



**OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS**

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**BUSINESS APPOINTMENT APPLICATION: Katharine Braddick CB, former Director General, Financial Services at HM Treasury, appointment with Barclays Bank Plc.**

1. Ms Braddick sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for former Crown servants (the Rules) on an appointment she wishes to take up as Group Head of Strategic Policy and Advisor to the Group CEO with Barclays Bank Plc (Barclays). The material information taken into consideration by the Committee is set out in the annex.

2. The purpose of the Rules is to protect the integrity of the government. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions Ms Braddick made during her time in service, alongside the information and influence she may offer Barclays, based on the information provided by herself and her former department.

3. The Committee considered whether this appointment was unsuitable given Ms Braddick's former role as Director General for Financial Services at HM Treasury (HMT), but the Committee must also consider the information provided by the department about her specific dealings with this employer and the sector. The Committee has advised that a number of conditions be imposed to mitigate the potential risks to the government associated with this appointment under the Rules; this does not imply the Committee has taken a view on the appropriateness of this appointment for a former Director General of Financial Services at HMT in any other respect.

4. The Rules<sup>1</sup> set out that Crown servants must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former Crown servants are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

### **The Committee's consideration of the risks presented**

5. Barclays is a British multinational bank, headquartered in London. Ms Braddick had regular meetings with Barclays, as she did with all banks operating in the UK as it was part of her role. While the Committee<sup>2</sup> noted Ms Braddick was responsible for developing policy that affected Barclays, these decisions were not specific to Barclays and affected all organisations operating in this area. Further, as confirmed by the department, the '*...overall direction of change in financial services regulation over the past 5 years has not been 'pro-bank'*'. Therefore, there is no evidence she made decisions or took actions in office in expectation of this role.

6. As the former Director General responsible for fiscal and regulatory policy in the financial sector, the Committee noted Ms Braddick would have had significant knowledge of privileged material in this area. It also noted she seeks to advise Barclays specifically on policy and regulatory matters, overlapping significantly with her responsibilities in office. Therefore there is a risk her access to information while in government could offer an unfair advantage to Barclays.

7. The Committee noted there are several mitigating factors which reduce the scope of the above mentioned risks:

- major policy work which Ms Braddick was involved in has already been announced (for example, as a result of the Autumn Budget);
- information in respect of policy that is not in the public domain is not specific to Barclays but the whole financial services sector and is scheduled for major consultation which will significantly impact its development;
- since Ms Braddick stepped down from her role as Director General for Financial Service on 6 September arrangements have been put in place by HMT specifically to manage the propriety of this move. Ms Braddick has:
  - i. had no engagement with policy discussions in writing or in person (including virtually)
  - ii. had no engagement with external stakeholders on any policy matter - any incoming queries have been referred to other staff
  - iii. had no meetings or informal contact with the regulators
  - iv. had no meetings or contact of any other kind with ministers except for a call with the Economic Secretary to the Treasury on 3 September to inform him of her resignation.
  - v. been removed from all relevant copy lists, both relating to her

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<sup>1</sup> Which apply by virtue of the Civil Service Management Code, The Code of Conduct for Special Advisers, The Queen's Regulations and the Diplomatic Service Code

<sup>2</sup> This application for advice was considered by Jonathan Baume; Andrew Cumpsty; Isabel Doverty; Sarah de Gay; Dr Susan Liautaud; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir and Lord Whitty.

former policy responsibilities and her membership of the Executive Management Board. Teams have been instructed not to include her in any emails relating to policy matters.

- vi. Been removed from all responsibilities relating to the role of DG Financial Services which were transferred to the Second Permanent Secretary and the three Directors who had previously reported to her.
  - the department considers this significantly reduces the risk she will have access to information which will provide a competitive advantage to Barclays;
  - the department does not have any concerns about Ms Braddick taking up this post, subject to a suitable waiting period and conditions which prevent her use of privileged information and her lobbying the government or advising on bids and contracts;
  - Ms Braddick is continuing her career in financial services, where she has gained expertise and knowledge from her experience outside of the government including at the Bank of England where she was Director of Prudential Policy and before that head of banking policy at the Financial Services Authority and similarly at the Prudential Regulation Authority.

8. The Committee's view is that these mitigating factors hold significant weight, particularly that she is continuing in her long held career and the restrictions HMT have put in place to prevent conflicts arising from 6 September. However, Ms Braddick held a senior and pivotal role within HMT and is moving to a bank where she will advise on government and the regulatory landscape. Therefore, there remains a risk Ms Braddick has privileged insight and influence that could be seen as offering an unfair advantage.

9. The Committee took into account that Ms Braddick may encounter the government during wider business activity - at events, through her own personal network, and potentially where the government may ask her for input. However, she said she is aware of the limitations imposed by the government's Business Appointment Rules and that she cannot lobby the government.

### **The Committee's advice**

10. Given the risks associated with advising on matters directly related to her time in office, the Committee considered if it would be appropriate for Ms Braddick to advise on matters that she had responsibility for as Director General. However, Ms Braddick has gained expertise, skills and knowledge in this sector prior to joining government; and the department has evidenced why it considered she offers no significant insight following the Autumn Budget. The Committee did not consider it could be reasonably perceived that Ms Braddick was offered this role as a result of her access to information and its likelihood to offer an unfair advantage to Barclays.

11. Ms Braddick is subject to a ban on lobbying the government in this role, as set out in the Rules. However, there is a risk she could be seen to be offering Barclay's unfair access and influence in this role. Recognising that Barclays is an existing and significant stakeholder with the government, this risk is limited. To mitigate this risk, the

Committee's advice is that she should have no direct engagement with government on behalf of Barclays. However, the Committee took into account HMT may approach her for comments or input on matters and that she may have contact at events where government officials are present. The Committee noted that where the UK government initiates contact or requests the attendance of Ms Braddick, this would be in keeping with the Committee's advice and the conditions imposed.

12. The Committee also advises that Ms Braddick must not be involved in any work Barclays may seek to take up with the government, whether commercial bids for work, or for funding.

13. The Committee considered it necessary to put a significant gap between Ms Braddick's access to information and her joining Barclays. The Committee recognised the opportunity for her to offer an unfair advantage is limited, given the public nature of much of the policy work; the restrictions that have been put in place by HMT; she is prevented from drawing on such information by the conditions below; and her ongoing duty of confidentiality. However, the Committee considered Ms Braddick's appointment should be made subject to a six month waiting period. The Committee commends the approach adopted by HMT in restricting Ms Braddick's access to sensitive information, in view of which it believes that the period should start from 6 September 2021. The Committee has determined this gap, alongside the conditions below, appropriately mitigates the risks under the Rules in relation to insight derived from any information she had access to as Director General for financial services.

14. Taking into account these factors, in accordance with the government's Business Appointment Rules, the Prime Ministers accepted the Committee's advice that this appointment with **Barclays** be subject to the following conditions:

- a waiting period of six months from 6 September 2021;
- she should not draw on (disclose or use for the benefit of herself or the persons or organisations to which this advice refers) any privileged information available to her from her time in Crown service;
- for two years from her last day in Crown service, she should not become personally involved in lobbying the UK government and its arm's length bodies on behalf of Barclays (including parent companies, subsidiaries, partners and clients); nor should she make use, directly or indirectly, of her contacts in the government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Barclays (including parent companies, subsidiaries, partners and clients);
- for two years from her last day in Crown service she should not have any engagement on behalf of Barclays (including parent companies, subsidiaries, partners and clients) with the UK government and its arm's length bodies;
- for two years from her last day in Crown service she should not undertake any work with Barclays (including parent companies, subsidiaries, partners and clients) that involves providing advice 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 and its arms length bodies.

14. 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 Ministerial Code or otherwise.
15. 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."
16. Ms Braddick must inform us as soon as she takes up employment with this organisation(s), or if it is announced that she will do so. 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 she has complied with the Rules.
17. Please also inform us if Ms Braddick proposes to extend or otherwise change the nature of her role as, depending on the circumstances, it may be necessary for her to make a fresh application.
18. Once the appointment(s) 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,

Catriona Marshall  
**Committee Secretariat**

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## **Annex - Material information**

### **The role**

1. Ms Braddick sought to take up a paid, full-time appointment as Group Head of Strategic Policy and Advisor to the Group CEO.
2. Barclays is a British multinational universal bank, headquartered in London. Ms

Braddick said that in this role, she would be responsible for:

- the definition and execution of strategic policy, including directing Barclays staff on the analysis of government and regulatory policy, the development of policy in response and communication of that policy
- aligning Barclays Group's strategy with the government and the regulatory landscape across all jurisdictions in which Barclays operates
- working closely with the Barclays Group Executive Committee on the implementation of Barclays' agenda
- helping to drive advocacy

3. Ms Braddick said she would have contact with relevant regulators - the PRA, Bank of England, FCA and data regulators. Her former department, HM Treasury (HMT) said Ms Braddick was fully aware of the lobbying ban that would be applied to her appointment and she has confirmed this does not preclude her from being able to carry out the role envisaged for her above.

4. Ms Braddick has been seconded to HMT since 2014 from the Bank of England. This is a continuation of her career, prior to joining government. Ms Braddick was previously employed in regulatory policy at the financial services regulators. Ms Braddick's previous role at the Bank of England was as Director of Prudential Policy and before that she was head of banking policy at the Financial Services Authority (FSA) and similarly at the Prudential Regulation Authority when it took over some of the relevant functions.

### **Ms Braddick's dealings in office**

5. Ms Braddick confirmed she took steps to move away from policy work when she went on leave on 23 July 2021 and she officially stepped away from all policy matters when she resigned from post on 6 September.

6. Ms Braddick said she had regular contact with Barclays' government affairs team in the routine development of policy. She said she also had occasional contact with the Group CEO for the same purpose, including design and implementation of Bounce Back Loans during 2020 and development and launch of the roadmap for financial services in July 2021.

7. Ms Braddick said she was involved in policy for financial services and financial stability affecting Barclays, which included:

- fiscal policy
- regulatory policy in relation to capital requirements and resolution
- design of government backed loan schemes in response to Covid
- the mortgage guarantee scheme implemented this year
- decisions on equivalence of the EU with UK requirements
- wrt share and derivatives trading and capital requirements

8. Less directly affecting Barclays she said she was also involved in relevant matters such as:

- trade negotiations
- crypto currency and possible central bank digital currency
- productive finance

- the forthcoming financial services Bill

9. In reference to regulatory matters, Ms Braddick said she was responsible for HMT's relationships with the PRA and the FCA, and represented HMT on the Bank of England's Financial Policy Committee (FPC). She noted she had sight of FPC papers and minutes and had discussed current and forthcoming policy and regulatory matters with the Deputy Governor for the PRA and the CEO of the FCA.

10. Ms Braddick said she had frequent meetings with all other major banks operating in the UK and with asset managers and market infrastructure firms, including but not confined to HSBC, Lloyds, Santander UK, Natwest, Nationwide, JP Morgan, Morgan Stanley, Citi Group, Bank of America Merrill Lynch, Blackrock, Schrodgers, L&G, Aberdeen Standard Life, London Stock Exchange Group. Also regular contact with all relevant trade associations (UK Finance, TCUK, IA, FLA) and the Corporation of the City of London. Ms Braddick said these meetings involved discussions around the policy information above.

### **Department assessment**

11. The department confirmed Ms Braddick's meetings with Barclays and its competitors; and confirmed the following with regard to her responsibilities in her role as Director General Financial Services:

- she led HMT's work across the full range of policy for financial services and financial stability
- her work and that of the HMT teams, is all industry-wide and not firm-specific
- Ms Braddick has had a significant influence on policy making that affects the entire banking industry
- firm-specific decisions (e.g. on regulatory capital or on conduct of business) rest with the independent regulators, the PRA and the FCA - as these are independent regulators, she has had no influence over these firm-specific decisions
- Ms Braddick had no involvement whatsoever in Barclays specific tax matters or legislation decisions.

### Timing and conflict management

12. HMT confirmed Ms Braddick was approached by Barclays whilst in office and this led to her 'de facto' stepping down from policy work when she went on leave on 23 July 2021, when this role was first suggested. It confirmed she subsequently stepped down officially from her role on 6 September 2021 and has been working on HMT corporate matters which do not conflict with Barclays. It said '*...Ms Braddick has no involvement whatsoever in any policy work, across all HMT policy areas not just financial services. She has resigned from all her representational roles (e.g. on the Financial Stability Board, on Central Bank Digital Currency Taskforce)*'.

13. HMT confirmed she has worked '*.....solely on corporate matters that have no policy content and which do not create any risk of exposure to policy matters.*' Further, it confirmed she had had no involvement in any discussions with colleagues, meetings nor seen any papers relating to policy since she stepped out of policy work in July,

including no interaction with regulators. It said this had been managed by removing her access to policy teams remotely and within the HMT building, removing her from email distribution lists and removing her from her various liaison roles.

### Access to information

14. HMT's view was that the passage of time and publication of information is the biggest mitigating factor here. It recognised there would be legitimate concerns if, at the end of her 'cooling off period', Ms Braddick still retained specific, non-public information that could give an unfair advantage to her new employer. However, HMT's view is that any advantage from specific, non-public information would have decayed within a matter of a few months from the point at which she stepped out of policy work (informally on 23 July and formally on 6 September).

15. HMT was asked to provide evidence demonstrating why Ms Braddick's access to information and involvement in policy work would not provide an unfair advantage. It provided the specifics below:

- **Budget and related tax issues** - HMT said the Chancellor has commissioned and announced a review of the bank corporation tax surcharge. At the time of the advice to the Committee Ms Braddick was not privy to the decisions that would be made by the Chancellor - these have now been announced in the Autumn Budget<sup>3</sup>. HMT said Ms Braddick does not have privileged information about any other potential changes in taxation that would have a material impact on UK banks (noting Barclays tax matters are for HMRC, and of which Ms Braddick has no knowledge).
- **Future regulation** - HMT said Ms Braddick had been heavily involved in the work shaping the Future Regulatory Framework. It said there will be a further consultation on this programme of work in the Autumn: *'This consultation will cover major issues such as how the UK will handle the overall regulation of the financial services industry in the post-Brexit world, including the division of responsibilities between the government and the financial regulators. Issues not covered by that consultation will either be relatively less important or those where the policy remains sufficiently uncertain at this stage'*. It said any knowledge of Ms Braddick's will have little value at this point. The timing of this consultation is currently scheduled for November. HMT also confirmed she has had no access to discussions with colleagues or regulators, meetings or papers relating to this work since July. The Second Permanent Secretary at HMT has taken over responsibility.
- **Involvement in international bi-lateral discussions with other jurisdictions around regulatory co-operation and improved opportunities for financial services trade and investment** - HMT said Ms Braddick has had no role in international bi-lateral discussions with other jurisdictions since stepping out of policy work. The Director for International Financial Services has continued to lead these policy discussions, and the Second Permanent Secretary has

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<sup>3</sup><https://www.gov.uk/government/publications/autumn-budget-2021-overview-of-tax-legislation-and-rates-ootlar/autumn-budget-2021-overview-of-tax-legislation-and-rates-ootlar>



provided senior relationship support 0 including as the official 'point person' leading on engagement with the European Commission. HMMT also noted there would be no particular concern given '*...the nature of trade negotiations, with published mandates and high public scrutiny.*

- **Discussions with the EU over the Memorandum of Understanding on Financial Services.** HMT said '*Ms Braddick has no non-public, specific information about our future relationship with the EU on financial services.*'
- **Informal bilateral regulatory dialogues with other jurisdictions.** HMT said it had '*...considered the issues under discussion in the relevant dialogues and do not believe that there are any material areas where Ms Braddick would have privileged information whose value persists beyond a few months.*'
- **Representation on various boards:**
  - **Co-Chair with Sir Jon Cunliffe on a taskforce on Digital Currencies**  
- Ms Braddick was just starting on this task force and alongside her other policy duties Ms Braddick stepped down. The Second Permanent Secretary has taken on the role of Co-Chair.
  - **The Financial Stability Board (FSB)** - The last meeting at which Ms Braddick was present was on 17 June 2021; and she has had no contact with its secretariat since. HMT does not believe she has acquired any knowledge through her work on the FSB which could be of specific competitive advantage to Barclays. The Second Permanent Secretary has taken on this role.
  - **Membership of the Executive Management Board.** Ms Braddick is no longer a member of the Executive Management Board nor of the Treasury Board (Sub-Committee) where the executive meets with the non-executives. While these changes took effect formally when she resigned from her role as Director General for Financial Services, HMT noted that neither body meets in August and therefore she has had no role here since late July.
- **Commercially sensitive information** - HMT said it does not receive detailed commercially sensitive information in relation to specific banks except in limited circumstances. To illustrate, it noted:
  - HMT does get advance notice of major announcements by banks, but this is typically a matter of a day or two in advance of the information becoming public.
  - For NatWest, where it retains a c. 54% stake, HMT Officials (including Ms Braddick) would get insights into forthcoming transactions in which it sells down its own stake. Ms Braddick was aware for some time of the planned launch of the trading plan which began on 12 August. However, HMT said '*...she has no non-public information about future disposal plans which are not yet set, nor any non-public material price sensitive information about NatWest's strategy and current performance.*'
  - The independent regulators share confidential information with government through 'regulatory gateways'. HMT said this is time limited but from time to time does relate to specific banks.
  - HMT said any information falling into that described above type of

sensitive information only remains sensitive for a very limited time (days and weeks not months). The only information it was aware of is no longer commercially sensitive and she has had no access since 23 July.

### **Decision making in post**

16. HMT said it does not believe that this appointment could in any way be seen as a reward to Ms Braddick for her advice on policy making. Whilst it sets policy which will impact Barclays, its responsibilities for legislation affecting financial services, by its nature, affects all industry participants equally. Individual firm-specific decisions are made by the independent financial regulators at the PRA and the FCA, rather than HMT.

17. HMT said any perceived risk of reward for her time in office could only arise if a piece of legislation was particularly beneficial to Barclays relative to its competitors - and it could not identify any such piece of legislation. HMT added that the *'... overall direction of change in financial services regulation over the past 5 years has not been 'pro-bank'. On the contrary, the direction of policy has been to increase capital requirements, raise regulatory standards and increase senior banker personal accountability. Where changes have benefited the industry (e.g. in securing new market access arrangements, in strengthening our 'eco-systems' for green finance and fintech), these changes have benefitted all industry players.'*

### **HMT's overall view and recommendation**

18. In support of the application, it noted her experience gained throughout her career, alongside her knowledge and experience gained within the department; and the need for exchange of skills and experience between the public and private sectors:

*'In the course of her long career in financial services regulation and policy making, Ms Braddick has acquired a detailed understanding of how financial services regulation operates and how the policy making process works, both within HMT and in the regulators, including knowledge of how HMT interacts with the Bank of England, the FCA and the PRA. She has a detailed understanding of the reasons behind certain policies. She is also aware of policy proposals that may not have been pursued and of the reasons why such proposals were not pursued. Her understanding and experience of these issues will be relevant and helpful to her future employer for some time, but HMT do not consider it confers a material unfair advantage for one bank vs another, given the large number of ex-regulators and ex-policymakers employed by banks.*

*'...there is a well-established path of senior financial services policy-makers and regulators moving between the public and private sector. This has strong advantages for HM Treasury in that it is able to attract and retain the calibre of staff that it needs in financial services, despite only being able to pay a fraction of the individuals' market value. Were HMT officials to face excessive or unreasonable restrictions on their ability to work in the private sector after leaving HMT, [HMT] would become a significantly less attractive employer and the calibre of our staff would decay. This would have a serious negative impact*

*on our ability to deliver on the Government's priorities in financial services'.*

19. HMT said it has no concerns after a suitable gap and subject to an appropriate lobbying ban. It said that provided there is a 'clear gap' between ceasing policy work and starting at the private sector employers, coupled with the lobbying ban, there is no reason that this appointment should raise concerns. HMT said *'There are many precedents for senior HMT, Bank of England and FCA officials leaving their public sector roles and, after an appropriate gap, taking up senior roles in the private sector'.*

20. It recommended this appointment be subject to a three month waiting period from 6 September and the standard conditions.