

Letter to the Chairman of BCR

9th January 2019

Dear Sir

### **TSB & The Slaughter and May Report**

Following TSB's botched IT migration, which saw millions of personal and business customers shut out of their accounts, the Bank appointed Slaughter and May to carry out a report on what went wrong. TSB said the report would be completed in the first half of 2019. Nicky Morgan, Chair of the Treasury Select Committee, said that was "ridiculous" and TSB subsequently agreed to publish the report in two parts. The first part of that report was due to be published before the end of 2018 but that's been delayed. TSB has now said that "Slaughter and May are working expeditiously to deliver a report as soon as is practicably possible".

We believe that TSB has delayed publication of the report whilst the Banking Competition Remedies body is evaluating its application for one of the Pool A grants from the Capability and Innovation Fund. Those grants could be worth between £60 million to £120 million for the TSB. It is no coincidence that the application period for Pool A grants closed on the 31<sup>st</sup> December 2018, the exact date when Slaughter and May was due to publish part 1 of its long awaited report on TSB's calamitous IT meltdown. BCR is evaluating applications for Pool A grants in January and announcing awards in February. TSB wants to avoid any adverse publicity regarding its IT meltdown during that period.

TSB customers, many of whom still have not had their complaints dealt with or been offered compensation, have a right to know who is responsible for the most catastrophic IT meltdown in UK corporate history. Equally, many will find it difficult to understand how the BCR could consider awarding TSB one of the Pool A grants without knowing exactly what happened with the IT migration. If the Slaughter and May report finds that there is something fundamentally wrong with TSB's IT platform surely that's something the BCR would want to know before it awards a grant worth up to £120 million. TSB's application should be set aside until it publishes part 1 of the Slaughter and May report.

I look forward to your comments.

Yours sincerely

Mark V Brown  
General Secretary