

Why I have resigned from the Telegraph

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The coverage of HSBC in Britain's *Telegraph* is a fraud on its readers. If major newspapers allow corporations to influence their content for fear of losing advertising revenue, democracy itself is in peril.

Five years ago I was invited to become the chief political commentator of the *Telegraph*. It was a job I was very proud to accept. The *Telegraph* has long been the most important conservative-leaning newspaper in Britain, admired as much for its integrity as for its superb news coverage. When I joined the *Telegraph* had just broken the MPs' expenses scandal, the most important political scoop of the 21st century.

I was very conscious that I was joining a formidable tradition of political commentary. I spent my summer holiday before taking up my duties as columnist reading the essays of the great Peter Utley, edited by Charles Moore and Simon Heffer, two other masters of the art.

No one has ever expressed quite as well as Utley the quiet decency and pragmatism of British conservatism. The *Mail* is raucous and populist, while the *Times* is proud to swing with the wind as the voice of the official class. The *Telegraph* stood in a different tradition. It is read by the nation as a whole, not just by the City and Westminster. It is confident of its own values. It has long been famous for the accuracy of its news reporting. I imagine its readers to be country solicitors, struggling small businessmen, harassed second secretaries in foreign embassies, schoolteachers, military folk, farmers—decent people with a stake in the country.

My grandfather, Lt Col Tom Osborne DSO, had been a *Telegraph* reader. He was also a churchwarden and played a role in the Petersfield Conservative Association. He had a special rack on the breakfast table and would read the paper carefully over his bacon and eggs, devoting special attention to the leaders. I often thought about my grandfather when I wrote my *Telegraph* columns.

'You don't know what you are fucking talking about'

Circulation was falling fast when I joined the paper in September 2010, and I suspect this panicked the owners. Waves of sackings started, and the management made it plain that it believed the future of the British press to be digital. Murdoch MacLennan, the chief executive, invited me to lunch at the Goring Hotel near Buckingham Palace, where *Telegraph* executives like to do their business. I urged him not to take the

newspaper itself for granted, pointing out that it still had a very healthy circulation of more than half a million. I added that our readers were loyal, that the paper was still very profitable and that the owners had no right to destroy it.

The sackings continued. A little while later I met Mr MacLennan by chance in the queue of mourners outside Margaret Thatcher's funeral and once again urged him not to take *Telegraph* readers for granted. He replied: "You don't know what you are fucking talking about."

Events at the *Telegraph* became more and more dismaying. In January 2014 the editor, Tony Gallagher, was fired. He had been an excellent editor, well respected by staff. Mr Gallagher was replaced by an American called Jason Seiken, who took up a position called 'Head of Content.' In the 81 years between 1923 and 2004 the *Telegraph* had six editors, all of them towering figures: Arthur Watson, Colin Coote, Maurice Green, Bill Deedes, Max Hastings and Charles Moore. Since the Barclay Brothers purchased the paper 11 years ago there have been roughly six more, though it is hard to be certain since with the arrival of Mr Seiken the title of editor was abolished, then replaced by a Head of Content (Monday to Friday). There were three editors (or Heads of Content) in 2014 alone.

For the last 12 months matters have got much, much worse. The foreign desk—magnificent under the leadership of David Munk and David Wastell—has been decimated. As all reporters are aware, no newspaper can operate without skilled sub-editors. Half of these have been sacked, and the chief sub, Richard Oliver, has left.

Solecisms, unthinkable until very recently, are now commonplace. Recently readers were introduced to someone called the Duke of Wessex. Prince Edward is the Earl of Wessex. There was a front page story about deer-hunting. It was actually about deer-stalking, a completely different activity. Obviously the management don't care about nice distinctions like this. But the readers do, and the *Telegraph* took great care to get these things right until very recently.

The arrival of Mr Seiken coincided with the arrival of the click culture. Stories seemed no longer judged by their importance, accuracy or appeal to those who actually bought the paper. The more important measure appeared to be the number of online visits. On 22

September *Telegraph* online ran a story [about a woman with three breasts](#). One despairing executive told me that it was known this was false even before the story was published. I have no doubt it was published in order to generate online traffic, at which it may have succeeded. I am not saying that online traffic is unimportant, but over the long term, however, such episodes inflict incalculable damage on the reputation of the paper.

Open for business?

With the collapse in standards has come a most sinister development. It has long been axiomatic in quality British journalism that the advertising

department and editorial should be kept rigorously apart. There is a great deal of evidence that, at the *Telegraph*, this distinction has collapsed.

Late last year I set to work on a story about the international banking giant HSBC. Well-known British Muslims had received letters out of the blue from HSBC informing them that their accounts had been closed. No reason was given, and it was made plain that there was no possibility of appeal. "It's like having your water cut off," one victim told me.

When I submitted it for publication on the *Telegraph* website, I was at first told there would be no problem. When it was not published I made enquiries. I was fobbed off with excuses, then told there was a legal problem. When I asked the legal department, the lawyers were unaware of any difficulty. When I pushed the point, an executive took me aside and said that "there is a bit of an issue" with HSBC. Eventually I gave up in despair and offered the article to [openDemocracy](#). It can be read [here](#).

I researched the newspaper's coverage of HSBC. I learnt that Harry Wilson, the admirable banking correspondent of the *Telegraph*, had published an online story about HSBC based on a report from a Hong Kong analyst who had claimed there was a 'black hole' in the HSBC accounts. This story was swiftly removed from the *Telegraph* website, even though there were no legal problems. When I asked HSBC whether the bank had complained about Wilson's article, or played any role in the decision to remove it, the bank declined to comment. Mr Wilson's contemporaneous tweets referring to the story can be found [here](#). The story itself, however, is no longer available on the website, as anybody trying to follow through the link can discover. Mr Wilson rather bravely raised this issue publicly at the 'town hall meeting' when Jason Seiken introduced himself to staff. He has since left the paper.

Then, on 4 November 2014, a number of papers reported a blow to HSBC profits as the bank set aside more than £1 billion for customer compensation and an investigation into the rigging of currency markets. This story was the city splash in the *Times*, *Guardian* and *Mail*, making a page lead in the *Independent*. I inspected the *Telegraph* coverage. It generated five paragraphs in total on page 5 of the business section. The reporting of HSBC is part of a wider problem. On 10 May last year the *Telegraph* ran a long feature on Cunard's Queen Mary II liner on the news review page. This episode looked to many like a plug for an advertiser on a page normally dedicated to serious news analysis. I again checked and certainly *Telegraph* competitors did not view Cunard's liner as a major news story. Cunard is an important *Telegraph* advertiser.

The paper's comment on last year's protests in Hong Kong was bizarre. One would have expected the *Telegraph* of all papers to have taken a keen interest and adopted a robust position. Yet (in sharp contrast to

competitors like the *Times*)I could not find a single leader on the subject.

At the start of December the *Financial Times*, the *Times* and the *Guardian* all wrote powerful leaders on the refusal by the Chinese government to allow a committee of British MPs into Hong Kong. The *Telegraph* remained silent. I can think of few subjects which anger and concern *Telegraph* readers more.

On 15 September the *Telegraph* published a commentary by the Chinese ambassador, just before the lucrative *China Watch* supplement. The headline of the ambassador's article was beyond parody: 'Let's not allow Hong Kong to come between us'. On 17 September there was a four-page fashion pull-out in the middle of the news run, granted more coverage than the Scottish referendum. The Tesco false accounting story on 23 September was covered only in the business section. By contrast it was the splash, inside spread and leader in the *Mail*. Not that the *Telegraph* is short of Tesco coverage. Tesco pledging £10m to fight cancer, an inside peak at Tesco's £35m jet and 'Meet the cat that has lived in Tesco for 4 years' were all deemed newsworthy.

There are other very troubling cases, many of them set out in *Private Eye*, which has been a major source of information for *Telegraph* journalists wanting to understand what is happening on their paper. There was no avoiding the impression that something had gone awry with the *Telegraph's* news judgment. At this point I wrote a long letter to Murdoch MacLennan setting out all my concerns about the newspaper, and handing in my notice. I copied this letter to the *Telegraph* chairman, Aidan Barclay.

I received a cursory response from Mr Barclay. He wrote that he hoped I could resolve my differences with Murdoch MacLennan. I duly went to see the chief executive in mid-December. He was civil, served me tea and asked me to take off my jacket. He said that I was a valued writer, and said that he wanted me to stay.

I expressed all of my concerns about the direction of the paper. I told him that I was not leaving to join another paper. I was resigning as a matter of conscience. Mr MacLennan agreed that advertising was allowed to affect editorial, but was unapologetic, saying that "it was not as bad as all that" and adding that there was a long history of this sort of thing at the *Telegraph*.

I have since consulted Charles Moore, the last editor of the *Telegraph* before the Barclays bought the paper in 2004. Mr Moore confessed that the published accounts of Hollinger Inc, then the holding company for the *Telegraph*, did not receive the scrutiny they deserved. But no newspaper in history has ever given an unfavourable gloss on its owner's accounts. Beyond that, Mr Moore told me, there had been no advertising influence on the paper's news coverage.

After my meeting with Mr MacLennan I received a letter from the

Telegraph saying that the paper had accepted my letter of resignation, but welcomed my offer to work out my six-month notice period. However in mid January I was asked to meet a *Telegraph* executive, this time over tea at the Goring Hotel. He told me that my weekly column would be discontinued and there had been a "parting of the ways".

He stressed, however, that the *Telegraph* would continue to honour my contract until it ran out in May. For my part I said that I would leave quietly. I had no desire to damage the newspaper. For all its problems it continues to employ a large number of very fine writers. They have mortgages and families. They are doing a fine job in very trying circumstances. I prepared myself mentally for the alluring prospect of several months paid gardening leave.

Story, what story?

That was how matters stood when, on Monday of last week, BBC Panorama ran its story about HSBC and its Swiss banking arm, alleging a wide-scale tax evasion scheme, while the *Guardian* and the [International Consortium of Investigative Journalists](#) published their 'HSBC files'. All newspapers realised at once that this was a major event. The *FT* splashed on it for two days in a row, while the *Times* and the *Mail* gave it solid coverage spread over several pages.

You needed a microscope to find the *Telegraph* coverage: nothing on Monday, six slim paragraphs at the bottom left of page two on Tuesday, seven paragraphs deep in the business pages on Wednesday. The *Telegraph's* reporting only looked up when the story turned into claims that there might be questions about the tax affairs of people connected to the Labour party.

After a lot of agony I have come to the conclusion that I have a duty to make all this public. There are two powerful reasons. The first concerns the future of the *Telegraph* under the Barclay Brothers. It might sound a pompous thing to say, but I believe the newspaper is a significant part of Britain's civic architecture. It is the most important public voice of civilised, sceptical conservatism.

Telegraph readers are intelligent, sensible, well-informed people. They buy the newspaper because they feel that they can trust it. If advertising priorities are allowed to determine editorial judgments, how can readers continue to feel this trust? The *Telegraph's* recent coverage of HSBC amounts to a form of fraud on its readers. It has been placing what it perceives to be the interests of a major international bank above its duty to bring the news to *Telegraph* readers. There is only one word to describe this situation: terrible. Imagine if the BBC—so often the object of *Telegraph* attack—had conducted itself in this way. The *Telegraph* would have been contemptuous. It would have insisted that heads should roll, and rightly so.

This brings me to a second and even more important point that bears not just on the fate of one newspaper but on public life as a whole. A

free press is essential to a healthy democracy. There is a purpose to journalism, and it is not just to entertain. It is not to pander to political power, big corporations and rich men. Newspapers have what amounts in the end to a constitutional duty to tell their readers the truth. It is not only the *Telegraph* that is at fault here. The past few years have seen the rise of shadowy executives who determine what truths can and what truths can't be conveyed across the mainstream media. The criminality of News International newspapers during the phone hacking years was a particularly grotesque example of this wholly malign phenomenon. All the newspaper groups, bar the magnificent exception of the *Guardian*, maintained a culture of *omerta* around phone-hacking, even if (like the *Telegraph*) they had not themselves been involved. One of the consequences of this conspiracy of silence was the appointment of Andy Coulson, who has since been jailed and now faces further charges of perjury, as director of communications in 10 Downing Street.

Urgent questions to answer

Last week I made another discovery. Three years ago the *Telegraph* investigations team—the same lot who carried out the superb MPs' expenses investigation—received a tip off about accounts held with HSBC in Jersey. Essentially this investigation was similar to the Panorama investigation into the Swiss banking arm of HSBC. After three months research the *Telegraph* resolved to publish. Six articles on this subject can now be found online, between 8 and 15 November 2012, although three are not available to view.

Thereafter no fresh reports appeared. Reporters were ordered to destroy all emails, reports and documents related to the HSBC investigation. I have now learnt, in a remarkable departure from normal practice, that at this stage lawyers for the Barclay brothers became closely involved. When I asked the *Telegraph* why the Barclay brothers were involved, it declined to comment.

This was the pivotal moment. From the start of 2013 onwards stories critical of HSBC were discouraged. HSBC suspended its advertising with the *Telegraph*. Its account, I have been told by an extremely well informed insider, was extremely valuable. HSBC, as one former *Telegraph* executive told me, is "the advertiser you literally cannot afford to offend". HSBC today refused to comment when I asked whether the bank's decision to stop advertising with the *Telegraph* was connected in any way with the paper's investigation into the Jersey accounts.

Winning back the HSBC advertising account became an urgent priority. It was eventually restored after approximately 12 months. Executives say that Murdoch MacLennan was determined not to allow any criticism of the international bank. "He would express concern about headlines even on minor stories," says one former *Telegraph* journalist. "Anything that mentioned money-laundering was just banned, even though the bank was on a final warning from the US authorities. This interference was happening on an industrial scale.

“An editorial operation that is clearly influenced by advertising is classic appeasement. Once a very powerful body know they can exert influence they know they can come back and threaten you. It totally changes the relationship you have with them. You know that even if you are robust you won’t be supported and will be undermined.”

When I sent detailed questions to the *Telegraph* this afternoon about its connections with advertisers, the paper gave the following response. "Your questions are full of inaccuracies, and we do not therefore intend to respond to them. More generally, like any other business, we never comment on individual commercial relationships, but our policy is absolutely clear. We aim to provide all our commercial partners with a range of advertising solutions, but the distinction between advertising and our award-winning editorial operation has always been fundamental to our business. We utterly refute any allegation to the contrary."

The evidence suggests otherwise, and the consequences of the *Telegraph's recent soft coverage of HSBC* may have been profound. Would Her Majesty's Revenue and Customs have been much more energetic in its own recent investigations into wide-scale tax avoidance, had the *Telegraph* continued to hold HSBC to account after its 2012 investigation? There are great issues here. They go to the heart of our democracy, and can no longer be ignored.