

As the Klarion extracts a NatWest apology over a ‘ban’ on loans to trainers, the curious case of . . .

The trainer, the bank and a loan

By Gerry Hunt

IN HIS Straight Talking column in the Kingsley Klarion last month Mark Johnston accused NatWest of discrimination for imposing a blanket ban on giving loans to racehorse trainers.

He had read in the newsletter of the National Trainers Federation that a trainer had been refused a loan by the high street giant, which is nearly 40%-owned by British taxpayers who bailed it out in the 2008 banking crisis. The trainer was told it was bank policy to refuse loans to all trainers, not just that individual. But it would not say why.

When the NTF took up the trainer’s case, the bank confirmed: ‘Lending to businesses associated to racecourse (sic) trainers currently falls outside the bank’s appetite.’ Again, the bank refused to say why.

It so happened Mark’s column came out just as a major story was breaking in the national media. NatWest and other banks were accused of closing down accounts or imposing restrictions on customers who held views that did not align with those of the banks.

Most notably, Brexiteer Nigel Farage said his account had been closed on those grounds by Coutts Bank, which is owned by NatWest; another man said his was shut because he had declared ‘women don’t have a penis’; and a vicar said he was ‘closed’ after complaining his bank promoted LGBT ideology.

The Farage row ultimately led to the NatWest boss Dame Alison Rose resigning in disgrace after her astonishing behaviour in the affair was exposed.



Paul Johnson of the NTF

perhaps from the anti-gambling lobby? Or was it because the bank simply viewed all trainers as being a bad financial risk, which in itself would have made for an interesting story?

As British taxpayers are the biggest shareholders in NatWest,

it should expect to be open to public scrutiny. So I contacted the bank to ask how it could justify discriminating against a substantial number of taxpayers because of their occupation.

To my surprise, I was told: ‘We do not have any exclusions in place for lending to racehorse trainers.’ In other words: ‘We don’t have a ban’.

That being the case, I suspected there must have been a misunderstanding on the part of the trainer, or the NTF, or both, and so contacted NTF chief executive Paul Johnson to ask how he had got it so wrong in his newsletter. And that’s when this story took a very strange turn.

For Mr Johnson insisted there was no question of any misunderstanding. Indeed, the trainer and he had it in writing that there was a ban. And Dame Alison’s office had confirmed that repeatedly, in writing, when he raised the matter several times.

So, armed with his evidence, I again contacted the bank. And that’s when things became even stranger. But perhaps at this point it helps to relate this peculiar tale through a detailed chronology of events.

Early April: A trainer, who wishes to remain anonymous, applies for a bank loan from NatWest and is told the bank no longer lends to any racehorse trainer. The trainer queries this and is told the ban is now bank policy, but it refuses to give further details.

April 5: The trainer contacts the NTF.

April 6: Paul Johnson writes to NatWest chief executive, Dame Alison Rose, to ask if it were true the bank would not lend to trainers. And if so, what was the rationale behind it? He gets a prompt reply saying the bank will get back to him.

April 20: He receives a reply from the bank’s executive office on behalf of Dame Alison. It says: *‘Lending to businesses associated to racecourse trainers currently falls outside the bank’s appetite. I acknowledge you would like to know the rationale for this, however, I am unable to elaborate any further. I accept our position will be met with disappointment.’*

The same day Mr Johnson seeks further clarification and gets an immediate response saying they cannot give any more details. But he is told: *‘We consider a wide range of factors before coming to a decision like this, which is not taken lightly.’*

May 22: He emails the bank a copy of what he plans to publish



Dame Alison Rose

in his newsletter about the ban to check they are happy with it. Dame Alison’s office replies that day saying: *‘We have no issues with that’*.

May 31: The NTF newsletter prints its story and urges all trainers to be aware of the ban.

June 30: Mark comments on the issue in his Straight Talking column under the headline: ‘Discrimination that is hard to stomach’, saying he would have thought there would be a law to prevent discrimination on the grounds of occupation.

July 1 and 2: Stories intensify in the media about the closure of Mr Farage’s account, which he claims was because the bank did not like his views on various matters.

July 3: I contact NatWest’s press office and ask why there was a ban on loans to trainers. A spokesperson says they will come back to me.

July 4: The BBC quotes a senior source at Coutts saying Mr Farage’s account was closed because of his insufficient funds, not his political and other views. Newspapers carry headlines such as: ‘Banks face probe into ‘chilling’ account closures’.

July 5: Amid growing public concern about the behaviour of banks, NatWest responds to my query, denying there is any ban on loans to trainers. They then go into some detail about a ‘technical issue’ with online loan applications which meant some businesses, not just trainers, might have been refused loans. Frankly, this sounded irrelevant as I was asking only about a specific ban on trainers. I contact Mr Johnson of the NTF to tell him the bank said his newsletter story was wrong. Not surprisingly, he is bemused -- to say the least! He tells me of NatWest’s April 20 email to him, of his further contacts with them which confirmed the ban, and says he had even sent them a copy of what he planned to print. He insists that at no stage was he or the trainer told of any ‘technical issue’ that might have led to confusion.

July 6: I go back to NatWest with two simple questions. How was it possible that Dame Alison’s office had repeatedly stated in writing that they banned loans to trainers if that were not true? And if, as they were now suggesting, there had simply been confusion caused by a ‘technical issue’, why had they made no mention of this to the trainer or the NTF back in April and resolved the matter at that point?

‘Er, we’ll get back to you,’ was the gist of their reply.

July 12: Because of the Klarion’s enquiries, Mr Johnson receives a grovelling apology from Dame Alison’s office for the fact he had been ‘misadvised’ on April 20. It stresses there is no ban, but offers no explanation of why and how the bank had given out such wrong information.

July 12: The bank also finally responds to me, but completely ignores my two crucial questions. Instead, they re-iterate there is no ban on loans to trainers and apologise for the ‘confusion and

How NatWest changed its story . . .

NatWest, April 20: *‘Lending to trainers currently falls outside the bank’s appetite’*

NatWest, July 12: *‘We do not have any exclusions in place for lending to trainers’*

. . . and that apology!

NatWest, July 12: *‘We apologise for the confusion . . . and thank the Kingsley Klarion for bringing it to our attention.’*



inconvenience’. And they add: *‘We would like to thank the Kingsley Klarion and the NTF for bringing this to our attention’*.

July 13: Paul Johnson tells the Klarion: *‘I cannot thank Mark Johnston and the Klarion enough on behalf of our members for all you have done on this. There is no doubt the only reason the bank came back to me to clear this up was because of your intervention. But I still don’t understand how it was they told us in the first place that there was a ban if there never was one.’*

AND so it would seem that from that point one could say all’s well that ends well. But, perhaps not quite. For a few days after the issue of loans to trainers was settled, albeit not explained, the Farage case took a disturbing turn when it emerged the NatWest-owned Coutts had ‘lied’ over closing his account.

While ‘a senior banking source’ had briefed the BBC that the closure was because he wasn’t rich enough, bank documents secured by Mr Farage showed it was because his views did not align with those of the bank. And it was alleged that the night before the BBC’s erroneous report (on July 4) about Mr Farage’s finances, Dame Alison had dined with the BBC reporter responsible for it.

On July 25 Dame Alison finally came clean and admitted she was the source who had briefed the BBC man and given him the impression the decision to close Mr Farage’s account was ‘solely a commercial one’. She confessed to a ‘serious error of judgement’. To widespread astonishment, the bank’s board said that night she still enjoyed the ‘full confidence’ of the directors.

As the government is the biggest shareholder in the bank, the Chancellor Jeremy Hunt discussed the matter the same night with Prime Minister Rishi Sunak, who was said to be ‘stunned and angry’. By the morning, Dame Alison was gone.

On July 27 the Racing Post revealed that some racecourse bookmakers had been told by NatWest their accounts were being closed, but were given no explanation.

The reason all of this may be relevant to the Klarion probe into whether or not NatWest had banned loans to trainers is the timing. For at the very time the Klarion was putting its questions to NatWest on the matter, the bank was at the centre of a media storm over not just the closing of Mr Farage’s account, but the shoddy treatment of other customers too.

Cynics might say the last thing NatWest needed at that point was to come under fire on another front, i.e. that it had banned loans to racehorse trainers simply because racing did not ‘align with their values’. Such cynics might argue that was why the bank’s position on such loans changed between April and July, and why the bank has failed to give any credible explanation for the U-turn.

Cynics may suggest that. The Klarion couldn’t possibly comment. ■