

Ulster Bank: We never preyed on struggling businesses

Lender rejects TV claims it liquidised viable firms

By Margaret Canning

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Ulster Bank has said it "strongly refutes" allegations in a BBC Spotlight programme that it put viable companies into a restructuring division to make profit.

However, BBC NI said it "stands by" its journalism in Tuesday night's broadcast, which interviewed property developers Brian Polly and Michael Taggart – who is in a prolonged legal battle with his former funders.

The BBC said it had taken "great efforts" to represent Ulster Bank's views in the programme, which also featured businessman Lawrence Tomlinson.

The UK government advisor is the author of a report accusing Ulster Bank and its parent Royal Bank of Scotland of putting viable firms into restructuring division the global restructuring group (GRG) to extract profit from them.

A subsequent report by law firm Clifford Chance said there was no evidence to support claims that RBS, which is 81%-owned by the taxpayer, had used GRG to profit from its clients' distress.

But Mr Polly and Mr Taggart told Spotlight the bank's treatment forced their firms under. Brian Polly's housebuilding business Polly Bros Ltd had entered GRG in 2009.

But instead of putting it on the road to recovery, Mr Polly claimed it pushed his firm to the edge.

He alleged that £400,000 in proceeds from the sale of houses went missing from his business account, leaving him unable to pay suppliers.

His firm later went into administration.

Last night, the bank refused to comment on Mr Polly's specific claims.

But a spokesman for the bank said: "We strongly refute the allegations outlined in the Spotlight programme.

"We find the airing of these allegations troubling given the independent report by Clifford Chance, which found no evidence to support the most serious allegations made by Tomlinson or any other evidence of misconduct.

"Furthermore, one of the two cases featured is before the courts which prevents us from commenting and the other was placed into administration following multiple petitions by creditors."

The bank said "treating customers fairly" was the "core" of its business.

"From time to time, some customers get into difficulty and in these circumstances, we endeavour to work constructively with them."

The GRG operated across Royal Bank of Scotland – and Spotlight interviewed an anonymous whistleblower in RBS's GRG.

The whistleblower said: "I was directed to destroy viable business by the bank. That was my job."

He added: "The majority of them (the businesses in GRG) unfortunately became a casualty of war in our bid to make the bank more liquid."

A spokeswoman for the BBC said: "The Spotlight programme was the result of detailed research, covered matters of public importance and was made according to our editorial guidelines."

Ulster Bank has said 48 firms had been successfully restructured through GRG in 2013, safeguarding around 12,000 jobs.

In the first quarter of 2014, Ulster Bank posted profits of £17m – its first profit since 2009.

Original article

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