

# Ex-RBS boss Derek Sach to be questioned over Global Restructuring Group

[James Hurley](#), Enterprise Editor

October 23 2019, 12:01am, The Times



Derek Sach, who ran Royal Bank of Scotland's Global Restructuring Group, is due to appear as a witness in a high court case between Oliver Morley, a wealthy property developer, and the bank

The former head of Royal Bank of Scotland's scandal-hit restructuring division is to be questioned over allegations that the [government influenced the bank's poor treatment of thousands of businesses](#).

Derek Sach, who ran RBS's Global Restructuring Group, is due to appear as a witness in a high court battle between Oliver Morley, a wealthy property developer, and the bank.

It will be the first time Mr Sach, 71, has been publicly questioned about GRG since a disastrous appearance before MPs in 2014 at which he was accused by Andrew Tyrie, then chairman of the Treasury select committee, of being "wilfully obtuse".

Mr Morley, 49, claims that GRG placed him under "economic duress" that resulted in the acquisition of some of his assets by West Register, the bank's property division, in 2010.

The bank has said that it "fundamentally disagrees" with the claims and "does not believe they have any merit".

[GRG was ostensibly there to help ailing business customers](#) but an investigation commissioned by the Financial Conduct Authority found that between 2008 and 2013 GRG had focused on extracting money from thousands of companies. One in six of the “viable” small and medium-sized businesses that it managed experienced “material financial distress” from its actions.

Mr Morley’s lawyers are trying to establish the extent of the influence of the government’s now disbanded Asset Protection Agency, the division of the Treasury that insured RBS’s toxic loans, over GRG.

Mr Sach said in 2014 that the agency was “always pushing us to go for more foreclosure” of businesses but that he resisted that pressure.

Yesterday, RBS was ordered by Judge Timothy Kerr to produce more documents that could shed further light on the government’s role in the GRG scandal.

Documents that have previously been disclosed in the case include an RBS internal memo from June 2010 where the bank said that “the direct and indirect impact” of the agency was “pervasive across the group and cannot be underestimated”.

The same memo said that there was a “common theme” of the government “wanting us to use West Register to acquire property assets”.

Donald Workman, another RBS executive, who was responsible for managing the bank’s relationship with the Treasury, is also due to appear as a witness.

RBS resisted Mr Sach and Mr Workman being called as witnesses but Mr Justice Kerr said that they were likely to be relevant to the case.

The civil trial is due to begin on Monday.