

PRESS CUTTING

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State-owned banks set to be sued by bankers over denial of bonuses

State-owned banks such as Royal Bank of Scotland and Northern Rock face being sued for millions of pounds by bankers who have been denied bonuses, it has been reported.

By Jon Swaine

Claims are being prepared against several high street banks by lawyers representing dozens of financial sector staff, according to The Independent.

Ronnie Fox, a leading City employment lawyer, told the newspaper: "I have been advising senior bankers about their positions in the banks and the payment of bonuses.

"Bankers are now talking about suing for these bonuses. Some of them are very concerned and upset. The most aggrieved people are those who performed well and did make significant profits for the banks but have lost bonuses and sometimes their jobs."

The banks' final bill in pay-outs and legal fees is expected to reach hundreds of millions of pounds, it claims. Northern Rock and RBS, which have received the most state aid, are set to be most targeted after having been asked firmly by Gordon Brown to forgo executive bonuses this year.

The Prime Minister's spokesman said on Monday that Mr Brown was "very angry" about suggestions that RBS, which is now 68 per cent owned by the taxpayer, was preparing to pay bonuses of up to £1 billion.

David Cameron, the Conservative leader, said bankers needed to have "a bit of a 'smell-the-coffee moment'" and realise it was unacceptable to take bonuses.

Barclays, which has not taken any public money, said it would cut its total bonus bill for 2008 by 48 per cent compared to the previous year.