

Clive May, the ‘humble brickie’ who built a reputation for bashing bankers at RBS

Clive May has become a persistent thorn in the side of RBS over a mis-selling scandal and has no intention of easing up

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Harley-Davidson rider Clive May has proved an unlikely nemesis for financial big hitters

You’ve probably never heard of Clive May. He is, by his own estimation, a humble brickie from Wales. Yet among some of the most powerful people in Britain’s finance industry, the stubborn and forthright Harley-Davidson riding businessman is nothing short of infamous.

Persona non grata at the Financial Conduct Authority after his amateur sleuthing skills led to humiliations for the City regulator and its top brass, Mr May, 55, is also quite literally on a Royal Bank of Scotland blacklist.

For example, when Ross McEwan, the RBS chief executive, appeared on LBC for a call-in show in 2017 Mr May was among the names handed to the radio station that the bank insisted should not be allowed on air. “They have tried to paint me as some sort of a lunatic slinging about baseless allegations when the truth is far from that,” Mr May says.

Indeed. Much of the enmity between Mr May and the authority, RBS and other big finance firms seems to stem from the fact that since he first had a run-in with the bank over a

business loan in 2010 he has been on a one-man crusade to expose skeletons in the City's closet, campaign for a better deal for small business owners and secure compensation for himself.



RBS, which is led by Ross McEwan, is accused of trying to portray Mr May as “some sort of lunatic”

His regulatory scalps include forcing the authority and a subsidiary, the Payment Systems Regulator, to refile their annual accounts after he complained that sections were illegible or wrong. He also spotted a mistake in the regulator's report into the scandal at Royal Bank of Scotland's notorious restructuring unit, which meant that part of it had to be resubmitted.

When he highlighted that John Sutherland, a senior adviser to the authority's boss Andrew Bailey and the Bank of England, appeared to have been using social media to call Donald Trump a “complete twat” and Nigel Farage a “twat who runs Donald a close second”, the City grandee appeared to delete his Twitter account.

If Mr May is an occasional irritant to the regulator, he has become a thorn in the side of RBS. He has helped to uncover a significant loan mis-selling scandal at the bank, made a complaint to the police which has resulted in a fraud investigation that is still continuing and convinced his MP to pressure the government's business department into taking the highly unusual step of writing a report detailing his dispute with RBS.

Somehow, he has managed to get Briar-Grove Developments, a small Welsh bricklaying venture, off the ground at the same time. Mr May began slipping down the financial services rabbit hole when his previous business, C May Brickwork, was sold a so-called Enterprise Finance Guarantee (EFG) loan by Natwest, part of RBS, in 2010.

The bank suggested replacing much of Mr May's £245,000 overdraft with such a loan, sold on the basis that he would be liable for only 25 per cent of the debt if his company failed.

This was a misrepresentation of a state-backed lending scheme which provides a guarantee for the lender, not the customer, who remains liable for the entire debt. However, correspondence sent to Mr May in September 2011 read: "Your liability to the bank would be 25 per cent of the EFG loan balance."

Mr May, from Mold, Flintshire, is convinced that the loan contributed to the eventual failure of his company. A new government report seen by *The Times* suggests that, as usual, Mr May has a point.

An investigation commissioned by Margot James, the former business minister, concluded that the guarantee should never have been used and that its features were misrepresented by the bank. It also found that the related reduction in Mr May's overdraft "did contribute to the demise of the company".

RBS points out that Mr May was released from his EFG liability after his vociferous public complaints, and the bank has apologised for mis-selling the loan. It also reached a confidential settlement with him in 2017 relating to part of the dispute.



Mr May has forced a review into RBS's conduct led by Alison Rose

However, Mr May is seeking further compensation, while North Wales police are investigating correspondence which suggests one of RBS's relationship managers asked Mr May to remove valid security, a second home, from his application form. The loan scheme was meant to provide working capital for companies that lacked security, not to replace the overdrafts of those with valid security. The second home would have disqualified C May Brickwork from securing the guarantee.

Mr May's persistence also helped to uncover the fact that RBS had been guilty of widespread EFG mis-selling, with the bank repaying £9 million to the government and to small businesses over loans that it mis-sold.

The business department said that RBS should meet Mr May to find a resolution to their dispute. The bank, which is 72 per cent owned by the taxpayer, indicated that it would not follow that recommendation because there was no trust between the parties. “The report does not contain any new findings beyond those already addressed through the EFG review process,” a spokeswoman for the bank said.

Mr May makes for an unlikely nemesis for the big hitters in financial services. He left school with no qualifications in 1980, securing a job as an apprentice bricklayer. He was soon self-employed.

He spent nine weeks in prison in late 1989 and early 1990 after being convicted of affray, an experience that made him more determined to succeed in business. “It was a short, sharp shock that worked,” he says.

He started employing people in the 1990s and had more than 100 staff at his company’s peak.

“My mum became immensely proud that her son who left school with nothing and went to prison ended up becoming a successful business person.” He says he’s relieved that his mum, who died a decade ago, didn’t live to see “RBS take it away”.

David Hanson, Mr May’s MP, said that he would raise RBS’s “snub” to the business department in parliament.

“It is frankly an insult to the department and ministers as well as to my constituent that a recommendation to meet following that report is being ignored,” he said.

Mr May says that his long battle with the bank is a banned topic as far as his wife is concerned. “She thinks I should just move on. For me, it goes deeper. I can never move on without closure.”

RBS’s failure to explain

The Enterprise Finance Guarantee was established to encourage banks to support viable small companies that lack the security to be awarded a conventional loan.

The scheme, introduced after the financial crisis, gives banks the confidence to lend because the state promises to cover 75 per cent of the debt in the event that a borrower’s company should fail.

It has underwritten more than £3.25 billion of credit to tens of thousands of small companies since it was introduced a decade ago.

However, small business owners have reported being told by high street banks that they, rather than the lender, stood to benefit from the guarantee. When companies did go bust their owners were shocked when they were pursued for the entire outstanding debt. After an investigation by *The Times*, RBS, the biggest user of the scheme, admitted it had mis-sold the loans and paid millions of pounds back to customers and the government.

Alison Rose, tipped to be the next RBS chief executive, led a review of EFG in 2015. She said that “our relationship managers were not clear enough on explaining the liability issue, which is critical to customers”. She pledged that customers would be put “back in the

position they thought they were in going into the scheme". However, small business owners this year reported they have been pursued for EFG debts they didn't know they had. In one case seen by *The Times* Dan Russell, a Devon-based businessman, was successfully pursued for a debt under the scheme that he believes he is not liable for. According to a bank letter sent to Mr Russell, Ms Rose's review found that a "clear description" had been given of the guarantee, allowing the customer to make an "informed decision".

However, the bank's internal records of the review suggest that the same review found the bank had not given an accurate description of the scheme and that there was "no evidence on file of any communication between the bank and customer" on this point.

RBS said that Mr Russell had a personal guarantee (PG) linked to the loan, yet the review records "no evidence on file of the actual PG documentation". The bank believes that Mr Russell fully understood his liability.