

# Sky takeover: Bradley letters reveal concerns over Fox standards

 [theguardian.com /media/2017/sep/12/sky-takeover-bradley-letters-reveal-concerns-over-fox-standards](https://www.theguardian.com/media/2017/sep/12/sky-takeover-bradley-letters-reveal-concerns-over-fox-standards)

Mark Sweney

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The publication of letters between Karen Bradley and the media regulator show the culture secretary was determined to ask their competition counterpart to [look into the Murdochs' commitment to broadcasting standards](#) as part of its investigation into 21st Century Fox's £11.7bn bid to take over Sky.

Bradley wrote to the Ofcom chief executive, Sharon White, [on 7 August \(pdf\)](#) asking her to respond to “potentially new evidence” that raised questions about its finding that Fox should not be referred to the Competition and Markets Authority on the grounds of broadcasting standards.

Bradley asked Ofcom to provide further comment on Fox's broadcasting record, the sexual harassment scandal at Fox News US, alleged lax corporate governance at [21st Century Fox](#), and claims by critics of the Sky takeover bid that Ofcom had not taken into account all relevant evidence relating to phone hacking.

## Scandal at Fox in the US

Ofcom's [response on 25 August](#) said there were “alleged behaviours [at Fox US] amounting to significant corporate failures that were very concerning”. However, Ofcom said, the issues – including [Fox News publishing a discredited story that the murdered Democrat aide Seth Rich](#) was the source of hacked party emails – “did not occur in a broadcasting standards context”.

“The evidence before us of senior management efforts to rectify the situation, which included dismissal of those directly responsible, our judgment was that ... there were not concerns which may justify a reference on grounds of the broadcast standards,” [Ofcom](#) said.

## Corporate governance failings and the phone-hacking scandal

Ofcom had said it dealt with the issue of phone hacking when it conducted a “fit and proper” test in 2012, after Murdoch's previous attempt to take over Sky, and another one earlier this year.

Bradley wrote on 7 August: “A number of representations contend that Ofcom has not considered all the evidence. Representations contend that relevant evidence emerged after [2012] including the various trials into News International staff [now News UK], the continuing civil action on claims related to phone hacking and the findings of the House of Commons committee of privileges report on the conduct of News International employees.”

White responded on 25 August: “We were aware of this evidence but we did not consider it to be both new and material so as to affect our view on the broadcast standards public interest consideration.”

Bradley also asked Ofcom to respond to representations that argued that Fox's supposedly tougher new corporate governance measures had failed.

Ofcom said: “We placed weight in our fit and proper decision on the revised corporate governance arrangements, which are designed to secure that allegations of misconduct come to senior management's attention, and on the fact that James Murdoch has taken personal responsibility for their effectiveness. We [also] have evidence, which we did not have in 2012, of action being taken to investigate and address alleged wrongdoing.”

## **Fox's broadcasting compliance record**

Fox News has fallen foul of the UK code seven times in recent years, including four times last year, one of which was for a programme that featured a guest who said Birmingham was a city “where non-Muslims just simply don't go”.

Bradley's letter asked Ofcom to respond to representations that it did not give “sufficient weight” to the failure of Fox to “have in place adequate procedures to ensure compliance with the broadcasting code”. She said some representations contended that Ofcom did not adequately take into account Fox's approach to broadcasting in international jurisdictions – for example, the US and Australia – citing examples of “alleged biased, divisive and grossly inaccurate reporting”.

Ofcom said Fox's record of compliance with the UK broadcasting code had been “good” and that overseas broadcasts were not relevant.

“Whilst we were concerned by Fox News' lack of adequate procedures for broadcast compliance, we consider we did afford it sufficient weight in considering the question of whether there is a genuine commitment to broadcasting standards by Fox in this country,” Ofcom said.

## **Conclusion**

Ofcom admitted that while it had found “non-fanciful concerns”, it stood by its original finding that none of them “justify a reference in relation to the broadcast standards public interest consideration”.

A second letter from Bradley on 31 August firmly set down the idea of a lower threshold for referral than Ofcom had used in its assessment of the broadcasting standards issue.

The media regulator gave Bradley the window she was looking for, saying that it “recognises that the legal threshold for referral is low [and] you may refer as secretary of state if there are any non-fanciful concerns”.