

Chartered Banker

Leading financial professionalism

You have been the senior client relationship manager for some years for an important corporate customer. It has persistently divided its extensive banking requirements between your own bank and a competitor, despite your determined attempts to gain preferred status. Suddenly, a month ago, your bank was invited to tender, along with the other bank, for the full banking relationship of this customer. Since then you and your team have devoted much time, energy and effort to deliver, at a meeting with the customer last week, the detailed presentation document that was supposed to be the basis of the decision as to which bank would be awarded the exclusive contract.

You were formally advised three days ago that both you and your competitor were adjudged to be equally capable in terms of product range, service quality and relationship management but that the tenders were marginally different on price. The customer has, therefore, now added a further stage in the process inviting you and your competitor to make any pricing revisions you consider appropriate to your original submissions and to make a final presentational pitch. You have been requested to deliver this tomorrow afternoon. This will conclude the process from which a decision, clearly based on price, will be made.

It is 6:45pm. Your line manager has just left the office, to go on to a concert, having expressed slight frustration that you had not won outright first time; reiterating the prestige and business potential of being the sole banking provider for this customer and stating the bank's reliance on you to judge the necessary pricing decisions with finesse. You need no reminding that, if your bid is unsuccessful, you and your team will see no return for significant effort and worse, you fear that you may be thought personally responsible for the loss of the existing business of this customer.

You have begun rechecking the presentation slides when Jane rushes in. Jane has become a key member of your team, seconded from the bank's marketing department to help support your bid. She is flushed with excitement. She tells you that, while you were talking to your line manager, she has taken a short call from Richard, a senior member of the customer's team that will make this business decision. You know him well, like him and understand he will be on the presentation panel tomorrow. Richard has told her that your competitor bank had presented earlier that afternoon. Richard has now offered to fax to you, this evening, a copy of their presentation including full details of their pricing structures and terms. However, before doing so he seeks a verbal assurance from you that your bank will provide corporate sponsorship of £10,000 for a specified charity that provides extra nursing and educational care for children with a particular disability. You know that, while relatively obscure, Richard has probably chosen this charity as his son suffers from this disability. You don't think arranging the requested sponsorship would present you with a problem. Payment to the charity of the amount requested could be arranged by you with the support of a senior colleague in the bank who is a longstanding friend.

When she realised the substance of the call, Jane started to record it. She now plays you the clip as follows:

Richard. "I don't feel I am doing anything unethical in offering you this information on these terms. We both recognise soft commission is the lubricant of our respective businesses. This could be a win all round. It could be a win for my own firm in that we get the most finely honed prices. It could be a win for your bank in that you not only don't lose substantial business but also gain new. It could be a win for the charity. It could be a win for a sick kid who has had a very unfair deal in life. What else would your bank do with the money anyway? Sponsor some arty event at which your wealthiest employees and their equally wealthy guests get the best seats for free, all under the banner of, so-called, good corporate citizenship. Where's the social responsibility there? Above all, it could be a win for you and those people in your bank who, for the last few years, have, I know, worked really hard to impress us. I value what you have done and this is my way of trying to say thanks. All I need is confirmation about the sponsorship before 9.00pm tonight, on the phone number I gave you earlier, and the other bank's pricing data is yours."

Jane. "Great. Thanks for making contact. I'll pass the message on." Jane is grinning broadly. "To save time I've already told the team", she says. "They are delighted. You and they have worked so hard on this for so long. We think that at last it's the lucky break we all deserve. They're away now but we will all be in first thing in the morning to help you revise the presentation. I suppose it's a bit tough on the other bank but then all's fair in love and war! If you don't want to give the money you could always agree to the sponsorship, get the information then not send the charity the cheque. After all there's not much anyone, even Richard, could do about it. Serve him right in a way."

What would you now do? Set out the explanations and justifications for your decision(s) such as you might give, tomorrow morning, to Jane; to your team; to your senior colleague; to your line manager and to anyone else to whom you might consider yourself accountable.

This case study was originally written by David Molyneaux for the Institute's Hutton Prize for Professional Ethics.