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House of Lords Communications and Digital Select Committee inquiry: The future of news: impartiality, trust and technology

I welcome the opportunity to contribute late evidence to this important inquiry.

With more than 30 years in the industry, I have taken an especially keen interest in the future of news over the past 15 years through my roles at ITN and Ofcom. I served as Interim Chair of Ofcom from January 2021 to May 2022 and Deputy Chair from 2018 – 2024. I was also Chair of the Ofcom Content Board from 2022-2024. I was Chair of ITN from 2009-2014 and was on the ITN Board from 2008 to 2018.

Save our News

Since the inception of the internet, audiences have been switching, in their millions, from broadcast news to online news. In doing so, they are increasingly getting their news from unreliable sources with narrower points-of-view. An ill-informed, and worse still, wrongly informed, public poses significant threats to democracy and to cohesion in our society. Furthermore, the characteristics of the internet make these threats possible on an unprecedented scale and with unprecedented speed.

For example, recently, a website founded by a former US Marine who now lives in Russia, suggested that Ukrainian President, Volodymyr Zelensky, had purchased two luxury yachts with American aid money.¹ This was a false claim, but it quickly went viral online and was used by members of the US Congress as a reason not to support further US funding of Ukraine. There are countless other examples where disinformation has caused political and social interference and the future looks bleaker still. As AI becomes more widely used to create realistic mis- and dis-information, the likelihood of disruption to society increases.

This is why having access to, and using, verified, impartial, plural versions of British-made news, such as that provided by our public service broadcasters (the BBC, ITV, Channel 4 and Channel 5 (the “PSBs”)), is of fundamental importance to our society. The public agrees. As recent Ofcom research² confirms, audiences attach high importance to having impartial news available.

Keeping the public reliably and impartially informed will require concerted and urgent action by politicians, regulators, and news providers. This evidence sets out why verified, impartial news is important, the current direction of travel, and some proposals to ameliorate the problems.

Why is the preservation of PSB News important?

In my experience at ITN, all three channels that the company produced news for (ITV, Channel 4 and Channel 5) thought long and hard about what people

¹ BBC Verify, 20 December 2023

² Barb

needed to know, how much time to spend on each item depending upon importance, and what the running order should be. This process was not a single person issuing a diktat but involved serious debates, conducted every day at editorial meetings by groups of diverse and experienced executives.

News output in the UK has been governed by democratic means. Politicians created legislation which shaped how news is regulated, using tools such as the Broadcasting Code and ownership rules.

With online news, this has all changed. It is essentially unregulated and not subject to ownership rules. Many news outlets provide unverified and opinionated news including mis- and dis-information. People need to know which news providers are biased, and where to go for verified impartial news. Additionally, there is no attribution or quality assurance – online users do not know if the source of the story they read is the BBC or an individual making something up.

Online, people read what they **want** to know, not what they need to know. Or at least, that's what they think. In fact, they are being fed what the algorithm serves up, which is in turn based partly on previous choices they have made, and partly on what will increase their dwell time and hence the advertising revenue that the gateway provider can earn. An acquaintance of mine started with an enquiry about flat earth and ended up being sent down the rabbit holes of bizarre conspiracy theories. Sadly, in his case, the result was a mistrust of both mainstream news and our national institutions.

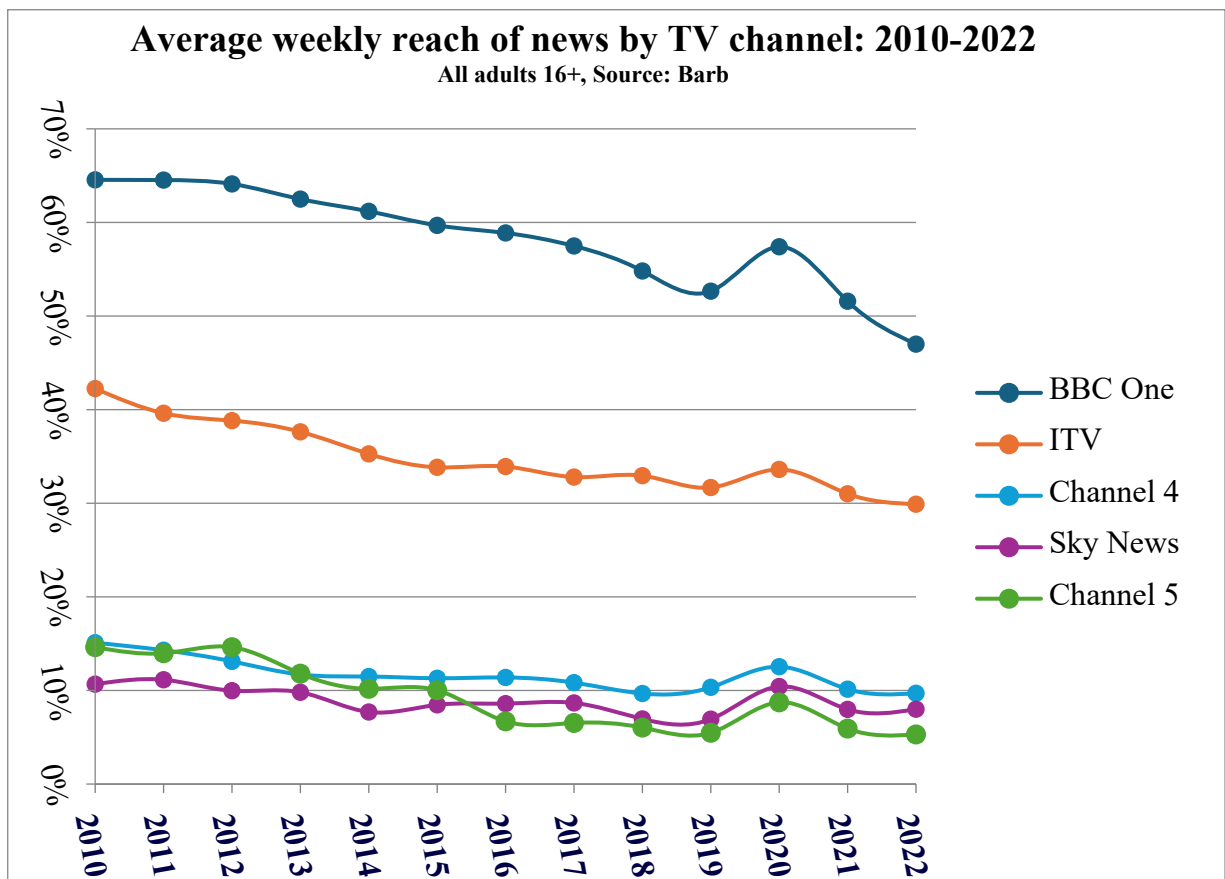
Declining news consumption

Television news provided by the PSBs, though still popular, has been in long-term decline. Twenty years ago there were 5-6 million people watching the BBC's Six O'Clock News and 4-5 million watching ITV's News at 6.30pm.³ Both those numbers have now roughly halved.⁴ This is not a quality issue. It is a structural issue. There are many more choices competing for people's time and the majority of people (68%)⁵ are getting their news online, at a time of their choosing.

³ Barb

⁴ Thinkbox/Barb

⁵ Ofcom announcement of research, 24 April 2024

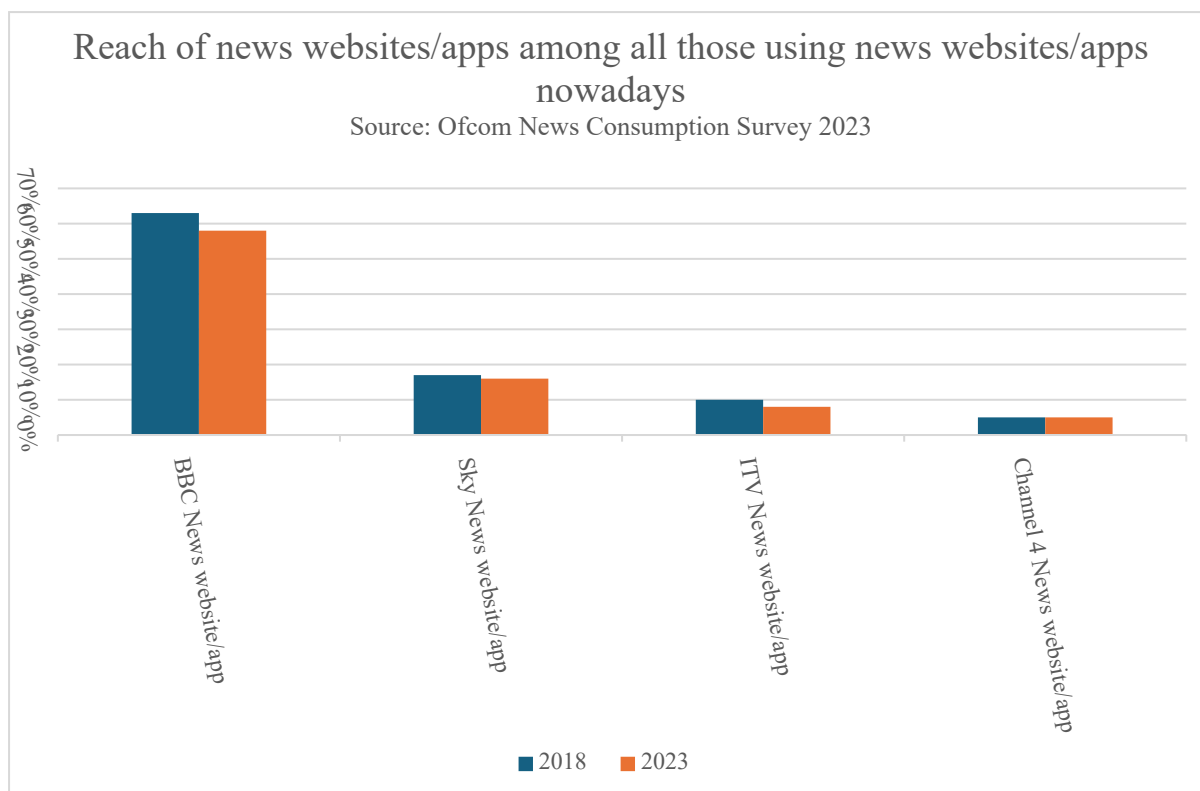


We should be especially aware of the trends in young adults, who have grown up in the digital age, many of whom will be voting for the first time in the forthcoming General Election. Reuters’ 2023 Digital News Report showed that 37% of young adults are simply not interested in news – more than double the All Adults number (16%).

The vast majority of young adults get their news online, driven by social media, and are much less likely than the rest of the population to go directly to news websites. They are also much more interested in lighter forms of news,⁶ for example, about celebrities or music.

Most of the PSBs’ contributions are getting buried online. The odd one out is the BBC, which has made significant investments in its online news offering over many years. The reward for this is high levels of recognition and utility, not just in this country but also abroad. That they have achieved such success is partly as a consequence of their privileged licence fee funding, and partly a mark of the strategic importance that the organisation attaches to news. Nevertheless, the BBC’s position is challenged *inter alia* by the predominantly American owned online gateways such as Google, Facebook, and Apple as well as Chinese-owned Tik Tok, all of whom own the data and keys to prominence.

⁶ Ofcom 2023 News Consumption Survey



The commercial PSBs have not made sufficient investment online to maintain their profile and utility. This is important, not just because of the importance of news, but also because news is a key branded strand supporting each channel’s profile and awareness both online and offline. The reason for this lack of investment cannot be solely attributed to lack of prioritisation for funding. It is because the internet service providers (ISPs) and online gateways are not giving the news providers a sufficient cut of advertising revenue to make it commercially worthwhile, nor are they giving them sufficient information about users to help them monetise in other ways, or maximize their audiences. Sky News is doing better online than its commercial PSB rivals because it has made the decision to invest at a significant loss. However, in 2029 when the promise made by Comcast to maintain its investment in news falls away, this will be under threat unless there is a sufficiently robust commercial model in place.

It really matters that there are a number of distinct verified and impartial British-made online news sources available, partly to keep the BBC up to scratch, and partly because they do pick different agendas and ways of covering issues. Each channel has a distinct audience profile and they will select topics of specific interest to their viewers giving a broader overall range.

So, if we conclude that it is vital to have a well-informed population with access to plural sources of verified impartial online news, then urgent action is needed because although the problem has been evolving over a decade, we have much less time than that to solve it.

Proposals

Online gateways enjoy light regulation, low tax, and a lower cost of infrastructure due to their reliance on the existing broadband structure. These

are privileges, and I believe that if they want to keep them, they need to become better citizens and play their part in enabling our democratic societies to function well and in harmony.

Having personally discussed these problems with all PSB news providers, and through my experiences at Ofcom, my own priority list of actions would be as follows:

1. Sustainable funding

Sustainable funding is vital for the commercial news providers.

One way to do this would be for the ISPs and online gateways to pay a higher proportion of their advertising revenue to news providers with complete transparency and access to data. The downside of this arrangement is that it would incentivise the gateway to deprioritise news in its algorithm. In 2021, the Australian Government attempted to ensure that Google and Meta/Facebook paid a fair price for news through deals said to be worth A\$200m (£104m).⁷ Meta, which is estimated to be funding a third of this, has recently announced that it will be pulling out of the arrangement citing a decline in the number of users.

To avoid the problem of deprioritising, a straight enforced payment coupled with prominence requirements, might be a better solution.

If this is not attainable, then some form of contestable funding, a government funding pot which the commercial PSBs might bid for, could be made available for online news subsidy, subject, of course to quality and performance. The funding of all PSB news should be discussed when the post-2027 BBC funding arrangements are being considered. Such funding methods could be used to fund commercial PSB news in addition to BBC news.

Sustainable funding which is not based on the popularity of a story would ensure that both the BBC and commercial PSBs are then freed of the need to be overly mindful of user numbers and page impressions in their editorial choices.

2. Data

Data is the new currency. News providers are not being given sufficient information by online gateways about their data for them to be able to use it in a meaningful way, either commercially or in adjusting their output. If attribution is successful and transparency of data can be achieved, this would pave the way for a valuation of the proper and fair value of the product.

3. Quality assurance (an online news code and kitemarking) coupled with media literacy

The BBC will shortly get an online news code ("ONC"), likely to be similar to the Broadcasting Code but adapted for online, which will be regulated by Ofcom. The commercial PSBs could be given the opportunity to sign up to this code. All

⁷ Sydney Morning Herald 1 March 2024

those doing so would then be given a quality assurance kitemark indicating that they are providing verified impartial news online.

If there is demand from non-PSB news providers, such as Sky News, to abide by the ONC and use the kitemark, this could be accommodated. However, whilst "verified" is easily understood, impartiality, or "due impartiality" as expressed in the Broadcasting Code, is more complex as the standard that the broadcasters are held to depends upon "audience expectations". For example, under the current rules, if audiences expect a channel to express opinions which are mainly strongly supportive of one political party, then the channel can give that party's views more weight. This approach, especially in an online context where there is such a broad range of news channels, would have the potential to cause confusion over what the meaning of impartiality is for kitemarked channels. The current PSBs are all expected to hold broadly to the middle ground in terms of "due impartiality". So, in my view, if the ONC is based on the Broadcasting Code, and used as the template for the kitemark system, the definition of "due impartiality" will need to conform with audience expectations for PSBs. This will ensure that what is meant by impartiality is easily understood. It will also reduce the number of kitemarked channels to a number which is easily remembered by the public and easy to regulate.

It will be important for all adults and children to be aware of this quality assurance through widespread publicity and teaching in schools where it could be added to their online safety lessons.

4. Prominence and discoverability

An appropriate way needs to be found to put kitemarked news on the front page. Although "prominence" is a feature of the Media Bill, this applies to all PSB programmes and I believe that it's likely that the commercial PSBs will use it to promote their most valuable commercial properties rather than news. Prominence for news might involve users choosing a kitemarked news provider to appear on their front page alongside their other options and feeds on their devices, whether that be through apps, websites, or social media. Discoverability would mean that kitemarked news providers are given priority when users search for news topics.

5. Attribution

Offline, if a story has been broken by another news provider or if material created by another news provider is used, then it is customary to attribute the story or the material. This does not happen online resulting in a vast plagiarism problem. All material from news providers needs to be attributed and they need to be given access to how their material is used and where.

Conclusion

President Biden said at the White House Correspondents' Dinner on 27 April 2024:

"The stakes could not be higher...in making sure democracy endures...in the age of dis-information, credible information that people can trust is more important than ever."

The successful transition of PSB news from broadcast to online is critical. The government, Ofcom, the CMA, and the broadcasters, now need to work together and dedicate themselves to this important task. Otherwise, these precious British assets will simply disappear, to the great detriment of society.

May 2024