

Chairman,

Thank you for the opportunity to address the committee today.

I would like to talk to you about the events of the past week from a staff and customer perspective.

Friday was a dark day for staff and customers of Ulster Bank. This was compounded by the deplorable behaviour of NatWest and the management of Ulster Bank in the six months leading up to Friday's announcement. Staff and customers were subject to abysmal treatment by the bank.

The Financial Services Union met with Jane Howard, CEO of Ulster Bank on five occasions since last September. On every occasion the Bank refused to provide us with terms of reference of the review, who was conducting the review, or any update on its progress. Both staff and customers got their information through the media.

As late as last Thursday Jane Howard, CEO of Ulster Bank sent an email to staff stating:

"As predicted, there is increased media speculation in the run up to the publication of Results 2020. This is not how we choose to communicate with you or our customers. However, despite this speculation I can confirm that no decision has been taken."

Twenty-four hours later the CEO wrote again to staff:

"A non-binding Memorandum of Understanding has been reached with AIB Group plc for them to acquire a significant proportion of our performing commercial loan book".

Last Friday Ulster Bank published its annual report. Included in it is the statement,

"Over the coming months there will be a full engagement with all colleagues, their representative bodies and pension trustees on the implementation of the phased withdrawal from the ROI market".

Does anyone truly believe that it is a credible position for Ulster Bank to adopt that no decision was taken until last Thursday evening.

In line with the UK Regulators Corporate Code of Governance, we formally sought engagement from the NatWest Board, and they choose to ignore the very Code that they agree to uphold.

No one is disputing that NatWest were entitled to conduct a strategic review into the future of Ulster Bank operations in the Republic of Ireland.

NatWest could have decided last September that they would engage with their staff, their staff representatives, operate to good change management practices and agree a communication channel, to keep staff and their families updated on a regular basis.

They deliberately choose not to.

They deliberately choose to add to the mental stress and anxiety of their staff

This is a bank that claims it cares passionately about their employee's wellbeing.

They deliberately decided that the mental well-being of their staff was to play second fiddle to the secrecy of the Bank. They deemed that workers and their families were irrelevant.

Back in December 2020 Ulster Bank disbanded their own Sustainable Banking Committee - The purpose of this committee was to support the Board in overseeing, supporting and challenging actions being taken by management to run the Bank as a sustainable customer centric business.

In other words, back in December management were intent on ensuring no one was able to challenge any decision they were making.

This outcome is also an indictment on our own regulator, not because of the decision but because of his failure to act. For months there has been media reports on the failure of the bank to engage with key groups and for months consumers and staff looked to the regulator to take action.

But the Central Bank can act now and give communities an assurance that no branch closures will be acceptable during the pandemic. This is what has happened in the UK. This is what is required.

Ulster Bank are members of the Irish Banking Culture Board (IBCB). They have signed up to the aims and vision of the IBCB.

"The IBCB requires our participating banks improve culture, customer outcomes and competence. Rooted in the knowledge that a changed culture will change outcomes, we promote ethical behaviours and advocate for humanity, decency and respect in the banking sector".

Let us rate NatWest and Ulster Bank recent actions in this context:

- Humanity Failure
- Decency Failure
- Respect Failure

The IBCB was set up to "positively change Bank culture for the benefits of the two cohorts most impacted by this culture- bank customers and bank staff".

Both staff and customers can give testimony to the true culture of Ulster Bank/NatWest, one that puts pursuit of profit above all else and that believes stakeholders are not to be engaged with at any cost.

There is no doubt that NatWest and Ulster Bank management have failed their staff and customers. Their deplorable behaviour over the last six months needs to be addressed at the highest level in Government and by the Central Bank. In its comments on Friday the regulator failed to highlight even once the poor treatment of staff. Not good enough.

We could spend the next hour talking about the last six months, but I would like to look to the future.

Ulster Bank have referred to "an orderly phrased withdrawal "over a number of years.

This will not happen unless real engagement takes place with staff representatives.

There are a number of priorities that need to be agreed.

1. Jobs must follow the work. All staff must have the option of transferring with their work. There is agreement that this will happen in the memorandum of understanding with AIB. It needs to be agreed that it will apply to any future sale/ acquisition.
2. Compulsory redundancies are not acceptable under any circumstances. Despite the banks statements there are staff in Ulster Bank who are currently facing compulsory redundancy. They need to be given immediate assurances that they are covered by the statement from Ulster Bank on Friday that there will be no compulsory redundancies this year.
3. No consideration of branch closures until the end of 2022 at the earliest. We are in the middle of a pandemic. No bank should be considering closing branches at this time. The topic of branch closures cannot be discussed rationally using data from the last twelve months when people have been confined to their homes and obeying government protocols. It is disingenuous for anyone to state that the local bank branch is not an integral part of the future of Banking. A moratorium needs to be put in place now against branch closures. The UK regulator recently issued a strong call to UK Banks not to close branches as it will affect vulnerable people the most. Our regulator needs to be proactive and make a similar statement now.

Let me repeat

- Jobs must follow the work.
- No compulsory redundancies
- No consideration of branch closures until the end of 2022

Agreeing these three issues would give certainty to staff and customers.

The future of Banking in Ireland has been the source of much comment over the last week. The banking landscape in Ireland is changing at a rapid pace. The FSU are not denying that change but we cannot allow Bankers alone to set the agenda. Staff and customers need to be at the forefront of any change. That is why we have put forward the idea of a banking forum. It is our intention to publish a discussion document in the next fortnight. A stakeholders' forum similar in construct to the retail consultative forum in place in the Department of Enterprise Trade and Employment, is our preferred option.

Announcements of change are common in Banking.

Media reports about significant branch closures in Bank of Ireland possibly up to the scale of the total Ulster Bank network are being mentioned.

It would be of great benefit to staff and customers if this committee could invite Bank of Ireland management to appear before it and give an explanation for the Banks reluctance to communicate and engage on possible significant changes to its operations both in Northern Ireland and the Republic of Ireland.

KBC closed 25% of its network in two months, customers and staff compulsorily disengaged.

AIB have also announced cuts to staffing levels but are engaged in constructive dialogue.

There have been recent announcements of the sale of hundreds of ATMS to the highest bidder.

Announcements that Banks may start charging customers for the privilege of holding their money.

What is missing from these announcements is any prior dialogue with consumers, staff and business representatives.

Change can be a positive, but it needs to be agreed change.

A third banking force to challenge the dominance of Bank of Ireland and Allied Irish Bank is been mooted.

This development has the potential to bring about positive change to the banking environment.

Staff and the public rightly expect their interests to be considered when decisions are made which directly affect them.

We need the regulator to recognise and fulfil its mandate of protecting consumers.

We need the Senior Executive Accountability Regime (SEARs) to be put in place without delay.

And we need the banking sector to take their responsibilities to communities and staff seriously with demonstration of a revised way of bringing about change.

What happens to the future of Banking affects us all. We need to take stock, pause, and agree a collective approach that puts people first.