

give up his rather than at 60. Sir Fred left the bank in November but the dynamite news of the payment only leaked in February – just hours before RBS announced it had made huge losses.

The scale of the furore left those who had been involved in the negotiations racing to escape responsibility. A war of words broke out between Sir Fred and Sir Tom McKillop on one side, and Lord Myners on the other about what had

kers

loyds said it whether had left ed higher y were, though it here had yments.

th The first of the the UK, Mr ed as chief them Rock 07, shortly ed and was en he s rumoured ay-off of and an ort boost. ort showed ceived r loss of 00, payable ments until ve nothing he e was also 5 top-up to ng the total

pension pot to about £2.62m.

Steven Crawshaw In May last year, four months before Bradford & Bingley was part-nationalised and part-sold to Spain's Santander, its chief executive Steven Crawshaw, then 47, stepped down with heart trouble. Mr Crawshaw, whose poor health may have shielded him from the kind of venom that has been heaped on Sir Fred, took an early retirement package comprising a lump sum of £412,500 and an annual pension paying £105,318 each year. The transfer value of Mr Crawshaw's pension fund was also lifted by £1.7m in 2008 to £3.6m to account for his early retirement.

Mr Crawshaw also received a pay package of £1m, including £365,000 of basic salary in lieu of his notice period.

began what was to become the concerted attempt to regain some of the money by telephoning Sir Fred and asking him to return it. In a terse exchange of letters Sir Fred refused.

As the political controversy raged on, Sir Fred, who with his wife Joyce had been a part of the Edinburgh social scene, went into hiding.

In March his home in a prosperous suburb of the city was vandalised and his children had to be taken out of school.

He has not been seen in public since. He is thought to have been in the UK for most of the time, although he has spent time on holiday in Turkey and Spain.

But he was not beyond the reach of Sir Philip, who telephoned again and again as he sought to persuade him that he should hand back part of the pension or give some of it to charity. In April Sir Fred told Sir Philip he was considering that course of action.

His decision finally to do so came several days after the legal review concluded that there was no conduct on Sir Fred's part that would justify reducing the pension.

Insiders say the timing is no coincidence. Sir Fred was awaiting that exoneration before agreeing voluntarily to reduce his pension to ensure the gesture could not be misinterpreted as an admission of wrongdoing on his part.

Now both RBS and Sir Fred believe the matter has been settled. But in the eyes of the British public his rehabilitation may be less readily achieved.

on-Soar in Nottinghamshire, Aberthaw in south Wales and Didcot in Oxfordshire.

Stoppages were also reported at Drax and Eggborough power stations in Yorkshire, West Burton in Nottinghamshire and a BOC oxygen plant at Scunthorpe.

Lindsey was at the centre of a dispute over use of Italian and Portuguese labour in February. This prompted walkouts at refineries, gas terminals and power stations. Lindsey workers were also involved in recent strikes over the hiring of 40 Polish lagers at the South Hook terminal.

FSA warned over lack of experience

By Brooke Masters

Plans to crack down more harshly on misbehaviour by UK banks and brokers could lead to unfair second guessing of management because the Financial Services Authority staff lacks the necessary expertise, a leading group of compliance professionals warned yesterday.

The compliance forum of the Securities and Investment Institute questioned the FSA's recently announced plans to focus on "judging judgments" of City executives, calling the approach "incompatible with the doctrine of senior management responsibility".

The group's formal response to the FSA's consultation on regulatory reform also echoed what many in the City have been saying privately for months. "The FSA lacks staff of sufficient experience and knowledge" to take the

proactive approach that Lord Turner, its new chairman, has been advocating.

"How is the FSA better equipped to judge than management? How do you do that without using hindsight?" asked Julian Sampson, who chairs the forum.

Though the authority has been on a hiring drive, the forum warned it would have a hard time competing for staff in the long term.

It acknowledged that regulatory changes were inevitable after the banking crisis, but warned that regulatory overreaction could damage the UK's competitiveness.

The Investment Management Association also filed a response to the FSA consultation, but its focus was primarily on protecting "utility" retail and banking functions from riskier activities. It also urged authorities to keep an eye out for anti-competitive practices now that the banking sector was more consolidated.

FINANCIAL TIMES 19/6/09

Investors cool over pension gesture

remuneration report as a result of investor fury over Sir Fred's pension.

But a second investor pointed out that since the government now owned 70 per cent of the bank and the taxpayer would benefit most from Sir Fred's decision, "it is no longer an investment question. It is a question for the nation".

TUC general secretary Brendan Barber said: "Even this reduced pension is so far beyond the imagination of the vast majority that it will act as just another reminder of the gross inequality between the free-floating super-rich and the



HERMÈS
PARIS

SALE

WOMEN'S AND MEN'S
READY TO WEAR AND SHOES