

22nd May 2022

My final love letter to HSBC

Dear people of HSBC,

Every journey begins with a choice. Some take journeys alone, as drivers to a destination. Some join other drivers, as passengers on their journey. Some decide to stay home, daunted by the journey ahead. I'm no Amanda Gorman, but Project *Speak Up*'s poem alone took me 8 hours and occupies pride of place on page 1. That's because I wanted my report to have a very clear message. I hoped we could take this journey, together.



Legal Information: This letter contains non-public information that poses high levels of legal, regulatory and reputational risk. Any unreferenced information is single-source (from the author) and draws on his direct experiences unique on Earth. Any references to illegality or crime are qualified as 'alleged' until/unless confirmed by court judgement. The author agrees to stand behind all statements herein as fact in any such court.

How is HSBC doing?

Externally, many see HSBC as a pariah and ask me why I wrote Project *Speak Up* when the bank's inclusion and other failings are so clear. But for me the bank delivered, and so it has always been worth saving. So here's my assessment, entirely for free (not that you asked), of how I think you're doing and where I'd suggest you focus next.

Every day, I see LinkedIn fill with incredible contributions from the vast majority of HSBC employees who live and breathe our core values. I miss those smiling faces that open those vaulted doors daily to all types of people around the world. Today there is plenty to celebrate, for change is coming:

- HSBC has and always will be a leader amongst global banks for women - increasingly prominent figures within our corridors of power. I believe the bank is committed to achieving gender parity at all levels, despite not seeing eye-to-eye on how quickly that can

be delivered. But our women mostly still lack meaningful influence beyond Retail, HR and non-executive roles, or had to shed their femininity to achieve it.

- More recently it's become a safer place for LGBTQ+ bankers, with more colleagues feeling safe to come out at work and reassure those yet to do so. In 10 years, HSBC has gone from zero to hero here. Yet there remain few prominent stand 'out' senior role models like Jamie Banister who powerfully advocate, sponsor and inspire our many LGB+ middle managers who all too often still plateau beneath their potential.
- There are many impressive new black hires coming into our business at all levels, a step shift into top gear compared to 2019. I missed the annual promotions list being posted online this year, so I deduce we are still failing to elevate homegrown talent. The biggest task lies ahead: How long will they stay before they reach breaking point?
- Less prominent are other protected categories, like young people being elevated into positions with more responsibility, and where are all the new trans and disabled hires?
- Policies like diverse talent retention and development KPI's in line manager scorecards are hugely positive (thank you Michael and Ralph for all you do) but without the other support measures recommended by Project *Speak Up*, they fall short of what is required to tackle improper behaviour from powerful unethical senior leaders immune to consequences from poor ratings. HSBC is a great bank in so many ways, with values entirely aligned to do the right thing, make a few changes and role model inclusive excellence the world can emulate.

All in all, a 'Strong' performance driven by those who agreed with Project *Speak Up* and *worked tirelessly* to realise its ambition. Plus by those who disagreed with Project *Speak Up* and wanted to prove it wrong. To both these groups, I say thank you for *listening* and *taking action*. You see we don't need to agree for great achievements to be borne from our different perspectives.

Why banks are responsible for oppression

Last weekend, a white supremacist opened fire at Tops Friendly Market on Jefferson – a predominantly black neighbourhood just 3 miles from HSBC's offices – in Buffalo, NY, ending 10 more innocent black lives that didn't matter. For black people, their very right to exist is under attack. Within the serenity of HSBC's offices, these issues feel so removed from our banking responsibilities. But make no mistake, it is from within the bank – and banks as a whole – that all oppression flows. We are responsible for these massacres. Tolerating racism is racism.

Though bankers are beyond brandishing guns scrawled with the n-word, their weapon of choice is also lethal – a global financial system that, increasingly by design, structurally advantages White Older Cis Heteronormative Men aged 50-75 without disability, to the detriment of all others. Eventually, when all is lost, overwhelmed by resentment and injustice, black people will turn against white people through crime, further poisoning views of their community. This accelerating cycle of ignorance and hatred will end humanity, not tomorrow or even in our lifetimes. Just like climate change, every day that passes makes it harder to reverse the sands of time. Decisions we make today exponentially affect the lives of future generations. I'm thinking long term because my goal in life is to protect humanity. But by selecting executives whose goal in life is solely to gain power and wealth, and rewarding them through short term 1-5 year goals, today there are few if any like me on banking boards – people who *think differently*.

My uniqueness enriched HSBC for years. But since Project *Speak Up* and despite being totally outclassed strategically by my difference, HSBC has fought me every step of the way. Imagine –

if it had simply acknowledged my different perspectives could be a major asset strategically, and overlooked the colour of my skin to elevate me as I was fairly due the day that report landed – how different today might look. Imagine, how many black people we could have kept.

How leaders squandered Project *Speak Up*'s opportunity

Not all crime is punished. Not all criminals are viewed negatively. Despite enduring 16 hate crimes over 14 years at HSBC, we parted company amicably with what I believed to be a genuine commitment to continue working together progressively. But then came the illegal retaliations from senior leaders, like CEO Noel Quinn, who seek to do one thing – shoot to kill¹. If only he had ever met me – ever replied to my report last July – we could have succeeded together and collaborated across the boundaries of grade and race. But instead:

- Noel Quinn abused his position as Advisory Board Member and HSBC's position as biggest client to one of the world's largest Diversity, Equity & Inclusion (DE&I) consultancies. So instead of becoming Global Head of Sales and Customer Service – having successfully passed all 3 interviews and negotiated terms – I was left (for some time) homeless and unemployed.
- Noel Quinn placed HSBC (and a key DE&I partner) in serious regulatory, legal, reputational and financial risk, to satisfy his need for revenge instead of his obligation to listen.
- Noel Quinn ignored his duty of care and conflict of interests to break 5 laws, 3 financial regulations and 2 acts of parliament, sending my life into chaos.

Until there is change in how we select, measure and reward our banking leaders, and until we stop blaming victims to defend perpetrators, regretfully it is fundamentally unsafe to *Speak Up* about illegal or unethical practices across big banks like HSBC today – sadly the opposite of what I set out to establish. The corruption such power enables should alert us all, because it means that any racism these many new black hires and those they sponsor encounter will continue to be forgiven while those same black hires will continue to be punished as victims. Furthermore, my evidence suggests the scale and costs of oppression are spreading, from banks to DE&I consultancies, Award Ceremonies and Conferences. And they're grasping for something increasingly clear – control the narrative, maintain the status quo and protect wealthy white heterosexual cis male interests at all costs – even if the cost is the future. Clearly, active and directed oppression coming from the highest levels cannot be successfully tackled by passive, generic countermeasures initiated from lower grades.

Why HSBC still won't meet its DE&I targets on its current trajectory

“There is a brutal answer – the people we need right now to bring their experiences, their stories, viewpoints, and those of their communities. We had them – and we lost them. They left because our industry failed to support their careers and nurture their talents. They left because they never got the next contract, because no one championed them or helped plan their careers. They left because too often their voices were not listened to, their stories were of no interest to the leaders who over the same period grew ever more powerful. They're not here now because we didn't have the will to keep them and – worn out by it all – they gave up on our industry.”

-- David Olusoga of the BBC, speaking at Edinburgh Television Festival (August 2020)

¹ Due to retaliations, 90% of whistleblowers lose their jobs, 17% lose their home and 10% attempt suicide (Lennane, 2012).

Though he comes from a TV background, David hit the nail on the head regarding the challenge facing banks. But I come from a banking, psychology and therapy background. I understand each one of the hundreds of acronyms used at HSBC. I know the strategy and footprint of each of its global businesses, having worked in all of them over my 14 years and 2 regions. I empathise with the lived experiences of each different characteristic its people embody because I live several myself and I interviewed 100 others about theirs. I've never criticized HSBC – I speak truth, celebrate successes and challenge behaviours that contravene core values. And because of the uniqueness of my identity and completeness of my experiences – and now those of my firm's people – [Deilight Consulting](#) carries more unique knowledge of the causes and solutions to oppressive systems in financial services than any other consultancy in the world today.

Had HSBC been open to selecting us as one of its DE&I advisors, instead of retaining another that assists with lawbreaking, I was prepared to make the following commitments²:

- I will keep HSBC safe, by using my unique knowledge and the trust I enjoy with its people to improve the bank's compliance with laws and regulations, reducing the risks it faces and the costs it is increasingly bearing from them.
- I will make HSBC thrive financially, by increasing Group RoE +1.2% within 3 years guaranteed through advice, initiatives, policies and coaching that can motivate its people, legitimize its leaders, delight its customers and turbo charge its reputation.
- I will help HSBC become better, through my ability to bring people together, represent and show cheer leadership for everyone and the bank itself. I can restore a climate of psychological safety and a sense of belonging beyond white men.
- I will take responsibility for any failures to deliver against these promises, any mistakes made by me or my team, any adverse or unexpected consequences from our advice, and any breaches in confidentiality or the law.
- I will accept HSBC's decisions with humility and respect, should it decide to scale back any of my ambitions, providing it does not seek to blame me for the consequences of doing so.

When HSBC decides it is worthy of *being special* and *standing out* once again, my doors will be open to help you thrive and champion your bravery for finally moving to ensure ethnicity is no longer a barrier to success at and beyond the bank. Working with you as trusted partners with entirely aligned core values who care about the future, not the past – equals, in so many ways. Until then, I have accepted that HSBC is no longer my family, my people and my business. It is a group of people working within a business, and you are free to make your own mistakes – as we all are – providing they do not encroach on my freedoms and the law. For now, there are others who need and want our help, and deserve my attention more in return.

Best wishes

Ian Clarke

Your former colleague

² To those questioning my integrity here, A) demonstrably, I have always kept my promises, B) My record across 14 years HSBC service speaks for itself, and C) concerns about Whistleblower indiscretion indicate knowledge of unreported breaches, contravening the *Public Disclosure Act*.