

Firstly, Chairman I would like to thank you and your colleagues for the opportunity to address the Committee today.

I want to talk to you about Ulster Bank and about the need for a debate on the type of banking we as a society want in Ireland. FSU are clear that banking is too important to be left to senior bankers.

The Financial Services Union, proudly representing staff for over 100 years, takes every possible opportunity to stand up for staff, customers, and communities.

I regret that Ulster Bank have declined the invitation to attend the meeting today, but I am not surprised. Information about this process is, as we have discovered, hard found.

Three months ago, media reports speculated that NatWest were undertaking a strategic review of Ulster Bank operations in the Republic of Ireland and that complete closure of its operation was on the agenda.

The Bank has again and again, throughout this process, refused to engage with us on what is actually going on. It has been the media, through strong reporting, that has kept us, and indeed you, informed about elements of the process. So much remains uncertain, unclear, unexplained.

That would be one thing if the decision of Natwest only affected Ulster Bank and its employees. But a decision to close a bank as important as Ulster Bank would have a devastating impact not only on the staff, but on communities throughout Ireland, and on the commercial life of those communities. It would create enormous uncertainty – indeed it already has – for customers of the bank and it raises the distinct possibility that the Ulster Bank loan book, or at least major portions of it, could end up in the hands of a vulture fund.

The decisions around this review are being taken now and so we need action now; that is why we are grateful to the committee for this opportunity to address you.

We have been talking to staff members about the impact of all this. Let me illustrate by example what our feedback is.

This staff member is not identified, but their words are well worth putting on the record.

*“Working on a cash desk in a branch during the recent media speculation has been extremely difficult. Customers are asking daily when we are closing. They are asking what will happen to their account, savings, and mortgage when the bank closes.*

*“I try to reassure them that it is purely speculation and that Ulster Bank and NatWest are committed to Ireland but honestly, customers are not buying it. It is so hard to tell customers this when I feel like I am lying to them.*

*“Customers are telling us that there is no smoke without fire and the newspaper articles had to come from somewhere. The longer the speculation and media articles continue, the more difficult it is to reassure customers.”*

Let us put ourselves in the shoes of this staff member.

They have worked through the pandemic.

They have worked in the bank for years and feel a real affinity for the bank and their customers.

They are rewarded by reading about their future in the media.

Their employer will not even inform them of the terms of reference for the review, or its timetable or core elements of the review process. This is completely indefensible.

While the individual here is anonymised, you as members of this committee know this person, for they are representative of so many people around our country. They know their communities, as you know them, and they know, as you do, the impact all this could have.

These loyal, dedicated staff members deserve better from their employer and loyal Ulster Bank customers deserve better from their bank.

You will have read some commentary about Ulster Bank’s financial performance. Let us take a closer look at that.

Ulster Bank is the third biggest bank in this country. It has 88 branches dotted around the country, employs around 3,000 people in Ireland and has over one million customers.

In November 2016, Ulster Bank paid its parent company, NatWest a dividend of €1.5 billion; in January 2018, that dividend was €1.5 billion; in December 2019, it was €0.5 billion.

Ulster Bank has paid a total to €3.5 billion back to its parent in the last three years in dividends.

NatWest also charges Ulster Bank for services provided by the parent company to the subsidiary.

These can include anything from payroll services to charging for a proportion of advertising and sponsorship that the parent company undertakes.

You may be interested to know that an example of this is NatWest's sponsorship of the English and Welsh Cricket team.

Ulster Bank pays a proportion of this sponsorship. Help for what matters, the Bank might well say, but hardly evidence of a bank that is struggling.

In December 2019 Ulster Bank CEO, Jane Howard stated:

*"Our CET1 ratio will be 27% post payment of this dividend which leaves us in a strong capital position and well-placed to continue to support customers' ambitions through excellent products and service,"*

It seems clear that NatWest have decided to use COVID-19 as a cover to prioritise some other agenda over any long-term strategy. They have decided that staff, customers, and communities in the Republic of Ireland are of little significance. To be blunt they have manufactured a crisis using COVID-19 as cover.

We cannot sit back and allow this to happen on our watch. It will be too late when the decision is made, we need to act collectively in the national interest, and protect customers, staff, and communities.

The Minister for Finance has a role in this. He must contact his counterpart in the UK and express the Governments opposition to NatWest selling any part of the Ulster Bank loan book to a vulture fund. We know the damage that a vulture fund can do.

There should be no place in Irish banking for vulture funds.

The Central Bank has a role in this. Presently, any bank can close a branch with two months' notice. It does not serve customers or communities. We need a new code of consumer protection that actually protects customers and consumers.

The last few months have seen all the main banks in Ireland announce reviews of their operations. They all have something in common. They are all looking to close branches and cut staffing levels. Bankers are writing the future of banking in front of our eyes. We know where that got us before. We cannot allow this to happen again.

The FSU will shortly launch a discussion paper on the establishment of a national banking forum.

A forum where we can all have an input in to the future direction of banking in this Country.

I hope you will all help lead the debate. The timetable for this debate is short.

And on Ulster Bank, we need your continued leadership also. We need political engagement to demonstrate the impact that this decision would have.

We must all act now: for our communities, to protect jobs and vital commercial infrastructure; for the bank's customers, to protect them from vultures and who knows what; and finally, to ensure a competitive banking system in Ireland, for our citizens, our SMEs and for our economy.

If we do not act now, we face an effective duopoly in banking, with branches closed and jobs lost around the country, and with vulture funds holding the financial keys of family homes. Without action now, that is the near future for all of us.

Thank You.

ENDS.