

Digital, Culture, Media and Sport Committee

Oral evidence: Fake News, and other policy issues connected with the work of the Department, HC 363

Wednesday 14 March 2018

Ordered by the House of Commons to be published on 14 March 2018.

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Members present: Damian Collins (Chair); Julie Elliott; Paul Farrelly; Simon Hart; Julian Knight; Ian C. Lucas; Rebecca Pow; Jo Stevens; Giles Watling

Questions 943 - 1186

Witnesses

I: Rt Hon Matt Hancock, Secretary of State for Digital, Culture, Media and Sport.

Examination of witnesses

Rt Hon Matt Hancock, Secretary of State for Digital, Culture, Media and Sport.

Q943 **Chair:** Secretary of State, welcome to the Select Committee and your first appearance since your promotion to your new position. Today we have asked you to give evidence as part of our Fake News Inquiry and we are going to ask questions about that first. Then, for the second half of the session we will turn to discussing some other topics of recent interest to the Committee.

It would probably seem appropriate, given the Prime Minister's statement, to ask your view on the state of RT and in particular whether Ofcom should conduct a fit and proper person test on the owners of RT as it is financed by the Russian Federation. In a statement yesterday Ofcom said that "should the UK investigating authorities determine that there was an unlawful use of force by the Russian State against the UK we will consider this relevant to our ongoing duty to be satisfied that RT is fit and proper". So in the light of the Prime Minister's statement do you think that condition has now been met?

Matt Hancock: As the Prime Minister made clear, we believe that the Russian State is culpable for the attempted murders and, therefore, there was an unlawful use of force by the Russian State against the UK, as in



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the words of the Ofcom statement from yesterday. As I have no doubt we will get into this in more detail, I strongly believe that the regulation of these matters should not be for politicians and it is right that Ofcom make the judgments in this area, but I can confirm the question around the unlawful use of force that Ofcom referred to in their statement yesterday.

Q944 **Chair:** So as far as you are concerned it is a matter for Ofcom as to whether they—they obviously conduct this review; it is down to them.

Matt Hancock: It is very important that it is a matter for Ofcom because it is legally a matter for Ofcom. That is the structure of regulation that was put in place and it has strong cross-party support. One of the other things the Prime Minister said was that we must respond to this threat from Russia in a way appropriate to our values, and one of our values is that politicians and the Government do not interfere and we have a settled view, a settled position, for Parliament on how these things are regulated. Therefore, I am taking extra care to ensure that this is a question purely for Ofcom.

Q945 **Chair:** So I am clear on what you said at the beginning—you feel that, based on Ofcom's own statement, the criteria they applied for initiating such a review would have been met because the UK investigatory authorities believe that the Russian State is culpable for the Salisbury incident.

Matt Hancock: They said that should the UK authorities determine that there was unlawful use of force, they would consider this relevant to their ongoing duty to be satisfied that RT is fit and proper. What I am saying is that we do consider that there was an unlawful use of force by the Russian State against the UK. It is a question for Ofcom as to how to react to that being the UK Government's position.

Q946 **Chair:** Indeed, but you feel that if that is Ofcom's criteria for doing it then that has been met by the statement of the Prime Minister.

Matt Hancock: That is their stated criteria. The criteria and the interpretation of that is a matter for them, but obviously I have seen their statement yesterday and the next step is a matter for Ofcom.

Q947 **Chair:** The Prime Minister, in her statement, talked about "hostile state activity" in general. Do you see disinformation emanating from the Russian State, be that through the distribution of fake news or incidents where Russian State broadcasters have breached the broadcasting code? Do you see communications as part of that package of hostile state actions coming from Russia?

Matt Hancock: Yes. We have clearly seen activity from Russia directed at all western democracies, or many western democracies, and that includes here in the UK. I know that the Committee has done excellent work in ensuring that we get to the bottom of the quantum of that. There is clearly intent, and how we address that is part of the wider work on



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disinformation and fake news because that is one element of disinformation. Commercially minded fake news and disinformation is also an important factor. We have to look at all of these things.

Q948 Chair: As far as you are concerned, as you say quite rightly, understanding the concern is still something that is a matter of ongoing investigations, but the intent of the Russian State has been to use disinformation and to target it at western countries like the UK.

Matt Hancock: To target it at western countries. What I would say is that in the UK we have not seen any successful impact of that. For instance, when it comes to the referendum there is no evidence that the outcome of the referendum was affected. If you look at the scale of the activity on the evidence that we have so far seen, there is no evidence of an impact on the overall result, not least because the margin was over 1 million votes and the scale of the impact that we have evidence for at the moment is much smaller. We have not seen any successful interference in the UK, but we are vigilant about it, and indeed I have commissioned research into the effects of disinformation.

If I may, there is something I wanted to say more broadly on this, which is that I think that the work that you have been doing as a Committee has been incredibly important on this question. You have gone out of your way to conduct a thorough investigation. You have travelled to America. I have been following it closely and we have had exchanges in the Commons. I have also been urging the tech companies to engage properly with you.

I think this is the right way to do it. We are a parliamentary democracy and I think that you conducting the initial investigation with the support of the Government, not directly but with our strong backing, and that has been the right way to do it. No doubt you will produce a report on that. I hope it is a cross-party report, which represents Parliament's opinion through this Select Committee and then it is for the Government to respond to that. I think given the sensitivities around news and how we regulate the media it is much better that this comes from Parliament to Government.

Obviously it is a problem we care a lot about. We have already instigated our own research but we will then respond to your report on this. I think the way that you have carried this out has been exemplary.

Q949 Chair: This may be the only time I will say it today, but the Committee should thank you as well for your support for the inquiry, and for writing to the tech companies to encourage them to support the inquiry and making clear that it was the wish of the Government that they should do that, because certainly the tech companies were reluctant to do so. We are grateful for that.

On this point, I do not want to labour the point on Russia but to be clear, as Secretary of State, what do you think is going on? Would you regard



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the Internet Research Agency as an agency of the Russian Government?

Matt Hancock: I am reluctant to add more than is already in the public domain on that. Clearly, tackling disinformation and fake news is incredibly important to safeguarding our democracy. You know how much I care about that. I think that is the No. 1 issue faced by our media. I think that having a healthy and high quality democratic discourse is incredibly important to this country and has been important to democracies throughout the ages. That may sound like a big picture statement but I think it is incredibly important.

There are multiple threats to that through business models, through commercial fake news, through state-sponsored disinformation and, indeed, through the domestic disinformation of people with a particular agenda. Tackling all of these is important. I am glad to say that I think in the UK, on the evidence that we have seen, this has not had an impact on the outcome of elections and referenda but we have to be vigilant. We have to make sure we work now to ensure that it does not have such an impact in the future. It is one of the reasons that I made the decision I did around Leveson, which I have a funny feeling we might come on to. It is at the core of why we have set up the Sustainability Review, the Cairncross Review, to make sure that the business models of high quality journalism are sustainable.

I would stress that the foreign state element of that is just one strand of a much broader picture.

Q950 **Chair:** That is understood and certainly in our inquiry we have tried to look at those different strands. To be clear, with regards to Russia I think the evidence we have received would certainly say that the Russian States and Russian agencies have been involved in directing disinformation at other countries, and the UK is one of those countries and you would agree with that.

Matt Hancock: Yes, I would agree with that.

Q951 **Chair:** I agree with you but to what extent that has achieved anything in terms of swaying the opinion of the British public on issues is not proven at all. Nevertheless, the intent has been there to at least direct disinformation at people in this country.

Matt Hancock: I agree with that statement, yes.

Q952 **Simon Hart:** Quickly on that point: you seem very certain that there has been no interference to the extent that it has altered the outcome of elections or referenda, but if it was being done well we would not necessarily know. My question is—you have talked about commissioning research—when will that be available? When we were taking evidence I got the distinct impression that they were telling us, “This has probably been going on for years but you just have not been looking in the right places”.



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Matt Hancock: I entirely accept the premise of the question. Of course, good disinformation you do not know is happening and you do not know that it is state sponsored, if it is, and this is part of the problem.

Q953 **Simon Hart:** Or that it is disinformation.

Matt Hancock: If it is really good. Of course, it is a complicated matter. We have commissioned the research. We want to follow on from your report so we will not be publishing research before you have reported. We then want to take your report incredibly seriously. I know that it is normal for a Secretary of State to say that they take the reports of a Select Committee very seriously but in this case we have—

Chair: Some more than others.

Matt Hancock: In this case we are actively waiting for your report because we think that you are the best people to start off this process, and that is constitutionally a good thing to start with coming from Parliament and then us picking it up and taking it on. We should also not rule out legislative options to insist on the transparency of platforms in this area. That is not somewhere that we have yet concluded is necessary, and I hope in some ways that it is not because if they will come to the table—they can come to the table voluntarily much quicker than it will take to legislate, but of course we are prepared to do that.

I would say that over the past six months or so the level of engagement from the big social media companies has improved noticeably, markedly. I think even from you announcing your report to the publications that they made when you went to the States the level of engagement has improved. The clarity of the rhetoric at the top of the companies—this is a problem that needs sorting out—has changed dramatically in the last year and a half, from an initial denial that it was anything to do with them to now realising that it is a problem that needs to be fixed. They are clearly on a journey. I would say they are growing up to their responsibilities but there is a lot more to do and people need to have the confidence that what is going on with these platforms is as published by the social media platforms.

Also I would make this point: the big improvements we have seen have come from Facebook, Google, Twitter and Snapchat. There are lots of other social media companies and some of them may say that they do not have a problem and some of them may not have a problem but, partly because the degree of advertising that has gone on with Facebook and Google over the last couple of years, they have become the focus of this, but it is broader. The big action has been taken by the companies that are in the public eye, but we have to make sure this happens right across the board.

Q954 **Giles Watling:** A very quick question—by the way, thank you very much, Secretary of State for being here today. You say that the attitude of the leaders of platforms such as Facebook and Twitter has improved over the



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last 18 months. The impression I got when we were interviewing particularly Twitter, was that we had a bunch of people who were very bright people who have created these wonderful platforms, and who had been dragged sort of blinking into the sunlight realising what their platforms could be used for. They still are not up to speed with that. They were claiming that they just provide the platforms and the first amendment, free speech, is what they could fall back on. They do not realise the power of this thing and if you get, for instance, the Russian bot farms, the Venezuelan bot farms, falling in on the back of a Twitter storm suddenly you can be incredibly influential. As you said with the referendum there was a difference of 1 million or so people. It sounds like a lot of people but it was only 4% of the vote and if you can persuade 4% of them this is incredibly powerful.

I feel, and I mentioned it once before—I wonder what your view is on this—that perhaps the websites that are open for free speech should come with a warning like you have on a cigarette carton that says, “What you read here is not necessarily the truth. Please check your facts. Look behind the headlines.” What are your views on that?

Matt Hancock: It is such an important question. I do think that these platforms have moved. Twitter, in terms of the rhetoric from the founders and top people has moved more lately, and there was a Twitter stream from Jack, the founder of Twitter, only about 10 days ago that showed the same sort of recognition of the impact to Twitter that we saw over Christmas from the founder of Facebook. That came after your oral evidence sessions, rather than before. I do think they have—I now put them in the category of a social media company that gets that there is a problem to fix and it has a role in fixing the problem.

There is a broader philosophical change that is in the middle of taking place, away from this first amendment libertarian attitude: “Connect the world and everything will be a better place. Governments just get in the way and we should just let it all hang loose.” That sort of libertarian attitude was at the foundation of the internet and it has brought great freedom and great improvement in the way that we live our lives. However, but we need to move from that libertarian approach to what I call “liberal values” on the internet, which is supporting and cherishing the freedom but not the freedom to harm others. Fortunately there is a blueprint for how to do this because 300 or 400 years’ worth of political philosophy has been written by greater men than I to say, “This is the sort of way that you can tackle these problems”. How do you balance freedom and the need for security? We have been doing it offline for generations so we need to do it online as well. Finally, the penny seems to be dropping among the leaders of the social media platforms that they have a responsibility too and, boy, do they have a responsibility because otherwise we will impose that responsibility on them.

I do not, for a moment, buy this idea that just because the internet is global therefore nation states do not have a say in it. We are responsible.



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We collectively, Parliament is responsible, for the statutory rules where our society lives.

Q955 **Giles Watling:** Also a health warning.

Matt Hancock: A health warning is an interesting idea that we could put in—I had not heard of it before. We do use it in lots of different areas, don't we, like public health and smoking and what have you? We will consider that as part of the Internet Safety Strategy.

Q956 **Julie Elliott:** Welcome to your first appearance of Secretary of State here. I am not sure how enjoyable you will find the hearing today but never mind.

Matt Hancock: It has been very enjoyable so far so maybe we can carry on like this.

Julie Elliott: I have to note the comment you made about the constitutionally important role and seriousness with which you take Select Committee's reports and comments in light of your—within hours—comments to the press about our pre-appointment hearing of the Chair of the Charity Commission, but I am not asking you a question on that.

Matt Hancock: I am very happy to talk about that later.

Q957 **Julie Elliott:** I am sure somebody else will. The Fake News Inquiry has been very—it is fascinating and where we thought we started out at is probably not where we are now because it is a constant revelation. One of the issues we have had throughout the inquiry is that we found the three major social media platforms, Google, Facebook and Twitter, are very unwilling to share information with us, to a greater or lesser degree. What is the Government's experience of dealing with these platforms?

Matt Hancock: Similar in that it has been very difficult, but it has been better of late. I have spoken about those three and other platforms directly, but overall the attitude of some of the big companies more broadly, the big tech companies, has matured over the last couple of years.

Q958 **Julie Elliott:** Do you think they will look for solutions to the questions we are asking or do you think they try to just give us as little information as they can? What would be your personal opinion?

Matt Hancock: I would say—look, I am an optimist. I am a glass half-full person. I think that they have—they started in your latter position of giving as little as possible, and they are now moving into the former position. You have to think about it like this: the founders of these companies did not start these companies to do bad things. They started them to make life better and they genuinely feel strongly that they make life better and you can point to endless examples of where the social media companies have done great things, from being able to communicate with people more easily, or keeping in contact with people who you would not be able to contact before, or publishing press releases



more easily as local politicians. I am a big fan of the concept of social media. I think it is a great force for good.

I think they just did not look enough to—they spent so much time fighting off people who did not think that social media was a good idea that they did not realise that there were serious and genuine harms being done in this area. For quite a long time they have been working with us on serious harms in other areas. One of the reasons that it is obvious to me that they are not a passive host in that debate, which I am sure we will come on to, is that they have always been taking down child pornography. They have worked hard to take down child pornography and we have pushed them to take it down faster. They have responded and they have put more resources in, and now they are getting their AI to work on it and that has been a real partnership. They need to do the same in the area of news and the democratic discourse as well.

Q959 Julie Elliott: Is their business model, with funding from adverts in lots of cases, preventing them from tackling the real issue of fake news?

Matt Hancock: Yes. I think that there is a real tension within these companies. We think of them in the same way that we think of other countries that we deal with in that there are some people inside each organisation who are essentially on the side of the angels and want the social media to be a force for good, and there are others who say, "But hold on, we have to justify our extremely high share price, therefore we need as much ad revenue as possible". There is a tension.

We saw it when Mark Zuckerberg announced that they were downgrading the quantity of the news feed within Facebook in January. Their share price took a hit. So there is a genuine and direct internal debate about that. That then leads you to question whether they, themselves, will get the balance right or whether there needs to be a more formal framework. If you take into account the fact that many of the founders started with very profound noble principles about making the world a better place by connecting people; I want them to bring to bear that impulse in solving some of the problems that have been created by social media.

Q960 Julie Elliott: You have talked a little bit already in your answers about the extent of foreign interference in elections. What more do you think social media platforms should be doing to stop this?

Matt Hancock: I think there is more that can be done. I pay tribute to Twitter for having—it has started to remove bots, and the other social media companies are starting to spot when—

Q961 Julie Elliott: Can I interrupt you there? That is fair enough but Twitter cannot trace who has the Twitter accounts. We took that in evidence when we were in America. So if they cannot trace who—they might be able to trace bots but if they cannot trace who is behind an account how effective is that?



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Matt Hancock: It is a very good question and I think that there are some ways that we have tackled that. Some using the law and some not. For instance, by not using the law when Daesh were using Twitter very aggressively we set up UK Against Daesh and a series of Twitter accounts, which made the argument in the opposite direction and that campaign was very successful. It was run by the MoD. That is the sort of non-legislative way of doing it where Government can and have acted.

Q962 **Julie Elliott:** Do you think it is a problem, the traceability of Twitter, Facebook, all of these accounts?

Matt Hancock: I do think it is an issue. Let me give you an example where we have done something about it in terms of liability. The Defamation Act 2013 states that if you are defamed by somebody on social media and you cannot trace where that came from and therefore who is liable for that as a publication then the liability rests with the platform. That is quite a big step but—

Q963 **Julie Elliott:** How could somebody, an individual, afford to pursue that if that happened to them?

Matt Hancock: How could they afford—

Julie Elliott: To pursue an action under the Defamation Act.

Matt Hancock: Lots of people pursue defamation action all the time. We can have a whole hearing on access to justice and how you can have a— but that is the legal system in the UK.

Q964 **Julie Elliott:** You do not think that is a problem to ordinary people.

Matt Hancock: I think that there is a practical problem about the value. If somebody has tweeted something and only a couple of thousand people have seen it, the value of the recompense is an issue given that the numbers of who have seen it would be much smaller. Therefore there would be a question of the degree to which the court would decide that it brought harm, but that is a matter for the court's interpretation in the libel system.

I was trying to explain the principle, which is there in English law.

Q965 **Julie Elliott:** How many cases have—

Matt Hancock: There are none that I know of.

Q966 **Julie Elliott:** I want to quickly move on. It has been suggested that individuals exposed to foreign propaganda should be informed of each incident. Do you think that is a proportionate response?

Matt Hancock: I think it is worth considering. It is a tricky question because it depends how—it may well depend on the circumstances. I do think it is worth considering. I have not come across that proposal before.



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Q967 **Julie Elliott:** Should that be the responsibility of the social media platforms, do you think?

Matt Hancock: That is a very good question that is worth looking at.

Q968 **Julie Elliott:** Who should monitor this and how should infractions be dealt with, do you think?

Matt Hancock: At the moment it is all dealt with by the social media companies but often they do not even police their own terms of reference. For instance, I have been talking in public about making sure that social companies have age appropriate design and age appropriate designed websites. At the moment they do not follow their own terms of conditions in terms of ensuring they are age appropriate and age ratification takes place properly. In this case it is a question of them—

Q969 **Julie Elliott:** Would you say at the minute there is not a proper mechanism there to deal with infractions?

Matt Hancock: I would say that at the moment this is an area that is unregulated.

Q970 **Rebecca Pow:** Welcome, Secretary of State. Very nice to see you at our Select Committee. On that very note, and from your answers, Secretary of State, it would seem as if Government are a very long way from being in control of what the social media companies are in fact doing. Are you on the case, Minister?

Matt Hancock: Yes, we are on the case. I think this is new policy area. This is one of the reasons this is—excuse me, there is a squeak. One of the reasons this is such an interesting policy area is because it is new.

Q971 **Rebecca Pow:** Would you say it is frightening? From some of the evidence we gathered in the States, particularly from Twitter, when they said that “It was not in their remit” to worry about what the truth was—in fact they took no responsibility whatsoever for what was being posted. Is that not deeply concerning for what is happening to our society?

Matt Hancock: This is why we are putting an awful lot of work into getting to the right place and it is a judgment for society. My view is that society’s judgment is legitimately expressed by Parliament. That is why I am glad that you are doing the review and that is why we are going to take your report so seriously.

Q972 **Rebecca Pow:** Good. I think you will find a lot of very interesting things have come to light in it. On that note we are legislators. Do you think Government might think about legislating for these big huge companies, Facebook, Twitter and Google, to prevent them from doing things, just as they have done in Germany already quite successfully with Facebook? Do you think we could follow that model?

Matt Hancock: We do not rule out legislation so the first part of your question I agree with. I was going to say yes then you said, “Should we do it the same as in Germany?”



Q973 **Rebecca Pow:** It was just an example of how it is possible to do something.

Matt Hancock: I am not a fan of doing it exactly as they have done in Germany. I think that when a regulator gets to the position where they are policing the publications of politicians then you are into tricky territory but the—

Q974 **Rebecca Pow:** They have passed hate speech legislation basically.

Matt Hancock: Yes. I think we take a different approach in Britain. I think that our—partly due to our history and our culture we have a different approach but should we have legislation that is appropriate to us and written by the British Parliament; we do not rule that out.

Q975 **Rebecca Pow:** Another aspect of that is that these social media platforms—it seems they are massive data harvesters and they are gathering loads of data about all of us. Should they be brought to account if they are selling that data or passing it on? Surely that is something that we have to also bring under the microscope.

Matt Hancock: Absolutely. The Data Protection Bill currently in Committee on this corridor will have a big impact on how the social media companies operate and they must live under it like everybody else. So I hope that the Data Protection Bill and the GDPR that it incorporates will be the right way to solve that, yes.

Q976 **Rebecca Pow:** We also, in our inquiry, have come across this issue where social media platforms—they call themselves platforms, but are they in fact publishers?

Matt Hancock: This is a very important question and the Prime Minister has opened it up and she has asked this question. They are clearly not simply conduits of information. They already take a view over what is on their platforms. So they already curate the platform. If you give them the full liability of a publisher then I cannot see how they can operate. We are all extremely sensible people around this table. I cannot see how, say, Twitter would be able to allow us to tweet if they had to take full legal liability for everything and I think that the whole model would collapse.

I have an App for my constituents. I cannot be liable for what they publish otherwise I would not be able to allow them to publish it because I can only be liable for what "I" publish. That is the argument against full publisher status. Nevertheless, the current law is that they are mere conduits and that law was put in place to stop the people who were responsible for the wiring being responsible for what went over the wiring. It was designed with open reach in mind and then there was a legal case when it was decided that it applied to the platforms as well. In the US there was an Act of Congress that gave them safe harbour.

I think that they already act to curate their platforms more than is required by law. We have talked about some examples already. At the



moment the debate takes place between these two with—are they one extreme or are they another, and there are very good arguments to say that they are neither one extreme nor the other.

Q977 Rebecca Pow: Do you think there should be a new definition then of what they are?

Matt Hancock: I think there is a very strong argument for a new definition, which takes into account—that is more subtle. Ultimately this is about updating regulation to take into account changes in technology, which is what we have to do in this place all the time.

Q978 Rebecca Pow: The point is you seem to be justifying the fact that they do not take account of what is published on there and yet we expect newspapers to. We take them to court if they publish things that are incorrect. Surely we need a whole new framework and I believe you mentioned this in a recent speech at the Oxford Media Convention. When might you think such a framework might come forward?

Matt Hancock: A couple of things in response to that. The first is that currently the e-commerce directive of the European Union says that they are a mere conduit. We are going to leave the European Union and so this may be an opportunity to write a set of laws that are absolutely right for the modern times, which allow for the innovation and the use of social media but get this balance right at the same time. At the moment, without changing the e-commerce directive, you cannot do that. So there is an opportunity for Brexit, in terms of timing.

Secondly, we want to hear what you have to say before we publish details on what we are thinking. This is part of the consultation on the Internet Safety Strategy. We have opened up the question because we think it is very important to answer. What I say is the answer is likely to be more nuanced than the binary debate, the either/or.

You also asked about—sorry, there were so many parts to the question. You also asked about the newspapers. Platforms are different from newspapers. A newspaper checks every word that it prints and that is different to what happens on a platform.

Q979 Rebecca Pow: Finally, shall I round up with the—do you think that social media companies are in effect behaving as monopolies and as such should the whole issue be referred to the Competition Markets Authority?

Matt Hancock: That is a really interesting question. The way that competition law was first designed, over 100 years ago, and used to break up the big American railroad monopolies was that there was, essentially, a percentage of the market test and if you were bigger than a proportion of the market, whether that was a quarter or a third, you were deemed to be a monopoly. That was because you would have an impact on the market as a whole, but also because you would have very strong political impact. Over time the theory behind our competition policy shifted to the question of consumer detriment. How much do consumers



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lose because monopolies can charge more? This change, which happened over the 1950s, 1960s, 1970s is now entrenched in European competition law.

The problem with the consumer detriment concept of competition policy is that in many of these cases, the fact they are a monopoly leads to a consumer advantage. They come up with free products. The fact that you use Google Maps and I use Google Maps means that the timing ETA thing on the Google Maps is more accurate, not less, so people benefit from the fact that there are monopolistic tendencies.

On the modern consumer detriment question of whether such bodies are competitive, they are highly competitive because they deliver benefits to consumers and they have competition between them. Anybody who has looked at the behaviour of Facebook when it responds to an insurgent like Snapchat can see that they are highly competitive and they respond to the market.

The whole question of the concept of how we run competition policy in an era where many goods and many of the new innovations have zero marginal costs and are free, is intellectually difficult. At the moment European competition law is framed in a completely different way based on a world of widgets. The European competition law has had some positive impact on Google, but by picking off particular areas of obvious detriment—for instance, when they come in to bat against a small website by asking the website and giving the impression that they are interested in an acquisition, and then inventing the product themselves. Again, with Brexit, we have an opportunity to shape our own competition policy because although the competition authorities here execute on competition policy they do not design it. It is all done within the European framework. So there is another opportunity from Brexit to have a big look at how we run competition policy in the UK in the light of the changing technology and the fact that many of the innovations of our time have zero marginal cost.

Chair: I think Jo Stevens wants to come in on this point as well.

Q980 **Jo Stevens:** I might come in on another point as that has already been dealt with if that is okay, Chair.

I wanted to ask you about the National Security Capability Review and the National Security Communications Unit. The objective of the first review is to ensure that the UK's investment in national security capabilities is as effective as possible. How does that work, link in, with the Prime Minister's newly established National Security Communications Unit that has been tasked with tackling fake news?

Matt Hancock: Clearly, we have a cross-Government approach to tackling this question. We have the resources to deal with it. There is a combination of a foreign policy question, which is a Foreign Office lead. There is an overarching national security lead in the Cabinet Office, which the review in the unit that you mentioned sits under, and then domestic



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disinformation and the role of digital and digital policy, and policy towards the big digital companies and the lead for interactions with those, sit under DCMS.

Q981 **Jo Stevens:** Should your department not be taking the lead on fake news across Government?

Matt Hancock: Yes, we do but there is a broad—

Q982 **Jo Stevens:** So what are you doing?

Matt Hancock: There is a broad series of actors. We take the lead on digital and on communications but there are also links to wider national security measures—as I mentioned, UK Against Daesh is an MoD lead. There is a broad range of actors across Whitehall, which are, in my experience, very well co-ordinated.

Q983 **Jo Stevens:** I am glad you raised that Twitter account because I have to say I had never heard of UK Against Daesh. I have just had a look at it. You have described it as being very successful. It has just over 26,000 followers. Your Opposition counterpart in the Commons, Tom Watson, has 243,000 followers on Twitter. What are you using as a success measure for this UK Against Daesh account?

Matt Hancock: I was using it as one example of tackling, in that case, a clear adversary that uses social media—or certainly it used social media. It does that less so today but it is still active to try to encourage people. So it is one part of a response.

Q984 **Jo Stevens:** Sorry, what is the measure? How are you measuring the success? You said it has been very successful. What is the success?

Matt Hancock: By the measuring the—what I was trying to say is that there are lots of different actions that have been taken against Daesh, which is one part of it, but one of the things that we have seen is a serious degradation in the amount that Daesh is dominating social media, partly because we are responding in kind.

Q985 **Jo Stevens:** Right, okay. Going back to the communication service providers, do you think they should be invited or compelled by law to share their information about disinformation or fake news at an intergovernmental level with Governments, NGOs and academics? This came up in our inquiry. It is something that we want to see.

Matt Hancock: Yes. I certainly think they should be invited. Indeed, I wrote to them to say that we expected them to and we do not rule out legislating on transparency if necessary.

Q986 **Chair:** To go back over a couple of things. You accept that the tech platforms already have some liability for the content that is on their sites even though they are not the publishers of it. I think so far the action of the companies against child pornography is a good example of the liability they have to act in a responsible way.



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Matt Hancock: They take responsibility for ensuring that their platforms do not have illegal content. Certainly in that case, yes.

Q987 **Chair:** Do you think there are grounds here and is something we could do, as an EU member state not thinking beyond Brexit, is if the companies are failing to meet what would be considered to be their social obligations, to take down harmful content? Could they be open to some liability for that, for failing to act in a responsible way?

Matt Hancock: The limits of the extent that we could legislate in that space are defined by the E-Commerce Directive.

Q988 **Chair:** In the case of Germany the companies do have a liability for failing to act against hate speech. That is enshrined in German legislation to prevent the distribution of nasty slogans and so on and they can be fined heavily. So they are within an EU member state, they have a clear legal liability and there is a clear sanction if they do not act in the same way.

Matt Hancock: Yes. That is right. There are things that can be done. My point on Brexit is that outside of the EU we could attempt, as this country is quite good at in lots of different areas, to write forward looking legislation that supports the innovation and the freedom that these social media platforms bring, but also ensure that they mitigate better against the harms. That is an option. We have not committed to doing that but we are actively open about discussing that. In this debate it is very easy to focus on the harms—I spend most of my time, when thinking about social media, thinking about the harms, but we also should not throw out the baby with the bath water. Social media has a great powerful force for good and it can solve problems and improve people's lives and their ability to communicate. If you were asking about our role in tackling loneliness, which Tracey Crouch leads on, social media has a big role to play in solving those problems. Naturally we will park that because that is the great bit and it is going fine and thanks very much, but it is very important that we do not throw out that baby with the bath water.

Q989 **Chair:** I think that is understood but it is a bit like saying if, 20 or 30 years ago, you were Transport Minister and we were having this debate and whether we should have seatbelts in cars. We would not be doing it because we are anti-car. You recognise it as a—

Matt Hancock: It is a very good analogy, yes.

Q990 **Chair:** So in this case do you feel that in terms of the scope of what the Government might consider in this regard, the Internet Safety Strategy takes us in a direction of identifying harmful content but it is listing what harmful content is. If the tech company is in a position where, for example, a user has contacted Facebook saying, "I have seen on your platform this harmful content and I think you should take it down because it is harmful, it might be illegal, and it certainly breaches your community guidelines" and they then failed to do so. In that case do you think they would leave themselves open to some—would they be liable in



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some ways for their failure to act against that harmful content when it had been brought to their attention?

Matt Hancock: I think that is interesting and worth considering.

Q991 **Chair:** The Home Affairs Committee heard yesterday repeated examples of harmful content on YouTube—content that was illegal, which could incite people to commit atrocities and illegal acts. Do you think there, again, a company like YouTube should have some liability for its failure to act against harmful content? It had either been referred to it or it could easily, through technology, have identified it itself?

Matt Hancock: I think that a useful concept here is the duty of care. So social media companies have a duty of care especially to children but also to all of their users. A decent duty of care is written into many of their terms of reference but then I worry that they then do not police those terms of reference.

Q992 **Chair:** If those worries persisted, is this an area where the Government might say, "If you cannot convince us that you are being effective in policing your duty of care to your users that we will create a legal framework that makes you liable for your failure to do so"?

Matt Hancock: I am very interested hearing the argument that Tim Berners-Lee recently made. Tim Berners-Lee famously invented the World Wide Web and he said, "This is for everyone". He was a very strong proponent of the argument that by connecting people you make the world a better place and I have huge respect for him and his work.

He now argues that you cannot then just rely on the individual social media companies to do the right thing, not least because when they are sat on these chairs they feel the pressure—I know what it feels like. They may well respond and it is interesting that the ones that you have called in are the ones that have responded more vocally. Look at some of the others, like Kick and music.ly and ask what are they doing and what were they doing before there was public scrutiny of some of the worst problems on those sites. Then you ask, "If we are going to have a successful market and we are going to try to ensure that there is less monopolistic activity"—for instance, within GDPR you can request to take all of your data from one site and put it on to another. I think that sort of contestability is going to drive competition among the platforms. Then do you not need a level playing field? All these things operate within frameworks. It is a matter of getting the frameworks right, and the combination of rules and norms in order to solve these problems.

Freedom exists within a framework. We as a society live within a framework of the rule of law and the protection of property rights and protections of individuals, and we have developed them over centuries. Now there is a whole new online world, and where such things can be best done through norms of practice that is great and often simpler. One good example of norms and individual action was when we got all of the big search engines around the table and we said to then, "It is



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unacceptable that pirated music is at the top of the search returns” and after two years of roundtables they changed their algorithms, not just here but globally, to put up music whose rights had been paid to the top of the search returns. That was a good action that happened without legislation, and where British leadership has changed for the better the way that this operates the world over.

Sometimes norms are the best way of doing it. Sometimes it is going to take rules, and teasing all that out is a massive job. As Rebecca was saying, there is a big job to do. Nobody has yet gone down this path properly and I think Britain is uniquely well placed to lead.

Q993 **Chair:** The question I was trying to sort of get you to answer was—

Matt Hancock: Sorry, did I answer a different question?

Chair: Although your response was very interesting. Okay, are we at the point there within that framework at which, if the Government are not going to regulate YouTube, they are going to say, “You have obligations to your users, some you define for yourself and others, as a society, Parliament will define for you. If you fail to meet those obligations there is a sanction that is applied”. It is not just public criticism; it is saying “Your user could take legal action against you or you might be fined in some way”.

Matt Hancock: There are two examples. I have used the Defamation Act 2013 although, as you rightly asked, I know of no cases against it, which surprised me when I asked that question and got that answer. In the Digital Economy Act last year we legislated to ensure that there is age verification required, so children cannot look at adult material, and that is going to be in force by the end of this year. The sanction there is takedown. So if you are a porn site and you do not have age verification, it would be taken down. Incidentally, many porn sites are changing their systems globally, again in response to UK legislation, which shows this lie that because the internet is global therefore we have no say. It turns out in some cases that they change their global systems in response to what we do here in the UK.

There are different ways. There are different sanctions. GDPR on data protection has 4% of global turnover; a potential fine. So whether you use fines or takedowns or you have non-statutory sanctions there are lots of different ways to skin this cat, but the area of challenge is so big that there may well be different sanctions in different places.

Q994 **Chair:** So I am clear from what you said, the idea of the principle that maybe through legislation there could be a liability established in law for companies failing to act against harmful content when they reasonably could have done is something—it is within the scope of what could be legislated on. I appreciate what you said throughout the hearing this afternoon that you are not in a position to make a decision on those things yet.



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Matt Hancock: Exactly, but we are open to it and I have personally legislated for it in some areas.

Q995 **Chair:** When the Home Secretary visited California recently, she demonstrated a tool that the Home Office had commissioned from a British company, which with, I think, 99.95% accuracy can identify Jihadi films on YouTube. I would imagine one of the reasons that this piece of work was commissioned was not because the Home Office want to get into this business but to demonstrate that if they can commission a company to do it then YouTube could do it themselves. Do you think that there should be more pressure on them to create the tools and to use AI in particular to police what is on the site?

Matt Hancock: Yes. I would say that it is a question of keeping the pressure up. I would say on this the big companies have moved a lot. They have put a lot of resources firstly into human checking but latterly into AI. They are now taking down a huge proportion of harmful material before anybody sees it. They have changed a principled approach, which is important. Instead of saying, "We cannot get our AI to take it down because we might have false positives. We might have perfectly reasonable pieces of content that we then take down by computer and so people cannot post and that is a problem with freedom of speech"—that use to be their approach, but longer. They now say, "We'll take it down by AI and then we will have an appeal process ultimately to a human being and if somebody does not like the fact their thing has been taken down they can ask us to put it back up again. After a period of time we will have a look at it and it can go back up". I think that is the correct approach, which is the precaution principle. I would say that we have to keep the pressure up but they have done a lot.

Q996 **Chair:** I would go back to my previous question on this question of liability. You can say that failing to act could come with user referral. I have certainly seen an investigation that was done by the BBC about a year ago where they found sexualised images of children on Facebook. They were not illegal but they were certainly in breach of Facebook community guidelines. They had been referred to them. Facebook had not taken them down and they only took them down when it was revealed to them this was a BBC investigation at that point. So there is that point. There is user referral and whether there should be a liability for failure to act there. Do you think that could be extended to say that if you have not deployed technology that is easily within your grasp to identify this material, and if you could have acted in a way to prevent people seeing it, that that is a harmful act as well?

Matt Hancock: Potentially. I think the concept of duty of care is the way to think about this and then a lot of things flow from that in different areas.

Chair: A number of colleagues are quickly going to come in on this so I will bring them in the order people pointed to me. Simon first.



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Q997 **Simon Hart:** First, on what you said about duty of care particularly towards children. One thing I think we have learnt on this particular voyage is that the value of these companies is heavily dependent on not necessarily the number of people who visit them and who are online, but on the length of time they are online. That means that there is an incentive for the social media companies to somehow deploy addictive techniques in order to keep people—and one would argue, particularly vulnerable people—on their platforms for as long as possible. That would seem to me quite difficult to square with a duty of care towards children if their share value is purely dependent on—well, largely dependent on that.

Point two is about where the distinction lies between social media platforms, as we have been sort of generalising this afternoon, and huge newspaper online presences. Take, for example, the *Daily Mail*. It has 10 million online users, and it invites and encourages lots of people to comment on the articles that they are putting online, so suddenly they become sites where people exchange views that are often offensive, inaccurate, intolerant and in some cases dangerous enough to compromise cases, which people may be involved in in the courts.

I am not sure if it is a case of saying, “The newspapers have one set of rules over here and the social media companies have several rules over here”. That is getting quite blurred.

Matt Hancock: Yes, of course it is.

Simon Hart: I was wondering how you would wend your way through that.

Matt Hancock: Okay. On that second part; of course our media regulation broadly falls into three buckets. Broadcasting is regulated by Ofcom. Newspapers, 95% of which are regulated by IPSO. A small number, in terms of readership, are regulated by IMPRESS and then the unregulated internet. There is a blur between these three. There is a video by a broadcaster on internet on-demand services regulated by Ofcom, but the same video on *The Telegraph* website is regulated by IPSO, but if you published the same video on the internet it would not be regulated at all other than by the law. There would not be media regulation over it.

So there is a blurring and I think that some of the distinctions and the brickbats between the three sectors are not as subtly defined as reality.

Q998 **Simon Hart:** The first question. Did you want to—

Matt Hancock: Remind me of the first.

Simon Hart: How such media companies can fulfil a duty of care particularly to children at the same time as being entirely dependent on length of traffic.



Matt Hancock: This is it, isn't it? This comes back to the financial incentive on the one hand and the incentive to do good things.

Q999 **Simon Hart:** It was the fact that Twitter said to us in America, "It is not our job to be arbiters of the truth". I thought that we are a long way away from a duty of care being anything like effective if these people do not give us the impression that they are particularly concerned about what the impact of their presence may be. If they could just sit there and say, "What does the truth matter? That is not our problem." That is what they were saying. Surely the truth does matter.

Matt Hancock: Yes, it does. An objective reality does exist and the fact that we have to assert that is a sign of the times.

The response to that, I think, is that the need for trusted brands in terms of "the media" mediating information, ploughing through the endless news and views on the internet and turning it into high quality journalism. That is yet more valuable than it has ever been, and that is true whether it is in broadcasting or in print or indeed online. The broad range of the need across the piece for high-quality trusted journalism is incredibly high. This is the big focus of what needs to be fixed in the space of the media.

Q1000 **Jo Stevens:** Very quickly, on duty of care, this is legally meaningless in the context of social media platforms because there is no legislative framework. There is no legislation and definition that sets out what their duty of care is. They are deciding what their duty of care is and as we know from what we have seen and what we have heard throughout this inquiry that they do not treat it in any way seriously. Would you agree with that?

Matt Hancock: You are right that there is not an overarching legislative definition.

Q1001 **Jo Stevens:** There is not any.

Matt Hancock: There are pieces of legislation. There is legislation that we have brought in with respect to children looking at adult material and there is legislation currently before the House in the Data Protection Bill with respect to age-appropriate design for data protection standards on websites for children. There are pieces of legislation but you are right, there is not an overarching piece of legislation.

Q1002 **Jo Stevens:** Do you think there should be?

Matt Hancock: It is not off the table. We are considering that as part of the Internet Safety Strategy. In the consultation document we publish in October, we raise that. "Does there need to be?" question, and we are looking forward to your report.

Q1003 **Ian C. Lucas:** Another piece of legislation derives from the EU Data Protection Directive, which is current law, and it says that any company that processes information cannot do so on the basis of racial or ethnic



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origin, political opinion or religious or philosophical beliefs. Any of that type of collection of information and processing of information is currently unlawful. How at the moment do you ensure that that piece of legislation is complied with?

Matt Hancock: The description that you give is of sensitive data.

Q1004 **Ian C. Lucas:** Yes.

Matt Hancock: It is lawful to process sensitive data but only under a certain set of conditions, either if you have consent or if you have one of the many exemptions that exist, for instance for journalism. There is a public interest test in some cases within that. This is all being strengthened in the Data Protection Act and in GDPR, which is going to come into force on 25 May. All of that is policed by the Information Commissioner. At the moment the Information Commissioner has small powers to fine but she is about to get very big powers to fine with fines up to 4% of global turnover. The Data Protection Bill is an incredibly important piece of legislation in this space.

Q1005 **Ian C. Lucas:** I agree entirely with that. We heard from the Information Commissioner last week and she does not feel that she has adequate powers at the present time. If I can just be completely straightforward with you about why I am interested in this particular issue, as one of my colleagues said earlier, this has been a journey of revelation for many of us, and one of the revelations that I have received is about Facebook on this journey. I have learned that targeting in political campaigns via Facebook—you are a very Conservative political animal and I am a very Labour political animal and we are both very interested in this—

Matt Hancock: I would say that I am moderately Conservative and you are moderately Labour, but there you go.

Q1006 **Ian C. Lucas:** Okay. I am not sure if that is a compliment or not. As you will know from recent elections that we have both been involved in, the targeting of political campaigning with Facebook has been extremely important and, I would say, may even have had a pivotal impact on elections that have already happened. I think that much of the targeting that has happened in the past has fallen foul of this Directive. What do you think?

Matt Hancock: I have not seen evidence of that. I do think that the use of Facebook in particular in political campaigning has had a big impact. Quite a lot of the social media platforms have. In a different way of course Twitter has as well, because the President of the United States uses it to make announcements.

Q1007 **Ian C. Lucas:** We agree it has had a big impact. What I want to know is whether it has had a lawful impact. What concerns me is that we cannot find out about this activity because we cannot get access to the information that Facebook have about the personal data that they hold.



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Matt Hancock: I have seen no evidence of activity in this space that is not legal and it is a matter for the Information Commissioner as the enforcement arm.

Q1008 **Ian C. Lucas:** Let me tell you, you see no evidence because the only people with the evidence are Facebook. Facebook have no obligation to give that evidence to the Information Commissioner and she has no powers at the present time to demand it.

Matt Hancock: As I say, she is getting more powers in the Data Protection Bill.

Q1009 **Ian C. Lucas:** Do you think she needs to have those powers in order to gain access to this politically sensitive information?

Matt Hancock: The power to fine up to 4% of global turnover will ensure that she can get what she needs.

Q1010 **Ian C. Lucas:** I do not mean fining, I mean in the first instance to require access to the information. Do you think that is a power she should have?

Matt Hancock: The powers that she should have, which are strengthened, are set out in the Bill. The Bill is what we should put through—it has cross-party support—in order to make sure that she has these extra powers.

Q1011 **Ian C. Lucas:** Can I be clear? Sorry, I did not quite get that. Do you agree that the Information Commissioner should have powers to access information held by Facebook to target individuals politically?

Matt Hancock: Her ability to fine in very large scale will enable her to be able to require that information.

Ian C. Lucas: I am still not clear that you have answered the question. I am talking about access to information.

Matt Hancock: I know, and I am saying—

Q1012 **Ian C. Lucas:** I am not concerned about fines at the present time. I am concerned about access to information.

Matt Hancock: I understand that and what I am saying is that when you have the power to levy these massive fines you can therefore require people to be constructive because otherwise they know what is going to happen.

Q1013 **Chair:** I take it from your answer that you disagree that the Information Commissioner should have the power not to fine but to just obtain the information that she has asked for.

Matt Hancock: I have not been approached by the Information Commissioner, other than her support for the Data Protection Bill as it is before the House now.



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Q1014 **Chair:** The briefing note produced by the Information Commissioner for Parliament states quite clearly that she feels that she should have the power not just to fine but to gain access to the data that she has requested. The company should not be able to deny that to her.

Matt Hancock: Okay. She has not asked me.

Q1015 **Chair:** I think she said when she gave evidence to the Committee that she was raising this with Ministers and your Department and that there had been conversations about this.

Matt Hancock: My door is always open. We have a very good relationship and we have proceeded with the Bill on the grounds that the Commissioner and the Department have gone along side by side. I am very happy to have that conversation. I am afraid I did not see her evidence before the Committee.

Q1016 **Chair:** It may be that she has spoken to one of your ministerial colleagues but she certainly told us that those conversations had been had. It is no secret that the view they have expressed is that they should have this power.

Matt Hancock: We have been very broadly consultative and engaging with amendments from people all across the House, including in the Lords. We accepted amendments from Cross-Benchers and from Labour Party Peers as well as engaging with Conservative Peers. One of the great strengths of the Data Protection Act 1998 was that it had very strong consensus behind it and very strong cross-party support. I am delighted that the Data Protection Act currently before the House was voted through unanimously on Second Reading. That is a really important part of getting these structures in place. I am completely open to that.

Q1017 **Chair:** Would you be able to write to the Committee—I think that would be very helpful because this is quite an important issue for us—to set out what discussions the Department have had with the Information Commissioner and if you have reached a view on those discussions?

Matt Hancock: Yes, of course. I understand that Margot, the Minister, was having a conversation with the Information Commissioner this morning and I have not have a readout of that conversation. It may be that it has happened but I just have not been made aware of it.

I hope you can see from my tone that we have designed the current system with the support of the Information Commissioner so that the fines would be able to be used as a stick to require companies to do what was asked of them by the Information Commissioner. If she has updated her view due to what has changed during the passage of the Bill and has changed that view, then I am open to that conversation. There would then be a process question as to what you do at this late stage when something like that is raised. I am completely open-minded on it.

Q1018 **Chair:** Without wishing to put words in Elizabeth Denham's mouth, from



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what she said to the Committee I think this has come out of her frustrations with the current investigation they are running and the difficulty of obtaining the data they have asked for from companies, and therefore whether the threat of fines is enough.

Matt Hancock: Yes, that is absolutely right and if we think back to the autumn when there was the Uber data breach you will recall that in my first statement to the House I could not say how many people had been affected because the first number given to us by Uber was clearly completely inaccurate. Even not having seen any of the systems I knew when I was given the number that it was woefully inaccurate and indeed two weeks later they updated it to a figure in the millions. I entirely understand the impulse behind it and I am very open-minded.

Q1019 **Chair:** Yes. Do you think that it is not just a process question about the Bill but also a point of principle here as well to ask whether there should be an agency—in this case the Information Commissioner—that has the power to go behind the curtain, to go into companies that have closed systems and are under no obligation to share data? They say it would be wrong and dangerous for that data to be opened up in any way because of bad actors in their work, but should someone have the power on behalf of Parliament and Government to do that—to go in and actually to check whether they are complying, whether the evidence and the information they are supplying is correct, and whether they are complying with the data protection laws?

Matt Hancock: I would be reluctant to bring in an unfettered power but in certain circumstances where it is required that is reasonable.

Q1020 **Chair:** Well, maybe they could demonstrate some grounds that they had for believing that there was—

Matt Hancock: Exactly. Exactly, yes.

Q1021 **Chair:** Perhaps they were unsatisfied with the information they had been given or there was an overwhelming public interest.

Matt Hancock: Yes.

Q1022 **Chair:** As a point of principle, how do we know that Facebook is complying with the GDPR?

Matt Hancock: Indeed, absolutely. Part of the complication of acting in this whole space is that the execution, by its nature, has to be done with the companies. We have to bring the companies themselves to bear on the solutions to this, because due to the nature of social media, you cannot just go and look at it all. That does make it very complicated.

Q1023 **Chair:** The Committee has also had representations regarding Provision 171 in the Data Protection Bill and about the issue of data laundering—whether someone who has acquired someone's data, and that person has made a request for their information back, should be able to hold on to it. The powers in the Bill do not necessarily go far enough to help people



secure all of their data back. An example could be where with Facebook you have data held by Facebook and other data being harvested by Facebook but held by developers and so on.

Matt Hancock: The law is framed as it is because it essentially requires companies to delete that data where it is reasonable. The nature of the internet is that to completely delete everything is very difficult. We take a basis of reasonableness in the approach to that.

Chair: Okay. Unless anyone wishes to come in on any other points on this section we will move on.

Q1024 **Paul Farrelly:** I apologise for being late, Chair. I have one question that has not been asked. Clearly the data protection legislation is now going through to implement what has come out of the Directive in Europe. What thought have you given to how compliant we will be in the future with those Directives once we leave the European Union?

Matt Hancock: Yes. We are going to implement GDPR in full. That is what this Bill is all about, to ensure that we have a full-spectrum data protection system consistent with GDPR. The elements that are governed directly by GDPR that are an EU competence will slot in through the Withdrawal Bill procedure, and the Data Protection Bill puts in place the broader framework for data that is not an EU competence. Then we will have a GDPR-compliant system and our intention is to be compliant. One Parliament cannot bind its successor but we intend to fully align to GDPR.

Q1025 **Paul Farrelly:** You do not see any reasons at present for any divergence in the future?

Matt Hancock: On the contrary, I think there are huge advantages to being aligned.

Q1026 **Rebecca Pow:** Can I ask one very quick question? It is completely off on a tangent but it relates to what one of my colleagues said earlier about whether you should have warnings on social media. Given that this Government are acutely aware of the concerns of loneliness in the community, and also about increasing obesity in young children and our drive to improve mental health and wellbeing—I am talking particularly of children—should that be taken into account when we look at social media? You will use the evidence of our inquiry as well. Should we think about the kinds of warnings that we ought to be highlighting, just as we do with cigarettes, in particular for our young people regarding how they use social media, for how long, and what it is going to do to them?

Matt Hancock: It is all worth looking at.

Q1027 **Chair:** Can I ask finally on this part of the session: do you share the concerns raised by the advertising industry and big marketing companies about the lack of clear information and data? Digital advertising is now a bigger part of the advertising market than TV. The numbers on the audience base are generated entirely by the companies themselves and we have no way of validating whether they are true or not.



Matt Hancock: Yes, I do. Here I think the case for legislation is weaker, first because advertising is entirely self-regulated—I think that is a good thing—and secondly because the advertisers are spending a lot of money with these companies and, as you say, they want to ask the question of what they are getting in return. That is a perfectly reasonable contractual question to ask.

Q1028 **Chair:** We may not be at this point yet but you might say in other media there is work that is done to verify what audiences are and the nature of the audience. I am sure you will have seen the *Sunday Times* piece where they sought to buy advertising on Facebook for 18 to 34-year-olds and were quoted a Facebook audience in the UK of 17 million people. According to the national census there are only 12.5 million people of that age group in the country. Even allowing for a little bit of slippage, those figures are clearly way off. In another walk of life that would be seen as straightforward mis-selling and you would be bringing in the Competition and Markets Authority to investigate mis-selling. Do you feel there does need to be more work done here?

Matt Hancock: I do think it is a problem, yes, and it is a problem that, as advertising budgets are increasingly moving online, the advertisers are waking up to.

Q1029 **Chair:** Yes. I know it is different from the point we discussed earlier in regards to breaches in data protection law, but there is no one who has the authority to go into a company like that and say, “We are concerned about this. We want to check what you are doing. Can you show us how you monitor these accounts and make sure that they are real?”

Matt Hancock: That is right.

Q1030 **Chair:** Okay. Right. We will move on to other topics now. We are going to start on press regulation.

Matt Hancock: I thought we had covered that.

Q1031 **Ian C. Lucas:** We have not even started, Secretary of State. When the Government corresponded with Sir Brian Leveson in December of last year they indicated in a letter dated 21 December that, and I quote, “We are not convinced the second part of the Inquiry is necessary”¹. In response to that letter of 21 December Sir Brian Leveson wrote back and, to quote Sir Brian Leveson, he said, “I fundamentally disagree with that conclusion”. Why did you not tell the House of Commons that?

Matt Hancock: We published the letter on the same day that I announced the conclusion of the consultation.

¹ Letter from Rt Hon Karen Bradley MP, Secretary of State for Digital, Culture, Media and Sport, and Rt Hon Amber Rudd MP, Home Secretary, to Sir Brian Leveson, 21 December 2017:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/684967/DCMS_and_Home_Office_Correspondence_with_Sir_Brian_Leveson.pdf



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Q1032 **Ian C. Lucas:** What you did, Secretary of State, was make a statement in the House of Commons. What you said, and I quote from Hansard, is, "Sir Brian, whom I thank for his service, agrees that the inquiry should not proceed under the current terms of reference but believes that it should continue in amended form".

Matt Hancock: That is right.

Q1033 **Ian C. Lucas:** You did not say that Sir Brian Leveson disagreed with the conclusion that the Government had reached.

Matt Hancock: Implicitly I did because I said, as you read out, that he believes that it should continue in an amended form. That is his position as he sets it out in the letter.

Q1034 **Ian C. Lucas:** What Sir Brian Leveson said was that he fundamentally disagreed with the Government's conclusion and when you made the statement to the Commons on 1 March you did not tell the Commons that, did you?

Matt Hancock: I said that he believed that it should continue and that was his position. Obviously he disagreed with my conclusion, which is that initiating Leveson 2 is not what is needed and not in the national interest now.

Q1035 **Ian C. Lucas:** He disagreed with you?

Matt Hancock: Yes, he did, and he wrote that to me.

Q1036 **Ian C. Lucas:** What you told the Commons when you made your statement was that he agreed with you.

Matt Hancock: No, I said that he agrees that the inquiry should not proceed under the current terms of reference, which is true, and he said that he believes that it should continue in an amended form, which is also true. I think by saying it in the way that I did I explained his position. I did not use his words but I explained his position.

Q1037 **Ian C. Lucas:** Secretary of State, I was in the Chamber for that statement and I was very concerned about what Sir Brian Leveson's position was on this matter. When I listened to you my understanding was that his position was exactly the opposite of what you are now saying it was.

Matt Hancock: I know there has been a point of order on this and the Labour Front Bench has mentioned it in the UQ, but all I can do is refer you to my original words, in which I explained that Sir Brian believed that the inquiry should continue. I said that in my statement when I explained that my judgment was that it should not. I was setting out his position.

Q1038 **Ian C. Lucas:** You did not set out his position because you knew that I, like every Member of the House of Commons, had not seen the correspondence when you gave your statement.



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Matt Hancock: I published it that day.

Q1039 **Ian C. Lucas:** Would it not have been straightforward for you to quote Sir Brian Leveson when he said, and I quote, "I fundamentally disagree with the Government's conclusion"?

Matt Hancock: I explained Sir Brian's position in a way that is—I thought was straightforward.

Q1040 **Ian C. Lucas:** Why did you not quote him? Why did you not quote him when he said, in response to the Government's position—he said so in his letter—"I fundamentally disagree with the Government's conclusion"? Why did you not quote him?

Matt Hancock: He wrote a long letter. I could not read out the whole letter.

Q1041 **Ian C. Lucas:** You could have said, "I fundamentally disagree with the Government's conclusion". That is what Sir Brian's position was.

Matt Hancock: I do not think it changes anything. What I did was I set out Sir Brian's position at the Dispatch Box.

Q1042 **Ian C. Lucas:** You did not set out Sir Brian's position at the Dispatch Box. You referred to a point of order, did you not, that happened on 5 March? In response to the point of order you said, "I very clearly and carefully described my position and Sir Brian's". That is a matter of opinion. You then said, "Now that his letter is in the public domain I think it is all very straightforward". Does that mean that when his letter was not in the public domain it was not straightforward what his position was?

Matt Hancock: No, because I set it out in the statement.

Q1043 **Ian C. Lucas:** You did not set out his position in the statement.

Matt Hancock: I am sorry but we are not going to come to an agreement on this. You have accurately and faithfully read out the statement that I made, which I have here as well. The statement that I made was accurate. I think Sir Brian Leveson did a good job, I think the impact of his inquiry has changed the way that the press operates, I think that he undertook it with great thoroughness and I think that now, given that the events that were covered were a long time ago and given all of the enormous pressures on the media that we have discussed at length already today, what is needed for the country and the national interest is to look forward and to look into the sustainability of the press. The fact that you would rather my speech had been written slightly differently, I do not think has a material impact.

Q1044 **Ian C. Lucas:** Can I tell you why this is important? We have tried to proceed on a basis of consensus thus far on an important area of policy. You are a new Secretary of State and you stood up in the House of Commons and you represented Sir Brian Leveson's position. I think you misrepresented his position and I have told you why. Sir Brian Leveson



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fundamentally disagreed with the Government's conclusion. Those are not my words, those are Sir Brian Leveson's words. Why should I believe you today?

Matt Hancock: Because everything I said then was accurate and I represented the position of his letter as a whole, that he believed that the inquiry should continue. I was standing up to explain that I thought that taking everything into account, all the changes since the Leveson Inquiry—all the changes in law, the fact that IPSO now exists—I decided that the best thing is not to have a backward-looking inquiry but a forward-looking inquiry.

Q1045 **Ian C. Lucas:** I know what your position is. What I am saying to you is that you misrepresented Sir Brian Leveson's position to the Commons on that day.

Matt Hancock: That is your view. We are not going to come to an agreement on it. I think I have faithfully represented it, as you read out. I can see that you would rather I had done differently.

Q1046 **Ian C. Lucas:** No, what I would rather is that you had been straightforward. I am a lawyer; I know when particular words are drafted for particular purposes, and I think your words were drafted to mislead. That is what I think.

Matt Hancock: All I can say—

Ian C. Lucas: What I would have preferred would be if you quoted Sir Brian Leveson when he said that he fundamentally disagreed with the conclusion that the Government had reached.

Matt Hancock: I can see that that is your preference. I wrote my speech in order to describe his position and that is that.

Ian C. Lucas: My preference, Secretary of State, is for honesty and straightforward evidence. I would welcome that from you.

Matt Hancock: Noted.

Q1047 **Julie Elliott:** My interpretation of what you said was certainly in the way that my colleague described, not what you have said there today and said. The inference of what you said in the statement on 1 March to everybody sitting in the Chamber who had not had sight of the letter was absolutely that Sir Brian Leveson agreed with you, but I want to talk about consultation.

Matt Hancock: Can I say something else about that? The approach that I have and that I hope I can try to bring to this job is to be straightforward and also to look at the national interest now and in the future, and to be cross-party wherever possible. That is important in these matters. I regret that this particular issue has become a point of cross-party contention because it would be better if we could proceed on the basis of the sustainability question on a cross-party basis, and also to



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take a view about what is in the national interest now and to tackle that with vigour. That is how I want to proceed.

As you know from working in the past, there are lots of areas where I work on a cross-party basis and so it is a regret that whether we should continue with Leveson 2 has become a great point of party contention. I am very firm in my view but I take on board the point because—

Q1048 **Julie Elliott:** I have to say, listening to that—and I want to talk about the consultation, which is what I am going to ask you questions on—I find that an astonishing statement, Secretary of State. The whole of the issue to do with the Leveson Inquiry, where we got to with Part 1 and Part 2 and the Royal Charter, was done entirely on a cross-party basis. Agreement was reached on a cross-party basis and it was voted through the House overwhelmingly by all sides of the House, yourself included, and you have torn that up. I am going to get on to the questions I want to ask, but that is a matter of fact. That is not a matter of judgment, that is a matter of fact.

Matt Hancock: The fact that the world has changed is also a matter of fact.

Q1049 **Julie Elliott:** It has not in reference to this. I am going to ask you, as I am sure you knew, about things to do with Leveson. I want to talk about the consultation on Section 40 and Leveson 2 and the Government's response, which you brought to Parliament on 1 March. Everything I am asking about is to do with the consultation.

When you were deciding on the Government's response to the consultation, how much weight did you give to the idea that Section 40 and arbitration would lead to local newspapers closing down?

Matt Hancock: The implementation of Section 40 would put at risk local newspapers because of the impact of those who are not members of a PRP-regulated regulator—

Q1050 **Julie Elliott:** That is not what I am asking you. I am asking about the weight that you gave to that.

Matt Hancock: I considered all facts in front of me and made the judgment.

Q1051 **Julie Elliott:** How much weight did you give to the idea that Section 40 would lead to local newspapers closing down?

Matt Hancock: It was a consideration, as I set out in my statement.

Q1052 **Julie Elliott:** It was a consideration but I am asking how much weight you gave to that. Was it a 10% weighting? A 50% weighting? An 80% weighting?

Matt Hancock: I cannot put a figure on it.

Q1053 **Julie Elliott:** You did not weight your evidence?



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Matt Hancock: I considered all of the evidence.

Q1054 **Julie Elliott:** Okay. What evidence was provided to support the idea that papers would close down?

Matt Hancock: There was significant evidence, not least from local newspapers, into the cost pressures that they face and the additional cost pressures that they would potentially face under Section 40.

Q1055 **Julie Elliott:** What was that? What additional cost pressure would that bring?

Matt Hancock: The fact that—as under Section 40—if costs are awarded to the newspaper, whether an accusation had any truth in it or not, then upon the publication of anything that mentioned anybody in any substance, that person could complain and have the cost of a court case set against the newspaper, even if the story was true. That would either require the newspaper not to publish anything unless the person they were publishing it about was in agreement with that publication, or to have a risk on costs.

Q1056 **Julie Elliott:** Was that evidence that was given to you or was that your interpretation of what was happening?

Matt Hancock: No, the evidence for this was clear.

Q1057 **Julie Elliott:** That was given in response to the consultation?

Matt Hancock: There was a whole series of evidence given in response to the consultation.

Q1058 **Julie Elliott:** The consultation asked this exact question. You asked lawyers in the industry for evidence of the financial impacts of Section 40. It was Question 2 in the consultation. You have described your view of it but what actual evidence did you receive? Did you receive actual evidence of that, not a view but evidence?

Matt Hancock: I can write to you with the exact statement of the evidence.

Q1059 **Julie Elliott:** Lovely. How did you analyse the consultation submission from the News Media Association, which I will quote from, that said, “Figures provided by our members indicate that Section 40 would cost the national newspaper sector around £52 million a year in additional legal costs. The cost to regional and local press would be around £48 million a year”? How did you test that?

Matt Hancock: You can take consideration of all evidence, including that which is put before you. When taking that consideration it is also important to consider both who is providing the evidence and what they might have for it, and also how easy it is to come to an exact figure when something is in the future and the behavioural response is unknowable. That is one consideration, but one among many.



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Q1060 **Julie Elliott:** Do you have a rational basis for believing that Section 40 would cost the newspaper industry £100 million a year?

Matt Hancock: I have a rational reason for believing that the risk of impact on local newspapers was significant. If they were to—

Q1061 **Julie Elliott:** I am not asking about local newspapers, I am asking about £100 million a year to the whole industry, local and national. Do you have a rational reason for believing that is true?

Matt Hancock: Yes, I have a rational reason for considering that as part of the evidence base.

Q1062 **Julie Elliott:** What independent analysis did you apply to that figure?

Matt Hancock: We clearly considered all of this evidence in terms of the potential impact that it might have.

Q1063 **Julie Elliott:** That is considering, it is not independent analysis. I am talking about testing the actual figures that the News Media Association came up with.

Matt Hancock: In the Department we looked at all of the very considerable evidence on an objective basis.

Q1064 **Julie Elliott:** Could you provide written evidence to the Committee on what independent analysis you made of those figures?

Matt Hancock: As I said, we considered all of this within the Department. That is how you go about responding to one of these consultations.

Q1065 **Julie Elliott:** Would you provide written evidence on that? You are not answering the question, Secretary of State, and if you did apply scrutiny and independent analysis surely you can provide the Committee with what that was.

Matt Hancock: What I have said is that we considered it within the Department. That is what you do.

Q1066 **Julie Elliott:** Will you provide written evidence on that?

Matt Hancock: In terms of how we considered the evidence? Absolutely. I am very happy to.

Q1067 **Julie Elliott:** Thank you. The Government's view in the consultation response is that Section 40, and I am quoting again, would make newspapers "vulnerable to spurious legal cases where they would be forced to pay regardless of the merit of the claim".

Matt Hancock: Yes, as I have stated.

Q1068 **Julie Elliott:** What rational basis did you have for saying that?

Matt Hancock: The effect of Section 40 would be to require the publisher to pay for the legal costs no matter what the basis of the claim.



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Q1069 **Julie Elliott:** Okay. Did you know that this Committee asked the newspaper industry for evidence of these costs and large numbers of claims and they were unable to give us any satisfactory evidence? Did you consider that? Did you know that was evidence that had happened in front of this Committee?

Matt Hancock: I had not seen that evidence. However, Section 40 is not on the statute books and I do not see how it is possible to ask for evidence of the impact of something that has not yet been enacted. If you are asking for examples of when Section 40 has been brought—

Q1070 **Julie Elliott:** That is the whole argument, that it is going to have this impact.

Matt Hancock: No. It is a very important point. The whole argument is that there is a potential impact from Section 40, not that Section 40 has already had an impact because it is not in force.

Q1071 **Julie Elliott:** The newspaper industry could not give us any evidence that that was going to be the case. Were you aware that that evidence had been given to the Committee?

Matt Hancock: I am sorry, there is a really important point here in terms of the evidence of the impact of Section 40, which as written is intended to allow future costs to be awarded against newspapers whatever the merits of the case. Of course we do not yet know how many people would bring those cases because it is not yet in law. You are asking for evidence of the impact—evidence of something that has not happened yet, and saying, “Nobody can say that this has happened”. Well, of course it has not happened because it is not law.

Q1072 **Julie Elliott:** There are a couple of things I want to say to you. The PRP, the independent overseer of press regulation, said about this very thing that, “Incentives are needed to encourage publishers to join a recognised regulator”. Then, “The concern regarding Section 40 is unfounded because Section 40 would in fact support investigative journalism and protect relevant publishers that are members of approved regulators, their journalists and the public”. Were you aware that that had been said?

Matt Hancock: Yes. I disagree.

Q1073 **Julie Elliott:** You disagree?

Matt Hancock: I do, yes.

Q1074 **Julie Elliott:** Thank you. Before you agreed with this idea, did you know that when Sir Brian Leveson came to this Committee in October 2013—I was not a member of the Committee at the time—he dismissed the idea that there would be this tsunami of legal actions because any actions would have to have a case in law, and there was no reason why there should be more cases than there have been in recent years? Were you aware of what Sir Brian Leveson had said to this Committee?

Matt Hancock: I am aware of that argument.

Q1075 **Julie Elliott:** Were you aware of that before you took the decision?

Matt Hancock: Yes.

Q1076 **Julie Elliott:** Can you give your view of the obvious flaw in the newspaper claims that Section 40 would put them out of business because of the financial pressures they say they are under? We disagree about the evidential base but that is a statement of views. The same newspapers have signed up to IPSO, which has the power to levy fines of up to £1 million. Why are the fines of £1 million no problem to these organisations but arbitration costs of a few thousand pounds or legal costs of tens of thousands of pounds are a threat to their existence?

Matt Hancock: The basis on which those fines would be levied is different. The point is that anybody would be able to bring a case under Section 40 against a newspaper whatever the merits of the case. Sir Brian and others have made the argument that the legal costs if the case had no merit may be low but they would not be nil and those costs, whatever the merit of the case, would go against the newspaper. That is different from when IPSO has looked into a case.

Q1077 **Julie Elliott:** IPSO are not regulated either.

Matt Hancock: IPSO are an independent regulator.

Q1078 **Julie Elliott:** They are not compliant.

Matt Hancock: They have chosen not to register with the—

Julie Elliott: They are not compliant under Leveson.

Matt Hancock: They have chosen not to seek recognition by the PRP.

Q1079 **Julie Elliott:** Can I ask why you voted for the implementation of Section 40?

Matt Hancock: At the time, I thought that it was the right thing to do. Things have changed. The amount that has changed since then is very significant. Not least, at the time nobody, including me, foresaw that IPSO would exist.

Q1080 **Julie Elliott:** IPSO is not compliant so it is irrelevant, really.

Matt Hancock: No, IPSO is very relevant because it is a fully functioning independent press regulator.

Q1081 **Julie Elliott:** No, it is not.

Matt Hancock: It is. It is fully functioning and it is an independent press regulator.

Q1082 **Julie Elliott:** You have said that you have considered this thoroughly and you have given weight to the newspaper industry pleading about its dire financial situation. You are saying that you took this decision because the newspaper industry got out its begging bowl and told the Government



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that laws passed by Parliament and voted for by yourself should not apply to them because they thought the law would cost them money.

Matt Hancock: No.

Q1083 **Julie Elliott:** The newspapers have not produced any convincing evidence. You certainly have not given us any convincing evidence that it will cost them money. You have said that is your view. Can you give us an example of any other industry that could get away with that?

Matt Hancock: What you have just said is not the reason that I took the decision I did.

Q1084 **Julie Elliott:** You have not given us any evidence—

Matt Hancock: We have already been through the evidence base.

Q1085 **Julie Elliott:** Can you think of another industry that would get away with that?

Matt Hancock: That is not the basis on which I took the decision.

Q1086 **Julie Elliott:** When you took your decision, did you know that the Royal Charter includes clear protection for local newspapers that can show they are in financial difficulties? Now, I know you responded to our consultation submission last night but on 1 March we were not aware how you were going to respond to us. The idea that local newspapers would close down was dealt with by David Cameron and others in 2013 because they put things into the legislation that would protect them. Your former Government made sure that the protection for local newspapers was there. Did you know that?

Matt Hancock: I do not believe that the protection for newspapers would be effective.

Q1087 **Julie Elliott:** In your response to us that we received last night you talk about some of the two-year cyclical reviews but you do not talk about the ad hoc reviews. Can you comment on the ad hoc reviews that are there available to local press if it is all implemented?

Matt Hancock: All of these elements are premised on the idea that a local newspaper will seek a recognition that it is not going to seek. The world has changed because IPSO exists as an effective regulator—

Q1088 **Julie Elliott:** IPSO is not a regulator and I am not asking about IPSO, I am asking about what—

Matt Hancock: IPSO is a regulator. It is a self-regulator.

Q1089 **Julie Elliott:** Yes. It is not compliant with Leveson and it is not relevant to the question I am asking you about. It is certainly not relevant to what I am asking you about in terms of the opt-out that was there, the protection that was specifically negotiated by David Cameron and other politicians at the time when this was all happening in 2013. There were two types of opt-out. There are the cyclical reviews, which you mention in



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your response to us because this was an issue of great concern to us and it was in our consultation response. You do not mention ad hoc reviews at all, which would protect local newspapers in this situation. Why have you not looked at that?

Matt Hancock: I have looked at all of these things. I do not believe that the protections for local newspapers were adequate, especially given the pressures that the newspapers were under and the crucial value, especially of local newspapers, to high-quality journalism and accountability in Britain.

Q1090 **Julie Elliott:** I will bring my questioning to a round-off. Looking ahead, when and how do you intend to repeal section 40?

Matt Hancock: At the earliest legislative opportunity.

Julie Elliott: When and how?

Matt Hancock: The “how” is that it is a piece of legislation that is on the statute book.

Q1091 **Julie Elliott:** A piece of primary legislation will that be?

Matt Hancock: Section 40 is a piece of primary legislation.

Q1092 **Julie Elliott:** Yes, so you will repeal that on the Floor of the House in a standalone Bill?

Matt Hancock: When a legislative opportunity is available.

Q1093 **Julie Elliott:** When you have repealed section 40, how will you abolish the Royal Charter? Tell us about the process that you are going to use to do that.

Matt Hancock: There is no intention to change any other area of press regulation.

Q1094 **Julie Elliott:** You are not intending to abolish the Royal Charter?

Matt Hancock: That is not the intention.

Q1095 **Jo Stevens:** Leveson made 92 recommendations and I think, if I have counted it correctly, 12 have definitely been implemented and at least 60 have not been implemented. We have a regulator, which is the same as the PCC in all but name, offering an arbitration service, which is optional, has never been used in two years, has not carried out a single investigation, and has not levied tuppence in fines to anybody. At your Oxford Media Convention speech, you were asked by the *Financial Times* what actual changes have taken place since Leveson. Your only answer was that the police have a new code of ethics, but that is not really proportionate as a response to an industry-wide scandal with thousands of victims, is it? Given that you have rejected Leveson’s recommendations, by what metric, the basis for your decision, do you say the press has reformed?



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Matt Hancock: The Leveson inquiry was set up in response to unacceptable acts—

Jo Stevens: I know why the Leveson inquiry was set up. Can you answer the question, please?

Matt Hancock: No, but it is important. The people who break the law should face its full force, and there have been three police investigations, 40 convictions of 11 police officers, 19 public officials and 12 journalists.

Q1096 **Jo Stevens:** Yes. Can you answer the question, please, Secretary of State?

Matt Hancock: I am going through all of the various things that have changed.

Q1097 **Jo Stevens:** By what metric do you say the press has reformed?

Matt Hancock: Sir Brian in his letter, when it comes to the relationship between the police and the press, says that he agreed that this represents significant change, because the College of Policing has published a code of ethics and developed new national guidance for the relationship between the press and the police officers and the reforms in the Policing and Crime Act to strengthen protection for whistle blowers. On the side of the relationship between the press and the police those things have changed, and it represents—

Ian C. Lucas: He fundamentally disagrees with you.

Matt Hancock: It represents significant change according to Sir Brian.

Q1098 **Jo Stevens:** You are happy to quote Sir Brian for the basis of answering this question, but you were not happy to quote Sir Brian for the basis of dealing with the point that my colleague Mr Lucas made?

Matt Hancock: I think Sir Brian did a good job in the Leveson inquiry.

Q1099 **Jo Stevens:** So why don't you accept his view that the decision you have made is fundamentally wrong?

Matt Hancock: Because I disagree with the judgment as to what is the most important thing to do now in the national interest to have a high-quality media. The whole of the first discussion that we had today, all of your work on fake news, all of the work that we are doing to try to make sure that we have a high-quality, democratic discourse—this is what matters and is mission critical to this country and making sure that we get that right is vital. I do not think that Leveson 2 would help that. I think it would get in the way.

What happened to the victims was unacceptable. It was wrong. In many cases it was criminal and people went to prison as a result of it. What we have to do now is look forward and make sure that we have high-quality journalism in the years ahead. That is why I disagree with Sir Brian. I saw Sir Brian before making the decision and I talked to him about it. We



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went through the various things, including where we agreed and where we disagreed. We agree that there is significant change in terms of the relationship between the police and the press. We agree on that. We disagree on the overall judgment of whether it is a good idea. We agreed that the existing terms of reference would need to be changed, but we disagreed as to whether this should be done under an Inquiries Act inquiry.

I think that the review that we have kicked off with Frances Cairncross into the sustainability of high-quality media is where we need to go as a country. My core argument and my disagreement with Sir Brian is on what we do now, looking to the future. That is what I have to do as Secretary of State. I have to look to what we need as a nation now and for the future.

Q1100 Jo Stevens: A big factor in the rise of fake news is the decline in trust in traditional media. Do you seriously, Secretary of State, believe that you can restore trust by abandoning a public inquiry into wrongdoing and announcing a press review that features a panel exclusively made up of industry representatives, including individuals who are associated with titles implicated in mass illegality?

Matt Hancock: No, there is a very wide-ranging panel supporting Frances in her work. It is incredibly important that we get that work right. Of course, I do think—and we discussed it earlier, which shows the links between these two parts of the discussion—the importance of high-quality journalism is mission critical. I think that the importance of the trust in media brands is rising, and on the latest figures the public's trust in trusted newspaper and other media brands is going up. That is a good thing.

I do think that the press has changed its behaviour. It is very important that that continues. I am glad that there is an independent regulator there to regulate them in IPSO. Making sure that this trust continues to rise is vitally important for all the reasons that we talked about in the first half. That is what I am focusing all my efforts on to try to make sure that we have a high-quality discussion.

Q1101 Jo Stevens: You are getting in the habit, aren't you, of ignoring recommendations? For example, you have referred to two things today from Sir Brian Leveson. You ignored the evidence that he gave and the view he gave that there will not be a tsunami of litigation under section 40. You have ignored his views on implementation of part 2. You ignored this Committee's views on the appointment of Baroness Tina Stowell to chair of the Charity Commission. Do you think you are getting yourself a bit of a reputation?

Matt Hancock: I did not ignore any of these things. I took them into account and I disagreed with them. I saw Sir Brian and I talked to him. Obviously, I read his letter; I took that into account. I thought about it. I do not know whether you want to deal with the Charity Commission now.



Chair: We will come on to that.

Matt Hancock: We will come on to that; I have that to look forward to. On that, I saw your letter. You referred earlier to turning it around quickly. That is because I was entirely focused on that appointment. I saw your letter, I read it, I took it very seriously. I came to a different view and there is a difference. In this case, I think that we have to be looking to the future. The world has changed. Press regulation has changed, the behaviour of the press has changed, but bigger than either of those, the impact of the internet on the sustainability of high-quality journalism has changed. As I said at the Oxford Media Convention, I do not want to wake up in a world where there is no way to finance high-quality journalism and we lose it, because I think that would be extremely damaging.

Q1102 **Jo Stevens:** Finally from me, can you confirm that any Government initiatives to tackle fake news will also address fake news in traditional and print media?

Matt Hancock: The overall review is to look very broadly at this, and the question of disinformation should be addressed wherever it is found.

Q1103 **Chair:** On this question of fake news in relation to the Leveson inquiry, to be clear because it is not something that has been expressly addressed today but obviously it is in his letter, he basically recommends that consideration of fake news and the responsibility of the social media platforms should have formed part of a Leveson 2 inquiry. Are you saying that you disagree and that that should be dealt with through the other reviews that have already been established?

Matt Hancock: I think that is very important, not least your inquiry into this. It is very important that it is dealt with, yes.

Q1104 **Paul Farrelly:** I have some different questions regarding the Government response to the consultation about Leveson 2, but first could I address some issues regarding section 40 of the Crime and Courts Act 2013?

Secretary of State, one area of party political unanimity you did not address was our response to the Government's consultation where we all agreed that it would be in the public interest to go ahead with an amended Leveson 2, and also that there was great sense in partial commencement of section 40. One of the reasons we reached unanimity, quite frankly, was that it was a reaction of some members of the Committee to large newspaper groups who owned large strings of local titles using local editors to put pressure on them in regard to section 40 when only half the story was being told. In fact, so concerted was the campaign that the Press Recognition Panel, which you will agree is totally independent, had to put out a fact sheet to help people. Doesn't it show the immense and unchanged power of the press that you were so willing in your response to swallow half an argument?



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Matt Hancock: I do not agree with that characterisation. I looked at all of the facts and came to a view. We may disagree with that view, but I took into account all of the issues. That is the job. You have to look at all the evidence and decide what is in the national interest.

Q1105 **Paul Farrelly:** Picking up some points that my colleague Julie Elliott made, the reality, for all the hyperbole from the newspapers and the local newspapers, is that there are rarely court cases against local newspapers. That is not just because it is expensive, it is because so many local newspapers now do not do investigative journalism for fear of being sued. Having been a journalist myself, I know section 40 would benefit journalists and there are lots of professionals crying out for it. You recognise some of that in your response. The reason why the campaign against section 40 was there, despite that, was because it depends on being a recognised regulator and no member of IPSO wants IPSO to be recognised. Is that not the case?

Matt Hancock: I thought you were about to support my argument. The argument that there is less investigative journalism in local newspapers because of the threat of being sued kind of supports the fact that if we then brought in legislation to say in such a court case all of the costs would go to the newspaper, no matter what was written and the truth of it, supports the argument that I was referring to in relation to Julie Elliott.

Q1106 **Paul Farrelly:** Secretary of State, I think you are a little confused because you have swallowed half the argument too much.

Matt Hancock: No, I understand entirely what you were getting at.

Q1107 **Paul Farrelly:** The real issue that the local newspapers at the behest of national owners were making was that the cost of the compulsory arbitration scheme might be too much for them. IPSO has now brought in a low-cost arbitration scheme. If you are not satisfied with a complaint to your paper, you can go to IPSO and it will cost you a maximum of £100. Would being subject to that arbitration scheme at IPSO bankrupt local newspapers wholesale?

Matt Hancock: No, because then there is a judgment as to what is the appropriate response as opposed to all of the costs going to the newspapers.

Q1108 **Paul Farrelly:** When we were discussing this unanimously, I was very mindful and kept repeating the *Private Eye* argument. Some publications do not want to be members of any body because they want to be free to criticise outside. Some organisations like *BuzzFeed* have made the same comment for different reasons because they do not consider themselves purely UK based. In the interests of investigative journalism, given what you have said have been the strides made by IPSO, what on earth is the downside of our solution of partial commencement?

Matt Hancock: I did see your recommendation of partial commencement, and clearly partial commencement does not bring in the



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most difficult parts of section 40. I think that the system that has been developed since the inquiry and the bringing in of IPSO has been successful. I think that having an independent self-regulator of the press is very valuable. Clearly, the PCC failed and IPSO is clearly a stronger regulator and has now brought in a full, no-cost/low-cost arbitration system that came in in November. I would like to see some cases go through it. That system is now in place and nobody thought that that would be in place when we started.

Q1109 Paul Farrelly: Let me move on to your response to the consultation regarding Leveson 2. Before you took up post, in their letter to Sir Brian Leveson on 21 December, your predecessor and the Home Secretary said to Sir Brian, "In addition to the individual responses, we have also taken account of the petition submitted by 38 Degrees". That petition had 130,120 names in favour of continuing Leveson 2, correct?

Matt Hancock: Yes.

Q1110 Paul Farrelly: How exactly did the Government response to the consultation take that petition into account?

Matt Hancock: We took all those into account and we took into account the individual representations that were sent in separately. We took into account people who had signed up to petitions, and obviously then we took into account particular parties, not least, of course, Sir Brian himself. We looked into all of these.

Q1111 Paul Farrelly: In balancing the way forward, how did you take those 130,120 names into account?

Matt Hancock: There were the names that signed up to particular petitions and then there were hundreds of thousands of people who wrote in directly. We take all these things into account.

Q1112 Paul Farrelly: How?

Matt Hancock: The thing is that when you are looking at the numbers in response to a consultation, you look at all of those responses. These are not referenda. You are looking for whether there are new arguments that are made, new evidence that can be brought to bear and, of course, there is an overall sense that comes from it. Here we had a very large number of people who responded directly. We had a large number of people who also responded via signing up to a petition. We take all these things into account.

Q1113 Paul Farrelly: I do not think I have the precise answer there, but let me try again.

Matt Hancock: This was asked before. We do not put a percentage figure on it.

Q1114 Paul Farrelly: It was not asked before. Let us fast forward to your appointment. In your response to Sir Brian Leveson you said, "We can



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reassure you that petitions have, however, been fully taken into account when making our decision on this important matter". There was a petition also organised by Avaaz with the support of 70,300 names. How did you take that one into account as well as 38 Degrees?

Matt Hancock: We considered that. We considered the 38 Degrees and we also considered the very large number of people who wrote in individually.

Q1115 **Paul Farrelly:** If you add the number of people who took the time to support a petition, that comes to 200,428 people. That is against 174,730 direct responses, which you have identified. The petitioners were not included in the quantitative analysis. Why not?

Matt Hancock: That is the standard approach that we take to responding to petitions of this kind. For instance, it is in line with the approach taken to the equal marriage consultation, which had 227,000 direct responses and 513,027 petition responses, or the charter review, which had 192,000 direct responses and 313,579 petition signatures. It is standard. Signing up to a petition is different to writing in yourself. We receive it in a different way. Somebody has not directly responded themselves, so they are different types of responses. This is in line with the approach that we take in other consultations.

Q1116 **Paul Farrelly:** It is standard, but is it right?

Matt Hancock: Yes, it is perfectly reasonable. We set out all the details in response to the consultation.

Q1117 **Paul Farrelly:** When local governments organise a consultation, I often urge people to write letters rather than sign petitions because in my experience the local government bodies will consider a petition as one response. Have you considered in your quantitative analysis in line with that usual practice the petitions by 38 Degrees and Avaaz as even one single response?

Matt Hancock: We consider them differently to one single response. You are quite right: in some other parts of government, and local government in particular, a petition would be counted as one response because it is only one unique set of words with lots of names attached. We instead take the view that you consider the number who have signed up to it as well as the petition, but they are in a different category to direct respondents. That is why we set them out as we did.

Q1118 **Paul Farrelly:** This is an easy question for you. Do you consider your approach to have been fair and reasonable?

Matt Hancock: Fair, reasonable, rational and very much in the national interest.

Q1119 **Paul Farrelly:** Okay. Can I look at the direct responses? You have 50,382 through your online portal survey—I think they speak for themselves—62,054 e-mails and 62,294 letters, but there is no further



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breakdown by general category of where all of those e-mails and what you call letters have come. Can you provide us with that?

Matt Hancock: We have provided details of that in the response to the consultation.

Paul Farrelly: No, there is no further breakdown that I have found.

Matt Hancock: I can give you a further breakdown. I am very happy to do that.

Q1120 **Paul Farrelly:** That would be wonderful. By what has evidently come from a Hacked Off campaign or from newspaper campaigns, you can—

Matt Hancock: I can give you a further breakdown. We will go and look at them all again.

Q1121 **Paul Farrelly:** General but as detailed as you can; that would be very useful. In those categories, where do coupons clipped out from newspapers come?

Matt Hancock: They are also a direct response. Somebody has taken the trouble to write in. The petitions also—

Q1122 **Paul Farrelly:** They are presumably letters then, are they?

Matt Hancock: I will give you the full details of the responses.

Q1123 **Paul Farrelly:** Do you know whether all of those coupons came with covering letters?

Matt Hancock: Some of them did and some of them did not.

Q1124 **Paul Farrelly:** Could you give us a breakdown?

Matt Hancock: We can give you full details of that. There is also a broader point here. All the views that were expressed are considered and taken into account. In the case of the petitions, they did not directly answer the questions in the consultation. Nevertheless, we took into account the views that were expressed and we looked at the numbers that were signed up to those views. Having said all of that, the judgment is to be made having objectively considered the evidence, on all of the evidence, in a rational way in the national interest. That is the way that we make the judgment. As I said, it is not a referendum. It is not a for and against how many people can write in. We took the overall approach of looking at all of the evidence and weighing it all together.

Q1125 **Paul Farrelly:** As you put this awaited response out, it will be very interesting to see whether it is fair, balanced and reasonable, and the number of newspaper coupons you have counted as letters would help our understanding.

Matt Hancock: I can assure you that it was fair, balanced and reasonable and I will give you as much of a breakdown as I can.



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Q1126 **Paul Farrelly:** In his letter, as well as fundamentally disagreeing with your conclusion on the going forward to Leveson 2, Sir Brian also says regarding the questions that I have just asked that he would not personally count the responses in the way in which you have. He said "Whatever might be so in relation to other consultations, that forms completed by completing newspaper coupons should each be counted individually but that a petition signed by 138,000 for 38 Degrees"—and that is only one of the two—"should not seem to put form over substance". You have not responded to that point in any detail.

Matt Hancock: I have. It is simply that the approach that we took is in line with how we respond to other large consultations.

Q1127 **Paul Farrelly:** It is a fair point made by Sir Brian, isn't it?

Matt Hancock: It isn't in this case, and the reason that it is not is that we take into account all of these considerations and summarise them. That is why I am happy to give you the breakdown because when you look at the breakdown you can see that there were arguments for, there were arguments against. We took into account all of the evidence that was brought to bear and made the decision on that basis.

Q1128 **Paul Farrelly:** I am coming to a conclusion now, Chair. In his reply of 23 January, he offered to meet you because you were new in post.

Matt Hancock: Yes.

Q1129 **Paul Farrelly:** Did you do that?

Matt Hancock: Yes.

Q1130 **Paul Farrelly:** When?

Matt Hancock: After that but before I took the decision. It was quite shortly after the reply. We discussed areas where we agreed, areas where we disagreed. I explained to him my thinking and then I took that conversation into account when we took the final decision.

Q1131 **Paul Farrelly:** There are other specific areas that Sir Brian raises in his response that you may have discussed in private, but it is certainly not addressed in your letter of 1 March to him. Those are namely to include that the evidence given to part 1 was incomplete, not least given the subsequent revelations about News International, *The Sun* and *The Mirror*, that part 1 did not consider who did what to whom, nor did the court cases, and indeed that access to improper and illegal data often held by public bodies, including the police, was not examined. That was one of the principal reasons, the corruption or potential corruption of public life, that was behind the proposal for Leveson 2, which was agreed to by David Cameron.

Matt Hancock: As I have said before, as the new Secretary of State my task was to look at all the evidence in front of me and to make a judgment about what is in the national interest of the country. I care deeply about making sure that we have high-quality journalism and high-



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quality political and democratic discourse. That needs serious effort and work at the moment, and your Committee recognises that because you are doing a huge amount of work on it. I think that both Leveson 2 and section 40 would undermine rather than support that. There is no evidence that I have yet seen that is able to change my mind on that because I think this is such an important task that we have to rise to.

Q1132 Paul Farrelly: Sir Brian clearly fundamentally disagrees with you, and perhaps some people might conclude that your mind was made up by the Conservative manifesto that pre-empted the conclusions of your consultation.

Matt Hancock: No, my mind was not made up. I took into account all of the considerations.

Q1133 Paul Farrelly: My final question: if you are not going to have Leveson 2, given what has happened since who is going to look at the evidence given to Leveson 1 to compare it to see who told the truth and who did not tell the truth? Who is going to pursue those people who did not tell the truth or the full truth?

Matt Hancock: As I have said, when there is evidence of criminal wrongdoing, then people should face the full force of the law. We have had this in the last week. There was evidence brought forward that apparently, on the face of it, appears to be a description of his own criminal activity from Mr John Ford. The question was raised on the Floor of the House: doesn't that mean that, therefore, we should reopen Leveson 2? It turns out that this man's activities were raised as part of the original Leveson inquiry and he himself said—and I have no evidence to contradict this but it is his statement—that it ended in 2010. That underlines the point that what we now need to do is look forward to how we solve the problems that the country faces today. I care very much about doing that and that is what I intend to do.

Q1134 Paul Farrelly: This is my final word, Chair. You have deflected my question there. I take the spirit of your answer to mean that if anyone has any allegations to make of criminal wrongdoing they should go to the police?

Matt Hancock: Quite so.

Q1135 Paul Farrelly: If anyone has any reason to complain that Sir Brian Leveson's inquiry, Leveson 1, was not told the truth or misled, they should also go to the police?

Matt Hancock: If people have evidence of criminal wrongdoing, then they should go to the police.

Chair: Okay. I think we have to move on here. Julie Elliott has one very, very short question.

Q1136 Julie Elliott: I am slightly surprised at the weighting you are putting to coupons and petitions overriding Acts of Parliament and judicial inquiries,



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but I want to ask one question on the back of the coupons questions you were asked. These coupons appeared at the bottom of often very lengthy articles and pages of news that were not telling the truth, therefore misleading people into filling in coupons. Was that taken into account in taking the weight of coupons?

Matt Hancock: Everything was taken into account.

Q1137 **Julie Elliott:** Was that specifically taken into account?

Matt Hancock: Everything was taken into account.

Julie Elliott: Was that specifically—

Chair: The Secretary of State has answered the question. He has promised to send us some more information on this as well. I think we have to move on.

Julie Elliott: If he could give us that, I would appreciate it.

Chair: Unless Rebecca Pow wants to ask any questions on Leveson 2, I think we are moving on to broadcasting.

Q1138 **Rebecca Pow:** I want to put on the record, Mr Chairman, that on section 40, comments were made about local press not coming forward and saying anything. I had a letter from someone at the *Wellington Weekly*, one of the main papers in my constituency, saying that he was pleased at the Government action on section 40 because he feared they would be put out of business and the freedom of the press would be limited. The Government have to take these decisions. Would you say that you have the interests of the local press at heart because that is very important in this argument?

Matt Hancock: I absolutely undoubtedly have the need for the sustainability of the local press as an absolutely critical consideration in this decision, yes.

Q1139 **Chair:** I appreciate, Secretary of State, that you have been here quite a while.

Matt Hancock: I am free. Well, I am going to see Sigrid later tonight, but I am free until then.

Chair: We have a few questions on broadcasting and then on the Charity Commission, and then we are concluded.

Q1140 **Giles Watling:** There was one comment I wanted to make. Sorry, I know you want to move on, Chair, but one small comment, if I may. Thirty-eight degrees it has been said is the angle at which snow has to form before it forms an avalanche; therefore, you start a whole petition. I have seen it said that the way they operate is by clicking on templates, and it is very easy to follow a template with an emotional headline. Therefore, would you say that you give that sort of petition that comes to your Department less weight than other petitions that might come?

Matt Hancock: I would say that we take all these things into account.



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Q1141 Giles Watling: There was an open letter; BBC management responded with an open letter last week. Did you see it?

Matt Hancock: Yes, I saw the response of the BBC management.

Q1142 Giles Watling: Do you agree that the BBC is now in crisis over pay?

Matt Hancock: I would say that it needs to resolve this issue. I am absolutely delighted that we brought in the transparency measures that we did. It has demonstrated that there is a very significant problem and the BBC clearly needs to act. It is starting to act, but there is much more to do.

Q1143 Giles Watling: We have the next charter renewal coming up. Are we going to have to wait until the charter renewal before we see any pay changes or what measures are you going to take?

Matt Hancock: I absolutely hope not. Tony Hall has said that he will resolve this issue by 2020. I do understand that it may take a bit of time because this is about people's pay and terms and conditions, but he absolutely must resolve it.

Q1144 Giles Watling: I would like to touch on the personal service companies. I used to work for the BBC and I understand how these things work. It has been mentioned that some of the staff may have been pushed on to setting up personal service companies, meaning that they give up all the safety net of holiday pay, sickness pay and all the rest of it, maternity leave even. What are your views on this?

Matt Hancock: When somebody is tantamount to being employed, then they should be employed in an employment contract. HMRC is taking action to ensure that that happens and that personal service companies are not used illegally to avoid tax. Of course, some people are employed by personal service companies because they have lots of employers, or rather some people use personal service companies as a way of arranging the fact that they are paid for by lots of different organisations. Personal service companies have their place, especially in an industry where you might work for several different people.

Giles Watling: As indeed I did, yes.

Matt Hancock: We have to be careful here, but where somebody is only employed, for instance, by one employer and it is clear that it is tantamount to an employment contract, then that should be done through employment. HMRC's activity to change the rules I think is very good.

Q1145 Giles Watling: But you do accept that it is in the nature of the business of working for companies like the BBC, ITV and so forth that you will be going from one to the other and moving backwards and forwards, and therefore some flexibility must be there?

Matt Hancock: Yes, I do. I think this has to be treated reasonably, but reasonably both in whether you are actually an employee and also



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considering that people can move between employers more frequently probably in parts of broadcast media than elsewhere.

Q1146 **Giles Watling:** What we do not want to do is make it too complicated, make it too difficult?

Matt Hancock: Yes, but on the other hand if you are working only for the BBC and entirely for the BBC, and doing that especially for any length of time, then you are effectively employed by the BBC.

Q1147 **Rebecca Pow:** I wanted to move on to Channel 4. We have a manifesto commitment to relocate Channel 4. I wonder if you might update us. They have recently produced their plan, their strategy, called "All 4 UK", which I am sure you have looked at, Secretary of State. How does that fit in with the Government's views about what should happen?

Matt Hancock: I am delighted with what they have proposed. I think that the proposal to have a new national HQ outside of London is excellent. They have also committed to increasing to over 50% their production spend outside of London. They are going to keep a London HQ. I think there is a good reason for keeping some of their people in London, not least because that is where the advertising market is, but increasing the regional representation is incredibly important. As you say, it was a manifesto commitment. I think that this decision of theirs fulfils the manifesto commitment. They are also committed to increasing over time the number of people at the national HQ, and I think that should be warmly welcomed.

Q1148 **Rebecca Pow:** Do you think that three hubs as suggested is spreading themselves a bit thinly?

Matt Hancock: That is a matter for Channel 4. I think the new national HQ outside of London is incredibly important. Their proposal was also to have two other hubs to make sure they get good regional representation. I can see the argument for it. They are operationally independent, but I am delighted with the package as a whole.

Q1149 **Rebecca Pow:** Funding wise, you do not think that, because the regional TV centres are very strong, they are not going to face undue competition so that, in fact, it will weaken them?

Matt Hancock: No. On the contrary, I think that they will be able to hire people at better value for money outside of London.

Q1150 **Rebecca Pow:** Will the Department be involved at all in choosing these locations?

Matt Hancock: No, it is a matter for Channel 4. I have been very careful, despite the temptations, not to express an opinion. I have said that lots of places would be attractive places. No doubt Taunton would be extremely attractive, if I am anticipating your next question.

Rebecca Pow: I know of a very good new business site in Taunton that



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would be ideal.

Matt Hancock: No, that is a question for Channel 4. They are going out to tender and I think there is quite a lot of excitement about where it might be.

Q1151 **Rebecca Pow:** Okay, thank you. I am going to edge on to the World Service while we are on media. I wondered if you might give some comments, first, on how important the World Service is but, secondly, whether this Government, who are committed to the World Service, should be considering extending the influence of the World Service, particularly its television arm. I am thinking in the light of security issues we are facing, Russian influence—this is such a good way of softly influencing the rest of the world, and I would appreciate your views on this, Secretary of State.

Matt Hancock: Yes. I think this is really interesting. In the light of the discussion that we had about fake news, the BBC is incredibly valuable and important. In order to have an objective debate based on fact, the World Service does great value to that aim right around the world. It would certainly be very attractive to see the World Service both as a radio and TV and, indeed, online presence. They have such brilliant journalists right around the world, often operating in difficult circumstances. We very strongly support what they do and I think that using all channels of communication on the World Service would be a very attractive proposal.

Q1152 **Rebecca Pow:** Would extending the television arm of it be viable, and would the Government be considering putting money into that?

Matt Hancock: This is something that I have talked to the Director General about. As I say, I think it is a very attractive proposal.

Q1153 **Rebecca Pow:** Do you think on security issues there is a strong case for soft influence?

Matt Hancock: I think that we can make the case around the world, in a difficult international environment with the impact of the internet on debate and discourse in many countries, the World Service is highly objective and provides great journalism. If we could find a way for it to use all the channels of communication available, I think that is a very attractive proposition.

Q1154 **Rebecca Pow:** I have heard bandied about that under £100 million would do it. One might think that would be money well spent. Additional that would be.

Matt Hancock: You may very well think that. I think that the value to Britain's global standing in terms of our soft power and our influence around the world and the evidence of the value of objective, fact-based reporting in all sorts of different countries by the World Service is very strong. I could see how that case could very effectively be made.



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Q1155 Giles Watling: On that point, in the rather parlous times we live in the suggestion has been made that there might be a revocation of the licence of RT. We were talking about it earlier. That might bring about some form of retaliation, which would mean that things like the World Service and other broadcasters from our end of things might be taken off the air in Russia, for instance. What would be your views on that? Would that be something worth considering? Is it possible? How would it work?

Matt Hancock: The decision of whether Russia Today is a fit and proper broadcaster is, as I said, for Ofcom. The World Service, by contrast, is objective and fact based. It is certainly fit and proper to broadcast anywhere and it should continue to do so.

Giles Watling: The Russians might not put it that way.

Matt Hancock: Well, I think that having the World Service only adds to anybody's set of broadcasters.

Q1156 Giles Watling: How would we deal with retaliation from Russia, if there were some?

Matt Hancock: There is no evidence of that and we have to deal with these things as we approach them.

Q1157 Ian C. Lucas: This is a small point relating to that. Recently, YouTube has classified the BBC World Service in a similar group of broadcasters as RT because of the Government funding of the channel. First, were you aware of that? Secondly, what is your reaction to it?

Matt Hancock: I was not aware of it. The World Service is entirely independent of Government. It is not a state broadcaster. It is a public service broadcaster. The idea that anybody could consider it in the same breath as RT is a mistake. I did not know that, but I am very surprised and I will take it up with YouTube.

Q1158 Chair: On a different topic, there is one further question on broadcasting. Obviously, you will be aware of Comcast's bid for Sky. Can you say something to the Committee about the level of scrutiny there will be of that bid? I appreciate it is a separate bid from a separate company. Will it go through a similar process? Will you take advice in the same way your predecessor took advice on that bid or not?

Matt Hancock: Any such bid will go under the process precisely as defined in law. I am afraid I am not going to answer any other questions on the substance of it. I support the process as it stands. My predecessor dealt with the previous bid in an entirely scrupulous way. I was the Minister responsible for broadcasting. I was outside of the Chinese wall. It is a quasi-judicial decision. I think the way that she handled the whole process was exemplary and I intend to follow her example.

Q1159 Chair: In effect, your point of view would be there are two separate bids, they go through an appropriate process, you take advice or the Minister takes advice in the appropriate way, and they are dealt with separately,



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not as one because there is a common entity involved?

Matt Hancock: I will deal with any bid entirely as appropriate under the law.

Chair: Very good. Finally, I want to touch on the Charity Commission report.

Matt Hancock: Oh, I thought we had had all our fun.

Q1160 **Chair:** In your initial response to my letter sent on behalf of the Committee, you said that the advisory panel were unanimous in their view that Tina Stowell was the most qualified candidate.

Matt Hancock: I have said what I am going to say on this. Of course they were unanimous that she was an appointable candidate and then it is a decision for Ministers as to who is appointed.

Q1161 **Chair:** What you said then is different from what you said in the letter. What you said in the letter is, "I confirm the panel unanimously agreed the outcome that Baroness Tina Stowell was not just the most qualified candidate but is an exceptionally strong candidate for this role".

Matt Hancock: They agreed that she was an exceptionally strong candidate for the role but when it comes to—they do not formally rank.

Chair: No, they don't. You are quite right.

Matt Hancock: But I did read the panel report and that was based on my reading of the panel report, and the panel report was unanimous.

Q1162 **Chair:** What the Commissioner for Public Appointments said in his letter to the Committee today, and I think you have received a copy of that, was, "No preference between the three candidates was expressed by the panel".

Matt Hancock: That is right. I want to make this exactly clear. There is no preference that is put to Ministers. It is then a ministerial decision as to who to recommend to, in this case, the Prime Minister. The Ministers do read the panel reports and my reading of the panel reports, which were unanimous, was that Tina Stowell was clearly the best qualified person to appoint.

Q1163 **Chair:** That is your view and you are entitled to that view. What you said in the letter to us was that the panel unanimously agreed that she was the most qualified candidate, and they did not, did they?

Matt Hancock: They set out their panel report and my reading of it was that she was the most qualified candidate.

Q1164 **Chair:** I imagine the Commissioner for Public Appointments has seen the panel reports as part of his process, and he is saying, "No preference between the three was expressed by the panel".



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Matt Hancock: Yes, but he also concludes that the appointment process was conducted in line with the governance code.

Q1165 **Chair:** Yes, whereby the panel would determine which candidates were appointable or not and it is for Ministers to decide who should be appointed.

Matt Hancock: Correct. That is correct.

Q1166 **Chair:** In that case, why did you say in your letter that the panel unanimously agreed that Tina Stowell was the most qualified candidate?

Matt Hancock: That was my reading of the panel reports. The panel reports do not come through with a, "Here is a ranking, 1, 2, 3" but they do very clearly describe the calibre of the different candidates. I understand the distinction between how it was phrased in the letter and the fact that there is not a 1, 2, 3, but under the new set of rules, you are never given a ranking. You are given a set of panel reports.

Q1167 **Chair:** The reason I think it is important is that you responded very quickly to our report, having said you had considered it all. The way in which you presented the advice you were given I think was wrong. I won't say it was misleading; I will say it was wrong. You sought to give the impression that this was not just your view, this was the unanimous view of the panel as set out by the panel when they did not make a recommendation in that way.

Matt Hancock: They did not make a numerical recommendation but they did write panel reports, which were very clear.

Q1168 **Chair:** You could have said, "My view, based on the panel reports from the interviews, was that Tina Stowell was the most qualified candidate". You could have said that.

Matt Hancock: Yes.

Q1169 **Chair:** What you chose to say, though, was that the panel unanimously agreed that she was the most qualified candidate, which they never did.

Matt Hancock: They wrote their reports and the report was—

Q1170 **Chair:** We have clarity on this because of the report of the Commissioner for Public Appointments and the way he sets it out, not from your letter. The other thing that was not included in the correspondence with the Committee—I appreciate you can't discuss individual applicants and people who applied; they may not want others to know that they have applied, including their current employers—was that Tina Stowell was not the first recommendation made by the Secretary of State for Digital, Culture, Media and Sport for this job. Another candidate was recommended initially; isn't that correct?

Matt Hancock: I was not involved in this.

Chair: I know. It was before you were Secretary of State.



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Matt Hancock: I was not, in the junior ministerial capacity, responsible for the Charity Commission. When I came to the job I was presented with the appointable candidates and the panel reports. I made a recommendation on that basis and I think it is absolutely the right person for the job.

Q1171 **Chair:** Again, that is entirely your prerogative as the Minister and a change of Secretary of State, and a new Minister can look at the intelligence and information in an entirely different way. That is entirely proper. But I think your response to us does not give any suggestion there was ever any doubt in the minds of the Department and the office of the Secretary of State as to who should be appointed.

Matt Hancock: The way that these appointments are made inevitably involves some correspondence between the Secretary of State and No. 10. I came to this and there were appointable candidates and I chose the one who was clearly, in my view, based on the panel reports, the best. Because I had known and worked with her, I knew that she would do a brilliant job.

Q1172 **Chair:** Your view is stated; I think our view is clear as well. From what we have discussed, I think there was a reasonable use of language in the way you responded. Someone might look at that and say had that come about because you responded too quickly, and that what you should have done was allow a bit more time for consideration of the Committee's recommendations before you responded. Do you look back at that and think you probably should have done or would you do the same again?

Matt Hancock: I would say that if I could have added that no numerical ordering was given, that would have helped to clarify it. But, as I said, the reason that I responded when I did is because this is an incredibly important appointment and I knew that the letter was coming, which I saw and I looked at the views in it. That is what I spent the time doing.

Q1173 **Ian C. Lucas:** We have seen, as a Committee, a number of applicants for different roles—I think one was Ofcom and Channel 4, perhaps—in the past few months. We wrote to your predecessor saying that we were concerned about the limited pool that seemed to be being drawn on for very important positions of national importance. You said to the Committee just now, "Because I had known and worked with her, I knew she would do the job excellently". Can't you see that that sort of comment just reinforces the broadly-held perception that certain people get these sorts of jobs?

Matt Hancock: I saw your letter to my predecessor and I agreed with it. I think this is a really important point and it is a very important problem to solve. I hope that our approach in DCMS to appointments and more broadly can reach out as much as possible. I can't remember the exact phraseology that you used in that letter—the establishment candidate. In the case of Tina Stowell, I appointed somebody who is entirely self-made, has done an incredible job and worked her way up, having not gone to



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university, worked her way through the system, worked her way up and then done a great job and reached the Cabinet level. I think that that is an example of finding somebody who is not part of what you might have called the establishment route.

Q1174 **Ian C. Lucas:** She is a former leader of the House of Lords.

Matt Hancock: Yes, and she reached that position through her own hard graft and coming up the hard way. She is absolutely the sort of person who we should be looking to, with an incredibly diverse career. She comes from Nottingham, without going to university she made it, and I think that this is exactly the sort of person who we should be looking to. I want to clarify a point that I made about the fact that I knew her. I sat around the Cabinet table with her. I did not really know her before that, but I had seen her at work. The panel interview report that came to me clearly showed, to me, that she was the best candidate for the job. That was my interpretation of it. It was not numerical but it was clearly my interpretation of reading the panel review. Knowing that she was the person that the panel indicated through its reviews was the best placed to do the job, if I can put it like that, because I did not intend to—

Chair: It is hard to do, isn't it?

Matt Hancock: It is hard to do. I did not intend to have a disagreement on this point. I think that appointing Tina Stowell is an example of tackling the sort of problem that you raised, but I absolutely agree with you about the problem and I would be very interested in your views on what more we should do about it.

Q1175 **Ian C. Lucas:** This Committee did not agree with you about Tina Stowell, as you know, and we had a unanimous report prepared after hearing from her. The difficulty that I face is: what is the point of us doing that? If we look at a candidate and we reach a unanimous conclusion that this is not the right person for the job and within, I think, three hours maximum you send a letter back disregarding—I think you told the media first before you told us that you were still going to appoint her. You have heard how busy we are. We have big important work to do. Why should we be spending time interviewing these people?

Matt Hancock: Well, I think that there is a lot of value in the process. I respect the process and I saw your report, your letter to me. I think taking that into account, as well as the panel reports and everything else, she was still the right candidate for the job. I did not see the whole hearing but I saw clips of it.

Q1176 **Ian C. Lucas:** It lasted about two hours, so I don't know when you wrote your letter.

Matt Hancock: I still think, I am absolutely certain, that she is the best person for the job, but I still think the confirmation hearing is valuable and there is a couple of reasons for that. The first is that if new information is brought up in the confirmation hearing that we did not



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know about, that could be incredibly valuable. In this case, the main thrust of the argument in your letter was that she does not have deep charity sector experience. As I said in my response, I do not think that is required for this job. This is the job of the chair of the regulator. The previous regulator, William Shawcross, one of the best chairs the Charity Commission has had, also did not have significant charity sector experience and he was a brilliant chair of that commission. I took into account what was said at the hearing, your letter and everything else, and I came to the same judgment, but if the hearing had brought up new material that changed that judgment that would be valuable.

Q1177 **Ian C. Lucas:** Have you ever volunteered for any work in the charity sector?

Matt Hancock: I have, yes.

Q1178 **Ian C. Lucas:** Tina Stowell hadn't.

Matt Hancock: Okay.

Ian C. Lucas: Don't you think that that tells us something about her commitment to the charitable sector?

Matt Hancock: No. I think what matters is how effectively she will be able to chair the regulator of the charitable sector. I disagree on that point and we knew the extent of that before, so it was not new information.

Ian C. Lucas: I didn't know that.

Q1179 **Paul Farrelly:** Chair, I wanted to come back to your question, because it is new information to me and I have not heard it put so starkly, lest it be glossed over. I think I am right in saying that you asked that she was not the original preferred candidate and I didn't hear a confirmation or otherwise from the Minister on that.

Matt Hancock: No, that is because I was not the Secretary of State and we do not go into the internal discussions and I was not party to them anyway.

Q1180 **Chair:** There was another candidate that the previous Secretary of State put forward to us.

Matt Hancock: I came to this fresh. There was no decision made, so I took the decision based on the panel that was in front of me.

Q1181 **Paul Farrelly:** I had not heard that so starkly, so it is new information to me, Chair. I was rather astounded that as part of the balance and considerations, as well as an opinion from a small Committee like this, that a new Secretary of State has not taken into account what a previous Secretary of State had thought.



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Matt Hancock: It wasn't that there was a previous Secretary of State decision that I had to choose to ratify. It was that a decision had not been reached.

Chair: This was set out in the Commissioner for Public Appointments' letter. I think that in itself is an interesting document and it does beg the question where in a situation like this there is a dispute between the Committee and the Department as to who should be appointed, whether the Commissioner should review the process at that point and report back, so as to reassure the Committee that the correct process had been followed and would allow something of a cooling-off period before the appointment is made. But in this case you moved in to appoint as quickly as you could.

Q1182 **Paul Farrelly:** Secretary of State, you know the Government far better than me. Do you know which Department is responsible for the National Citizen Service?

Matt Hancock: We are.

Q1183 **Paul Farrelly:** That was news to me as well. I have heard, and we should put it directly to the new candidate for the Charity Commission, that she was also the preferred the candidate to head the National Citizen Service but withdrew when this opportunity arose.

Matt Hancock: I am trying to remember. Can I write to you on the details of that?

Chair: Thank you. I think that concludes—

Matt Hancock: I have one other point on appointments, if you are interested. We are today launching the advert for the chair of the delivery agency for the Commonwealth Games.

Q1184 **Giles Watling:** I was going to ask how the preparations for the Commonwealth Games are going.

Matt Hancock: We are today launching the competition for the chair of the Commonwealth Games, so we hope that we find an excellent chair and I hope that the appointment can go smoothly. It will be wonderful if we all agree on the person who can do this best in the national interest.

Q1185 **Chair:** It is very rare for Select Committees to disagree with Government Departments and this Committee, under any of its Chairs, has never done it before. We made the point to Baroness Stowell in the hearing itself that while we appreciate that people have different backgrounds and different starts in life and they make their own way, the question about whether someone is an establishment figure or not, or could be perceived to be, is about their previous proximity to people who are making the decisions about their future. We had a series of appointments, David Clementi advised the Government on BBC reform; Terry Burns has huge experience and has done a lot of roles, and then with Tina Stowell, someone who has 20 years' experience working with senior figures in the



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Conservative Party. Some people from the outside may question that and say, "Does this reflect a truly diverse process of going outside of SW1 and considering people who can take on the role?" I hope in this process that that is what we see.

Matt Hancock: Well, let's do that. I was responsible for the overall appointments right across Government in a previous role as Minister for the Cabinet Office and we put significant effort into broadening the diversity. I mean diversity in its broadest sense, not just gender and ethnic background, although those are incredibly important, and people with disabilities and people who are LGBTQ, but making sure that we get people from all backgrounds, from different parts of the country—diversity of thought Idris Elba called it, and I think that is an incredibly important way of thinking about it. I believe very strongly in that agenda. As I said, Ian, when I saw your letter I agreed with it. We disagree over Tina Stowell but I think that she will be brilliant and she will bring her different background to bear very effectively on that appointment. The broader question of how we make sure that we get a broader range of people in to do these jobs is important.

Of course, there is also the question of experience, as you say. Having a highly experienced chair of Ofcom is really important. Likewise, we are about to run the Commonwealth Games in four years' time. We will, of course, want to draw on the experience of the Olympic Games. Does that mean that the person who is chair has to have been in the Olympics? Of course it doesn't. There is a balance. We cannot be absolutist about it but as much as is possible I would like to aim off the purely traditional establishment candidates. I would appreciate your help in doing that and I am sure that you will hold my feet to the fire on that.

Q1186 **Chair:** Hugh Robertson should not be standing by the phone?

Matt Hancock: I don't want to comment on anyone. I have only just opened the competition.

Chair: Great one though he is. Thank you very much.