It's political correctness gone mentally unstable. That's right, you can't say anything these days – and here's yet another article telling us what language we can and can't use. Cue eye-rolls and tuts.

Actually, I want to share with you my own journey into madness. That is, mental health and language – and the advice available about how we strike a balance between the "political correctness gone mad" brigade and those who prefer to communicate with a little more consideration.

We've all had a mental, mad or manic day at work. Frustration has driven us nuts or crazy. Affectionately, we may have referred to an eccentric friend as "bonkers" or "as mad as a box of frogs". Some people might call a day of very changeable weather "schizophrenic". The Black Eyed Peas invited us to "get retarded". Mental health is so ingrained in our everyday vernacular, it's interesting to me how we now unshackle meaning, intent and potential offence caused by reinforcing negative stereotypes. I spoke to Time to Change, England's most ambitious campaign into ending discrimination surrounding mental health, for guidance.

After asking to be put in touch with a person with a mental health condition, I interviewed Susannah Wilson, an actor, who is living with bipolar II. In terms of striking that careful balance, she told me: "We're faced with more and more censorship of words that have been deemed politically incorrect and we're at risk of becoming a nation that is losing its freedom of speech. On the other hand, it's just an excuse for the ignorant to remain ignorant if we continue to use language that can potentially harm others."

I asked Susannah what she found offensive, and what she was relaxed about: "The word 'mental' was a common playground taunt when I was at school. The word 'nutter' was even used in a chocolate bar advert: 'Oi, nutter! That bloke's a nutter!' I find these offensive now, having suffered illness myself, although I've rarely challenged the use of them because I would have had to reveal my illness and my fear was that those around me would censor themselves for my benefit."

She added: "Changing language alone is only dealing with the stigma on a superficial level and not uncovering the causes of such language."

Language, however, is powerful. Context, intention and knowing your audience count for a lot in everyday chats; the level of responsibility shifts up many notches when you're a journalist. As Kate Nightingale, head of communications at Time to Change, told me: "The media is extremely powerful and is consumed by millions of people every day. Therefore, we would encourage journalists to recognise the influence they have when reporting on mental health so as not to reinforce damaging stereotypes or create sensationalist articles which can cause huge distress and offence to the one in four people who will experience mental health problems."

To help, Time to Change – led by Rethink and Mind – has created a media advisory service which includes script advice for storylines featuring characters with mental health problems and their own "mind your language" section for journalists. Judged by these guidelines, the Guardian's own style guide seems to be on the money. Nightingale says the Guardian has done "fantastic work for many years" in the area of mental health, including journalist Mary O'Hara's work on the reporting of mental health issues, which won a Mind Media award. Mark Rice-Oxley's Guardian piece about his mental health illness eloquently captured the inadequacy of language in reflecting such a serious condition: "They used to call it a nervous breakdown. Now it's depression. Neither term is helpful. The former doesn't come close to expressing the long list of symptoms that apply (insomnia, anxiety, dismal mood, panic, thoughts of suicide, loss of energy/weight/joy/libido/love). The latter is, if anything, worse, conjuring up misleading images of people staring through windows at drizzle."

I must admit that I'm proud to write for a media title that listens and learns; my piece arguing that the Guardian should drop the insidiously stigmatising noun "homosexuals" from neutral reporting led to the style guide editor encouraging Guardian journalists to replace it with the more humanising (and less stuffy) "gay people". The noun "homosexuals" echoes the hostile clinical language of an era – which finally ended in 1992 - when homosexuality was considered to be a mental illness that could be "cured".
What of media outlets that have misused language about mental health? The Sun's infamous headline "BONKERS BRUNO LOCKED UP" is described by Nightingale as a "milestone moment" owing to the overwhelming public outcry over its decision to put alliteration before consideration when reporting boxer Frank Bruno's mental health problems. It has slipped up since, too – last year a Sun headline screamed "1,200 KILLED BY MENTAL PATIENTS". It was misleading and unfair. Following Time to Change's complaint, a clarification was printed and the team continues to have "constructive" meetings with the paper's editor.

Reporting of suicide is another sensitive subject. The Australian media's reporting of the TV presenter Charlotte Dawson's suicide this week (following social media trolls encouraging her to kill herself) has opened up similar discussions to the UK's reporting of the issue. The Australian Psychological Society says the C-word – "committing" suicide – is loaded with archaic religious and criminal baggage. It also advises against "successful suicide" – something that really should be an oxymoron. On the other hand, some media neglecting to mention at all that Dawson was believed to have taken her own life has also been criticised. News outlets – fearful of copycat suicides – have perhaps trodden a bit too carefully and the opportunity to discuss this important issue has been wasted.

If you want to be thoughtful in everyday conversation, what does Time to Change recommend? Nightingale says: "The meaning of words can change over time. 'Manic' and 'mad' are frequently used in informal conversations and, while we accept they have various meanings, they can also cause offence. Using words like 'psycho', 'nutter', 'schizo' or 'loony' to describe someone with mental health problems is certainly offensive and unacceptable. 'Schizophrenic' is often misused to mean a split personality, or something that's very changeable, and usage in everyday speech contributes to the misunderstanding and stigma that there is around this mental health problem in particular, so we would advise against that."

In which case, from now on, British weather is wildly changeable, four seasons in a day – or just bloody awful.

Nightingale is keen to highlight that discussing mental health is important; we don't want to discourage those discussions by becoming too precious or particular about the terms used. 'Mad,' 'insane' and 'crazy' can, of course, also be positive adjectives when describing falling in love, a particularly buzzy city or wild party. Indeed, Bloomsbury's new fourth edition of Tony Thorne's Dictionary of Contemporary Slang lists the polar opposite meanings of "mental": first as "mentally ill, subnormal" and secondly as "exciting, dynamic, excellent".

Mad Pride, held each year on Bastille Day (because the people released from the Bastille were deemed "insane") seeks to "reclaim terms like 'mad', 'nutter', and 'psycho' from misuse, such as in tabloid newspapers, celebrate mental health survivor culture and explore the positives of madness". Susannah Wilson is keen to highlight the positives: "My illness has taught me compassion and empathy for others who are suffering in ways I wouldn't perhaps have achieved. It has also tested my strength and courage allowed me to make peace with the parts of myself I've disliked."

Words often change meaning. Looking at how campaigners have approached this reveals differences. Some words are ditched, others defended. The Spastics Society rebranded in 1994: a longlist of 400 names was shortened to 19 and Scope was finally chosen. The charity was finding the debate around the word "spastic" a distraction. Some older people were "proud to be spastic" but, ultimately, it was costing the charity precious donations.

By contrast, Stonewall continues to defend the corruption of the word "gay" into a synonym for anything inadequate, its most recent campaign playing on linguistic inaccuracy by inviting us to "spot the two common mistakes" in the sentence "Your so gay." In such a sense, "gay" has, disturbingly, travelled in the opposite direction to "mental" – the newer colloquial use of the former becoming negatively loaded, whereas the latter has a more positive street use.

Policing language is never popular and rarely easy. But it is perfectly possible to be both frank and polite. Words around mental health are not so much being banned as recommendations made so we can be sensitive. With that in mind, chatting to friends and colleagues, will I have another "manic" day at work? In all honestly, probably. But it's hardly a chore for me to replace that with "super busy". Will I, as a journalist, use language to stigmatise people with mental health problems? Never.

Gary Nunn 28th February 2014