

# £5m deal for Virgin Money boss David Duffy tees up investor revolt

Emma Dunkley

January 19 2020, 12:01am, The Sunday Times



David Duffy could earn £3.9m in bonuses

A pay row is set to erupt at challenger bank Virgin Money over bonuses paid to executive directors, despite the lender reporting a loss and dropping its dividend.

Institutional Shareholder Services (ISS), a proxy group, has urged investors to vote against the remuneration report at its annual meeting on January 29.

David Duffy, 59, chief executive, could pocket as much as £5.1m this year — exceeding the pay taken by John Flint, the former boss of the much bigger HSBC, who took home £4.6m in 2018.

Duffy's package includes £1.2m for salary, cash benefits and pension. He could earn £3.9m in bonuses if he hits targets including boosting the Virgin Money share price by 50% over the year.

ISS said it viewed the “overall quantum of pay for the year excessive”.

Another proxy agency, Glass Lewis, recommended supporting the report.

Virgin Money reported a pre-tax loss of £232m in the year to the end of September, after taking a £385m provision to cover PPI mis-selling. It had ditched its dividend payout as a result.

The bank was bought for £1.7bn in 2018 by Clydesdale and Yorkshire Banking Group, which then rebranded to Virgin Money in October.

Virgin Money said: “Our approach to executive pay is fully aligned to our shareholders’ interests and creating long-term value.”

- Two new banks are set to get the green light from the City watchdog. Vive, founded by former Barclays banker Nick Anthony, is expected to receive its banking licence within days. Vive will focus on lending to customers who find it hard to borrow from mainstream banks.

B-North, backed by the mayor of Manchester, Andy Burnham, is expected to gain its licence in the next couple of months. It will focus on regional banking, with local bankers lending to small businesses.