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Letters

RBS case shows why trust must be rebuilt in business

From Cliff Weight, West Malling, Kent, UK — This is Wednesday's most read letter

YESTERDAY

Sir, It seems that the major players in the RBS Action Group have accepted the latest RBS settlement offer (May 30). This has, in effect, enabled RBS to bully the small individual shareholders into also accepting the settlement. I say "bully" because RBS is threatening anyone who pursues the case to risk having costs awarded against them.

So now the case will be settled. No one will be found responsible. RBS will pay out £800m (of shareholders' money) to a group of its shareholders without admitting any culpability or liability. It all gets swept neatly under the carpet and no one goes to jail. It has taken nine years for this to happen. It is not just RBS — the HBOS Reading trial took nearly 10 years to be investigated and brought to court.

The key players do not come out of this well. Something is wrong with the Serious Fraud Office, Crown Prosecution Service, Financial Conduct Authority, Financial Reporting Council, Department for Business, Energy and Industrial Strategy, etc when £12bn of RBS shareholders' money raised in a rights issue can disappear so quickly.

Very, very few people in the UK have gone to jail as a result of their actions that led to the 2007/08 financial crisis, yet millions of people have suffered severe hardship as a result. The SFO, CPS and/or BEIS should be given more resources and told to pursue problem cases much more speedily. Companies should not be allowed to hide behind expensive lawyers. The whole process of settlements, where management admit no blame and shareholders pay the fines/settlement amounts, mean management get off scot-free and also needs a review.

These steps — plus others no doubt — are required to rebuild trust in business and to tackle what Prime Minister Theresa May calls the "anything goes" business culture.

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