[GB] Regulator Fines Broadcaster for Breach of Rules on Product Placement

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Tony Prosser
University of Bristol Law School

The UK regulator, the Independent Television Commission (ITC), has fined a major private broadcaster, London Weekend Television, GBP 100,000 for breaches of its Code of Programme Sponsorship.

The breaches occurred in a series "Club@vision" which was aimed at young people and included features on nightclubs. The series was produced by an independent production company and commissioned by ITV, the major private network, as a co-production with London Weekend Television. A complaint was made to the regulator that clubs were being asked to pay a fee and to contribute to production expenses to ensure inclusion in the programme. An enquiry revealed that an event promoter, working on behalf of the production company, had contacted clubs, and several had paid fees. Although some clubs appearing in the programme had not paid fees, all those willing to pay fees had been included and a substantial number of clubs believed that payment was a prerequisite to inclusion. The Commission thus concluded that the selection of clubs to appear in the programme was influenced by payments and this compromised the production company's editorial judgement.

The selection of clubs amounted to a breach of s. 15.1 of the Commission's Code of Programme Sponsorship, which prohibits product placement, defined as "the inclusion of, or a reference to, a product or service within a programme in return for payment or other valuable consideration to the programme-maker or ITC licensee (or any representative or associate of either)." The promoter was deemed to be a representative or associate of the programme-maker. Although it had not been made aware of the relationship between the production company and the promoter, London Weekend Television should have been more rigorous in its management of the production, and a fine of GBP 100,000 was thus appropriate.

`ITC Imposes £100,000 Penalty on LWT', Independent Television Commission Press Release 41/01, 27 July 2001

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