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Press Complaints Commission

From the Director

28 January 2005

John Everett
Financial Promotions Department
Financial Services Authority
25, The North Colonnade
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London
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Eve Salomon
Dianne Thompson
The Right Rev. John Waine KCVO

Director
Tim Toulmin

Dear Mr Everett

Thank you for your letter of 17 January.

Having re-read our previous correspondence, I am not clear whether or not you had a copy of the PCC's Financial Journalism Best Practice Guidance Note. I am therefore enclosing a copy for the sake of completeness. This was produced following consultations with the FSA and others at the time of the FSMA 2000, and led to the exemption from it for journalists that is contained in the FPO. This note is in fact about to be substantially reworded in light of the incorporation of the EU Market Abuse Directive. We expect to publish a new note – with more extensive rules on disclosures – in the late spring

The current note does not specifically include the sort of articles with which you are currently concerned: namely, those recommending financial guides produced in association with third parties. It may be that were the Commission to receive a complaint about such a piece, the spirit of the Code and the Note would apply if the nature of the financial relationship between the newspaper and the third party had not been disclosed. We have never, in fact, received such a complaint, and I note that the example that you have sent me contains a clear reference to the fact that the Guide is sponsored by a third party.

In any case, in exempting journalists who subscribe to the Code of Practice from the provisions of the Act, the FPO does not seem to require that the self-regulatory rules duplicate the law. Perhaps you could correct me if I have misunderstood this.

It might be helpful, if you thought there was a grey area in the Commission's rules, if you could outline to me how the Code of Practice – or, more likely, the Financial

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Journalism Best Practice Note – should in your view be amended to deal with your concerns. In particular, a note about the mischief that you are seeking to prevent would be useful, given that I would have to consult more widely before any changes could take effect.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'TTM', followed by a long horizontal line extending to the right.

Tim Toulmin