

Virgin Money staff get 10% pay rise as profits jump

Virgin Money presented a surprisingly healthy picture of the UK economy today, with chief executive David Duffy insisting the future may not be as dark as City experts fear.

He also said 7500 staff will get a 10% pay rise this year – that comes on top of a one-off £1000 cost of living payment made in August.

With a long recession now widely predicted, Virgin saw profits jump 43% to £595 million. It set aside just £52 million for bad debts, a low figure for this point in the economic cycle.

“We will undoubtedly see some of this (bad news) come through, it just may not be as bad as some fear,” he said. “Unemployment is very low. There are undoubtedly stresses, but we have just been through this with Covid.”

All banks have gotten more skilled at helping customers to manage themselves through tricky times. He said: “We have abilities to prevent bad outcomes.”

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VM is spending £267 million on a mixture of share buybacks and dividends to reward shareholders.

Investors have seen the stock halve in the last five years as Duffy grappled with transforming the old Clydesdale Bank into the new Virgin Money.

The shares today moved up 14p to 160p.

Talk of a windfall tax on bank profits has grown lately.