, they would have heard about it.  There is, however, an underlying but quite pervasive suspicion that the system of electoral finance is “open to abuse.” When asked at the beginning of the focus groups for evidence of mismanagement, it was often difficult for people to pinpoint anything specific, instead there was a general assumption that all parties break spending limits, simply because they can get away with it. This perception was largely unevidenced but none-the-less the groups assumed there was an element of inevitability about it being common practice. This perception extended beyond politics, in fact, with accounting rules across the board assumed to lack rigour, therein opening the door for creativity to avoid detection or disguise malpractice whatever the situation.  As anticipated, there is generally low awareness of how elections are currently regulated, although the very few participants who were in professions that tangentially or directly involve politics had slightly higher levels of knowledge. Often this lack of awareness allows (sometimes false) perceptions to fill the gap, and indeed low awareness about electoral funding processes did not stop people having an opinion about electoral funding. Indeed, clear distrust about the fairness of election regulations as far as donations are concerned were routinely on display. For many, this rather instinctive distrust was informed by the simple assumption that politicians and parties are not honest about the money that they accept from donors. Indeed, politicians are viewed so suspiciously in their reporting of donations that some believe that there is little regulation happening at all.  The general lack of knowledge about election regulation did lead participants toward gap-filling with other assumptions and emotional reactions about how they view politicians in general. Many participants, for example, were unaware that it is illegal for political parties to accept foreign donations. When told this was the case, there was still an assumption that it happens.  Lack of knowledge about the amount of money candidates and parties can spend in elections was also high. When informed of the upper limit parties can spend, it was assumed that money can be disguised through ‘loopholes’ and ‘clever bookkeeping’ in order for parties to maximise the competitive electoral advantage that money might bring in campaigning situations. Reaction to the maximum party spend of £30,000 per constituency[[1]](#footnote-1) itself was mixed, with some feeling that it would be fairer if this limit was brought down to create a more level playing field between larger and smaller parties but others, possibly motivated by their own political preferences, arguing that bigger parties will need to spend bigger amounts.  Generally, the less knowledge participants had of how elections are regulated, the more likely they were to question the purpose of the Electoral Commission. While there was spontaneous awareness of the Electoral Commission as a body which is independent from the government (= a good thing) there was limited knowledge of its role beyond this. As we have already observed, participants knew very little about the current rules in place and rules around donations and spending limits, and this lack of knowledge underpinned their view that there is probably little regulation in place. Indeed, some believed that the Electoral Commission relied on politicians and parties being honest about the donations they received in order to do its own job efficiently, which sat uneasily with their wider view that transparency and honesty in the political realm barely exists.  Those with lower levels of awareness about the role of the Commission saw the solution as lying in greater visibility as an organisation, in order to make the public aware that regulation is actually happening. More positively, having an Electoral Commission-like body in charge of regulating elections was seen as essential, and could be expanded to include closer monitoring of all financial transactions that take place during elections. In short, the groups considered there to be greater scope for increased involvement of the Commission in the regulatory process.  Values and principles of electoral regulation  When presented with a suggested list of values and principles that could improve the current system, ’fairness’ was top of the list. It could almost be said that everything hinges on it, with fairness being associated with transparency, accountability and having a level playing field. It was felt that the umbrella term ‘fairness’ succinctly covers pretty much all other principled components.  Transparency over where money comes from, what it is being spent on, and who is spending it, were all seen as areas which need rule strengthening. One person suggested that the process could be made more transparent if all MPs and parties listed the donations they receive and from whom during an election period, with full information placed in the public domain likely to improve confidence that finances are not being hidden in some way (although understandably some believed that even if this information were publicly available, very few would openly look for it). Despite this, it was felt that there should still be stronger regulation in place that allows voters to find out who donors are and how that money is spent – the principle of transparency and the arrangements to ensure it were far more important than the extent to which it would be widely utilised in practice.  The issue of a level playing field (limits to the level a party can spend during a campaign) aroused different reactions across group demographic splits. The younger focus group, aged 24-30, felt that the greater resourcing and support available to larger parties, who have more members actively campaigning on the ground, is an impenetrable barrier to fairness for smaller parties and independent candidates. For this demographic, the issue is an important one, and fairness could best be achieved by giving each party the same amount of money to spend on advertisements. However, whilst other groups agreed it was important, they were sceptical that giving everyone the same money to spend would realistically work, as large parties stand more candidates, and tend to receive more money in donations which they perceive as perfectly fair within a pluralistic system.  Additionally, accountability was raised multiple times as an important value. If campaigners break the law it was thought that they must be held to account by regulators and that this would only be possible if the Electoral Commission had greater powers.  Healthy competition between political parties, manifested in a greater selection of candidates to vote for is also important to most voters. Some believe that more people would turn out to vote if there are more options on the ballot paper. Greater choice was also associated with political plurality which implied that candidates would be reflective of the diverse population that candidates nowadays represent.  Again, the vacuum left by lack of knowledge was clearly being filled by other values that the participants deemed important. Participants went off-topic to talk about opportunity to vote, the first past the vote system, and tactical voting - all subjects with which participants had greater familiarity. The youngest group, who displayed the least knowledge about electoral regulation, digressed the most, but all groups were keen to turn discussion to matters on which they held clear views, such as on the opportunity to vote, and the need for everyone to have their say in elections that shape the future. The emotional need to feel that their individual vote counts was of paramount importance, another instance of the need for perceived electoral fairness in the system.  Regulations on foreign donations and interference  There was unanimous agreement that foreign donations in UK elections should not be tolerated under any circumstances. Such donations were referred to by participants as “dirty money”, and were seen as potentially undermining the system completely. Many participants mentioned Russian oligarchs who they believe have tried to influence UK elections, specifically with regard to large donations to the Conservative Party. There was also a feeling of unease expressed about Russian oligarchs playing tennis with Boris Johnson, which evidenced the view that money bought access to the highest levels of government, potentially tainting the crucial fairness principle. Some did draw a clear distinction between people of Russian origin who live and legally vote in the UK being able to donate, and counterparts who live overseas and cannot legally vote, but who then donate to UK parties. Despite the legality of donations from people of Russian origin who are British citizens, there remains a view that money from such sources is interfering with UK politics and should not be accepted by UK political parties.  The rapid advancement of the online world has meant that many believe foreign interference in UK elections is easier to undertake than it was previously. Multiple participants mentioned Russian interference in US elections, fearing that the same had happened in the EU referendum. As a result, there was a strong feeling that the issue of the regulation of outside interference is of higher importance than it was ten years ago and that this problem would only intensify in our increasingly global world.  This need for regulation was linked to the ease with which foreign actors can conceal financial transactions designed to influence UK elections, and the claim, perhaps stemming from a general distrust of politicians, that some politicians must be manipulating the system by concealing such donations through clever book-keeping. Only one respondent disagreed with this view, claiming that relatively little money is received by political parties in this way. Such donations are believed to give some political parties an unfair advantage, offering them greater advertising potential and therefore more influence over the public, as was thought by some to have happened in the Vote Leave campaign and the Referendum. Generally, accepting this money from overseas is seen as undemocratic.  Sanctions and enforceability  Two further key principles that most concerned participants were compliance and the enforceability of sanctions. It was assumed that there are penalties in place for breaking spending rules, although what these rules actually are was unclear to participants. In fact, participants had little awareness of either the existence of or form of current sanctions. When pressed, suggestions included payment of a fixed monetary penalty and loss of office for small breaches, and a prison sentence for larger breaches - including large scale money laundering.  Participants suggested, logically, that sanctions should depend on the severity of the rule breached, and that breaches should be made public as a deterrent. When informed that current fines are £20,000 per offence, participants felt this was materially insufficient, and would hardly disincentivise illegal activity.  But perhaps as big a concern was the timeliness of enforcing sanctions, with many categorically believing that it takes too long. The prevalent impression is that by the time the Electoral Commission has reached its conclusions on rule breaches, it is too late for sanctions to have an appropriate consequence. In simplistic terms, the election result has already been called and is unlikely to be changed if it is thought to have been influenced by wrong-doing.  The importance of timely sanctions was viewed as imperative for two reasons. Firstly, enforcing sanctions promptly is believed to increase public confidence in the integrity of the system. Secondly, having shorter reporting deadlines is thought to be likely to act as a deterrent, so long as sanctions can be reflected in electoral outcomes. While presumably an election result cannot be overturned, sanctions that are relevant and impactful as early as possible in the same political cycle are thought likely to improve compliance in the first place.  There was a widely held view that election results would be morally invalidated if rules were breached, especially in constituencies with close margins. Some felt that if elections are not re-run in these circumstances then investigations into them have little purpose or power. For example, participants spontaneously cited the example of the Vote Leave campaign allegedly breaking spending limits, which only came to light two years after the result of the Referendum. Participants therefore claimed it had little impact – the UK is still leaving the EU. It was a generally held belief that the lengthy amount of time between the breach occurring and sanctions actually being applied resulted in a loss of (personal and/or media) interest in the Referendum case. That the case was dropped by the police was seen as negating the value of regulation in the first place. It should be pointed out though, that no mention was made of ‘innocence’ being the outcome in the Darren Grimes case, which highlights the disconnect between public demands for speedy resolution and enforceability/sanction principles.  Despite this, in situations such as these what the public might well want are real consequences: which would include but not necessarily be limited to overturning election results. But in general, the all pervasive sense was that until stronger and clearer sanctions are available to the Electoral Commission, the rules will continue to be sidestepped and any real change will remain unlikely.  Digital campaigning  The use of election finances to fund digital campaigns on social media platforms was a topic that created a lot of animation among participants, most of whom appear to have given it considerable previous thought. Many felt that the regulation of social media advertisements was far from under control, the sheer vastness of the internet making policing almost impossible. For most, there is an acknowledgment that it is difficult to detect the provenance of political advertisements, although there was a general sense of control among younger participants, who claimed that they are able to spot political advertisements and remain uninfluenced by them. This was not a view shared by the older age groups, who expressed uncertainty about social media, which to them is a vast unregulated space, with the ability to exert both mendacious and benign influence on people.  All participants felt that digital campaigning was a way for political parties and candidates to reach a wider audience of people, whom they otherwise may not be able to reach. Although there was general disapproval of the practice, participants felt that if they themselves were running an election, they would focus their resources on digital advertisements in order to maximise messaging spread and effectiveness, reluctantly recognising that this is a very effective method of influencing people.  The use of targeted advertisements in particular, was felt by some, especially older participants to be harmful - a situation that might only worsen over the next few years as algorithms improve the ability of advertisers to reach micro-level audiences. It is possible that current levels of distrust in American politics might be encouraging people in the UK to doubt the fairness of social media campaigning everywhere. As an example, one participant cited a Channel 4 report on social media advertisements which targeted African Americans to discourage them from voting, and how this had ‘severely affected’ the 2016 Presidential election in the US. As a result of this micro-targeted campaign, she claimed that fewer African Americans had actually voted.  The fast-paced development of digital campaigning is thought to have created a fine line between real and ‘fake’ information on social media which participants believe has now become a ‘grey area.’ One reason ‘fake’ news is concerning to people is that it is viewed as extending beyond politicians and party politics to ordinary individuals who then post misleading information on social media. For some, the participation of the public in sharing misleading content makes ‘fake’ information both appear legitimate and even harder to spot. As a result, very few trust what they read online leading to the feeling that it is best to approach all social media with caution.  There was a general sense that regulation has not kept up with the speed that technology and digital advertisements have developed. Whilst some feel that social media is getting better in reporting posts that are paid for by placing the word ‘Ad’ before any commercial advertisements, they still do not feel that they know who is paying for political advertisements when they encounter them. One person cited the use of ordinary people to present political advertisements as an example of this kind of subterfuge, leading to difficulty in spotting the true source of the advertising. It was suggested that digital political advertisements could be paired with a symbol showing accreditation by the Electoral Commission so that the public are better informed and reassured that such advertisements have been regulated prior to their release.  Participants agreed that greater cooperation between the Electoral Commission and social media organisations on political advertising would be welcomed, and would engender greater public trust in the efficacy and progeny of individual advertising contributions. For example, it was suggested that the Electoral Commission could work with social media companies to create an algorithm to spot political campaigning and ban those that spread false information. The groups felt that social media companies will never self-regulate, as it would be against their commercial interest, which is to increase revenue.  Participants believed that the provision of greater powers of intervention for the Electoral Commission would serve to create greater public confidence in the regulation of social media companies and on what they can and cannot publish during election and referendum periods. Participants also claimed that they do not have enough time, knowledge or inclination to accurately check the source of every advertisement they come across.  Conclusions  Overall, there is little awareness of what the Electoral Commission actually does, or what its role is in regulating election finance. Few were aware that there is a limit on the amount of money parties and candidates can spend at elections, or that foreign donations are illegal. Nonetheless, many felt that the existence of an independent body was essential and that it should have more powers to keep a closer eye on electoral financing and spending.  Despite being told that that electoral regulations exist, there was still an overwhelming cynical assumption that the system is open to manipulation from politicians and parties, for whom there is little in the way of trust.  Foreign donations are thought to occur with impunity despite their illegality. In particular, Russian interference in UK elections is suspected, directly through large donations made to central parties and indirectly via social media ad placement.  There is a strong belief that social media is unregulated, or that regulation on social media platforms has not kept up with the speed of technological development. This has allowed ‘fake news’ to prosper, particularly given the difficultly in spotting it. Allied to this, the use of micro-targeting during elections and referendums is of great concern, resulting in likely considerable public support for greater regulation of the social media advertising space.  Participants proposed that the Electoral Commission should work with social media campaigns to draw up a set of guidelines about what is and is not allowed to appear online during election and referendum periods. This would increase public trust that social media information sources are verified and offer ‘real’ information. Some form of accreditation by the Electoral Commission for digital political advertisements would provide reassurance about the authenticity.  Values and principles that are important to people in the financial regulation of elections are Fairness, Accountability, Transparency, and Timeliness of sanctions. Holding those to account who have broken financial rules and regulations is seen as imperative deterrent.  Participants believe that transparency on the source of donations should be increased. The amounts received by political parties, from whom, what they are spent on, are all considered legitimate matters of public interest that should be placed in the public domain.  Sanctions on campaign wrong-doing should be applied in a timely manner, otherwise they are likely to have little effect, either in terms of how they impacted on the electoral event or in deterring future transgressions.  Ultimately, many participants pointed out that that until the Electoral Commission is given more powers to enforce stronger sanctions, it is unlikely that there will be any real change. Participants felt that sanctions themselves should reflect the nature of the rule broken but for serious breaches, and that there should be large fines and possible jail sentences. Until this happens, deterrents will be viewed as too weak. | I think that generally it's not rigged and it's pretty fair. I guess the only arguments are whether it's first past the post or proportional representation. (46-60)  I think it's just open to abuse. If you're looking at a typical constituency, for instance, £30,000 is nothing, it's just not going to work, so there have to be ways to get round it. (31-45)  It's so easy nowadays to hide financial transactions. (46-60)  Any sort of money that can come into any parties, they're going to definitely accept it. (46-60)  I'm massively cynical about politicians, but I think the system is decent even if it's slowly going to get eroded further over the next few years. (31-45)  You said that donations can't be made from abroad, so that's something new to me, I wasn't aware of that. (31-45)  There are doubts, certainly in my mind about how it's all regulated. Maybe not from the Commission side of things but more within the political parties themselves, and if they get massive donations, are they not going to accept them, or are they going to use some clever bookkeeping? (24-30)  A fair, level playing ground, so they all have the same amount of money, for example. (24-30)  It's obviously important that an organisation such as the Electoral Commission exists. I think what I would say is that it's obviously not fit for purpose, and I don't think many people would trust the Electoral Commission to do the job it's supposed to be doing properly. (24-30)  The Electoral Commission… have the overriding responsibility of making sure that all political parties play by the rule book. (24-30)  Maybe having someone from the Electoral Commission oversee everything. So they have an outsider in their office. (24-30)  If you could only choose one word that you would like the voting system to be, I think 'fair' would be a pretty good one. (24-30)  [What money is spent on] should be visible to all people in the UK so that they can find out what is happening and what is not happening. That would give a bit of confidence to the people that there is some transparency. (46-60)  A fair, level playing ground, so they all have the same amount of money, for example. (24-30)  You cannot have a level playing field of electioneering with someone who has exactly the same amount of money as you. You want to have twice the amount of money your opponent has so you can beat him. (31-45)  If people break the law, there has got to be some accountability, people have got to be held to account, surely, because if they're not then it defeats the purpose. (31-45)  It's very important to have variety and a diverse competition. Those two traits are very important. (31-45)  I think with first past the post there's a lot of tactical voting because you think of it as a wasted vote. (24-30)  Making sure that as wide a voter base as possible is able to vote in the elections. (24-30)  I do agree that there are certain groups of people that are disenfranchised from voting. Migrants, people that don't have a fixed address and so on, I do think it's unfair, the way in which the system actively discourages some people to vote. (24-30)  I watched a program and it was about Russian oligarchs, and there was one person who paid a lot of money to play tennis with Boris Johnson. She paid half a million, and she's the biggest Tory donor individual, I think, and she's Russian. (24-30)  These are actually Russians who became British citizens, so there is a lot of dirty money loaned centrally into different parties, and that particular money influences policies… So, there's a lot that needs to be cleaned up, a lot of caveats, a lot of loopholes… needs to be clamped down on. (31-45)  It was basically about the Vote Leave stuff, it's not been proven, but there's been a lot of money flowing in and they can't quite account for it. (31-45)  I think in the grand scheme of things, it's not a massive issue, because it's not where the majority of the money's coming from for the political parties. (24-30)  The sanctions by law need to be in statute, so when you breach a specific rule it needs to be clear to every single candidate that these are the sanctions, maybe five years in jail, you lose your seat and you pay 'x' amount of money in fines, then they'll think twice about breaching a particular rule. (31-45)  That's pennies to the big parties. That's nothing. (31-45)  At the moment these things are published six months to a year after the event. There needs to be some time markers on these things... These take six months to a year to be published. That's not transparency, that's not openness. (46-60)  Because of the nature of the court system in the UK, and also because investigations take forever, by the time you actually come to a conclusion five years have gone, so it's pointless. (31-45)  You've got the election result but then about two years later, you get the findings and the damage is done then. The election's taken place and the election's not going to get rerun. (46-60)  What's the point of knowing about it four years later? The implications of the vote has already, you know, come and passed. (24-30)  I think they're fighting a losing battle. The system is set so that they can't, even if they wanted to, do anything or hold anybody accountable. (31-45)  I think [using social media is] just to get a greater market in terms of attracting a wider audience, a new audience perhaps as well. (31-45)  The whole thing is difficult to police, I think because… the world wide web and the whole digital thing, it's just so vast. (46-60)  [Social media] might be influencing you, or steering you in the right direction, but it's up to you, at the end of the day, to decide who you're going to vote for and what you're going to do. (24-30)  Those companies were targeting areas and people, and that just doesn't seem right. (46-60)  What's false news and what's real news? It becomes a real grey area through the whole of politics at the moment. (46-60)  Donald Trump's campaign used targeted advertising to African Americans, to discourage them from voting. And at the last election, that was the first year that African American voting has gone down… that's one example of a way that political parties' campaigning in a digital space can severely affect elections by discouraging people. (24-30)  It's not obvious who's paying for what or where things are coming from. They've got better with where people have to say 'Ad'. (31-45)  You know when companies have some sort of verification. Like, if I buy something vegetarian, it's got that 'V' tick. So, the independent company monitoring… stamp of approval. (24-30)  One of the ways to do that is to talk to Facebook, WhatsApp and Twitter and say, 'If this is political or an underhanded type of post, then that can be banned.' They have the algorithms to be able to do that. (46-60)  I think the problem is Facebook and sites like Twitter, it's their responsibility. And they don't really care about misinformation or fake news, because they just seem to be bothered about money. (24-30) |

1. Party spending limit is calculated by multiplying the number of seats a party is contesting by £30k so the limit is the amount that can be spent by a party per constituency. [↑](#footnote-ref-1)