

NatWest braced for showdown over former CEO's payoff

NatWest Group is preparing to cancel millions of pounds in bonuses and share awards earmarked for its former chief executive following a probe into the closure of the former UKIP leader Nigel Farage's bank accounts.

Sky News has learnt that NatWest, in which the government remains the single-largest shareholder, wants to resolve the issue of Dame Alison Rose's payoff ahead of its third-quarter results on 27 October.

This weekend, City sources said final decisions had yet to be taken by the bank's board, chaired by Sir Howard Davies, and cautioned that the complexity of the process meant that finalising its response could yet slip into November.

One said there was a desire to publish the details as soon as the end of next week, although they conceded that that target was "highly ambitious".

They added that until decisions were formally taken by the bank's directors, the final outcome of their deliberations would remain uncertain.

According to a public filing by NatWest in August, Dame Alison has been receiving her annual £2.4m package comprising base salary, pension contribution and a share-based fixed-pay allowance since her departure at the end of July.

She is also eligible to be considered for a pro rata portion of the £2.9m annual bonus and long-term share awards that made up the remainder of her total maximum pay package of £5.3m.

In addition, she holds roughly 2.5 million unvested shares in NatWest, which at Friday's closing share price of 225.9p were

worth £5.65m.

That amounts to a theoretical total of nearly £11m, although the fact that Dame Alison left midway through 2023 means she would only have been eligible for just over half of the £2.9m in annual variable pay.

Advertisement 'Inconceivable'

One source close to the process said it was "inconceivable" that she would be awarded any discretionary pay for 2023, and said it was "highly likely" that the bank would seek to cancel the unvested shares, although they admitted that the latter move, if implemented, could become the subject of a legal challenge.

Read more:

[Farage banks on Lloyds in wake of NatWest account closure row](#)

The source added that the rest of the £2.4m due to be paid to Dame Alison during her 12-month notice period was also now in question, although it was unclear whether it would be curtailed.

Exit package

The government is expected to be consulted on the final terms of her exit package in the next fortnight.

One Whitehall insider said this weekend they had made it clear that Dame Alison should receive "only the minimum possible payoff".

Dame Alison [left the bank by mutual consent](#) – where she had been widely regarded to be doing a competent rebuilding job 15 years after its £45.5bn taxpayer bailout – after acknowledging that she had inaccurately briefed a BBC journalist about the reasons for closing Mr Farage's [Coutts](#) accounts.

The report, which the broadcaster was forced to amend, suggested that the [former UKIP leader](#) did not meet its commercial criteria.

It subsequently emerged after he submitted a subject access request that his political views had been instrumental in the decision.

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July: '10 banks turned me down' – Farage

Dame Alison has been replaced on an interim basis by Paul Thwaite, formerly the head of its commercial business.

A report compiled by the law firm Travers Smith examining the “exit process” for Mr Farage and the disclosure of information about his banking arrangements to the BBC was submitted to the NatWest board earlier this month.

A second phase of the probe, assessing the closure of Coutts accounts during the last two years, is due to be completed by the end of this month.

A NatWest spokesperson said this weekend: "In line with our previous commitments, the key findings of the independent review and the recommendations will be considered by the board.

"These, along with the [group's] response, will be published in due course.

"In the meantime we will not comment on any speculation."

A spokesman for the former NatWest chief declined to comment.

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Dame Alison, the first woman to run one of Britain's big four London-listed banks, had initially sought to draw a line under the row with Mr Farage by apologising to him, and then by foregoing her bonus for this year.

Within hours, however, signals from Downing Street that it had lost confidence in her leadership prompted the bank to convene an emergency board meeting to rubber-stamp her departure.

Sky News revealed on Friday that [Mr Farage had moved his personal banking arrangements to Lloyds](#), Britain's biggest high street lender.

Sir Howard is due to step down next year and will be replaced by Rick Haythornthwaite, the former MasterCard chairman who currently chairs Ocado Group, the online grocer.