

Press cutting

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Bankers: We'll sue for our bonuses

Managing directors hire top City lawyer to fight clampdown on payouts

DANNY BRIERLEY

A GROUP of senior London bankers today warned they would sue if they are denied million-pound bonuses.

The bankers, all at managing director level and some with more than £1million bonuses, have taken on a leading lawyer to prepare for legal action if an attempt to clamp down on payouts is made.

Ronnie Fox, who specialises in employment law, has been contacted by managing directors who fear they could be denied their bonuses despite their departments making money.

Mr Fox, of Fox lawyers in Cornhill, is preparing to launch a legal battle against the unnamed banking giants if the Government presses ahead with plans to impose a blanket ban on bonuses.

Legal experts today warned that plans to stop bonuses may be a breach of bankers' human rights.

The warning came hours after a Downing Street spokesman said the Prime Minister wants employees at banks which have received state hand-outs to waive their bonuses.

Mr Fox, a member of the Law Society's remuneration committee, is representing "a small number" of senior clients but said this could expand if the Government gets tough on payouts.

They include one senior executive who devised a strategy for turning losing positions into profits but was made redundant after his department suffered big losses. Mr Fox told the Evening

THE BONUS BOUT

THATCHER ROOM, PORTCULLIS HOUSE 9.45 AM TODAY



SIR FRED
GOODWIN

VS.

JOHN
McFALL



SIR FRED GOODWIN
Age: 50
Education: Paisley Grammar School, law at Glasgow University
Family: Married, two young children
Career: Chartered accountant at Touche Ross from 1983 and rose to liquidating BCCI. Left to join Clydesdale Bank in 1990 and was made deputy chief executive in 1996. Became chief executive of Yorkshire Bank in 1996 and chief executive of

Royal Bank of Scotland in 2001
Pay and perks: Paid £4.2 million in 2007 and £2.8 million cash bonus
Highlight: European Banker of the Year 2003 after taking over NatWest and sending 985 shares soaring
Lowlight: Named World's Worst Banker by Financial Times in 2008 and is now spending much of his time at his parents-in-law's home in East Renfrewshire
He said: "This isn't a rescue, it's a drive-by shooting"

JOHN McFALL
Age: 64
Education: St Patrick's High School, Dumbarton, Paisley College of Technology (in Sir Fred's home town), BSc in chemistry and MBA at Strathclyde University
Family: Married, four adult children
Career: Park keeper then taught chemistry before entering Parliament
In 1987, junior minister in Northern Ireland office but returned to back

benches in 1999. Chairman of Treasury Select Committee in 2001
Pay and perks: £63,291 salary, expenses £151,852
Highlight: Getting the boss of Barclays to admit he wouldn't recommend Barclaycard to his children
Lowlight: Not spotting that the credit crisis was on the way
He said: "You're snubbing the public. Not only that, but you're making shedloads of money."

Standard: "Although it is a small amount now, if the Government decides to act over bonuses, that group of disgruntled bankers could become a lot larger.

"In each case they have said to me that there are several other people in the same position.

"I'm representing some people who

are very concerned. What they have to see is what the banks actually do and what the Government makes them do.

"At the moment the Government is telling the banks to look very carefully at the bonuses paid to people where the banks have received state aid.

"Where they have done well or their business unit has done well it's wrong

that they should suffer. These are people who would expect six to seven figure bonus payouts."

He said there is a shortage of jobs in the sector and some bankers are "quite angry" at the prospect of losing bonuses.

Mr Fox added: "The Government oversimplifies things and says 'all bankers are bad, none of them are entitled to bonuses, they got us into this mess'.

"They're doing it to focus attention away from the Government's role."

Many bank workers are legally entitled to bonuses under the terms of their

employment contract. A spokesman for Gordon Brown said: "The Prime Minister's view is that, for those people in potential receipt of substantial payments to which they are legally entitled, they may want to ask themselves some quite searching questions about whether or not they should in fact receive them."

EDITORIAL COMMENT: PAGE 14 ►
SIMON JENKINS: PAGE 15 ►
WE SHOULD RIOT, SAYS ANTHONY WORRALL THOMPSON: PAGES 20 & 21 ►
BUSINESS: PAGE 28 ►

'Where they, or their business unit, have done well it's wrong that they should suffer'

LAWYER RONNIE FOX