



HOUSE OF LORDS

Report from the Commissioner for Standards

# The conduct of Lord Palumbo of Southwark

### *Commissioner for Standards*

The independent Commissioner for Standards is responsible for considering any alleged breaches of the Codes of Conduct.

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### *Registrar of Lords' Interests*

The Registrar of Lords' Interests advises members of the House and their staff on their obligations under the Codes of Conduct.

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### *Registers of Interests*

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### *Independent Complaints and Grievance Scheme helpline*

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# The conduct of Lord Palumbo of Southwark

## Summary of complaint

1. On 26 September 2021, my office received a complaint from a journalist, Ms Anna Mikhailova, regarding the conduct of Lord Palumbo of Southwark.<sup>1</sup>
2. Ms Mikhailova alleged that Lord Palumbo of Southwark had failed to register his directorship for a Jersey-registered company, Submin Holdings Limited, in his Register of Interests, and was therefore in breach of the Code of Conduct for Members of the House of Lords.
3. Ms Mikhailova stated that she was surprised that Lord Palumbo of Southwark was unaware of his registered directorship of Submin Holdings Ltd, as she claimed that Companies House “formally writes to directors when they are appointed, informing them of the role and setting out their responsibilities.”

## Relevant aspect of the Code

4. Paragraph 12 of the Code of Conduct states:

“In order to assist in openness and accountability members shall:

(a) register in the Register of Lords’ Interests all relevant interests, in order to make clear what are the interests that might reasonably be thought to influence their parliamentary actions.”

## Summary of investigation

5. During the preliminary assessment of the complaint by Ms Mikhailova, I verified with the Assistant Registrar that Lord Palumbo of Southwark’s register of interests contained no historical entry for Submin Holdings Ltd.
6. In addition to this, I also established that Companies House showed Lord Palumbo of Southwark as being the registered director for Submin Holdings Ltd from the period July 2016 to January 2017.
7. With this information I decided that this complaint passed preliminary assessment and that an investigation was required.
8. I wrote to Lord Palumbo of Southwark on 8 October 2021 to provide him with a copy of the complaint, inform him that I had launched an investigation and invited him to submit a full written response to the allegations. Although Lord Palumbo of Southwark is currently on leave of absence from the House, I informed him that I would not be seeking to terminate his leave of absence if he was willing to cooperate with the investigation.
9. Lord Palumbo of Southwark responded to my letter on 11 October 2021. In his letter, Lord Palumbo claimed that he became director of Submin Holdings Ltd without his knowledge, and was removed as director also without his knowledge, stating that this was an inadvertent error on the part of his finance or legal team.

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<sup>1</sup> The investigation and report were completed by Martin Jelley QPM.

10. Lord Palumbo of Southwark also apologised for the possible breach of the Code, and noted that as director of Submin Holdings Ltd he received no benefit, nor exercised any control over the company.
11. Lord Palumbo of Southwark also told me that he received no notification from Companies House that he was registered as director of Submin Holdings Ltd, and that he did not sign any forms related to his directorship role.
12. I sought to verify this by directly contacting Companies House. In a letter dated 12 October, I asked Companies House if they had any correspondence with Lord Palumbo of Southwark in relation to the directorship of Submin Holdings Ltd, if and when they had contacted him to inform him of his directorship, and whether Lord Palumbo of Southwark had signed any documents relating to Submin Holdings Ltd from Companies House.
13. Companies House responded with a letter dated 26 October. In their letter, Companies House stated the following:

“You asked whether Companies House wrote to Lord Palumbo of Southwark from July 2016 to January 2017 to inform him that he was registered as director for Submin Holdings Limited, whether he acknowledged any correspondence and whether any documents carry his signature. I can confirm we do not issue letters to directors of an overseas company when it registers a UK Establishment, this is because Companies House is a secondary registry in these circumstances.”
14. However, Companies House did confirm that “A notice of termination of appointment of a director of an overseas company (form OSTM01) shows the termination of his appointment on 5 January 2017. This form carries a signature”. Upon examination of that form, it appeared to show Lord Palumbo of Southwark’s signature.
15. I wrote to Lord Palumbo of Southwark again on 29 October to ask him to explain the signature on the notice of termination, and in particular why at that point he had not contacted the Registrar of Interests. He replied the same day:

“I confirm that it is my signature on the form terminating my directorship of Submin. I have no recollection of signing it, which is why I wrote to you as I did in my first letter. I sincerely apologise for this oversight.

I have spoken to my Group Head of Finance, in house Legal Counsel and my colleague who runs my private office, none of whom recognise the writing on the form. They suspect it was generated by one of our external lawyers and given to me to sign as a routine matter. Over recent years the group has been involved in a number of transactions which generated a significant amount of paper work and required me to sign documents on advice from colleagues or external advisers. I very much regret not scrutinising this form and the fact that it didn’t occur to me to contact the Registrar’s office at the time of signing.

I hope you will accept my renewed apologies for my error and oversight. I will take great care in the future to ensure that my interests are updated immediately and appropriately.”

**Finding**

16. **While I accept it was an inadvertent error, Lord Palumbo of Southwark failed to register an interest as required by the Code of Conduct.**
17. **The correspondence with Companies House shows that Lord Palumbo of Southwark received no indication that he was registered as director of Submin Holdings Ltd, and I am satisfied with his explanation that the registration of his directorship of Submin was an administrative error. Similarly, I am satisfied with his explanation of how he came to sign the form which terminated his directorship.**
18. **I do not believe Lord Palumbo of Southwark was seeking to avoid openness, accountability or transparency regarding his interests, nor do I consider his conduct in relation to Submin Holdings Ltd to be misleading or intentionally deceitful. I also note that this is Lord Palumbo of Southwark's first breach of the Code of Conduct.**
19. **I conclude that Lord Palumbo of Southwark is in breach of paragraph 12 of the Code of Conduct.**
20. **In the light of these factors, I considered this to be a minor breach of the Code and one for which remedial action is an appropriate outcome. I proposed a letter of apology to Lord Mance, Chairman of the Conduct Committee, would be sufficient remedial action in this case. Lord Palumbo of Southwark has since written to Lord Mance (see Appendix 1).**
21. **I am grateful to Lord Palumbo of Southwark and Companies House for their cooperation in this matter and for their prompt and thorough responses.**

**APPENDIX 1: LETTER FROM LORD PALUMBO OF SOUTHWARK  
TO LORD MANCE, CHAIR OF THE CONDUCT COMMITTEE**

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Dear Lord Mance,

I have been in correspondence with the Commissioner for Standards about a complaint concerning my registration and declarations of interests. You will have received his report in which the Commissioner finds that, in relation to the non-declaration of a directorship I held for approximately six months between July 2016 to January 2017, I did not act in accordance with the Code of Conduct and am guilty of a minor breach.

I am writing to you, and through you to the House, to apologise unreservedly for this error.

I am pleased that the Commissioner for Standards concluded that it was not my intention to mislead and this was an inadvertent error.

I have assured the Commissioner I will be more vigilant in the future, apologised to him and send renewed apologies to you.

With best wishes,

Yours sincerely,

James Palumbo