Business view
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Closing the bonus loophole was common sense, so why did it take the Treasury so long?

About time too: the Treasury has finally flexed its muscles and said large companies using government and Bank of England-backed loan schemes cannot also pay cash bonuses to directors or dividends to shareholders.

The restrictions are really just an act of common sense: state loans should promote corporate survival, not undermine executives’ pay packets or investors’ distributions.

Most boards probably grasped the point, but the job of the Treasury is to ensure the door is bolted firmly against the devious and the greedy. It’s astonishing it has taken this long for a bonus ban to be adopted.

Yesterday’s other development reflects better on the Treasury. This was the boost from £50m to £200m in the size of loans that can be approved through the large business interruption loan scheme (CLBILS). But, again, one has to ask why the pleas of the scheme (CLBILS) were ignored.

The Financial Conduct Authority’s parallel instruction that pre-emption rights should be incorporated where possible.

Compass has shown it can be done. Small investors were able to participate via the PrimaryBid.com website at no extra cost and on equal terms. The solution is imperfect since the structure caps aggregate demand from retail investors at £8m (£7.1m) under EU rules. But the key point is that the technology works.

The issue is persuading boards to use it. Fear of the unknown, plus overcautious lawyers, seem to have been the stumbling blocks. The likes of Asos and WH Smith have simply bypassed small investors, often issuing shares at heavy discounts, which most disadvantage those who are excluded.

An impressive crew of City big hitters – including Martin Gilbert, lately of Aberdeen Standard Life, and Anne Richards of Fidelity – wrote an open letter last month calling on companies to think of small investors and employee-shareholders.

Now Compass has set a good example. There should be no more woolly excuses elsewhere.

EasyJet’s difficult task

EasyJet says it was hacked by “a rank amateur trying to cash in”. The Financial Conduct Authority’s Commissioner’s Office (ICO) on the contrary, said there was no evidence of fraudulent activity.

By way of comparison, the ICO is still trying to stick a £183m fine on British Airways for a case last year involving 500,000 customers; like easyJet, BA argued there was no evidence of fraudulent activity.

Thus we will have to await the outcome of the Information Commissioner’s Office (ICO) on whether easyJet left its back door wide open. But the emails and travel details of 9 million customers were accessed, which is a big breach.

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So one can more confidently predict the outcome of easyJet’s showdown on Friday with its disgraced founder, Sir Stelios Haji-Ioannou, who is trying to unseat half the directors. The board should win that one comfortably. The ICO may be trickier.