

Rt Hon Frank Field MP
Chair, Work and Pensions Committee
House of Commons
London
SW1A 0AA

31st July 2019

Dear Mr. Field

Executive Pensions - Correspondence With Benedict Brogan

I refer to your recent correspondence with Mr. Benedict Brogan, Group Public Affairs Directors, Lloyds Banking Group regarding the evidence provided by Mr. Stuart Sinclair, Chairman of the Group's Remuneration Committee, at the recent evidence session of the Work and Pensions Select Committee.

In seeking to challenge your interpretation of what Mr. Sinclair said at the evidence session, Mr. Brogan says in his email that he's "gone back to the transcript" and reviewed what was said. In your response you refer to an answer Mr. Sinclair gave when he said: "We also have a wonderful system called Hive, where everybody can make anonymous [my emphasis] comments. We look at that very closely to see whether people are saying, "Our boss is living in a fantasy world. He is not worth it". You do not get that".

The "wonderful system called Hive" referred to by Mr. Sinclair is **not** in fact **anonymous**. Hive is the bank's internal social media network, which staff are encouraged to use. According to the Bank: "Hive is an enabler for collaboration. It is a platform to help colleagues break down geographical and business barriers, share knowledge and find people and information quickly". The Bank Guide also says: "Alongside each contribution is the colleague's name which shows in a pop up where they work and their role". I understand that Hive works using individual staff numbers and comments can't be made anonymously. It's not surprising, therefore, that staff have not posted comments criticising Mr. Horta-Osorio's pay and pensions package because to do so could be seen as career limiting. Moreover, such comments can also be reported back to individual line managers.

If one was being cynical, one could conclude that the lack of disparaging comments by Lloyds staff on Hive about Mr. Horta-Osorio's pay and pensions was useful to the bank's case and it therefore decided not to point out to the Committee that Mr. Sinclair's evidence was factually

incorrect. I will let the Committee come to its own conclusions about the bank's motives for not correcting Mr. Sinclair's evidence on this issue.

In respect of Mr. Brogan, he must have known that Hive was not anonymous because he last used it on 29th May when his name will have popped up next to his comments. Given that he personally reviewed the transcripts, with a view to correcting your interpretation of what was said, I find it surprising that Mr. Brogan chose not to point out to you - given that he also wants discussions on this issue to "proceed on the basis of facts" according to his email - that a key part of Mr. Sinclair's evidence was incorrect. Again, I leave it to the Committee to determine Mr. Brogan's motives.

Yours sincerely

Mark V Brown
General Secretary