PCC rules on financial journalism case at Telegraph

The Press Complaints Commission has ruled that a regular share-tipping column in the Daily and Sunday Telegraph was making investment recommendations in a way that did not breach Clause 13 (Financial Journalism) of the Editors' Code of Practice.

A reader of the Questor column had expressed concern that certain shares in which the column's editor had a stated financial interest were being tipped with excessive frequency. In particular, he pointed to a particular investment trust which had been tipped on nine occasions between 14 January 2009 and 15 April 2010. The Commission used the opportunity proactively to test whether the column had breached any aspect of Clause 13 of the Code.

The newspaper argued that its journalist had acted properly at all times. However, following the complaint, it made a voluntary undertaking that the Questor editor would no longer buy or sell shares in the future.

The Commission noted that this was the first adjudication in this area since the City Slickers case of 2000. However, the two cases were very different and the Commission was satisfied in this instance that the Telegraph had followed the requirements of the Code (and the PCC's Financial Journalism Best Practice Note of 2005). In particular, the Commission found:

- the Questor editor had disclosed the interest appropriately to executives and the public;
- the amounts involved were not especially high;
- the editor had not sold any shares about which he had written;
- the shortest gap between a recommendation and his purchase of the recommended stock was 29 days, and there was no evidence of short-term speculation.

The Commission emphasised the importance of readers having confidence in the propriety of the actions of journalists in this area, and welcomed the response from the newspaper to this case. It found no breach of the Code.

The PCC Director, Stephen Abell, said: *"After the City Slickers case in 2000, specific guidance was introduced in the area of financial journalism by the Commission. This guidance was updated five years ago to take account of relevant legislation, which derived from an EU Directive. This complaint was the first occasion on which the updated guidance has been tested and the Commission was glad to establish that the newspaper was following all the requirements. The fact that the Telegraph decided to take further voluntary action to prevent any suggestion of a conflict of interest shows the strength of the self-regulation in this area, which seeks to promote high standards of accountability. The PCC will host a seminar on this subject in 2011 to ensure that journalists across the industry remain up to date with the Commission's thinking, and aware of our vigilance."*

ENDS

Notes to editors:

1. To read the adjudication please click here.
2. To see the PCC's Best Practice Note on Financial Journalism please click here.
3. The Editor of The Sunday Telegraph, Ian MacGregor, is an editorial member of the Commission. He took no part in the PCC's deliberations of the complaint and left the room when it was discussed. He did not see any correspondence connected to the case. This is in line with the PCC's normal procedures when a title edited by a Commission member is subject to a PCC complaint.

4. For further information please contact Jonathan Collett on on 020 7438 1246, 07740 896 805 or **jonathan.collett@pcc.org.uk**.

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