



Barclays whistleblower case sparks calls for more protection

Bank's chief executive, Jes Staley, is under investigation for attempting to unmask anonymous employee who raised concerns

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Whistleblowing charities and law firms have called for companies to offer more protection to workers who flag up internal problems after the chief executive of Barclays attempted to track down the author of anonymous letters.

Jes Staley is being investigated by financial regulators and faces a significant cut to his pay after admitting trying to unmask a whistleblower who made allegations about a long-term associate he had brought to the bank.

Public Concern at Work (PCaW), a charity for whistleblowers, said there was “much work to be done” while GoodCorporation said the Barclays saga would be a “real test” for the Financial Conduct Authority (FCA) and the Bank of England’s Prudential Regulation Authority.

There are strict regulations in the financial services industry about encouraging and protecting whistleblowers. This includes the senior managers and certification regime, which is aimed at improving individual accountability within the financial services industry.

Andrew Tyrie, the chair of the House of Commons Treasury select committee, said: “The senior managers and certification regime is supposed to ensure that whistleblowers are protected. This is the first proper test of those rules, and it is for the regulators to test whether Barclays had the right processes in place. The Treasury committee will take a close interest in the regulators’ conclusions.”

Cathy James, the chief executive of PCaW, said there had been an increase in interest from City firms about how to draw up internal guidelines and calls to its helpline from potential whistleblowers.

James said: “I’m not in a position to say whether that’s good or bad news in terms of a change in culture.”

“Is that because of increased confidence in whistleblowing, or increased interest from the regulator? It still remains to be seen,” she said. “There is clearly much work to be done.”

Last year the whistleblowing charity advised on 130 cases involving individuals working in the financial sector, compared with 98 in 2015 and 102 in 2014. So far this year, it has received 35 calls from the financial sector.

PCaW is working with some of the big banks and other financial firms to help them draw up internal whistleblowing guidelines. James said new FCA rules, including the requirement to have an internal whistleblowing champion since last September, had contributed to the surge in interest.

However, one employment lawyer said Barclays’ refusal to sack Staley undermined its approach to whistleblowers. Barclays has said it will send Staley a formal written reprimand and cut his bonus but also backed him to continue as chief executive.

Anna Birtwistle from CM Murray said: “While cutting Staley’s pay may outwardly appear to represent a strong response from Barclays, it is difficult to reconcile the board’s continued confidence in Staley with its stated commitment to whistleblowing.

“Fostering an open culture of disclosing wrongdoing in the workplace requires top-down stewardship and while it may be understandable that Barclays has backed Staley given his successes in post, the bank’s response to Staley’s actions may give mixed messages to its employees and the wider financial services industry about the steadfastness of its commitment to whistleblowing.”

GoodCorporation, a consultancy that advises businesses on ethics, said Staley’s conduct could discourage others whistleblowers from speaking out.

Leon Martin, the managing director of GoodCorporation, said: “The Barclays whistleblower scandal will be a real test for the Financial Conduct Authority and the Prudential Regulation Authority, whose rules on whistleblowing clearly state that a whistleblower’s confidentiality must be protected and that firms need to create a culture that encourages employees to raise concerns about poor behaviour.

“It is hard to see how an organisation whose CEO instructs his internal security team to identify the author of a whistleblowing letter has created an open culture whereby employees feel confident to speak out. With all that has been said about reforming behaviour in the banking sector, it seems clear that this is still a work in progress.

“Whistleblowing is an essential component of good corporate governance which needs to be embraced at the top of an organisation. An effective board will ensure that the right culture is in place, paying particular heed to employee confidence in raising concerns and to monitoring the ways in which they are dealt with. Avoiding any form of repercussion or detriment is essential.”

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