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# INVESTORS FACE D-DAY IN RBS CASE

TRACEY BOLES

A £125m trial is set to get underway in London today as RBS investors left out of pocket by the bank's ill-fated 2008 rights issue seek compensation. The case will see Fred Goodwin, one of the most notorious figures of the financial crisis, take the stand. The 9,000 claimants in the civil trial, due to start in the High Court today bar an eleventh hour settlement, allege they were misled about the true state of RBS's finances when it issued a prospectus for a £12bn rights issue in April 2008, shortly before the credit crunch hit with full force. Despite the giant rights issue, RBS' financial position continued to deteriorate and the government was forced to bail out the Edinburgh-based bank with £45.5bn of taxpayers' money, leaving its shares largely worthless.



**Former RBS boss Fred Goodwin is due to take the stand on 8 and 9 June**

The investors affected by those events are seeking compensation of more than £800m for their loss. RBS denies it is liable. It is understood that settlement talks were ongoing at the time of publication but that some claimants are determined that Goodwin have his day in court. On 8 and 9 June, Goodwin, who was stripped of his knighthood over his role in the bank's collapse, will be forced to defend his actions under oath for the first time since the 2008 bailout. The disgraced former banker, dubbed Fred the Shred for his love of cost-cutting, was named by Time magazine as one of the 25 people most to blame for the financial crisis that followed the credit crunch. During a seven-year tenure in the top

job at RBS, he attempted to build a banking empire through more than 20 acquisitions. Goodwin had hoped the crowning glory of his spending spree would be the ABN Amro deal in 2007, but it precipitated the bank's bailout and ultimately his own downfall. According to its own court submission, RBS will have spent at least £125m on legal costs relating to the rights issue case by the time the trial ends on 27 October. At least £6.5m of its legal costs have been spent on the defence of the individual defendants including Goodwin, who continues to draw a £342,500 a year pension from the bank. Of the approximately 27,000 retail shareholders who have been claimants in the litigation, it is estimated that some 4,000 have died between RBS's bailout in 2008 and the commencement of the trial. More than 1,000 other investors in RBS have applied to add themselves as claimants. RBS is arguing that their application is time-barred.

• MORE ON THE CASE: P12

## DIVINE INTERVENTION?

The Church of England's investment fund delivers heavenly 17 per cent return



HELEN CAHILL

@HelCahill

THE CHURCH of England's investment fund has become one of the world's top-ranking endowment funds after it made a 17.1 per cent return on its assets last year.

The £7.9bn fund was boosted by its investments in global equities, private equity, and timber, and achieved its best returns for more than 30 years, according to the Church Commissioners' 2016 annual report.

The strong performance in global equities was partly due to the devaluation of sterling. The fund beat its aim of achieving a return in line with inflation plus five percentage points, which in 2016 would have been 7.5 per cent. Sir Andreas Whittam Smith, the first church estates commissioner, said the fund's "minimum purpose" was to keep its real value so "future generations of churchgoers will enjoy the same backing from the commissioners' funds that our generation does."

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# THE CAPITALIST

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## How to win friends – and voters

COULD Labour be any more naked in its play for younger voters?

Leader Jeremy Corbyn, and shadow education secretary, Angela Rayner, will announce today that “400,000 university students will be freed from an average of around £27,000 debt this autumn if Labour is elected next month”.

Tuition fees will be abolished from

2018 under a Labour government. But it turns out that Labour is also pledging to write off the first year of fees for students planning to start university this September.

Labour says that abolishing tuition fees will lift a total £38bn in debt from fees over the course of the next parliament. It adds: “This will give 18-year-olds sitting their A levels this summer

yet another reason to register to vote before Monday evening’s midnight deadline and to vote Labour on 8 June.”

Polls may have narrowed in recent days after the Tory manifesto pledged changes to pensions and care for the elderly, but Labour are still acting as if they are short of friends as the election draws ever closer.

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### CITY CHAMPIONSHIPS

IN PARTNERSHIP WITH CITY A.M.



**THE 2017 CITY SHOOTING CHAMPIONSHIPS WEST WYCOMBE**  
A host of City firms spent Friday afternoon competing for the City Shooting Championships held at the magnificent West Wycombe. The competition at the top end was of high standard, with the two leading teams ending in a tie, separated ultimately by a count-back, leaving last year’s champions George James Associates as champions for a second year. JVS took second with Baron Phillips from within the team taking the coveted Top Gun individual trophy. Mid-table the two teams from law firm Osborne Clarke engaged in a fiercely competitive internal challenge, with captain Russell van Praagh of the one team graciously accepting defeat to Ed Perse of the other. The day was run for the benefit of the charities that City Championships and City A.M. support: Maggie’s [cancer support homes]; Future for Heroes [armed forces returning to civilian life]; and 21st Century Legacy [children’s inspirational education].

#### CITY SHOOTING CHAMPIONS

Winners and team captain

1. **GEORGE JAMES ASSOCIATES – DAVID FRANKLIN**
2. **JVS REAL ESTATE – JAMES VERNON-STROUD**
3. **FUTURE FOR HEROES – JASON ABBOTT**
4. **SPF PRIVATE CLIENTS – PAUL MAVIN**
5. **OSBORNE CLARKE – EDWARD PERSE**

CITY CHAMPIONSHIPS WILL BE SUPPORTING



#### AVERAGE COST OF A WEDDING

PIPPA Middleton may have spent an estimated £250,000 on her wedding on Saturday but it turns out that £8,000 is more usual. Nationwide’s research out today shows the average amount spent on tying the knot is £7,959, up from £7,500 in 2015. However, nearly a quarter splurge more than £10,000 and around one in 10 forks out more than £20,000. The poll shows respondents aged 25 to 34 still spend the most on average at £15,089. Surprisingly perhaps, the outlay on wedding dresses is first to be slashed when couples want to reduce the bill. The number of guests, invitations and venue are also hit when money gets tight. One to remember if you do not want to become like the couples who are still in debt up to two years after the event.

#### QUOTE OF THE DAY

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**Russia probe means President Hatch**

Louise Mensch-backed blog The Patriotics puts its money on President Trump’s designated survivor, Senator Orrin Hatch of Utah

