



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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July 2020

BUSINESS APPOINTMENT APPLICATION: William David Vereker O.B.E

1. Mr Vereker, the former Business Envoy to the Prime Minister at No.10 Downing Street between 3 September 2018 and 24 July 2019 has sought the Committee's advice on taking up a paid, full time position as Chairman of Santander UK, Banco Santander.
2. His last day in Crown service was 24 July 2019.

Application

3. Banco Santander is a Spanish multinational commercial bank and financial services company. Santander UK is a large retail and commercial bank based in the UK and a wholly-owned subsidiary of the major global bank Banco Santander. The website says Santander UK is '*...one of the leading personal financial services companies in the United Kingdom, and one of the largest providers of mortgages and savings in the United Kingdom*'.

4. Mr Vereker said he will be Chairman Santander UK and Chairman of Santander UK Holdings (referred to as Stander UK for the purposes). Responsible for Chairing the boards of Santander UK the ring fenced retail bank and UK Holdings the Santander UK Holding Company. He said this role would likely involve regular contact with the Treasury and Bank of England given the systemic importance Santander has to the financial and banking system in the UK. He said he will also with the Bank, the Treasury, the PRA and the FCA in their regulatory and supervisory capacity.

5. Mr Vereker stated that he met with Baroness Vadera who was Santander's outgoing Chair. He said Baroness Vadera was appointed to Chair for one of the Prime Ministers business councils between December 2018 and July 2019 (this envoy has since disbanded). He said there were a number of meetings with her and the business council upto July 2019. The Prime Minister also attended a number of these meetings. He stated Baroness Vadera was appointed in a personal capacity rather than as a representative of Santander.

6. Mr Vereker said he was not involved in policy decisions regarding the company whilst in office. However, he told the Committee that as part of his role he was involved in forming 5 Prime Minister's Business Councils: Consumer, Retail and Life Sciences Business Council; Financial and Professional Services Business Council; Industrial, Infrastructure and Manufacturing Business Council; Small Business, Scale ups and Entrepreneurs Business Council; Telecoms, Creative Industries, Technology and Media Business Council. The business council representing the financial services industry made a number of policy recommendations on the industry which were referred to Her Majesty's Treasury (HMT) whilst Theresa May was Prime Minister. He had no subsequent involvement.

7. Mr Vereker also stated that he sometimes met with representatives of the financial services industry, including senior management from Morgan Stanley, Goldman Sachs, Barclays, Lloyds, RBS and Citigroup, a number of whom are competitors of Santander. He also met with City UK and UK Finance, the principal financial services trade associations. He described these meetings as relationship management with the industry in his role as the Prime Minister's Business Envoy. He said there was no regulatory work, nor award of grants or contracts, nor departmental policy decision making for the Financial Services Sector. Additionally, he was not involved in commercial or contractual decisions regarding Santander while in post.

8. As part of his application, Mr Vereker told the Committee that prior to his Government role between 2018 - 2019, he had 30 years of experience working within the financial services sector with a range of employers. His most recent role before joining government in 2018 was as Global Head of Investment Banking at UBS (a Swiss multinational investment bank and financial services company) between 2013 and 2018.

9. The Cabinet Office countersigned application. The Cabinet Office confirmed the details in Mr Vereker's application. In addition it was confirmed to the Committee that:

- Cabinet Office has no relationship with Santander;
- it is clear Mr Vereker did not get involved in regulatory work, awards or grants or any departmental policy affecting the financial services sector;
- he did work on policy recommendations produced by the former PM's business councils, but these were referred to HMT without further involvement;
- any involvement with competitors or the company by Mr Vereker was routine as per his position;
- as the PM's Business Envoy, the applicant would have had access to a wide range of information whilst in post that may or may not be relevant to Santander and its clients. However, this was almost a year ago, and there has been a change in administration, therefore the information that he was privy to may no longer be as relevant.

10. Neither department had any concerns with Mr Vereker taking up this role but recommended the appropriate lobbying ban is still recommended. Alongside a condition outlining the use of privileged information. The Cabinet Office notes it is relevant that Mr Vereker has an extensive background as a senior figure in the financial services sector.

The Committee's consideration

11. The Committee¹ noted that Mr Vereker met with Baroness Vadera while in service, but this was not specifically in her capacity as Chairman of Santander. Further, while he was

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Mike Weir; Lord Larry Whitty; John Wood; The Rt Hon, Lord Eric Pickles; Dr Susan Liautaud and Richard Thomas

involved in the setting up of the Prime Minister's Business Council that represented the financial services sector, he made no decisions as a result. The council made policy recommendations to the (now former) Prime Minister which were passed to HMT, at which point his involvement ended. Additionally, he made no decisions, contractual and non-contractual regarding the company while in post, as confirmed by the department. The Committee considered the risk he was awarded the role for decisions made or actions taken in office was low.

12. The Cabinet Office noted that Mr Vereker would have had access to sensitive information, which may provide Santander with an unfair advantage. The Committee noted this would also relate to information on the UK's exit from the EU and its impact on business from his time in post. The Committee noted the Department's comments that his access to information was almost a year ago and the change in administration would have an impact, reducing the risk the information he was privy to would provide an unfair advantage. However, the Committee would draw Mr Vereker's attention to the ban on using privileged information.

13. Additionally, the Committee noted due to Mr Vereker's profile and seniority there is a risk it could be perceived his network and influence might assist Santander unfairly. The Committee noted Mr Vereker's proposed contact with government and carefully considered whether this proposed contact would be proper. Mr Vereker said his role would likely involve regular contact with the HMT and Bank of England given the systemic importance Santander has to the financial and banking system in the UK. The Committee noted that a major government stakeholder, it is likely the Chair of Santander UK would have some engagement with, for example HMT. The Committee considered this would not be improper where it was required or requested by the Government. However, the Committee would draw Mr Vereker's attention to the conditions below which make it clear that he should not make improper use of his contacts and influence to unfairly benefit Santander UK.

14. Under the Government's Business Appointment Rules, the Committee's advice is that Mr Vereker's appointment with **Santander** should be subject to the following conditions:

- that Mr Vereker should not draw on (disclose or use for the benefit of himself or the organisation to which this advice refers) any privileged information available to him Crown service. In the context of this general provision, the Committee considers Mr Vereker should avoid giving Banco Santander or Santander UK, or its parent company, subsidiaries, partners or clients, privileged insight into the Brexit related issues, insofar as it pertains to the negotiating position of the UK Government and other parties to the negotiations prior to the date upon which he left Crown service;
- for two years from his last day in Crown service, he should not become personally involved in lobbying the UK Government on behalf of Banco Santander or Santander UK (including parent companies, subsidiaries and partners). This would not prevent him from discussing policy related to Banco Santander or Santander UK with Ministers or officials should he be invited to do so by the UK Government. However, it would prevent him from making use, directly or indirectly, of his government and/or Whitehall contacts to influence policy, secure funding/business or otherwise unfairly benefit of Banco Santander or Santander UK (including parent companies, subsidiaries, partners and clients); and
- for two years from his last day in Crown service, he should not undertake any work that involves providing advice to Banco Santander, Santander UK, (including parent companies, subsidiaries, partners and clients) on the terms of, or with regard to the subject matter of, a bid with or contract relating directly to the work of, the UK Government.

15. By 'privileged information' we mean official information to which a Minister or Crown servant has had access as a consequence of his or her office or employment and which has not been made publicly available. Applicants are also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Civil Service Code or otherwise.

16. The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant/Minister "should not engage in communication with Government (Ministers, civil servants, including special advisers, and other relevant officials/public office holders) – wherever it takes place - with a view to influencing a Government decision, policy or contract award/grant in relation to their own interests or the interests of the organisation by which they are employed, or to whom they are contracted or with which they hold office."

17. I should be grateful if you would inform us as soon as Mr Vereker takes up employment with this organisation(s), or if it is announced that Mr Vereker will do so, either by returning the enclosed form or by emailing the office at the above address. We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments that have not been taken up or announced. This could lead to a false assumption being made about whether Mr Vereker has complied with the Rules.

18. Please also inform us if Mr Vereker proposes to extend or otherwise change the nature of his role as, depending on the circumstances, it may be necessary for him to make a fresh application.

19. Once the appointment has been publicly announced or taken up, we will publish this letter on the Committee's website, and where appropriate, refer to it in the relevant annual report.

Yours sincerely,

Isabella Wynn
Committee Secretariat