



**FINANCIAL
TIMES**



ADJUDICATION

by

GREG CALLUS

EDITORIAL COMPLAINTS COMMISSIONER

Financial Times Limited

ADJUDICATION

Introduction

1. This is my Adjudication of a complaint by Mr Shaun Whatling, the CEO of Redmandarin, which is a company offering independent specialist business advice to corporations who sponsor or partner major sporting events, including the Olympic & Paralympic Games.
2. The complaint was made on 26 June 2017 by email to the Editor, about an article (“the Article”) published online by the *Financial Times* on 16 June 2017, and in print on 17 June 2017. The Article was written by Murad Ahmed, and was headlined “*McDonald’s ends Olympic Games sponsorship 3 years early*” (online) and “*McDonald’s takes Olympic sponsorship of the menu*” (print) respectively. The online version of the Article can be seen here: <https://www.ft.com/content/7d28270c-528c-11e7-a1f2-db19572361bb> .
3. The first six paragraphs (numbering added) said as follows:
 - [1] *McDonald’s has ended its decades-long sponsorship of the Olympic Games, becoming the latest US company to pull support and marking the latest financial blow to the body that runs the world’s biggest sporting event.*
 - [2] *On Friday, the International Olympic Committee, the games organisers, and McDonald’s announced they had “mutually agreed” to end their sponsorship deal with immediate effect. The financial terms of the separation have been kept confidential.*
 - [3] *The US fast food group’s deal as one of the IOC’s principal global sponsors was due to run until 2020 and typically generates \$100m over each four-year Olympic cycle. McDonald’s has been an official Olympics sponsor since the Montreal games in 1976.*
 - [4] *The restaurant chain becomes the latest US brand to abandon its Olympic sponsorship in the past two years, following Budweiser, Citi, Hilton and AT&T.*
 - [5] *In response, the IOC has looked elsewhere for major sponsorship deals, particularly Asia. In January, it announced that Chinese ecommerce giant Alibaba would sponsor the next six Olympics, in a deal expected to deliver at least \$600m for the IOC’s coffers.*
 - [6] *But the departure of another big-name sponsor comes at a difficult time for the IOC, which is struggling to convince cities to take on the multibillion-dollar costs of staging the spectacular.*

4. Mr Whatling's email of 26 June 2017 was in the following terms:

"Dear sir or madam,

The above article misrepresents facts.

The specifics of the article lead to the inevitable conclusion that the facts were misrepresented deliberately.

It is hard to conceive that someone with sufficient knowledge to be able to quote the departure of of Budweiser, AT&T, Citi and Hilton as sponsors would not understand the difference between the IOC and the United States Olympic Committee.

The wording of the article avoids stating explicitly that these brands were IOC sponsors, but the phrasing of the article (In response, the IOC...) clearly creates the impression that they are.

The inclusion of these brands echoes the content of Reuters, which correctly attributed the sponsorships to USOC, and offered far more balanced and intelligent coverage. The presence of these brands in the FT article suggests that Reuters was the primary source - in which case, the misrepresentation becomes hard to explain.

I have posted an article on LinkedIn, in response to this, entitled, McDonald's and the Olympics: fake news from the FT?

From the perspective of both editorial integrity and subject expertise, this article is shocking. I would like to know how your system allowed this to be published.

*Many thanks,
Shaun"*

5. The LinkedIn article "McDonald's and the IOC: fake news from the FT?" written by Mr Whatling, to which he referred in his complaint, can be read online: <https://www.linkedin.com/pulse/mcdonalds-ioc-fake-news-from-ft-shaun-clifton-whatling> . I have read it so as to fully understand and appreciate his complaint.

6. Mr Whatling received a response from Roula Khalaf, FT Deputy Editor, on 3 July 2017:

"I have reviewed the story and the complaint, as well as your blog post. I have found, however, that Mr Ahmed's news report was not inaccurate or misleading, and did not misrepresent the facts - deliberately or otherwise.

Your complaint focuses on the detail in his article that McDonald's had become the latest US brand to abandon its Olympic sponsorship in the past two years, following Budweiser, Citi, Hilton and AT&T. That detail, like the rest of the article, was not inaccurate. You accept that Olympic sponsorship money has gone from Budweiser, Citi, Hilton and AT&T, in those cases from the United States Olympic Committee].

You seek to highlight the distinction between sponsorship of the USOC and the IOC, but since Mr Ahmed's news report was plainly about Olympic and Olympic Games sponsorship in general, his article did not contain any significant flaw in not mentioning that those other four companies had had sponsorship deals with USOC rather than the IOC.

It seems odd that in criticising the information that was included within the news report you rely on the advent to the TOP programme of three companies (GE, P&G and Dow) "since 2000" - i.e. over the past 17 years. In addition, you must accept that Intel's arrival on 21 June postdated the publication of Mr Ahmed's article.

Furthermore, you are wrong that article was "subbed down from Reuters". Your blog post, alleging 'fake news', is ill-judged and oversteps the mark."

7. Mr Whatling responded the same day, copying me into his email:

"Thankyou Roula, but your reply is disingenuous and once again I am very disappointed that the FT shows such shallow concern for its editorial integrity.

The article was not - as you state - at all 'plainly about Olympic and Olympic Games sponsorship in general'.

It was singularly about the IOC, as suggested in the title.

A proper complaints procedure seeks to investigate, not defend. There is no sensible dispute that the article presents a false impression of the IOC.

The question is how that false impression was created.

Please reconsider your judgement."

8. The Deputy Editor responded on 5 July 2017, referring the matter to me:

"I assure you my earlier email was not disingenuous. Your complaint seems tenuous and strained.

Nonetheless, while the article's original wording did not contain any significant inaccuracy or misleading statement we have added a phrase to the relevant paragraph to clarify the point that you have sought to make.

If you remain dissatisfied, you are entitled to refer the matter to the FT Complaints Commissioner, whose email address is: complaints.commissioner@ft.com"

9. As a result of the clarification made by the Deputy Editor, paragraph [4] now reads:

*[4] The restaurant chain becomes the latest US brand to abandon its Olympic sponsorship in the past two years, following Budweiser, Citi, Hilton and AT&T, **which ended their sponsorship of the US Olympic Committee.***

10. Mr Whatling, the same day, replied:

*“Thankyou Roula.
Your amendment makes the article less misleading.
I had cc'd in the Complaints Commissioner in my last e mail.
The question is not how the article was misleading but why; and I look
forward to Mr Callus's response.
Many thanks, Shaun”*

Framework

11. My role is limited to considering complaints that the *Financial Times* has breached its own FT Editorial Code of Practice¹. Although the FT is not a member of the press regulator IPSO, the FT's own Code incorporates the IPSO Editors' Code which was inherited from its predecessor, the Press Complaints Commission (of which the FT was a long-standing member).

12. I have considered this complaint on two bases:

- a. First, whether there was any breach of Clause 1 (Accuracy) of the IPSO Code, which by Article 2 of the FT Editorial Code of Practice is binding on all contributors to the *Financial Times*;
- b. Second, if there was any breach whether this was because of any deliberate misrepresentation or dishonest or malicious motive on the part of any journalist or editor, contrary to Article 1.2 of the FT Editorial Code of Practice.

13. Clause 1 begins with two relevant sub-clauses:

1.1 The Press must take care not to publish inaccurate, misleading or distorted information or images, including headlines not supported by the text.

1.2 A significant inaccuracy, misleading statement or distortion must be corrected, promptly and with due prominence, and - where appropriate - an apology published. In cases involving IPSO, due prominence should be as required by the regulator.

¹ The FT Editorial Code of Practice can be found online at:
https://ft1105aboutft-live-14d4b9c72ce6450cb685-1b1cc38.aldryn-media.io/filer_public/03/57/0357bc87-523e-4f1c-b93f-7c4dff04027/final-100117-ft-editorial-code-pdf.pdf

14. On the proper construction of Clause 1, I explained the difference between a breach of Clause 1.1 and Clause 1.2 in a previous Adjudication² as follows:

“8. *However, it is important to understand what exactly constitutes a breach of Clause 1 (Accuracy):*

8.1 *Clause 1.1 will only be breached if the Press has not taken care to avoid publishing inaccurate information. It is a rule against slapdash journalism that is negligent about setting out the facts. It is not a rule which is breached by the mere presence of any inaccuracy however minor. It is breached only by such inaccuracies that a careful newsroom could and should have avoided publishing.*

8.2 *Clause 1.2 will only be breached if the Press has refused to properly correct, clarify or apologise for a ‘significant inaccuracy, misleading statement or distortion’. Clause 1.2 is therefore different to Clause 1.1 in two material respects: first, the inaccuracy must be ‘significant’; and second, the breach is not one of negligent omission, but intentional refusal to amend”*

15. In another Adjudication³, I explained the three types of error covered by Clause 1:

“23. *Although headed “Accuracy”, Clause 1 actually concerns itself with three forms of error: statements of fact may breach by being either inaccurate, misleading, or distorted. The forms of remedy available if Clause 1 is breached are: correction, clarification, and apology. It is implicit in both the distinction between ‘inaccurate’ and ‘misleading’, and in the distinction between a ‘correction’ and a ‘clarification’ that a statement of fact may be entirely correct, and yet still breach Clause 1,*

24. *Whether a statement is ‘inaccurate’ (in the narrow sense of factually wrong, and requiring a correction) can be judged by comparing the published information to a provably true version of the information. If they differ, and the difference is ‘significant’, a correction will be directed.*

25. *A statement will be ‘misleading’ where the objective reasonable reader of the FT would take away an erroneous belief about the subject of that statement, even though the statement was true. The words “John Doe has been caught in bed with woman who isn’t his wife” may be perfectly true because John Doe has never married, but if a reasonable reader would take away that John Doe is both married and having an extra-marital affair, the statement is misleading. Significant misleading statements will require clarification, not correction, given that the information is not intrinsically inaccurate.*

² https://ft1105aboutft-live-14d4b9c72ce6450cb685-1b1cc38.aldryn-media.io/filer_public/aa/27/aa27c09e-86e3-45f6-b063-ed809df43f00/2015-01-28_matt-berkley-adjudication.pdf

³ https://ft1105aboutft-live-14d4b9c72ce6450cb685-1b1cc38.aldryn-media.io/filer_public/60/9f/609fb246-1319-4841-8d2f-a7a9b2c5ee2f/2015-05-11_ferguson-adjudication-with-ps.pdf

26. *What then of ‘distorted’? It clearly is intended to mean something distinct from ‘misleading’. My provisional view is that whereas a misleading statement misinforms the reasonable reader about the factual content of that statement, a ‘distortion’ is an assembly of statements that are neither inaccurate, nor misleading, but collectively give an impression that a reasonable and fair-minded person in possession of all the facts would not have. To say of Adolf Hitler that he was a vegetarian, liked dogs, painted watercolours, and never cheated on his wife might not be inaccurate or misleading in any of the specifics, but would give the most grossly distorted view of his character.”*

Decision

16. This complaint seems to me to be a paradigm case of a paragraph said to be ‘misleading’, as opposed to being inaccurate. There is no dispute between Mr Whatling and the *Financial Times* that Budweiser, Citi, AT&T and Hilton all ceased to sponsor the United States Olympic Committee (“USOC”), and not the International Olympic Committee (“IOC”). The facts were accurate: the first question is whether or not a reasonable reader would have inferred a mistaken factual statement from them.
17. If I find that the statement in paragraph [4] (before it was clarified) was misleading (because it would have caused a reasonable reader to think those companies, other than McDonald’s, had withdrawn from IOC sponsorship), I must then consider both:
- a. whether the mistake is so obvious or so serious that the FT breached its duty to take care by publishing it in its original form (contrary to Clause 1.1); and
 - b. whether the FT has failed to correct/clarify the misleading statement promptly and with due prominence (contrary to Clause 1.2); and
 - c. whether that mistake was a breach of Article 1.2 because it was deliberate.
18. Although I found it a relatively finely-balanced decision, I consider that Mr Whatling is correct that a reasonable reader considering the original article would probably have taken away the impression that Budweiser, Citi, AT&T and Hilton (“the US brands”) were sponsors of the IOC. On that basis, the paragraph was misleading.
19. There is no mention in the Article of USOC, or any other national Olympic committee, or indeed any other mechanism of Olympic sponsorship included in the article. Absent prior extrinsic knowledge of Olympic sponsorship, I think it more likely that a reader would assume that the US brands had “*abandon[ed] its Olympic sponsorship*” in the same way as McDonald’s (i.e. by ending a deal with the IOC).

20. I am reinforced in that conclusion by the fact that the IOC is referred to (whether by name, initialism, or as ‘the body’) in the Standfirst, and in paragraphs [1], [2], [3], [5], [6], [7], [10], [11], [12], and in the final paragraph [13]. An oblique reference could be found in [9] as the implied recipient of sponsorship split with host cities. If that is so, then paragraphs [4] and [8] are the only ones not to refer to the IOC. It follows, in my estimation, that a discussion of US brands ceasing sponsorship would have been construed as ceasing sponsorship deals with the IOC. Paragraph [4] was misleading.

21. However, without the detailed exegesis, I do not think that failure to spot that paragraph [4] was potentially misleading constitutes a ‘failure to take care’ sufficient to breach Clause 1.1. I couldn’t help but remember an immortal passage in “*A A Gill is away*” (Hachette, 2010), where the late eponymous author famously remarked:

*“Consider starting each morning with three or so dozen blank sheets of broadsheet paper. And then having to fill them with columns of facts, opinions based on facts and predictions extrapolated from facts. I don't know how many facts a newspaper has in it. Thousands. Tens of thousands, Millions. From the Stock Market to TV listings by way of court-rooms, parliaments, disasters, wars, celebrity denials, births, deaths, horoscopes and the pictures to go with them. Now tell me, how long did your last annual general report take? Days? Weeks? And you had all that information to hand. How long did the last letter you wrote take? You just made that up. Newspapers are the size of long novels. They're put together from around the globe from sources who lie, manipulate, want to sell things, hide things, spin things. Despite threats, injunctions, bullets, jails and non-returned phone calls, journalists do it every single day, from scratch. **What's amazing, what's utterly staggering, is not the things papers get wrong, it's just how much they get right. Your business, no other business, could guarantee the percentage of accuracy that a newspaper does.** And what's more, if you live in Britain, you don't get just one, you have the choice of a dozen national papers. Oh, and a small boy will come and put it through your letter box before you've even got out of bed. Nothing, but nothing, makes me prouder than being a hack.”* [emphasis added]

22. Newspapers that make mistakes need to correct them, and failure to do so when they are alerted to them will breach Clause 1.2. But the test cannot be quite as exacting under Clause 1.1, unless the error is glaringly obvious or so serious as to require a higher standard of care. True errors of fact (inaccuracies) are more likely to breach Clause 1.1, because an ‘inaccuracy’ in the sense implied by the Code is binary: it is either correct or it is false. Recognising when true facts may, nonetheless, give readers a misleading impression (by omission of other facts known to the journalist but not to readers) is a much harder job. At the speed at which a newspaper is produced, and the volumes of information contained, I do not think this misleading statement is the result of a sufficiently egregious failure to take care. I find no breach of Clause 1.1.

23. A clarification was indeed made to paragraph [4], to avoid any misleading impression. Had it not been made, I might well have found it was necessary for a clarification to be directed. Mr Whatling's final email agrees it makes the Article "*less misleading*": for my part, I do not see how paragraph [4] is at all misleading any longer. I could therefore only find that Clause 1.2 had been breached in respect of paragraph [4] if (a) the misleading statement was 'significant'; and (b) there had been a failure to clarify promptly or with due prominence.

24. I am prepared to assume, for present purposes, that the misleading statement was sufficiently significant as to require clarification, but I am satisfied that the clarification (and the update to the online version of the Article drawing attention to the clarification) was and is more than adequate. In the circumstances, I am also content that the clarification – coming within 10 days of the original complaint, and within 2 days of Mr Whatling's second email – was sufficiently prompt. No further action is required to remedy the matter. I cannot therefore find any breach of Clause 1.2.

25. Finally, the complaint that there has been a breach of Article 1.2, which provides that:
"This places a responsibility on every FT editorial employee and contributor to conduct her/himself according to practices which reinforce the FT's reputation for accuracy, truthfulness, honesty and authority."

26. The complaint as I understand it is that the misleading statement in paragraph [4] was not a mistake or innocent error, but rather was a deliberate act. This is akin to an allegation of professional misconduct, and is the most serious allegation that could be made against a journalist at the *Financial Times*. It has been put in the following ways by Mr Whatling:

"The specifics of the article lead to the inevitable conclusion that the facts were misrepresented deliberately.

...

The inclusion of these brands echoes the content of Reuters, which correctly attributed the sponsorships to USOC, and offered far more balanced and intelligent coverage. The presence of these brands in the FT article suggests that Reuters was the primary source - in which case, the misrepresentation becomes hard to explain." (email, 26 June 2017)

"The question is how that false impression was created." (email, 3 July 2017)

"The question is not how the article was misleading but why; and I look forward to Mr Callus's response." (email, 5 July 2017)

27. I have read the article in Reuters (<http://uk.reuters.com/article/uk-olympics-mcdonalds-idUKKBN1971HN>) . Although it mentions AT&T & Citigroup, it makes no mention of Budweiser or Hilton. Allowing for the fact that they are reporting the same news story, there are no hallmarks of similarity allowing me to draw the conclusion that the Article was even derived from Reuters' article, let alone that in doing so, a key fact was wilfully omitted to create a false impression. Far from being "*the inevitable conclusion*", I doubt whether finding deliberate falsehood would be even a rational conclusion I was entitled to reach on these facts.
28. I had a conversation with Mr Whatling by telephone shortly before drafting this Adjudication, to see if I could better understand the basis for the allegation. He agreed that there was no prior conduct by this journalist that caused him any concern, or any other reason I might have to consider a breach of Article 1.2. Rather, his concern was that there was an anti-IOC tinge to media coverage in general, and he felt that the Article fell into that camp. He considered that the misleading statement, combined with an impression of US brands fleeing the IOC (when in fact it acquired Intel as a sponsor only days later) and moving to Chinese sponsors (it has only Alibaba), was part of a narrative that has grown around the IOC which is not borne out by closer examination. His contention is that anyone truly specialist in this area should know this, and that those failures of the Articles as he sees them lead to inferences of malice.
29. It is a sad truth that in almost any journalism written about a specialist subject matter or particular person, those who are highly-familiar with that specialism or person will find what they see as gross distortions. They are irritated by any errors they are rare in spotting, and frequently cannot believe an honest journalist at the FT could make them. As such, a high proportion of complaints referred to me suggest mal-motive.
30. Mr Whatling is a clear specialist in this area, and so the misleading statement he identified seems to him a heinous mistake. I am not a specialist in this area, or in many things at all, and so whilst I can agree there was a misleading statement, I don't agree with him as to its gravity, or the ease with which it can be attributed to innocent oversight. We must agree to disagree, but I would need far stronger evidence were I to make such a serious finding. I therefore find no breach of Article 1.2 of the Code.

GREG CALLUS
Editorial Complaints Commissioner, *Financial Times*
8 August 2017