



TITHE AN OIREACHTAIS

**AN COMHCHOISTE UM AIRGEADAS, CAITEACHAS POIBLI AGUS ATHCHÓIRIÚ,
AGUS TAOISEACH**

TUARASCÁIL EATRAMHACH MAIDIR LE BAINCÉIREACHT – BANC ULADH

February 2021

HOUSES OF THE OIREACHTAS

**JOINT COMMITTEE ON FINANCE, PUBLIC EXPENDITURE AND REFORM, AND
TAOISEACH**

INTERIM REPORT ON BANKING – ULSTER BANK

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Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

Interim report on banking - Ulster Bank

The Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach is preparing a wide-ranging report on banking matters as part of its general scrutiny role in this area. The Joint Committee understands, however, that an announcement on the outcome of the strategic review being undertaken by NatWest of Ulster Bank DAC's operations in Ireland may be imminent. Given the time sensitive nature of this development, the Joint Committee has decided to publish this interim report relating to Ulster Bank to indicate its concern and with a view to seeking a Dáil debate in the near future on the matter.

The Joint Committee was made aware of concerns about the strategic review being undertaken of Ulster Bank DAC's operations in Ireland in November 2020 following media reports and representations from the Irish Financial Services Union (FSU) regarding the lack of engagement with staff and the union about the nature of the review and the possibility that the withdrawal of Ulster Bank from the market was being considered. The FSU outlined its concerns regarding the impact on staff, customers and competition in the market to the Joint Committee at a meeting on 8 December 2020. The issue also arose during a meeting with the Central Bank of Ireland on 15 December 2020.

The Joint Committee shares the concerns expressed and, while stressing that it did not wish to discuss commercially sensitive matters, it invited representatives of Ulster Bank on multiple occasions to meet with it to discuss banking matters in general and the possible impact on staff, customers and competition should one of the pillar banks withdraw from the market. It also sought information on the timeline for the strategic review and the terms of reference but no such information has been forthcoming.

Ulster Bank and NatWest have declined all invitations to meet with the Committee to date, citing commercial sensitivities and indicating that as the review is still ongoing and no decisions have been made, they were not in a position to meet with the Joint Committee. The Joint Committee also understands that the FSU has growing concerns at the continuing lack of engagement on the part of NatWest and Ulster Bank and the increased uncertainty for staff at the lack of clarity and information that has been provided. The Committee views this lack of engagement with staff and staff interests as particularly insensitive.

The Joint Committee is disappointed that a meeting has not taken place with Ulster Bank and that the Committee has not had an opportunity, in advance of the completion of the strategic review, to explore with Ulster Bank and NatWest concerns expressed to the Committee.

The Joint Committee is aware that members of the Government have expressed concern about the possible withdrawal of Ulster Bank and have indicated that any such withdrawal would impact

negatively impact on staff, customers, banking services and competition in the market. The Central Bank has also indicated similar concerns regarding competition in the market. The Joint Committee has engaged with both the Minister for Finance and the Central Bank of Ireland and has requested that both take an active role in the matter, with a particular emphasis on consumer protection aspects.

The Joint Committee is firmly of the opinion that no final decisions should be made until such time as representatives of Ulster Bank DAC and NatWest meet with the Joint Committee to discuss concerns in relation to matters such as the possible sale of loan books to so-called vulture funds and other consumer protection issues.

Given that no announcement has been made regarding the completion of the review or its outcome, the Joint Committee wishes to reissue its invitation to Ulster Bank to meet with it so its representatives can discuss matters of concern in advance of any final decisions being made.

Should this invitation be declined again in advance of any announcement of the outcome of the review, the Joint Committee is of the opinion that, at the very minimum, representatives of Ulster Bank and NatWest should meet with it at the earliest possible opportunity to discuss the possible implications for customers, staff, banking services and competition in the market of the outcome of the review.

In the event that there is not timely and meaningful engagement with the Committee, it is of the opinion that it will have to give serious consideration to recommending the urgent introduction of legislation to require that any sale of Ulster Bank assets is to another pillar bank or banks, notwithstanding the competition issues that might arise as a result.

The Joint Committee makes this report with a view to seeking an urgent Dáil debate and again reiterates its request that Ulster Bank and NatWest engage with it at the earliest opportunity.

Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

16 February 2021