Barclays to be fined over ‘reckless’ financial crisis fundraising

The City regulator has revealed plans to fine Barclays £50m for alleged “reckless” conduct in relation to its 2008 financial crisis fundraising.

The Financial Conduct Authority (FCA) said the penalty relates to a failure to disclose “certain arrangements” made with Qatari entities during the deals.

The fundraising ultimately averted any need for the bank to seek a taxpayer-led bailout like its rivals Lloyds and RBS, the latter now known as NatWest Group.

The regulator added that **Barclays** had referred its ruling to a tribunal, which will determine whether to uphold the fine.

Mark Steward, the FCA’s executive director of enforcement and market oversight, said of its findings: “At the height of the financial crisis in October 2008, Barclays paid hundreds of millions of pounds in fees to certain Qatari investors so that they would contribute new capital.

“Barclays did not inform the market and shareholders about these matters as required.

“Barclays’ failure to disclose these matters was reckless and lacked integrity and followed an earlier failure to disclose fees paid to Qatari investors in June 2008.

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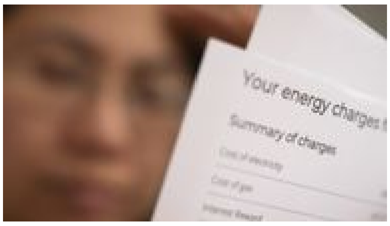

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“There was no legitimate reason or excuse for failing to disclose these matters, certainly no basis for doing so because of the financial crisis.

“Due transparency is always critical to financial markets, especially in times of market or financial stress.”

Barclays responded: “Barclays has referred the findings of the Regulatory Decisions Committee to the Upper Tribunal for reconsideration.”

The initial ruling adds to a legacy of legal battles for the bank, and individuals in charge of Barclays at the time, since the fundraising. Each have maintained that no rules were broken.

In the most high-profile case, **three former executives were cleared** of fraud charges in early 2020.

A jury acquitted Roger Jenkins, Tom Kalaris and Richard Boath. Each had denied any wrongdoing.

A case brought against Barclays itself was dismissed in 2018.

It led to a spotlight falling on the Serious Fraud Office after it was revealed it had spent up to £10m on the investigation and failed prosecutions.