



Treasury Committee

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Prof. Sir John Curtice
President. British Polling Council
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27 September 2018

Dear Professor Curtice,

I am sure you share my concern at the report by Bloomberg Markets on 27 June regarding the use of private polling data collected in the run-up to the EU referendum.

The conduct by polling companies—all of which are British Polling Council (BPC) members—described in this report risks damaging the integrity of UK financial markets. It also highlights potential conflicts of interest in the business model of the polling industry. Of particular concern are two related practices:

- cross-subsidising of market-sensitive public polls, including exit polls, with revenues from polls for private clients,
- making market-sensitive polling data, including exit polling data, available to private clients before it is made, or legally can be made, publicly available

Hedge funds and other market participants pay money for private polls because they enable them to gain a trading advantage; and the greater that advantage, the more they are willing to pay. At best, these practices could undermine public trust and confidence in polls produced during election and referendum campaigns. At worst, there could exist a perverse incentive for polling companies to provide misleading or inaccurate information to the media, while providing high-quality analysis on the true state of public opinion to private clients.

The case for greater disclosure to the public about the polling companies' work for private clients, particularly during election and referendum campaigns, is overwhelming. This could include, as a starting point, requirements on polling companies to:

- inform prospective respondents to polls that the information they supply may be used to help private clients to make money
- disclose, when publishing or discussing published polls, whether they have conducted similar work on behalf of private clients.

- disclose whether published polls have been conducted free of charge, or at a discount to the usual fee such work would attract

I would be grateful for your views on the merits of incorporating these requirements into the Rules of the BPC.

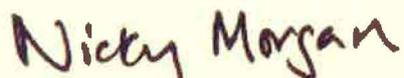
I would also be grateful to know the BPC's assessment of whether the provision of private exit polls – whether exclusive or syndicated – risks contravening legislative provisions that prohibit such information being made available “to the public at large, or any section of the public” before polls close, and whether the BPC has advised its members on this question.

Taking into account its remit in respect of the Financial Conduct Authority, the Committee may consider the case for regulatory oversight of market-sensitive polling, particularly if the BPC Rules are not brought up to standard.

I would be grateful for a response by 9 October.

I am copying this letter to Andrew Bailey, Chief Executive of the Financial Conduct Authority. I will be placing it, and in due course your response, in the public domain.

Yours sincerely,

A handwritten signature in dark ink that reads "Nicky Morgan". The signature is written in a cursive, slightly slanted style.

Rt Hon Nicky Morgan MP
Chair of the Treasury Committee