

Richard Fuller MP



HOUSE OF COMMONS

LONDON SW1A 0AA

20th July 2023

Andrew Griffith
Economic Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Dear Andrew

Diversity, Equity and Inclusion Policies at Coutts.

There are a number of issues for legislators and regulators arising from the actions by Coutts Bank and its ultimate parent company, Nat West Group with regard to the operations of the bank's "Wealth Reputational Risk Committee".

In light of this, I would like to ask for your response to the following questions:

1. What notification of the DEI policies of Coutts was given to UK Government Investments ("UKGI"), which owns 39% of NatWest Group on behalf of taxpayers, and was the agreement of UKGI, as a major shareholder, to these policies sought and obtained?
2. What information does the Treasury have about the remit of the "Wealth Reputational Risk Committee" at Coutts and, if none has been provided by will you direct NatWest to share that information with the Government and Parliament?
3. On the point of reputational risk, will the Government press NatWest Group to be more open and transparent about their communications with the BBC and other media concerning the closure of the account of Mr Farage?
4. Will the Treasury or the FCA be contacting all financial institutions to ascertain the full extent of DEI records held on customers and the policies that financial institutions may have based on these records?
5. What measures will the Government take to ensure that consumers for whom DEI records are already kept are so notified and are provided with a clear explanation of their rights?
6. When will the Government bring forward new statutory guidance for banks to limit the actions highlighted by the Coutts case?

Member of Parliament for North East Bedfordshire
Westminster: 0207 219 8602 Constituency: 01767 317224
Email: richard.fuller.mp@parliament.uk
Website: www.richardfuller.co.uk



The actions at Coutts/NatWest also raise wider issues arising from the adoption of Diversity, Equity, and Inclusion (DEI) policies by banks and other companies as part of the pursuit of Environmental, Social and Governance (ESG) goals. It is possible that pursuit of these objectives may conflict with value maximization for shareholders.

Considering this, may I ask:

- a) Will the government consult on the merits of introducing a “value maximization” test for limited liability protection so that senior executives at our companies can be clear on their primary duty?
- b) What consideration the Government is giving to improved guidance and public metrics for Portfolio Asset Targeting by investors and the adoption and measurement of ESG policies by companies?

In line with Parliamentary disclosure rules, I would add that in addition to being Member of Parliament for North East Bedfordshire, I am also Chair of the All Party Parliamentary Group for Corporate Governance.

Sincerely

A handwritten signature in black ink, appearing to be 'Richard Fuller', written over a horizontal line.

Richard Fuller MP