Carbon Brief: Leveson Submission

Written by Christian Hunt
27th January 2012
To whom it may concern,

In this submission, I would like to give a detailed account of the Daily Mail’s coverage of energy bills and of three PCC complaints we made about their coverage. I believe it is a useful case study in examining the relationship between newspapers and the PCC on matters of factual accuracy.

During the time period this submission covers – June 2011 to January 2012 – I made three PCC complaints about the Mail’s reporting in my capacity as editor of the website www.carbonbrief.org.

Over the time period, the Mail group have covered the issue of rising energy bills extensively. Most notably they have focused on the portion of bills that are made up of what the government call ‘environmental and social costs’, and which are commonly called ‘green costs’.

All three PCC complaints centred on the use of what turned out to be inaccurate assessments of the proportion of an average consumer energy bill that was made up of ‘green costs’. In all three cases, the Mail inflated the actual proportion in their reporting, a systemic inaccuracy which fitted with their editorial line on the matter, which can be summarised as a campaigning stance against green policies to encourage renewable power or energy efficiency.

While the PCC eventually ensured that the newspaper printed corrections, they were not prominent compared to the coverage they were correcting. The PCC could not prevent the Mail from repeating inaccuracies that had already been corrected.

The repetition of corrected figures might be a series of mistakes on the part of the Mail group, or it may be the result of a calculation by the Mail’s editorial staff that the sanctions likely to be brought against them by the PCC were not serious enough to outweigh the benefit of using the figures in their coverage.

This is a case study of where a media outlet has prominently published information that it knows to be inaccurate on an issue that is of significant importance to its readers. Although the example happens to be the Mail group, it could be taken as illustrative of the relationship between the press and PCC in general.

Yours sincerely,

Christian Hunt

Editor
Carbonbrief.org
1. The “£200 on your energy bill” claim

On Thursday 9th June, the Mail’s front page headline read

“Hidden green tax in fuel bills: how £200 stealth charge is slipped onto your gas and electricity bill”.¹

At the time energy bills were growing rapidly, and had been for some time. Scottish and Southern, one of the ‘big six’ energy companies, had just raised their average bill by close to £200². With cost of living rising, energy bills were clearly a significant issue of interest to the general public. Just a few days later the consumer group ‘Which?’ found rising energy prices to be the biggest issue facing consumers, with 89 percent of respondents to their survey saying energy bills were of concern to them.³

The source for the £200 headline figure was a charity and think-tank called the ‘Global Warming Policy Foundation’⁴ who campaign on UK energy and climate issues.

Three related articles, including a supportive editorial, accompanied the front-page story:

- ‘We must stop pandering to climate scaremongers’: Ex-Civil Service chief blasts ministers for global warming ‘evangelism’ - inside page p.2 ⁵
- ‘The REAL reason fuel bills are going through the roof? Crackpot green taxes you’re never even told about’ - Comment piece by Dr Benny Peiser - p.14⁶
- ‘Inconvenient truths’ - Editorial - p.14⁷

Two of the articles also made the claim that green energy measures currently account for 15-20% (or a maximum of £200) of household energy bills. The third discussed the views of Lord Turnbull, a former head of the civil service, on climate change. Lord Turnbull is also a trustee of the Global Warming Policy Foundation and had recently published a report with the GWPF detailing with his views on climate change, which the Mail highlighted to accompany the energy bills splash.⁸

The £200 figure was repeated in subsequent articles in the Mail over the next few days, and the story was picked up and the figure used by the Daily Telegraph, Sunday Telegraph and the Express.

Subsequent coverage in the Mail:

¹ http://www.frontpagestoday.co.uk/uk/daily-mail/newspaper.cfm?frontpage=3727
⁴ http://www.thegwpf.org/
⁵ http://www.dailymail.co.uk/news-article-2001189/Ministers-fall-climate-folly-warns-ex-Civil-Service-chief.html
⁷ http://www.dailymail.co.uk/debate/article-2001246/DAILY-MAIL-COMMENT-Tough-Clarke-soft-crime.html (now corrected online)
⁸ http://www.carbonbrief.org/media/53359/lord-turnbull.pdf
• Stop hiding green fuel tax, firms told as pressure to come clean on global warming levies intensifies - 10th June - Daily Mail - Front page
• The answer, my friend, ain’t blowing in the wind - Daily Mail - Richard Littlejohn comment piece (10th June)
• It’s time this Government grew up over climate change, says Nigel Lawson - Daily Mail - 11th June - Political reporter/ Nigel Lawson

Other newspapers or newspaper websites repeating the figure:
• Green taxes make up 20 percent of household energy bills, campaigners warn - Daily Telegraph - Murray Wardrop - 9th June 2011
• Vote Blue, Go Green, Ruin Britain - Daily Telegraph - James Delingpole - 10th June
• Industry begins to count the true cost of ‘climate change’ - Sunday Telegraph - Christopher Booker - 11th June 2011
• Families hit by £200 green tax in energy bills - The Express - 9th June 2011

Analysing the figure

The £200 claim was inaccurate. In June 2011, at around the time the article was published, figures from the energy regulator Ofgem suggested that ‘environmental and social costs’ accounted for around 8% (about £80) of a typical household energy bill. Ofgem estimates are generally regarded as the most authoritative available. For comparison, at the time DECC estimated the figure at 4%.

We wrote to the editor of the Mail and to the director of the Global Warming Policy Foundation, Dr Benny Peiser, to request the source of the figure. We received no response or acknowledgement from either.

No reference or explanation for the figure has yet been provided by either Dr Peiser or the Mail for the figure, and we have found no research that substantiates it.

We also consulted with several energy experts, who told us that they believed the figure to be inaccurate and too high.
The PCC process around the first use of the £200 figure

As the figure appeared to be wrong, and with no response from the Mail, we complained to the PCC referencing Article 1 of the Editor’s guidelines which deal with accuracy.

The Mail responded via the PCC. They suggested the figure came from a 2008 report by the think-tank Civitas, and also suggested that the figure agreed with current figures from DECC.

When we looked at the relevant section of the Civitas report the Mail referred us to, it read:

“According to official estimates released by BERR in June 2008 at the launch of the Government’s lengthy consultation into the Renewable Energy Strategy, current climate change policies had already added 21 per cent to the average business electricity bill and 14 per cent to domestic bills.” (p.5)

This didn’t substantiate the argument that 15-20% of domestic energy bills were made up of green costs, for three reasons.

First, the figure in the Civitas report referred only to electricity, and not to energy bills. The average domestic energy bill is made up of both gas and electricity, and assuming an effect on electricity is the effect on the whole bill incorrectly inflates the impact.

Secondly, the Mail’s headline referred specifically to domestic bills, not to business bills. Even if the Mail had confused electricity and energy, the relevant figure to assessing the headline’s accuracy would be 14%, not 15-20%.

Finally, the figures in the Civitas report were out of date. The BERR figures cited were superseded by equivalent figures from DECC, who had more recently estimated the figure at around 4%.

After we made these points to the Mail, they agreed to publish a correction, which was published on 7th September, around three months after the first article appeared.

It read as follows:

"Articles from June 9 reported comments from Dr Benny Peiser, director of the Global Warming Policy Foundation, which suggested that 'green stealth taxes' add 15 to 20 percent to energy bills. According to Ofgem, the correct figure for environmental costs is currently no more than 9%. We are happy to clarify this."

The correction published measured a few centimetres squared, and ran to 52 words in a corner of page 4. In contrast, the original claim was made by a banner headline on the front page of the newspaper and repeated in numerous follow-up articles, as well as articles in other newspapers.

18 http://www.carbonbrief.org/blog/2011/09/gwfp-mail-pcc
Repetition of the £200 claim and a second correction from the Mail on Sunday

The first correction was printed on 7th September. On 18th September, the Mail on Sunday re-used the inaccurate £200 figure, without a source, in a piece entitled 'Crippling energy bills are YOUR fault, says Huhne'.

The article stated that:

"Utility price rises have pushed the average household energy bill to almost £1,300 a year, partly driven - as critics pointed out yesterday - by 'green' taxes imposed by Mr Huhne’s department.

The stealth levies, introduced to fund Britain’s investment in wind and solar power, are costing families an average of £200 a year - two-thirds of the amount the Cabinet Minister said they should be able to save. This represents an increase of between 15 and 20 per cent on the average domestic power bill."

The article was amended online following a complaint by a DECC press officer. I requested to the PCC that a correction should also be printed to the hard copy of the paper. They advised us to make a separate complaint about the matter, which we did.

We assumed that this must be an honest mistake at the Mail on Sunday, who had not spotted the correction in the Mail.

This may be the case, but while this second complaint was being considered by the Mail on Sunday, they again repeated the 20% figure in an editorial, on 18th October.

This stated that:

"A great deal of government policy is based on the certainty that global warming is the biggest threat to our future thanks to increased levels of carbon dioxide in the atmosphere.

That is why the country is overrun with wind farms and energy costs are skyrocketing, with green stealth taxes adding 15 to 20 per cent to the average domestic power bill. And this is all done on the authority of scientists who, we are repeatedly told, must have got the arguments right.

...They are - many would say arrogantly - sure they are right and stubbornly parrot the scientists as they make the case for being the 'greenest government ever'. But what if they are wrong?"

At this point, we had made two complaints to the Mail group about the use of the figure. The Daily Mail had already corrected it once, and there was a complaint in process about the MoS, which they were aware of.

We informed the PCC about this repeated use of the figure, and the Mail on Sunday printed a correction to both uses of the figure on the 13th November.

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20 Pers Comm. Email from a DECC press officer.
21 http://www.dailymail.co.uk/news/article-2060903/Clarifications-corrections.html
Given that both Mail group titles had now published corrections, we assumed this would be the end of the matter.

However, to bring matters up to date, on the 15th January this year the figure was used again in the Mail on Sunday in an article by the editor of the Financial Mail, which stated that “about 20 per cent of bills...reflect the barrage of Government-mandated ‘green’ charges”. 22 I have written to the Mail on Sunday about this matter.

Some summary points:

- This has been a time consuming and involved process, over a fairly straightforward factual inaccuracy.

- The MoS repeated a figure that had already been corrected twice while there was a PCC complaint about the figure with the paper.

- Despite two successful PCC complaints about a specific statistic and published corrections in both the Mail and the Mail on Sunday, the Mail group are still repeating the figure.

Either the Mail group’s internal processes for noting complaints are inadequate, or they do not take PCC negotiated corrections seriously.

22 http://www.thisismoney.co.uk/money/bills/article-2086706/LISA-BUCKINGHAM-Reveal-green-tax-fuel-bills.html#ixzz1jii6iOySS
The £300 figure

The 20%/£200 figure is not the only inaccurate estimate of the cost of green measures on energy bills articles from the Mail group have featured.

On 19th September 2011 the Daily Mail printed an editorial that stated that green energy measures are actually adding £300 to energy bills.

The editorial read:

"First, the millionaire Cabinet minister Chris Huhne blames the public for the crippling size of energy bills - arguing people could save £300 each if they weren't too lazy to switch supplier. He conveniently forgets that £300 is the exact sum added to gas and electric bills by 'green taxes' and subsidies to pay for landscape-destroying wind farms...".

The Daily Mail repeated the figure the next day – 20th September – stating in an editorial that:

"If [Chris Huhne] scrapped green taxes, he would save every household some £300 at a stroke. Mr Huhne claims he wants the 'best possible deal for consumers'. What better way to prove it?"

No source was given for the figure.

This occurred the week after the Daily Mail had printed a correction that appeared to accept that the correct figure was an Ofgem estimate of around £80. In fact, on the 19th September the Daily Mail printed two separate articles on the subject, one of which stated “£300 is the exact sum added to gas and electric bills by 'green taxes' and subsidies”, the other of which suggested “On average, householders pay an extra £85 per year in 'green' taxes.”

We wished to locate the source of the Mail's new claim, and so wrote to the Mail. Again we received no response. We therefore complained to the PCC for a third time.

In their response to the PCC, the Mail stated that the source was a front-page headline printed in the Daily Telegraph on 5th September "Environment policy reforms to add £300 to energy bills".

However, the Telegraph article and the briefing on which it was based referred to energy bills in 2020 – not now. The Telegraph article itself said:

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"It [the leaked briefing] warns that the Government’s move to increased nuclear power, wind turbines and other measures will add 30 per cent to the average family’s annual energy bill of £1,069 by the end of the decade.... The six-page document, dated July 29, says: “DECC’s [Department of Energy and Climate Change] mid-case gas price scenario sees policies adding 30 per cent to consumer energy bills by 2020.”

The Mail initially argued that the statements in their editorials were “far from clear about timescales”, but did say that they had “circulated a note to all staff to alert them to this important issue and have also marked the cuts for future reference”.

Following further correspondence, they agreed to print a correction, which appeared on 19th December and read:

Recent editorials referring to a leaked Government memo suggested that scrapping ‘green taxes’ would save households 30% - or £300 – on their current energy bills. In fact the memo, which was reported by several newspapers, was outlining estimates for 2020 and should have specified electricity prices rather than energy bills.
The Mail’s other coverage of energy bills during this time period

We followed the Mail’s coverage of energy bills quite closely over this eight month period, and identified a number of occasions when weak or opaque sources were used to substantiate stories, or where source material were partially reported to support articles that advanced the paper’s argument that green policies were the cause of rising energy bills.

We have detailed three examples of this below:

1. Families face £1,000 bill for green energy: Huge annual levy to appease the climate lobby 27 - Daily Mail, 13th July 2011

This front page headline article 28 accompanied another on 11th July headlined 29 “Energy bills ‘to double in five years’ as customers are hit by switch to green power”. The figure given - that green energy measures would add £1,000 to energy bills within five years - was at odds with official figures from Ofgem and DECC.

The figure was sourced to “a report by Unicredit”. We detailed on our blog 30 our attempts to obtain the report and to understand the analysis behind the figure. The report was not publicly available and the authors would not discuss it. When we were sent the report from another source we saw that the figure was only briefly referred to and the report contained no detail about how the figure had been calculated.

The quote in the article from Unicredit was identical to one reported in a January 2011 blog post written by the Financial Times 31. Given that Unicredit would not discuss the report and that Unicredit told us that the analyst was on holiday at the time, it seemed possible (although we do not know for sure) that the Mail relied on this FT blog post rather than the report itself as the source for its front-page story.

If this was the case they would not have been able to interrogate the source of the figure, and we suspect this story was written because of an editorial desire to find any source which would suggest high costs to consumers from green measures on energy bills, whether the source could be interrogated or not.

2. Green taxes could force one in four into fuel poverty 32 - Daily Mail, 12th October 2011

This article on page 2 of the newspaper was based on a report by Deutsche Bank, and was accompanied by an editorial protesting at “crippling green levies, which analysts now say could tip as many as one in four families into fuel poverty by 2015”. 33

27 http://www.dailymail.co.uk/news/article-2014068/Chris-Huhne-Families-face-1k-green-energy.html#ixzz1GOKhRVC
28 http://www.frontpagemosttoday.co.uk/uk/daily-mail/newspaper.cfm?fronpage=4949
29 http://www.frontpagemosttoday.co.uk/uk/daily-mail/newspaper.cfm?fronpage=4949
30 http://www.carbonbrief.org/blog/2011/07/a-thousand-pounds-mail-figure
33 http://www.dailymail.co.uk/debate/article-2048024/Greek-bailout-The-euro-problem-ours.html
The Deutsche bank report suggested that a quarter of UK homes could be in fuel poverty by 2015 as a result of two factors: general price rises in energy bills and reduced household incomes.

The Mail article started:

One in four households will be driven into fuel poverty if the Government pursues controversial green energy targets, ministers have been warned.

As we detailed on our blog\(^{34}\), however, the report clearly stated that price rises would occur both as a result of the introduction of green policies and the rising price of fossil fuels. The summary of the report stated:

We believe the major drivers for bill increases are rising international fuel prices and costs of decarbonizing the sector, not excessive retail profits.

The text of the report noted:

In recent years the UK has once again become a nation dependent on imported fuel...our import dependence is rising to levels seen in the early 1970's once again. This makes it much harder for UK government policies to shield consumers from exposure to international fossil fuel prices.

And later

Fundamental analysis of gas supply and demand by our Commodities Research team indicates that the surplus of gas in Europe is likely to be eliminated by 2013, with a re-convergence to oil-linked prices by 2014 ... higher European prices will not be undermined by exports from North America or by unconventional gas in Europe ...This implies UK gas prices roughly doubling from 2009/10 levels by 2014...Although there is a mix of fuel use in the UK generation market, most generation at the margin is gas-fired. This means that increases in gas generation costs are reflected in increases in the UK power price. [our emphasis]

The Mail article ignored this important aspect of the report, and focused solely on the impact of green measures, to a degree that in our view was misleading. The report did not ascribe their prediction that one in four families could be in fuel poverty by 2015 solely to ‘crippling green levies’. This was a highly partial reading of the work, which led to an inaccurate report of it.

3. Electricity bills to rocket by 25% because of ‘green’ targets, says Government\(^{35}\) - Daily Mail, 15th December 2011

This article dealt with the release of a report about future energy bills, published by the Climate Change Committee.

The headline did not accurately reflect the conclusions of the report. The Climate Change Committee – (who are not a government body) - did not predict that energy bills would rise by 25%, either overall or as a result of green policies.

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\(^{34}\) [http://www.carbonbrief.org/blog/2011/10/mail-article-on-deutschebank-report](http://www.carbonbrief.org/blog/2011/10/mail-article-on-deutschebank-report)

In a press release, the Climate Change Committee summarised their findings:

“The Committee’s finding therefore disprove often repeated claims that recent bill increases are due to environmental policy costs, and that major investments in low-carbon power capacity will drive dramatic bill increases over the next decade” 36

The CCC’s report came to a conclusion that was directly counter to the Mail’s previous articles on the subject. Indeed, it seems reasonable to read the conclusion of the CCC report quoted above as response to tabloid coverage of the energy bills issue.

In order to substantiate their ‘rocket by 25%’ headline, it appears the Mail picked a single line of the report, which read:

“The CCC’s report suggests that people whose homes are heated by electricity will see their average bills rise from about £1,500 to £2,100 in 2020…Around £400 of the projected increase is directly related to ‘low-carbon measures’.

This figure was contained in an annex to the main report entitled “Assessment of non-typical households,” which discussed the impacts on those who use only electric heating. This section of the report clearly stated that this applies to only about 9% of UK households.

It seems probable that the Mail here relied on figures that applied to less than one in ten households. Their article however created the clear impression that the 25% rise in electricity bills would apply to all households.

Conclusions from our experience

What do the three PCC corrections signify?

Energy bills are matter of great public concern, and over the past six months the Mail group have published many articles on the subject. They have taken a campaigning stance against ‘green’ measures on household energy bills, and have argued that the costs to consumers are high, and unjustified.

This campaign was made up of numerous other articles, opinion pieces and supportive editorials. Coverage of the issue by other media outlets also showed a marked upturn following the Mail’s intervention, and the line that the Mail took was seen to have an impact on the political debate.\(^\text{37}\)

Their ‘campaign’ has been underpinned by estimates of the cost to consumers on energy bills, and they have relied heavily on the 15-20%/$200 and £300 figures we discuss above.

We have made three PCC complaints about the Mail over the accuracy of their reporting of energy bill costs, and have secured three corrections to their reporting.

The press should have the right to take a particular stance on an issue and to campaign on it. This extends to interpreting reports and data in a way that to some degree reflects that stance, rather than being entirely balanced. We understand that tabloid newspapers frequently do this and that it has many benefits. However, it seems to us that there is a distinction between accurate yet partisan reporting, and inaccurate reporting which misleads.

In this case, the repeated use of inaccurate statistics by the Mail group, even after PCC negotiated corrections had been secured, suggests to us that they were prepared to pursue their energy bills campaign at the expense of accurate reporting, and that PCC arbitration could not prevent them. This appears to be a more plausible explanation that persistent errors in fact-checking which consistently led to the costs of environmental and social policies being inflated.

The Mail has now removed the article which first attracted our interest. However, a Google search for the original headline brings up 1,810 results, many of them websites which have reproduced the original article.

We had the resources and time to devote to following this up. However, I am aware that very few readers of the Mail or any other newspaper have access to those resources. Very many similar untruths presumably remain unchallenged.

The PCC is generally viewed as a weak regulator. The Mail’s claims detailed above were clearly unfounded, and I would assume this quickly become obvious to the PCC. Despite this, the Mail continued to promote the £200 figure and repeated it in follow-up articles and editorials. They were apparently not deterred from repeating it, or the £300 figure, by PCC complaints or the fact that they had to print corrections.

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\(^{37}\) On 3rd October, the Chancellor George Osborne referenced fears about the impact of green measures on energy bills in his conference speech. This was seen to herald a shift in approach from the Government, which is now generally recognised to have taken place.
The Leveson Inquiry has heard numerous testimonies from individuals who have had their personal lives adversely affected by inaccurate media coverage. This is a different kind of example. It is less personally distressing, but is clearly also an issue of significant public interest and importance.

We leave the deliberations about how this kind of situation can be dealt with to the inquiry – we hope that the record of our experience speaks to the need for reform in the current system of press regulation.
Steps before publication

1. If you are happy for the Inquiry to publish your submission please add and sign the following statement of truth to the end of your submission/statement:

Statement of Truth

I believe the facts stated in this witness statement are true.

Signed __________________________________________

Date ______________________________________________

Please be aware that by signing the statement of truth you are confirming that you agree that the contents of the submission/statement are true. Please take extra time to ensure that you are completely happy with your submission/statement before you sign it.

If you have provided a submission/statement in your private capacity you should state your full name in the submission/statement but should provide in a separate document personal details (e.g. address, contact address, mobile telephone number and e-mail address), which will not be published.

Please remove any personal details such as home address or telephone number before forwarding the final signed submission/statement.

If you have provided the submission/statement on behalf of an organisation, please state this clearly in the first line of the submission/statement.

2. Your signed submission/statement, in its entirety, should be returned to us by email.

3. Returning your signed submission/statement will confirm that you are content for the Inquiry to publish it on its website in the form you have provided. If this is not the case and you have any concerns or wish for certain sections to be withheld please make this clear in any response.

4. Your signed submission, once received, will initially be provided to those groups who have been designated as Core Participants to the Inquiry (a full list is available on our website: www.iproposinginquiry.org.uk).

5. If the Core Participants do not raise any matters your statement will then be referred to in open session and at that point it will be published, along with your name, on the Inquiry's website.

The Inquiry intends to begin publishing submissions/statements on the website shortly and would therefore be grateful for your response by return.