Virgin Money UK PLC ('Virgin Money UK' or 'the Bank'), together with its subsidiary undertakings (which together comprise 'the Group'), is an independent banking group operating under the Clydesdale Bank, Yorkshire Bank, and Virgin Money brands. This statement relates to the subsidiaries Virgin Money PLC and Clydesdale Bank PLC.

CYBG PLC (now Virgin Money UK PLC, following a name change on 31 October 2019) acquired Virgin Money PLC on 15 October 2018 and is in the process of unifying and integrating the operations of the two heritage banks. On 21 October 2019, the Group completed the legal process to operate under a single authorised and regulated banking entity, at which point all policies were unified. Until that point, CYBG PLC and Virgin Money PLC adhered to each entity's separate policies as described in the 2018 Modern Slavery statement. The 2019 statement reflects the total operations under Virgin Money UK PLC during 2019 (pre and post attaining the single banking licence) and the approach for 2020 and beyond.

Our Business
We serve over six million customers across the UK through a multi-channel model of online, mobile and telephone banking. Our ambition is to offer the best service in UK banking, providing customers with market-leading functionality and innovative products, supported by robust technology and a first class, personal customer experience.

We have offices in Glasgow, Leeds, Newcastle upon Tyne, Edinburgh, London, Norwich and Chester.

Our Customers
The bank executes due diligence processes to mitigate risks in our relationships with both new and existing customers who open and maintain bank accounts and other financial products and services with us. These processes include anti-money laundering Know Your Customer (KYC) checks made both at the point of account opening and periodically throughout the customer relationship.

Policies and Controls
Virgin Money UK complies with legislation and good employment practices when engaging and on-boarding employees. This is reflected in our commitment to pay the voluntary living wage to our employees. All relevant policies and processes are regularly reviewed to ensure we are compliant with legislation and good practice when engaging and on-boarding employees and suppliers.

We are participants in the Banking Protocol with two main aims; making sure our customers are protected from fraud and helping to identify customers who could be exposed to potential fraud or modern slavery activity. Throughout 2019, Virgin Money UK continued to ensure colleagues benefitted from business wide communications raising awareness of these issues and the actions in place to address the challenges and will maintain this focus moving forward.

We are currently creating a combined approach in all business areas which will be adopted during this period of integration to enforce effective systems and controls to mitigate risk and minimise the impact of slavery and human trafficking within our business and across our supplier base.

Identifying Modern Slavery and Human Trafficking
Virgin Money UK is an active member of the Financial Services Qualification System, which all key suppliers will be invited to join. Contained within the initial risk assessment that suppliers complete are questions on compliance with the Modern Slavery Act including requesting confirmation from relevant suppliers that they have or intend to publish their own modern slavery statement. Throughout 2020, we will continue to gather collateral, create dashboard reporting and take action where necessary based on information provided by suppliers.

Training
Virgin Money UK ensures that colleagues who have direct contact with customers understand what modern slavery is and can identify the signs of someone who may be involved in slavery. This training has been completed by numerous colleagues including those in our store and lounge network and our fraud and financial crime team.

During 2020 and beyond, colleagues across the bank will receive training on our updated policies and processes impacting or informing our approach to modern slavery.

Our Supplier Base
Virgin Money UK relies on suppliers to support the delivery of high-quality services to our customers and the Group and, in doing so, we expect all
our suppliers to operate in a responsible, ethical, open and transparent way and in compliance with all applicable laws and regulations.

Virgin Money UK has an extensive supply base. We adopted a unified approach to initial and ongoing due diligence on 21 October 2019 which ensures we undertake a deep review of our suppliers' ethical and socially responsible credentials. Prior to this, CYBG PLC and Virgin Money PLC both adhered to due diligence processes as covered in previous Modern Slavery Statements. Our robust sourcing and due diligence processes are continually reviewed to ensure they are reflective of the relevant and current risks.

Our Supplier Code of Conduct sets out the standards, principles and behaviours we expect from third party providers to the banks. This places the expectation on our suppliers to operate ethically and with integrity in all our business dealings and relationships and to implement and enforce effective systems and controls.

We take a risk-based approach to supplier management which results in certain suppliers completing a questionnaire on their approach to identifying and managing Modern Slavery risks within their business. The questionnaire includes establishing information on any risk assessments they conduct, their own terms and conditions with their own suppliers and employee training. Where responses highlight a higher degree of risk then additional information is requested in respect of establishing if there are relevant policies and procedures in place to ensure compliance with the Modern Slavery Act.

Raising Awareness

Suppliers

We continue to raise awareness of modern slavery with our suppliers and local businesses.

We routinely issue a questionnaire to our key suppliers that includes a link to our Supplier Code of Conduct. These suppliers must positively affirm that they have read and comply with the Code. The Code sets out our expectations with regard to Modern Slavery.

Virgin Money UK works with suppliers on an ongoing basis to ensure they are aware of the importance of the issue and that they are taking appropriate action, irrespective of whether they are a small business, or a large company required to publish a modern slavery statement.

Colleagues

Training is central to identifying the risk of modern slavery and taking appropriate action, both during the sourcing process and throughout the contractual relationship. Training is available for all colleagues through the online training portal.

In 2020 we will deliver a further awareness campaign to our customer facing colleagues and supplier relationship managers on modern slavery. We will review training opportunities in sectors deemed as heightened risk to both raise awareness of the Modern Slavery Act and help suppliers achieve a higher standard of compliance.

Looking to the Future

We will continue to use our influence to bring attention to modern slavery amongst our suppliers and colleagues. Virgin Money UK is a member of Slave Free Alliance, a membership scheme for businesses to improve transparency across their supplier base. Benefitting from their experience, we will focus at a deeper level of the supplier base and provide ongoing training to colleagues to demonstrate ethical best practise.

This statement has been published pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Virgin Money UK's slavery and human trafficking statement for the 2019 financial year. It has been approved by the Board of Directors and will be reviewed annually.

CEO CYBG PLC GROUP

March 2020

USEFUL LINKS

Modern Slavery Statement
Frequently asked questions
Careers

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