John Wallace

Interviewed by

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Welcome to the Archives of IT. I'm Tom Abram, it's 17th October 2022 and I'm in London at WCIT Hall with John Wallace, who's going to tell us about his career in IT and banking. John has a long career, starting with the National Provincial Bank in the days when ledgers were written up by hand and I believe statements were typed up to send to the customer, and he retired in the mid-nineties, having seen NatWest, as it was by then, through to a position of being a leader in the use of information technology in banking. So welcome, John, it's nice to see you.

And you.

So, if we start at the beginning, you were born in 1935, I think, in Carlisle, is that right?

Well, close to Carlisle, yes. A little village about six miles out of Carlisle.

And why Carlisle and what were your parents doing in Carlisle?

Well, my parents were, my father was a grocer, he worked at the local grocer's shop and didn't move very far from there. My mother was born in Brampton, which is a little town, her father being a Methodist minister. And they got together, interestingly, my mother's brother married my father's sister.

As happens sometimes, yes.

Well, there were quite a few of them.

Yes. Well, no, no, that's happened in my family as well, yes.

So they didn't move very far at all.

Right. So they were, your father then was, you know, I suppose working class, we'd say?

Working, very much working class. And not, not terribly well off.

Yeah. So…

However, they did put all of their children through grammar school and they all had good jobs at the end of it.

Right. So that implies some kind of valuing of education as a good thing to do.

Sure, sure. Yeah.

And how had they been educated?

What, my parents?

Yes, yeah.

I don't really know. We didn't talk too much about their education. We talked a lot about ours. And they certainly encouraged it.

Right. I mean I know my father left school at fourteen at the earliest opportunity, so yeah. But equally valued the process for his children, so yeah. And going back further, I mean is there any kind of trend of occupations in your grandparents and previous ancestors?

No. No, on my mother's side three of her brothers were builders, house builders. One was in religion. But my father had quite a big family as well, so we had lots of uncles and aunts. They couldn't afford to be too generous on birthdays.

So what was it like growing up in that part of the country in, I suppose, the late thirties and then wartime?

Yeah. It was okay. I mean we were all at school or university and the… my father being a grocer, we never really struggled for anything, any food. We had our own

home, nice four-bedroom house, and I'm not quite sure how they got that, being on the salary he was on.

[00:04:58]

So they were owner-occupiers, were they?

Owner-occupiers.

Wow.

We had, it was in a little village called Heads Nook and yeah, we had, as I say, it was a four-bedroom house with two girls and two boys, it was actually no problem. We had about an acre of land, big orchard. I've got an apple tree at my house, I hate picking apples because I was made to do that as a youngster when I would much have preferred to have been playing soccer or cricket or whatever.

That's how your days were passed, was it?

Yes. [laughs]

So war must have broken out when you were four or five?

Yeah.

You stayed in Carlisle or thereabouts?

Oh yeah. The evacuees came to our part of the world.

Yeah. And what about school then, because you'd have been starting school just as war was breaking out.

Yeah. Warwick Bridge School was about a mile and a half from where we lived. We could get a bus but we often had to walk in both directions. So it was a walking

distance to school from home and my father didn't drive initially, but he started driving and part of his grocer's responsibility was travelling round the farmers taking their orders and so on and often coming back with a ham or a salmon or whatever it was. So we never went hungry.

And what did you like about, did you like school?

I didn't dislike it. I liked the friends, but I was never an academic and yeah, I was quite pleased to leave.

But you went on from primary school to the grammar school. How did that work in those days, was it eleven-plus or scholarship or…?

It was, yeah, it was eleven-plus or equivalent.

So you passed, you took the eleven-plus and you passed it?

Yeah, yeah.

And at grammar school you got as far as O levels.

Sixteen. I left at the earliest opportunity, which was sixteen years old. I mean pretty miserable, got pretty miserable results at O level.

Did your siblings leave at sixteen or did they stay on?

I think they all left at sixteen. No, no, no. Edna, the eldest one, went to Reading University and became a languages teacher. Geoff [sp?] became a chartered accountant and Margaret was at a secretarial school when my mother died. My mother died just as I was, I was told about it when I was at Southampton waiting for the ship to go to Singapore. So obviously I didn't go, they sent me back, but I still went, I still wanted to go. And my sister gave up her secretarial training to come and look after the household, which was- and she's still around now and the other two aren't, and I've always been very, very proud of Margaret doing that.

So, O levels, although you say pretty miserable results, and then the next step was to go and get a job then?

Yeah.

[00:09:32]

And you went to the National Provincial Bank.

Yes.

How did you choose that?

I was looking for a job. I wasn't particularly interested in banking and they had a vacancy at 92 English Street, Carlisle. So that's where I started and at sixteen, so a year and a half. I was slightly delayed because I did take my banking exams and that delayed me a few months in going into the Air Force. But, yeah, that was it.

So what did a sixteen year old new joiner do in a bank in those days?

Everything. Used to stoke the boiler in winter, used to fill the inkwells, change the calendar and do basic clerical jobs. So it was… do the remittances when- Carlisle was, Carlisle branch was very much a taker in of cash. So people like Woolworth's banked with NP, the cinemas, we had about five cinemas that banked with us there, so we had lots of cash. So we had to wrap up high value packages to get rid of the excess cash and walk it round to the post office, two of us, with truncheons [laughs], to post these HVPs. So yeah, posting the ledgers, typing the statements, then after a little while going on the counter. Yeah.

So you started back office and moved into front office?

That's it. [laughs] But you could see the whole thing from the customer point, from the customer vantage.

And did you enjoy it?

Sort of. I don't think, quite honestly if I hadn't come into computing I think I'd have left banking. An awful lot of it was boring stuff. I mean as you got higher up it became quite interesting, but yeah, it wasn't terribly exciting. And of course the pay was terrible. And it got better, and it got much better in IT. But yeah, in those early days it was quite tough. And it was, when I had to go into digs, when I moved across to Stockton-on-Tees, it was very tough.

Yes. I noticed in your resumé you mentioned that there wasn't a lot of money to spare when you had to pay for your own accommodation and travel when working in a different branch.

Yeah, yeah.

But your banking career was interrupted then by National Service.

Yeah.

And, but everybody had to do National Service in those days. And what did you do?

I went into the RAF. My brother had previously been in it, again, on National Service. So they always used to respect family connections. And I went off square bashing. I went to Padgate, which was near Warrington. And, trying to think… did the basic training. Then I became, then I was trained as an air wireless mechanic. In other words, replacing or refurbishing the radios that went into small planes. Well, fighters and bombers. And then when the training was over, invited to go overseas, and I jumped at the chance. The only sad thing about that was my mother dying just as I was going to Singapore. But I enjoyed, Singapore was a wonderful post. But I sailed in both directions and it was about a month in those days, so through the Suez Canal. And so two months of that National Service were on a ship. And then I went back to, I decided to go back to banking. I only did two years. They'd given me the opportunity of a commission if I'd signed on for an extra year, but I didn't want that.

[00:15:14]

There's a college at Padgate isn't there?

Yeah, yeah.

Is that a teachers' training college or something?

Yes. It used to be the recruitment, the main recruitment place for the RAF.

Anyway, that's a diversion. So back from National Service, having had a great time in Singapore, and back to the National Provincial Bank, but having to move to Stockton-on-Tees. And you were there for a couple of years.

It was interesting there actually, yeah. I, when I moved – let's get this right – we'd had an inspection at Carlisle and there was a guy there who became quite, very senior, Reg Nicolls, and he was the inspector. He was better than her, but he sat next to me and there was a rather attractive girl in the jeweller's across the road, and I would have given her a wave, and Reg wanted to be in on this, you see. Not that anything untoward had happened. Then he said I should move and obviously engineered that. But when I, when I, soon after I got to Stockton-on-Tees I was sent on a training course and nobody from Stockton-on-Tees had been sent to this training course before. So, you know, they're looking at me, who's this bright spark who's come in? Because when I got there, Reg Nicolls was an instructor at the training camp. What are you doing here, Wallace, he said. [laughs] So, yeah, it was, all these things come together and the education process probably helped me a bit at that stage.

So this led up to you getting into computers?

When I was at Stockton this guy, Truelove, his name, William Miles Truelove, he said to me, you'll never – because of this, he made me his clerk, so I jumped a few places at Stockton-on-Tees – and he said, never ever specialise, Wallace. He said, you go from here to advances department, which was the central lending place. Then

you go to inspection department and you go on the road, and then you go to a large commercial branch and then your career's made. And of course it was one Friday afternoon, I got this call from London and I had to go for an interview on the following Monday, and my manager was on holiday, so he couldn't stop me. So I went and he, they persuaded me to go. I suddenly discovered I was not the first choice. The guy who I know that was selected ahead of me wasn't allowed to go by his manager, so they came for me, so I got in by default. It's strange how these things happen.

You were just lucky your manager wasn't there at the time.

Probably, yes.

[00:19:20]

So that involved moving to London then? So at this time then, you'd been in banking for, what, nine or ten years or something?

Probably something like that, yes.

So you'd done your time doing all of the manual labour and the writing up of ledgers.

And I was planning on getting married at that stage.

Oh right, yes.

So I think I was in London about a year before getting married and my wife moving down. And we had a wonderful deal because I was quite important then, I was in automation research, so I asked the bank if they had a flat that we could rent. So we rented this flat – it's not mentioned in there – at Bexley above the Bexley branch. And it was a wonderful- do you know Bexley? A nice little place there, in Kent. And it was literally two minutes from the railway station up to town, it had two bedrooms, two living rooms and a garden. And so we lived very happily there. I think it was thirty shillings a week for rent, so it was a pittance. My wife was working, she was

working at the Air Ministry at Kidbrooke. I was working in town. And so we did quite well on our limited means. She was working, she was, she used to give me pocket money and used to bank mine.

So you'd met your wife up north before you…

Yeah, oh yeah. After National Service, yeah.

And that business of living above a branch, I mean I've heard of that from somebody else as well. Was that a common thing that banks would have accommodation upstairs and have an employee living there?

Yeah. And the worst thing was, when my water system froze up and it burst and I had to ring the manager about 3 o'clock in the morning because I could hear this water trickling. He came down in his pyjamas and the branch was flooded, so I wasn't all that popular. Although they couldn't do anything with it. But I remember the trays of standing orders and other records absolutely soaking in water coming down from my house.

So this was, it was called automation research that you were- was that a branch of the National Provincial or was that a separate organisation or…?

It was part of inspection department. So it was under the jurisdiction of the chief inspector. But this guy, Ronald Fox was made assistant chief inspector or something like that, and it was a separate unit within that structure. But yeah, they were fun days and the four of us that were in there doing the programming with Ferranti's help, of course, was terrific.

So this was 1960 then, and National Provincial was just thinking about computers in banking. And what did you have to do then, having been sent to this organisation?

Well, the first thing that happened was going on a Ferranti, it must have been Pegasus, course, programming course.

*So Ferranti was **the** machine? That…*

Ferranti were, yeah. Ferranti and I think it was ICT in those days, were about fifty-fifty in UK computers.

Where was IBM then?

Wasn't in the UK. It, I mean IBM didn't come into the UK until the 1400s. The 1401 and 1440.

And when would that have been?

Pardon?

When would that have been, that that started?

It must have been – does it not say so in… It must have been about… when did I move to London?

You moved to London in 1960.

Yeah. It was two or three years later.

[00:24:49]

*Yeah, okay. So Ferranti was the way to go in 1960? And so what sort of machine?
They just went out and bought a machine, did they? Or did you have to work out
what they should buy or…?*

No. The first one was, Ferranti offered an experiment and got together with us and automated a number of branch – only one branch to begin with – so they built the first bookkeeping system, which was put on the computer in – trying to think where it was – Portland Place, I think it was, Ferranti's office there. And then, then after that, because that was the [incomp] we ordered Orion, but Orion was delayed. I mean the

Orion was a terrific machine, quite expensive. But program, it was wonderful, the program was a delight. It was a multi-processing system, one of the first ever, actually. And, yeah, where am I?

So I mean the Ferranti machines that I've heard of people using in 1960 or thereabouts was the Mercury, so where does an Orion stand relative to a Mercury?

I think the Orion was a medium-size, but very advanced computer. Because it was delayed at least a couple of years, so that's why we took – I can't even remember the terms under which we took Pegasus II – but that tided us over. I think we got five, we attached five branches live on Pegasus. Westminster Bank were given the same opportunity but they didn't get theirs off the ground. And we got into IBM, really we needed to, IBM introduced the cheque processors, the 1419s, I think they were. So that was, that was in the early, that was in the early to mid-sixties.

Yeah, yeah. You say then NP put its toe in the water with the IBM with 1401 and 1419 cheque reader sorters.

Yeah.

And then in the mid-sixties the IBM 360 came along.

Yeah. And we took four of the earliest 360s. We put two into London and one in Birmingham, built a computer centre in Birmingham, another one in Bradford, and attached the local branches there.

So the…

And we were going on that path until the NatWest merger came up in '68, I think it was.

So the function that was automated when these computers first came into banking was adding up the ledgers at the end of the day or…?

Yes. This is where this other, the other thing I'll send you, talks about National Provincial Bank and Pegasus. It tells you what the, what we automated and… you've got things like that. I did a bit of homework for this.

[pause]

[00:29:43]

So, September 1962, New Bridge Street became first bank branch bookkeeping computerised.

Yeah, of any of the banks.

1962, that was a milestone in banking technology. And then these cheque reader sorters that…

Did you ever do any programming?

Did I ever do prog… I did, yes.

I remember on Orion, I was so proud. I did the main file update and I managed to, there was a bit of it where I had to change the long name and address, which was the full name, the personal name and the address of the customer, to send their statements out. And when it had to be changed it could either be longer, shorter or the same size, and I managed to do that with one Orion instruction. [laughs] I was so delighted. And I remember it to this day.

So when the computers first arrived, then people would process the cheques, they'd look at the cheques and code the details onto tape or something?

In the early days we used to have accounting machines and there was a paper tape by-product of everything you did on that. And it was the paper tape that was read by the computer.

And then in the mid-sixties, when you're talking about these IBM systems they're actually automating the cheque reading are they?

In the mid-sixties, I'm trying to think when they went… The first stage was we put the paper tape into a device at the branch and transmitted it over telephone lines. In the early stages on those branches there, the reason they're all London was we carried them, we [incomp 32:17] transported the tapes. And when the middle dropped out of a tape, that was [laughs], that was hell.

So you were in at the beginning of it then and in 1968 you say that NatWest was formed by the merger of NatWest and National Provincial and became the biggest bank in the UK. So what difference did that make to your activities in this computerisation of banking?

Well, Westminster, well, obviously it was a much bigger IT department and I was given systems development responsibility and a lot of systems had been developed at that time, but the main thing coming up was decimalisation. So that was in '68 and all the systems had to be converted to decimal currency in February 19…

Seventy-one.

Seventy-one.

I remember it well.

Yeah. And it worked like a dream. Had no problems at all. So I had a big job in NatWest IT, but I was probably there a bit too long and Tom, that's when Eurocom came along.

Right.

And Tom McMillan, who was a very strong guy, from Westminster, asked me to go and run this operation that was based in Rickmansworth, jointly owned by an American bank. Are you on that page at the moment?

Yeah. So Eurocom was a service bureau.

For microfilm and microfiche.

Oh right, okay.

And that was to, that was to reduce the mounds of paper that were coming up, and most of that was the COM, computer output to microfilm. So we had, so some people had their own, we set up a bureau because they were quite expensive. So we used to take tapes from customers and convert them to microfilm records as opposed to paper records. But it was something that, it wasn't, it was sort of something the bank wanted to do.

[00:35:23]

So Eurocom was a subsidy of NatWest, was it? Or a partner or…

Yeah. Initially it was jointly owned by NatWest US Datacorp, but US Datacorp, because of banking regulation in the States, was forced to get out of foreign banking activities. So we took it over and that's when I came in. Because it's a very interesting life, because first time I'd had anything to do with an overseas company and that was, I really enjoyed it. One of the first jobs I had to do there was to fire the German guy that was leading it and I'd never fired anybody in my life before. To go to Germany and do that was quite interesting. [laughs]

So…

Then recruit another one.

So the information that's being stored on this microfilm and microfiche was what, statements or…?

Yeah, statements. Any…

Everything?

Anything that was normally printed, records we stored on microfiche. And you had microfiche readers to read them and it became more and more automated. So in Eurocom we would have two or three of these microfilm devices to produce the microfilm or microfiche per bureau. And we were in Germany, we were in Sweden. Sweden was a very good operation, I think we had three branches in Sweden. We set up another one in Copenhagen, then we went into Finland and we eventually got Germany right. That was five, we had about five or six operations in the UK.

So the… I'm intrigued by the idea of photographing these paper records and storing them on microfilm, because I mean now we would think of all of that information being stored digitally on a tape or a disk or something like that. What…

But I think there is still quite a bit of microfilm and microfiche around.

Right.

But nowhere near what there was in those days.

Yeah. And what about the cheques, what happened to the cheques?

Oh, the cheques. I mean cheques in many cases go back to the customer, after they've been paid.

Oh right, of course they did, yes.

Or get stored for six years or whatever the statutory amount is. So…

So…

They were read, they were read automatically, E-13B characters along the bottom. And when they had been written they were encoded, the amount was encoded with the

customer and they were written in E-13B on these 1419 and subsequent IBM cheque reader sorters.

[00:39:33]

So we're talking here around 1980, aren't we, and the state of the art of 1980 then was this kind of combination of paper records and computer processing and microfiche storage.

Yeah.

Sorry, I know nothing about banking, I'm just intrigued as to what was happening in the branch in those days. And I mean it sounds an interesting story, kind of of a progression from paper to entirely digital where we are now.

[pause]

You ought to have a read through this. This is putting a branch onto the computer in these early days. So it goes through step by step.

Yeah, we could do that, we can put…

Starting to prepare to put a branch on the computer.

Yeah.

It took about nine months. That was just the preparation from manual or mechanised records, in putting them onto the computer.

And that was done branch by branch?

Done branch by branch. And it tells you about the application of software. I must have got somebody to help me do this.

Well, I mean I think it must have been a fascinating time. Well, perhaps it's fascinating looking back on it, that, you know, that this process of automation was going on. I mean I remember, you know, I was kind of in services and consultancy and we used to look at the IT spend and see where it was happening and, you know, the two biggest areas of spend on IT were government and banking. So if you wanted to make money you had to be working for one of those and I mean it just sounds such a huge change went on in the industry in those times. So Eurocom was all about that…

I touch on that a bit when I come back into banking after '75.

So Eurocom was about the microfilm, the microfiche, and then you've moved onto something else called Centrefile in 1981. So this was early eighties, what was Centrefile all about then?

I didn't particularly want to leave Eurocom at that stage. However, the MD of Centrefile was killed in a car crash in France, so they needed somebody and they came for me. I'd moved from Chislehurst in Kent across to Rickmansworth for this little company, Eurocom , and now I'm sent back into London. So I could still have been in Bexley in Kent, I would have had a very nice house. Things were much more expensive in Rickmansworth.

So what's Centrefile all about then?

It was interesting. The Swedish – this was unusual for NatWest – but the Swedish managing director actually came and ran Eurocom , to have a Swede at a fairly senior level in NatWest was very, it was something new. So Centrefile? Centrefile at that stage, so what did I achieve at Eurocom ? Well, I think getting the bank to wake up to the fact that it wasn't the sort of service they were going to make a fortune on. And it did subsequently sell it to a microfilm company. So I wouldn't say that it was a mistake to get into it, but it was good from my experience, but probably not for the bank's return on investment. Sorry, you asked a question about Centrefile?

[00:45:08]

Yes, well, that sounds like a different kind of business again.

It was a computer service bureau and it, I mean there were quite a few then around. Centrefile was quite a big one and- but it was based upon mainframe computers.

So was this, this was selling time on mainframe computers was it?

It was selling times and services. It was, the biggest service it provided, it was the biggest payroll service in the UK and we had people like Walls [?], and so on and so forth, that every week got the payslips delivered by Centrefile. I'm surprised you haven't been somewhere where you had a Centrefile payslip.

I may well have been, yes.

And I certainly have been. But it also provided bureau services, settlement and accounting to stockbrokers. We must have had a dozen stock- we had some big stockbrokers as customers. And building societies, yes. We had about sixty or seventy building societies that were all having their processing done by Centrefile. Legal firms. So it had, it was quite a big operation. It was based in, it was based in Leman Street in London and we also had a northern operation in Manchester.

And why was that a business for NatWest to get into?

Well, again, this was when it was interested in providing a wider range of services than just banking. And so many of NatWest's big customers were also customers of Centrefile. And it was a successful company, but… And it was when I was at Centrefile, I'd been there for about three years, that I went to MIT on a senior exec programme and that was terrific. I mean from a personal point of view. So…

So tell us a bit about that then, why did you go to MIT, what…

I'd already been on an executive programme. They obviously thought I was up to it, the powers that be. So I went to London Business School first and that was in the

blackout days, I remember being in London Business School when there was no gas and when the strikes were on. And then a few years later they asked me to go to MIT, which was terrific. So it was just a senior management programme and it was all nationalities. I think we started off with fifty, we got down to forty-five on the course, this is a three-month course, and just a broad education from some of the best brains in the world. And saying that, corporate and military people, and they came from Iceland, from South Africa, from Germany, from- predominantly American, but a wide range of other nationalities.

[00:50:01]

And what do you feel you got out of that?

Just so much business experience. I mean these people had all, some of the brightest guys were the military people on the course, at a very senior level. Brigadier General and a naval guy, extremely… and just a broad range of others there were. I don't think there were any bankers. There might have been, I can't remember. But it's this ongoing thing. Oh yeah, I talk about, the IBM PC just came in about 1982? And that's, so that's, MIT was my first introduction to PCs, and having to use them. Anyway, when I got back to Centrefile we set up a dealership, added that to the services.

So what difference did the PC make to banking then?

Well, at that stage, very little. It was still controlled by mainframes to a large extent and in fact Centrefile was largely responsible for putting minicomputers – DEC was the main one that we put into the bank and into other customers so that- and Centrefile introduced PCs into the bank as well. But I got my first experiences of PCs at MIT.

What did you do with a PC at MIT then? How did you get introduced?

[laughs] Well, we were given various exercises to do and we had to – some people had used them before, so we clung onto them to get them to help us get round that. It was all a foreign language to us.

So the picture I'm getting from this Centrefile thing – correct me if I'm wrong, because as I say, I don't know a lot about this industry – I mean the picture I'm getting is that there's these banks who've invested hugely in computers and developing the expertise to use them, and they've become a kind of centre of expertise, centre of excellence in how to use computers in business, and so they're selling these services, which you wouldn't think of as traditional banking, but…

I think NatWest was the only bank that had a computer service company.

Right.

So we were a bit unique in that respect.

I mean it's a bit analogous to, you know, Amazon web services. You know, Amazon started off selling books and had to develop computer systems to manage their business, and now they're selling computer systems and services.

Yeah, yeah, yeah. But in my time in Centrefile we started doing more and more for the bank itself, and that's because we had the expertise in minicomputers and PCs. And as I say here, the penultimate paragraph on there, we did a, we were advanced on online systems. And the system we set up for the petrol retailers, Pisces, formed the basis of the debit card that is now so commonly used right across the banking industry.

And you set that up particularly…

It was, we were largely influential in the way it was set up and we did provide some of the services, yeah.

[00:55:14]

So that was a solution to a particular business problem for…

Well, it did. It took the bank more into a broader range of services, yeah.

So did you get the feeling at the time you were doing all this that you were at the cutting edge of technology and business?

We knew, yeah, we knew we were pretty advanced. And certainly IBM knew we were pretty advanced. I mean we had some massive systems and I say somewhere in here, that DB2 – I'm jumping the gun a bit here.

No, go for it.

That DB2 database system, we had all of the NatWest customers on a relational database, which was way ahead of its time. It was the biggest IBM DB2 database anywhere in the world. So that was, that was at the cutting edge.

So, you say that you took that to the board – this was the proposal to do it.

What I'm trying to say in here is that the things I did – we talked about Eurocom – Centrefile, Centrefile always was profitable but it became more profitable in my time, it became a much broader based computer services company rather than just a computer bureau. That was in my four years, so they were good years. Do you want to go to the bank card?

Yeah. So we're now at 1986 and you're going back to NatWest as general manager of group IT.

Yeah.

This was also the time, wasn't it, when the Big Bang was coming. Did that affect you?

Big Bang was…

Eighty-seven, wasn't it?

Yeah.

Or was that the investment banks rather than the retail banks?

Yeah. And the stockbrokers got… So the Centrefile service was under threat again, because it had about a dozen stockbrokers, and now they were thinking seriously about doing their own thing. And the minicomputers were around, so they were also more affordable. So yeah, it was good being in IT, but it was shifting quite quickly. You know, so my job as general manager of IT, I was responsible across the whole of the NatWest group, so I had specific responsibility for developing systems in the UK bank, but also responsibility for making sure that they were all co-ordinated and kept in step across the whole group. So if America wanted to go and do something, they had to come and get my signature or whatever. So it was quite responsible.

So with all the development work, and I retained Centrefile, they wanted me to look after, continue. They put a management director into Centrefile, but he reported into me. So it was a pretty big job in NatWest. So I had 4,000 staff, mainly the development staff and Centrefile, and a small unit looking after the co-ordination of systems group across the world.

[00:59:50]

And how did NatWest compare with other banks that were doing this stuff? Like Barclays presumably had a big banking operation and Lloyds and… where was NatWest in the super league?

Well, they had me running IT. Barclays brought in Joseph de Feo at great expense, from outside. Midland did the same, and I can't remember the guy at Midland, I will remember. And we used to talk quite a lot. And this guy at Midland, he says, I'm going for this package choice. It was Hogan Systems, and Hogan Systems was a sort of – how do you describe it – I mean it was an outline of a system that you built your own bits into. And I said, I said, you're a brave man, I said, because I'd heard Lombard North Central wanted to put that in, and I said, you can't. And he said, why

not… I said, they haven't got it working anywhere in the world. If you want to – it was a friend of mine that was running Lombard and he listened, well, he had to listen because he couldn't get it approved at the board. And Midland went, Midland caught a big cold. So it was things like that. Didn't get everything right, but you know, applied a bit of common sense to the system that you chose. So how did we compare? I don't know. I think, I know a guy in Barclays who, when he saw us put in this system, he said, we were failing ourselves, because you had all of the relationships of each customer in one place at the- where it was needed. So at the counter, if you came in, Tom, we could find out, do you have a mortgage and you have this, you have that, and so on, so what is the total position. What is the total relationship with NatWest with Tom Abram. And I don't think we took up that. We were ahead of our time as far as that.

You were the only bank who could do that?

The only bank that could do that at the time. But I don't think we trained our people that were face-to-face with the customers in how to use all this. And that was really down to the business and there was always this problem between IT and the users, you know. Did we… And the spend was terrific. I mean… My revenue expense was excess of 400 million, which is not small. And the capital obviously varied quite a bit.

You raise an interesting point there, I think, about the IT and the business, and we had a little bit of work done by a student earlier this year, looking at IT management in the 1980s, because, I don't know whether you're aware, but we got all of the Butler Cox papers given to us, you know, the Butler Cox Foundation reports. And in fact we got a bit of input from George Cox and David Butler, who sadly died in July, I don't know whether you know that? David Butler died. Anyway, I mean the theme of this piece of work was that there was, in the 1980s or thereabouts, there was quite a difficult tension between the IT people and the business people, because the business people didn't understand the IT and they thought the IT people didn't understand the business. Did you see any of that?

[01:05:00]

Oh yeah, yeah. Well, I knew George Cox pretty well. When I left the bank the livery company asked me to get involved in developing a virtual hall in the City and I was given the, I had to go and interview a number of guys, all in the Cs, and George Cox was one of them. [inaudible] But, so I went down. He set up an operation in Egham.

Yes.

It may still be there, I don't know. But George took up a job with Unisys?

Yes, I think you're right.

He became the chief… yeah, yeah, of Unisys. I went down to see him about this virtual… I didn't see him. I saw, I can't remember who I saw now, together with Des Lee – d'you know Des?

No.

Anyway, Des Lee said to me, what are you doing? Why don't you come and join us, he said. So that's what got me into CIO, CIO-Connect, on a devious journey. But yeah, I know George quite well. There was a gap, you know. I think one of the things I did as General Manager of IT was actually pushing all of the responsibility for getting financial approval and so on, and I set up, each unit had its own account manager, so I put some of my people out in a branch to try and bridge this gap. And it seemed to work and there was much more responsibility for IT pushed over to the business in my time there. Before I got there it was almost a data processing set-up, where the users used to come up to IT and say, I want this. And they'd say, you can't have it. Actually turning business away. So, we changed all that. And I enjoyed that. I became the manager for nearly eight years.

So when do you think, or perhaps you'll tell me it was always the case, when do you think that IT and the IT department kind of really got respected by the business management?

I think they were always respected. I mean we did have a big IT unit, but our system, we had some of the biggest online systems anywhere and the reliability was phenomenal. The discipline when things went wrong was extremely well worked out. So to that extent, the running of the systems, because, you know, if a computer goes down customers didn't have access to their money, and things like that. In NatWest we didn't have any major one like that until RBS took us over. RBS took a lot of the NatWest technology out, for political reasons, and they said theirs was much cheaper, but it fell over. [laughs] So what are they going to do?

So you think in banking it was understood from those days in the sixties when you start putting those Pegasus and Orion and all that stuff that the board of the bank understood that this technology stuff was their future?

Yeah, probably. Probably, but not how it was going to be delivered. I mean technology went on at such a pace that we had the biggest online systems in the world, even if you're talking about some of the government ones, they were pretty big as well. But I'm sure, I mean telecommunications took off and the internet and things like that, these were never perceived in those days.

[01:10:30]

So an awful lot- so you left NatWest in what, 1994?

Yeah.

So that's twenty-eight years ago, isn't it?

Yeah. I've had a good pension. [laughs] I think probably by this time they were starting to recognise it. We certainly had the online systems. We weren't using, we weren't using the internet or the advanced telecommunication very much at that stage, but Centrefile actually took us into that.

So an awful lot's happened in those twenty-eight years since you left?

I was appointed chairman of Simtech Solutions, which was a company, a friend of mine – who's no longer with us – I call Gordon, Gordon Skinner, a very successful businessman himself, invested in Simtech Solutions which was working largely with Swift organisation, attaching customers to the Swift system. And they got themselves into a bit of a mess, Gordon brought them out, persuaded 3i's to make an investment. Unfortunately they found, and Gordon asked me to sit on the board and made me chairman, but these guys cheated 3i's and they didn't use the money that they raised, which I can't remember the amount now, it was quite a bit, but they used it for a different purpose. When I got in and saw this, I had to fire them. [laughs] It was my German experience. [laughs] And I did share distribution and what I did was illegal if somebody had picked me up, because we said these original shareholders couldn't have any shares, any of them. Of course they were entitled to. So, and the guy came up to me, can I not have one share, John? I said, definitely not. [laughs] So, we got that turned round and sold it. Lorien. Lorien, Bert Morris was chairman of Lorien and asked me to go on as a non-exec director before, again, that got sold.

So that was about recruitment and contractors?

Yeah. They were quite a successful company and one of the biggest of its type in the UK. So I got involved with a few companies: NCR, Simtech, and a few others, in an advisory capacity.

So CIO-Connect sounds interesting. What…

CIO-Connect, yeah. The way I got into it, I didn't explain it, because George Cox didn't turn up. I met one of them, one of my partners, although I already knew him. CIO-Connect was interesting. Firstly, this company was providing services to IT suppliers and there was a guy called Craig Redbond who came from Computer Centre, he worked for Computer Centre, had a few health problems, decided to go and do his own training company and coaching and so on. So he got this guy, Des Lee, that I just mentioned, involved, and they both got me involved whenever, when I'd stopped doing things in the bank. And then we came up with the idea of wouldn't it be- and we used, we used people from user departments to provide services to suppliers and of course they could never open the door to IT directors and so on, so,

except with our help. So having done that we decided then to set up a service called IT Directors, hence CIO-Connect. And we set it up and it became a big thing and we had about 250 of the top IT directors in the country as members.

[01:16:09]

So it was like a club for sharing ideas?

It was, the way we developed it was a club. And we had- they were not only members, we got the subordinates involved, we got the PAs involved. That was a girl working for us, she was ex-BA, and she said you ought to get PAs involved, this'll tie them, connect it. They loved it. I've always cheered the PA front. And it was great, because we had a bit of fun, you know, they weren't on the serious side. And eventually we sold it, we were all retired. John Handby was involved, he came in a bit later. Des and Craig and me. But that was really fun. And then WCIT, honorary treasurer. That was hard work. John Leighfield said- no, it was Campbell McGarvie, who I did mention this to. He said, I've nothing to offer, you know, the Archives. Whether he has or not, he was always on the sales side of computers, so maybe he doesn't, I don't know. But I told him you said he ought to get involved. So…

So, yes, WCIT and the honorary treasurer role [laughs] was hard work.

Well, it was, looking at, I mean poor old – trying to think of who the treasurer was before me. You don't see him at meetings now, I don't think his health's all that good. Mike Warburg, Mike Warburg, yeah. And he says Dame Shirley persuaded him to become the treasurer. He said [incomp]. But honestly, when I went to take over from him he had papers all over his house and his, the IT set-up, we had a part-time accountant who had two part-time assistants who worked on different days to him. [laughs] He couldn't use a computer and he got his wife to type up the board paper. And it was [incomp]. But when I got there they'd brought this finance committee together. Peter Morgan was asked to chair it, I think he was a Master or past Master or something like that at that time. Jo Connell was there. There were quite a few people who were a bit worried about the finances. And I said, oh, I'll give it a go then. Three and a half years later I got out. It was almost a fulltime job.

[01:20:09]

Well, that was a difficult time, wasn't it, financially?

So the first thing I did, we had, I think we had five or six companies and each was cross-charging each other. It was complicated. I didn't understand, that's the first thing I simplified, make it simple. And David Mann said, I understand it. I said, well, you're the only one, David. I said, I'm still going to simplify it.

So what would you say is, I mean looking back on all these different things that you've done, what would you say is your core expertise then? I mean, do you think of yourself as a technologist?

No, never. I'm hopeless with the computers. [laughs] I think the thing I bring to a table largely is relationships, developing relationships. I've never had problem relationships with users, with my colleagues, you know. Fairly tough, but always respected people. And so what I've done in all of these positions is that. And it was the same here. When I left the court I got a standing ovation. I was really flattered.

That's nice, isn't it?

[laughs] I've never seen it before. But it was right for me to get out. And Colin Black had been my number two during part of this, although Colin didn't get terribly involved in what I was doing, but at least we had a qualified accountant there to take over from me. It happened. Yeah, it's been an interesting time.

So what would be your advice to a young person at university or coming up to university in terms of career? I mean do you think technology is a way to go, or banking? Where does the future lie?

Technology certainly is a way to go, and it's going to keep on advancing. Probably even quicker than it has done in my time. Banking, not so sure about. I mean banking's quite different from when I was a so-called banker.

But you made a comment right at the start that you were paid a pittance.

What?

You made a comment about being paid a pittance at National Provincial. I mean it was my observation from outside financial services that, you know, those people doing technology within financial services got a premium for that, because it was, I guess, strategically essential to the bank. So, I mean presumably, your skillset and rewards were ultimately, you know, recognised more than when you were struggling at Stockton-on-Tees.

Well, I was never paid the megabucks that you see there, but I was very comfortable. Yes. I think I probably got a just reward, although what, as I say, Midland paid an arm and a leg, so did Barclays, to get outsiders in. NatWest decided it didn't need it.

So…

Hopefully that says something about me. [laughs]

[01:24:46]

Well, I mean I think, I think I probably undersold you in my introduction of you, because I mean I think you've painted a picture of leading the way in terms of the development of the systems in banking over the period from, what, 1950 when you first got involved to the late nineties.

I always had good people around me. I always made sure I had good people around me and I think that paid as well.

So that's another secret of your success, is it?

Well…

Relationships and good people around you.

When I came back into IT, you know, having been to Eurocom and Centrefile, I didn't recruit very many people, I used what they already had, gave them a bit more room and a bit more responsibility and brought a few outsiders in, but not all that many. And some of them I brought in weren't as [01:26:03 sound distorted briefly]. Same in all walks of life.

What do you think about the future of technology? I mean we hear very different views from different people about Artificial Intelligence, for example, and whether that's a good thing or a bad thing, a threat or a benefit or… do you have any thoughts on that?

Well, I mean it appears to be a growth area and it's absolutely remarkable what computers can do. I think it's inevitable that it's going to be, it's going to take off, if it hasn't already taken off. So yeah, I'm sure there's a future for AI.

Well, thanks very much, John. That's been fascinating account of the…

Was that okay?

… the progression of IT in banking and your role in it. That's great, thank you very much.

Thank you very much. It's been very varied, yeah, I think I've enjoyed my career in banking.
[01:27:24 recording ends]