



Fair Business Banking

Statement from the All Party Parliamentary Group on Fair Business Banking and Finance 16 October 2017

Does Mr McEwan embody how RBS still views its customers?

At a recent UK Finance event Alison Rose was at pains to stress the need for substantial rebuilding of reputation and relationships incumbent on RBS. However, Mr McEwan's comments seem like a throwback to what we hope is the past - of customers as legitimate prey who can simply be invited to sue if things go wrong. In any event it is a spectacular own goal, scored from the vantage point of a taxpayer funded ivory tower.

Co-chair Lord Cromwell says: *"Mr McEwan's outburst exemplifies what is so wrong with the aggressive and heavy-handed RBS approach to its customers. For an institution with taxpayer-filled coffers—and reportedly a £1bn kitty just for legal expenses—to tell small business owners to sue the bank is offensive and disingenuous. RBS, well known for its unwillingness to come to the table with complainants, set up a scheme last year by which a limited number of businesses may get access to some compensation; but the 92% of businesses worst affected by the actions of GRG have no hope of any compensation via the scheme, which itself holds no credibility with either the public or within Parliament. Mr McEwan and the complainants both want to put this matter behind them, but the accusations will not stop because Mr McEwan wishes it so, they will stop when RBS puts matters right."*

What his outburst, no doubt unintentionally, underlines is that what is really needed is a truly independent tribunal and a genuine process of 'truth and reconciliation'. Otherwise these legacy issues that blight the lives of businesses affected and tarnish the financial services industry will not be resolved. We had hoped that the management of banks involved are starting to accept this view.

Vice-chair Norman Lamb MP said: *"This is an extraordinary outburst from Ross McEwan. The RBS compensation scheme has lost all credibility. Owners of small businesses destroyed after being put into GRG will not just go away. And to suggest that they should sue the bank is extraordinary. What planet is he on? This is a fight for justice. So many people have been affected by this scandal, including brave whistleblowers who tried to alert the authorities to what was going on at the bank. The FCA needs to get a grip and make sure that everyone who has been damaged gets access to justice without further delay."*

The scheme set up last year by RBS may provide some compensation to a limited number of businesses but is by definition not transparent or independent. It would appear to be more about being seen to do something than a serious attempt to engage meaningfully with those who often lost not only their businesses, but also their family homes, marriages, mental health and, in some cases, took their lives. "

Co-Chair Clive Lewis said: *"If RBS has nothing to fear, as Mr McEwan suggests, it should embrace the opportunity and public pressure to release the S166 report into the GRG unit. We could then have a debate on the merits of his comments."*