

Follow-up to Treasury Committee evidence session on 30 January 2018 with Sir Howard Davies and Ross McEwan

2 February 2018

Requests for specific information

- Q100: Confirmation (or not) that RBS intends to publish the firm-specific report (or a summary thereof) of the Banking Standards Board survey on culture
- Q152, Q154: A copy of the “different schedules of charges [that] were offered to [GRG] customers” between 2009 and 2013 (Q152, Q154)
- Q169: Has “any national auditing practice warned RBS against the strategies being employed by GRG?”
- Q170: Has any national auditing practice warned about matters that are potentially crimes committed by GRG staff?
- Q177: Are any former GRG staff subject to non-disclosure agreements?
- Q196: The number and proportion of eligible complainants that have entered insolvency or are in RBS’s restructuring function. It would also be useful to know, of that group, the value and number of Complaints Process payments going to (a) owners or former owners, (b) RBS and (c) other creditors.
- A reconciliation of Sir Howard’s evidence in Q199 with Paragraph 4.7 of the Complaints Process Principles that RBS’s offer “will [...] lapse immediately upon any appeal against a decision being made to the ITP”, and (for avoidance of doubt) Paragraph 5.4 that “The ITP’s decision may be less favourable to the Customer than the decision made in the RBS Complaints Process”.
- Q200: A copy of the Institute for Turnaround’s principles/guidance/objectives for bank restructuring units and (if different) the industry group’s set of principles/guidance/objectives for the same

Points of clarification

- Q134: clarification that the Tomlinson Report did not allege fraud
- Q162: Sir Howard refers to an “independent complaints scheme run by a former judge of high integrity”. No action, but may wish to clarify the ITP’s role.
- Q168: When Mr McEwan states that “we have a number of people whose pay and long-term pay has been suspended” clarification as to whether fixed regular *pay* (as opposed to long-term incentive awards) has been suspended in respect of any former GRG staff. Also clarification as to whether internal disciplinary proceedings have taken place as a result of treatment of SME customers by GRG staff.
- In Q172, Q173, Q176, Q178 and Q183 Mr McEwan points to the Complaints Process as a means by which customers whose settlement with RBS includes a non-disclosure agreement can raise concerns about their treatment (e.g. “Put them through the complains process, please”, Q176). Clarification that Para 3.1.4 of the Complaints Process Principles prevents those who have entered settlements with RBS from using the Complaints Process, and hence that those (former) customers subject to NDAs would not typically be able to make use of the Complaints Process (we don’t quite have that point spelled out in the subsequent exchange on Q189-192).
- Q205: confirmation that two former GRG staff members at senior manager grade and above, including Laura Barlow, are presently employed within RBS’s restructuring function (for the

avoidance of doubt, Mr Hosie's question here is with reference to the senior managers on the RBS structure, i.e. not solely Exec-level)

Requests for supplementary information

- Q84-88: The exchange here is a little confusing. It would be helpful to have a table showing the number and proportion of (a) SMEs and (b) all businesses in GRG between 2008 and 2013 that were (i) returned to mainstream banking, (ii) remain within RBS's restructuring function (iii) entered insolvency and (iv) rebanked.

- Q143: it would be helpful to have a more detailed breakdown of complaints and outcomes, including the latest available data on:-
 - o Number of complaints made
 - o Number of outcome letters sent; the number of outcome decisions in which no payment was offered; the number in which payment was offered; and the average value of the payment offered in these latter cases
 - o Number of outcomes decisions (a) rejected by customer, (b) accepted by customer and (c) appealed to ITP by customer
 - o Number of appeals upheld by ITP, and the average change in the payment as a result
 - o Number of appeal outcomes (a) accepted by customer and (b) rejected by customer

Other

- Q216: Mr McEwan to copy the Chair into a letter giving RBS's formal consent to the disclosure of the Promontory report.

- Q210: Mr McEwan says RBS is willing to assist in the discussion of dispute resolution for SMEs. No action, but Committee staff will send a link to the terms of reference for the Committee's inquiry into SME finance, once these have been agreed.