Department for Digital, Culture, Media & Sport

By email

[redacted]

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Notice of Decision to Issue a Public Interest Intervention Notice: Proposed Acquisition of ITV M&E Holdings Ltd ("ITV") by Sky UK Ltd ("Sky")

I refer to my letter of 15 October 2026 informing you that the Secretary of State for Digital, Culture, Media and Sport ("the Secretary of State") was minded to issue a Public Interest Intervention Notice ("PIIN") under section 42 of the Enterprise Act 2002 ("the Act") in relation to the proposed acquisition of ITV M&EHoldings Ltd ("ITV") by Sky UK Ltd ("Sky") ("the Proposed Acquisition"), and to your letter and representations of 19th October 2026, in response to the 'minded to letter'.

Having fully considered your representations of 19th October, and recalling the contents of the 'minded to' letter, the Secretary of State has decided to issue the enclosed PIIN in relation to the Proposed Acquisition for the following reasons:

a) She considers she has reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, as defined in section 23 of the Act.
b) She believes it is or may be the case that public interest considerations are relevant to a consideration of the relevant merger situation concerned.

The public interest considerations specified in the Enterprise Act 2002 which the Secretary of State believes may be relevant are:

- the need for free expression of opinion in news media;
- the need for, to the extent it is reasonable and practicable, a sufficient plurality of views in news media in each market for news media in the United Kingdom or a part of the United Kingdom;
- the need, in relation to every different audience in the United Kingdom or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience.

The Secretary of State is also of the opinion that the following public interest consideration which is not currently specified in section 58 of the Act, ought to be so specified, and believes it may be relevant to a consideration of the relevant merger situation concerned:

- the need for the availability throughout the United Kingdom of a wide range of—
  i. broadcasting; and
  ii. on-demand programmes;

  which (in each case, taken as a whole), is of high quality and calculated to appeal to a wide variety of tastes and interests.

Accordingly, this consideration is a public interest consideration for the purposes of section 42(3) of the Act. As required by section 42(7) of the Act, the Secretary of State will, as soon as practicable, take such action as is within her power to ensure that this consideration is finalised.

The wording of this public interest consideration has been changed from the wording proposed in the 'minded to' letter to ensure the Secretary of State's intent is reflected as clearly as possible. The change does not affect the substance of reasons put forward in the 'minded to' letter or in this letter as to why the Secretary of State believes a public interest consideration regarding the need to maintain the overall availability throughout the UK of a wide range of broadcasting and on-demand programmes, which is of high quality and calculated to appeal to a wide variety of tastes and interests, may be relevant to the Proposed Acquisition.

The PIIN requires the Competition and Markets Authority ("the CMA") and Ofcom to report to the Secretary of State, in accordance with sections 44 and 44A of the Act respectively, by 5.00pm on 27 January 2027. It will be published on gov.uk later today. Once she has received these reports, she will decide whether to refer the matter for a more detailed investigation by the CMA under section 45 of the Act or whether to take alternative action.

The purpose of the Secretary of State's assessment at this stage and her decision to issue a PIIN is not to reach definitive conclusions, but instead to establish whether the threshold for referral is met. At this stage, the Secretary of State has not made any decisions about further stages of the process and will not do so until she has received and properly considered the CMA and Ofcom reports.

References to sections in this letter are to sections of the Act. References to "the Guidance" are to the "Enterprise Act 2002: public interest intervention in media mergers - guidance on the operation of the public interest merger provisions relating to newspaper and other media mergers", published by the Department for Trade and Industry in May 2004.

Creation of a Relevant Merger Situation

For the reasons set out in the 'minded to' letter, the Secretary of State considers she has reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation. This was not disputed in the representations submitted by you on 19 October 2026.

Public interest considerations

The Secretary of State has noted your representations that the Proposed Acquisition would operate in favour of the the public interest because:

- Combining Sky and ITV would create a resilient UK media company capable of competing with global streaming platforms, such as Netflix, or YouTube, while supporting public service broadcasting.
- Complementary strengths of Sky and ITV in free-to-air, streaming, and subscription services would support long-term investment in UK content and trusted news.
- Key benefits would include retaining ITV's free-to-air channels and the delivery of its public service obligations, enhancement of ITVX technology, expanded audiences for British content, improved advertising offerings, increased free sports, and a £2.1bn ITV Studios content agreement providing stability for UK production, with Sky News and ITV News remaining editorially separate.
- The Proposed Acquisition should be evaluated as a response to structural shifts in the UK media sector presenting challenges to broadcasting, including falling linear audiences, declining ad revenues, and rising competition from streaming and AI generated content.
- [redacted]
- The Proposed Acquisition aligns with the Government's policy objectives set out in the "Watch This Space" Green Paper by creating a scaled and competitive British broadcaster; by supporting Public Service Media; and, by protecting trusted national and regional news and democratic accountability, UK production and commissioning of British programmes.
- Existing statutory, regulatory, and contractual protections, alongside commercial incentives and commitments, fully address concerns raised in the 'minded to' letter.

The Secretary of State is aware that the UK TV landscape is undergoing a structural transition from traditional broadcasting to a market dominated by global streaming and tech platforms. She recognises that this shift may place severe pressure on audience shares, advertising revenues and the longer term financial sustainability of domestic public service media. She acknowledges the possibility that the Proposed Acquisition may bring public interest benefits if it prevents an [redacted] in ITV's ability to deliver its public service remit. However she also has reason to believe that the Proposed Acquisition may have implications for certain media public interest considerations, including media plurality within the UK. While you offer reassuring detail in your representations, these statements remain voluntary public commitments and the Secretary of State has decided not to rely on them to the extent of concluding that regulatory scrutiny is not needed in this case. She therefore

considers it appropriate to intervene and to refer the Proposed Acquisition to Ofcom and the CMA to obtain the findings of their investigations into public interest considerations which she considers may be relevant, and into competition implications and questions of jurisdiction, respectively.

The need for free expression of opinion in news media

Paragraph 5.7 of the Guidance sets out that the focus of this public interest consideration is on the extent to which the Proposed Acquisition would affect the freedom of editors to operate without interference from the proprietor.

The Secretary of State has considered your representations that Comcast undertakings, given in 2018, which guarantee the editorial independence of Sky News, will transfer to and be binding on NBCUniversal if it becomes the new owner of Sky. She notes your representations that Sky has a long standing and deeply embedded culture of editorial independence which predates the undertakings and has commercial incentives not to depart from these values, as it would damage audience trust and the value of the Sky News brand; and that free expression concerns are mitigated by strong governance arrangements within ITV and ITN and reputational incentives to maintain editorial independence, as well as Sky and ITV News' being subject to Broadcasting Code requirements. She notes your representations that regulatory action by the Federal Communications Commission (FCC) relating to network affiliate arrangements in the US has no relevance to the editorial independence of Sky in the UK; and, that there is no evidence that this action has affected editorial decision making at Sky News or would affect ITV News.

The Secretary of State is not aware of any evidence to suggest Comcast has previously sought to editorially influence Sky News, but she notes that Comcast is currently subject to legally binding undertakings which prevent it from doing so. Sky have not indicated what mechanisms, if any, would be in place after the expiry of the editorial undertakings in 2028.

Whilst your representations have explained the purpose and impact of ongoing FCC regulatory action against NBCUniversal, they do not fully alleviate the Secretary of State's concerns regarding the potential impact on Sky or ITV of ongoing political scrutiny of Sky's commercial owners in the United States. Even if the risk of editorial interference is presently low, the Secretary of State is concerned that the absence of mechanisms to protect the editorial independence of Sky News and ITV News could mean the potential exists for influence to be exerted on their editorial choices by Sky's commercial owners in the future.

The Secretary of State accepts there is a possibility that ITV's contract with ITN may protect ITV News from attempts by Sky or the combined entity's ultimate owners to influence its editorial choices for the time being, should they be made. However to understand the position, she considers that she requires further information on safeguards which may result from the contract and also on what influence, if any, Sky may acquire over ITV News through its acquisition of a stake in ITN, and that it would be appropriate to refer the merger to Ofcom to seek such information.

The need for, to the extent that it is reasonable and practicable, a sufficient plurality of views in news media in each market for news media in the United Kingdom or a part of the United Kingdom

The Secretary of State notes the points you have made regarding the consideration of the linear market in isolation when most audiences now access news online via a variety of different news sources including online publishers, social media, video sharing platforms and AI driven sources. She also notes your representations that statistics from Ofcom's News Report 2026 suggest that the Proposed Acquisition would not result in an insufficient plurality of views in UK markets pertaining to the North of England, older viewers and C2DE groups, as well as your observation that the Proposed Acquisition will in fact protect ITV's ability to serve these audiences by improving its financial resilience.

She notes the clarifications you have offered regarding Sky's proposed stake in ITN; [redacted] that ITV's relationship with ITN is an arm's length supplier contract and [redacted] and; your observation that ITV's existing 40% shareholding and board representation have not resulted in influence over Channel 4 or Channel 5 News.

The Secretary of State acknowledges the possibility that the Proposed Acquisition may have public interest benefits if it supports ITV's long term financial resilience and that these may include benefits for UK markets for national and regional television news. However, she remains concerned that the plurality of views in the UK market for linear news and current affairs could be reduced to the point where it is insufficient given the fact that just two broadcasters - the BBC and the combined entity - would hold a 86% viewing share of all news and current affairs in that market, particularly if Sky and ITV consolidate their news provision in the future[1].

The Secretary of State notes that the application of this public interest consideration is limited to newspapers and news programmes included in broadcasting. She continues to believe that it is important to consider markets for linear (broadcast) news and current affairs in the United Kingdom, given Ofcom's News Report 2026 indicates that 76% of adults in the UK still access broadcast television news, in linear and BVoD format; and that television (broadcast) news scores higher on perceptions of trustworthiness, accuracy and impartiality compared with online platforms.[2]

[redacted] However she remains concerned that the transaction is complex and may have potential to give Sky influence over both ITV news and news supplied to other commercial public service broadcasters by ITN. The Secretary of State therefore takes the view that investigation by regulators under the PIIN is needed in relation to this public interest consideration.

The need, in relation to every different audience in the United Kingdom or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience.

[1] The minded to letter notes that Sky News and ITV News jointly accounted for 26% of all weekly UK TV news and current affairs viewing across linear broadcasts. The BBC remained the market leader with a 60% share. It notes that after the acquisition just two entities (Sky/ITV and BBC) would hold approximately 86% of the share of all linear news and current affairs viewing minutes. These figures are based on BARB data relating to 2025.
[2] Ofcom News Report 2026

The Secretary of State notes your representations that: this public interest consideration should not be used for genres other than news and current affairs; in your view, the plurality of control policy is intended to prevent excessive influence over public opinion; that this is supported by previous reports by Ofcom and the House of Lords Communications Committee on the basis these genres are most closely linked to democratic accountability, informed citizenship and political influence;[3] and, that previous media merger reviews have therefore focused exclusively on news, rather than entertainment or sport.[4] She also notes your representation that this public interest consideration should not be limited to linear television as audiences increasingly consume content across streaming, on-demand services, social media and video sharing platforms.

With regard to the Secretary of State's concern in relation to audiences of sports content, she notes your representations that a number of existing guardrails would prevent reduced public access to sporting content by moving it behind a paywall, including that: Group A listed events have specific legal protections; ITV's existing sports rights are licenced for free to air broadcasting; and, ITV does not have commercial incentives to put them behind a paywall because their success is due to their large free to air audiences. She notes your observations that the Proposed Acquisition will strengthen the availability of free to air sport by giving Sky access to ITV's free to air reach, allowing more sports events to be shown free to air on ITV channels; and, Sky's public commitment to provide more free to air sport on ITV. She also notes your representations that free to air sport is under threat from major sports rights being acquired by streaming platforms and technology companies, with which a combined Sky/ITV entity could better compete. Finally, she notes that Sky has championed grassroots sports initiatives.

The Secretary of State considers that the public interest consideration on the need for there to be a sufficient plurality of persons with control of media enterprises serving every different UK audience, as set out in the Act, does not limit her ability to consider the public interest impacts of a concentration of ownership only on UK audiences of news and current affairs. She has been minded to intervene in a previous merger on the basis that a concentration of ownership may affect audiences of a broader range of genres. She also considers that there may be potential for an excessive concentration of control of broadcasters over non-news genres to pose risks to the public interest; for example, by narrowing the diversity of cultural expression or eroding social cohesion and shared cultural moments for UK audiences. It is therefore open to her to ask Ofcom to consider the public interest effects of a concentration of ownership on audiences of other genres. Based on the prospect that the combined entity may bring 60% of the viewing share of live linear sports under a single commercial owner, she considers it would be reasonable to do so in this case.

She agrees that this public interest consideration enables her to consider the impact of a concentration of ownership of media enterprises on UK audiences of broadcast news and she would like Ofcom to investigate the impact of the Proposed Acquisition on broadcast news audiences.

The need for the availability throughout the United Kingdom of a wide range of (i) broadcasting; and (ii) on-demand programmes; which (in each case, taken as a

[3] Ofcom 2012 report and 2014 House of Lords Communications Committee report
[4] The representations refer to CMA precedent (e.g. Global/GMG, Fox/Sky).

whole), is of high quality and calculated to appeal to a wide variety of tastes and interests.

The Secretary of State notes your representations that ITV will be subject to continuing regulatory obligations requiring it to provide a broad range of high quality and varied programming after the Proposed Acquisition. She notes your representations that high quality programming would be supported by two additional factors: the Content Supply Agreement between Sky and ITV Studios, which would guarantee continued free to air availability of major ITV programmes and preserve ITV's independent production quota; and, the enhanced content windowing, which would enable content to be shown across Sky's subscription platforms and ITV's free to air services, increasing, and not decreasing, the availability of premium free to air content including sports content.

She also notes your specific representations regarding regional news: that ITV's regional news obligations are licence requirements enforced by Ofcom and will continue, [redacted] and, that Sky intends to use its technology and digital expertise to modernise and enhance ITV's regional journalism. Regarding STV, she notes your representation that ITV's relationship with STV is anchored in strict statutory, regulatory and contractual obligations, which will continue to bind the merged entity in full, and not in ITV's goodwill or relative size. Finally, she notes your challenges to the suggestion that Sky would gain control over Everyone TV through its 25% shareholding.

On on-demand programmes, she has noted your representations that the Proposed Acquisition does not threaten the availability of ITVX; that there are strong regulatory and commercial reasons why the quality and scale of ITVX's free content offering will continue; and, your public commitment for ITVX to remain free-to-access.

She considers the detail you have provided on the contractual mechanisms, regulatory frameworks and commercial incentives (which you say will enable ITV to continue to contribute to the availability of a range of high quality and diverse programming both in broadcasting and in on-demand programme services) to be reassuring. She acknowledges that ITV's public service broadcasting obligations, and your promise to continue to meet them, provide some reassurance that ITV will, as separate to Sky, continue to contribute to the overall availability of a wide range of high quality and diverse broadcasting and on-demand programming throughout the UK. She notes that ITV has historically exceeded its obligations and that this approach has to date had a positive impact on the overall availability of high quality, diverse content.

However the Secretary of State remains concerned that ITV's contribution could diminish if Sky's absorption of the UK's primary commercial PSB into a primarily subscription led business creates countervailing financial incentives to extract efficiencies and exerts pressure on ITV's ability to sustain its current range of broadcasting or free to air on demand programming. She is concerned that if this occurs, it may compromise the availability, throughout the UK of a wide range of broadcasting and on demand programmes, which in each case, taken as a whole, is of high quality and calculated to appeal to a variety of tastes and interests. In addition, while the Secretary of State considers detail in relation to contractual arrangements with ITV Studios, STV and Everyone TV to provide some

reassurance, she would find it beneficial for Ofcom to provide a more informed assessment on these complex issues through further investigation.

Conclusion and next steps

For the reasons set out above and previously in the 'minded to' letter, the Secretary of State has concluded that she has reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation. She believes that it is or may be the case that the following public interest considerations are relevant to a consideration of this merger:

- The need for free expression of opinion in news media.
- The need for, to the extent it is reasonable and practicable, a sufficient plurality of views in news media in each market for news media in the United Kingdom or a part of the United Kingdom.
- The need, in relation to every different audience in the United Kingdom or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience.
- The need for the availability throughout the United Kingdom of a wide range of—
  iii. broadcasting; and
  iv. on-demand programmes;
  which (in each case, taken as a whole), is of high quality and calculated to appeal to a wide variety of tastes and interests.

The Secretary of State has decided to issue a PIIN accordingly.

Please note that the role of the Secretary of State in this process is quasi-judicial and procedures are in place to ensure that she acts independently and follows a process which is scrupulously fair, transparent and impartial.

Yours sincerely

[redacted]

Director, Media & International