

Uniformity led to crisis, banker says

by Gavin Drake

THE crisis in banking was caused by “good people blindly following” bad practice, the head of business banking at HSBC, James Cliffe, told an audience of businesspeople and students at an event organised by the Banking Standards Board at Birmingham University last month.

“If you walk into one of our branches, you will see all of our staff wearing a uniform,” Mr Cliffe said. “They are all dressed the same; they have all been on the same training courses. And the reason for that is we want to give customers a consistent experience so that a customer going into a branch in Edinburgh will get the same experience as a customer going into a branch in Exeter.

“That’s important from a customer-service point of view, but what it means is that we train our people and we all start to think and behave in the same way. The danger then is that we don’t question, and we don’t call things out.

“You see it in other parts of the bank. In the commercial part, where I work, staff don’t wear a uniform; but, actually, have you ever seen a banker that is not in a dark grey or a

dark blue suit? Or not wearing a white shirt or a blue shirt? You’ll get the odd rebel who will put a pink shirt on, but even when you look at the car park it will be full of silver or black Audis, BMWs, or Mercedes. And when somebody turns up in a red sports car, you know what everybody says: midlife crisis!

“They [bankers] are not accepted for being different, and this is where diversity has a big role to play. Our customer base is very diverse. Our colleague base isn’t as diverse as it needs to be.”

As part of the programme “At Our Best”, all HSBC staff are being encouraged “to think different; to be different; but to call things out when they see things that they are not comfortable with”.

The Bishop of Birmingham, the Rt Revd David Urquhart, said that “a proper understanding of failure, and what it means to make a mistake as a human being”, which was part of the Christian understanding of faith, would be an important part of rebuilding banking practice. He wanted a “safe place to go” so that people, including middle-management and senior executives, could blow the whistle on their own mistakes.



BANKING STANDARDS BOARD

Board member: Bishop Urquhart talks to students in Birmingham

THE Bishop of Birmingham, the Rt Revd David Urquhart, is on a mission to change the culture and reputation of banks. And, rather than hide what they do, he wants bankers to be proud of the part they play, and for people to “buy them a lemonade or a beer”, writes Gavin Drake.

Bishop Urquhart is one of nine non-practitioner members of the 15-member Banking Standards Board (BSB), a voluntary organisation set up by bankers to develop standards for the industry.

“People’s approach to banks and banking has been at quite an emotional level over the past few years, and quite rightly so when the financial crisis happened in 2008 and beyond,” he said during a series of events organised by the BSB in Birmingham last month.

“We are now at a much calmer state, where people recognise that banks are necessary for a healthy society, and what they want is not just good personal service for their own affairs, but they also want good business service, so that they know the wider structures on which everyone depends — whether it is government or commerce — are supported properly by the banks as well. . .

“The Church uses banks like everybody else, and recognises that money is now taken for granted as part of how human beings use their lives. . . When something as

important as money is unreliable, for whatever reason, then the Church is clearly interested not only in people’s own experience, but also interested in good structures in society, so that people can flourish.

“When the banks started to get into really deep trouble, some of the church leaders who understand economics started to think carefully about what sort of structures would best serve society; and also what is the right attitude to money.”

Dame Colette Bowe, who chairs the BSB, said that she was “extremely keen to have the Church’s participation” in shaping the banks’ ethical conduct. “The Church has taken . . . some important public positions to remind us of the importance of doing the right things in our business lives, as well as in our personal lives,” she said.

Later, Bishop Urquhart told an audience at a public debate at Birmingham University’s School of Business that “Wealth is not bad. Wealth is good; and there are many stories in the Christian scriptures that illustrate that.

He said that he wanted to build “confidence and trust” in the banks, so that bankers would not feel the need to say “I’m in business, I’m in trade, I’m in commerce, or I work in an office,” but can say “I work in a bank, and I’m proud of it, and somebody would buy you a lemonade or a beer”.