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Aileen Taylor  
Group Chief People & Governance Officer, HSBC  
Sent via Email

Our Ref: MP10086

3<sup>rd</sup> February 2026

Dear Aileen,

**Re: Midland Clawback Campaign**

I am writing again to make clear that neither I, nor the Midland Clawback Campaign, are satisfied with the response provided to their appeal to you. You have failed to meaningfully engage with the substantive concerns raised, and while replying heavily on repetition of the Bank's long-held position, you have not provided a detailed explanation, justification, or evidence for this position.

While the Bank continues to assert that the State Deduction is lawful, this does not resolve the central issue at hand. Lawfulness is not synonymous with fairness. The fact that an historic practice may be permitted by legislation does not absolve HSBC of responsibility for the real-world harm that practice has caused, nor does it preclude the Bank from taking remedial action where a policy produces clearly disproportionate and unequal outcomes.

In an email to me of 7<sup>th</sup> February 2025, you stated that the State Deduction "applies to and affects all members equally". This assertion is fundamentally at odds with the lived experience of affected pensioners and with the evidence presented by the Campaign. A mechanism that removes a fixed amount from pensions irrespective of income level, length of service or vulnerability cannot reasonably be described as equal in its effects. As has been repeatedly demonstrated, the same deduction represents a marginal reduction for higher earners while constituting a devastating loss of income for lower-paid former staff, many of whom are women and now living on very modest pensions.

The Chair of the Midland Clawback Campaign, Ms Nancy Ball, has set out to you in detail why the operation of Clawback is both regressive and punitive, why it disproportionately affects women due to historic employment practices, and why continued reliance on State Pension figures calculated decades after the legislation was introduced compounds that unfairness. You have not substantively addressed any of these points.

It is also deeply concerning that, when asked to explain why Clawback could not be capped or curtailed as a fairer alternative, the Bank offered no objective justification beyond asserting that change would be "unfair to other members". No explanation has been provided as to how this would be so, despite this clarification

being requested on multiple occasions. Repeating this claim without evidence does not amount to a reasoned defence of the policy.

Similarly, any reference to charitable support funds is misplaced. The Campaign has been explicit that this is not, and has never been, a request for charity. Former employees are not seeking discretionary assistance; they are seeking redress for a pension policy that failed to deliver the 2/3rds final salary pension that many reasonably believed they had earned. Reframing a structural injustice as a matter for charitable relief risks compounding, rather than alleviating, the sense of grievance felt by those affected.

Given the significant surplus within the DBS Fund, it is entirely reasonable to ask why this excess cannot be used to mitigate harm by capping or removing future deductions, addressing inflationary shortfalls, or compensating those who have suffered the most severe losses. The refusal to consider such options, while simultaneously using surplus funds for other purposes, has understandably caused further distress and anger among former employees.

I am also concerned by the lack of transparency around the Board's consideration of these matters. Ms Ball has formally requested sight of the minutes of the Board meeting at which her concerns were presented, and a clear account of which issues were put before the Board and how they were assessed. That request remains outstanding.

I therefore reiterate the call for HSBC to:

- Provide a detailed, point-by-point response to the issues raised by the Midland Clawback Campaign, including a clear explanation of why capping or curtailing Clawback is allegedly not possible;
- Set out what consideration, if any, has been given to compensation or restorative measures for affected pensioners;
- Explain how the continued operation of State Deduction can be justified in light of its disproportionate impact on lower-paid and predominantly female former employees;
- Provide the requested transparency regarding Board-level discussions and decision-making.

After more than five decades of this policy, and years of campaigning by those affected, a generic restatement of the Bank's position is no longer sufficient. Former employees deserve a response that demonstrates genuine engagement, accountability, compassion and, most importantly, a willingness to remedy harm rather than simply defend it.

Yours Sincerely,



**Dr Manuela Perteghella MP**

Member of Parliament for Stratford-on-Avon