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It's getting messy at Dresdner/Commerzbank

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Confusion is in the air in Gresham Street. Fresh from eliminating Dresdner Kleinwort's **European equity research team**, it now seems Commerzbank is having second thoughts about paying the **guaranteed bonuses** it allegedly promised Dresdner staff in order to retain them.

Ronnie Fox, the employment lawyer who appeared in numerous places yesterday warning banks that they're contractually obliged to pay guarantees, said Commerzbank is the primary source of persons concerned that they might not get anything. "The German taxpayer appears to be saying why should we pay the people who ran this bank into the ground," he said.

A spokesperson for Commerzbank declined to comment on the alleged fracas.

One Dresdner banker said the situation remains confusing: "There's a lot of speculation and no facts at this stage. Nothing has been communicated to the staff at Dresdner, that's for sure."

According to headhunters, senior DKW bankers were offered 'substantial' guarantees by Commerzbank in the week before the deal went through. Senior staff who've now been let go from the equity research division are among those said to have received guarantees.

When it announced bonuses back in December, Dresdner is also said to have inserted a clause giving it the right to trim bonuses before the payout date if the bank's performance deteriorated. London bonuses are due to be paid at the end of February.

Charles Ferguson at Ferguson Solicitors says Commerzbank isn't the only institution trying to evade guarantees. "A lot are coming up with phony charges of misconduct. We've had so many new cases recently I hardly know where to turn," he says.