

## **ANTICIPATED ACQUISITION BY IRON MOUNTAIN INCORPORATED OF RECALL HOLDINGS LIMITED**

### **Summary of hearing with Barclays on 22 February 2016**

1. Barclays said that it tended to hold records in-house for a limited time before they got archived to external providers. There was also a customer product, Barclays Safe, whereby customers could store paper documents in these storage facilities. Barclays had various requirements for retrieval, generally [redacted]-hour retrieval was used but there was also a facility to return records more quickly on occasion. Non-urgent retrievals were delivered into Barclays' own internal mail service.
2. Recall was Barclays' current main provider. Its contract was put in place in [redacted]. Barclays' records were previously held in-house; this was changed particularly because of physical security requirements. Recall took over and rationalised the sites and upgraded security. Recall were chosen because of [redacted], and because of [redacted].
3. Barclays [redacted], although some important documents (eg mortgage files with property deeds) were kept in facilities with gas fire suppression systems. Barclays was not concerned directly with the geographic distance required for deliveries; its interest was in the delivery time service level.
4. Barclays had a few physical records held with [redacted]. Other suppliers were used for tape storage, primarily Iron Mountain but also [redacted]. These other suppliers were used because of legacy contracts. If going out to tender now the sourcing team would look to tender on a wide basis across the business [redacted].
5. [redacted]. But it had become evident there was no one supplier that could satisfy [redacted].
6. Of prime importance from the external provider were [redacted], as [redacted]. Physical security requirements included, for example, extended perimeter fencing, biometric access controls, and fire protection including gas fire suppression systems for particularly sensitive documents. A supplier would also be required to screen staff.
7. Barclays would be likely to retender the Recall contract given the size of this contract. This was anticipated [redacted].

8. Barclays would undertake due diligence on any prospective suppliers including site visits. Given the size of the contract, it was likely only a well-known records management business would be considered for tender. [REDACTED] would also be important. It was unlikely [REDACTED].
9. From the recent two experiences when having gone out to tender, Barclays found the field narrowed down to [REDACTED]. Barclays thought Restore/Wincanton might be keener to win business in the future. Post-merger, Barclays still thought there would be viable competitors to Iron Mountain/Recall.
10. Barclays said that there was a cost in changing suppliers because of the retrieval costs for each record; [REDACTED]. These costs were more significant than other administrative costs of setting up a new supplier.
11. Barclays said that it scanned a lot of documents and produced electronic records but it still generated a lot of paper records. Some changes were anticipated, for example by 2017 banks were likely to move to image based clearing of cheques, which would reduce the number of boxes of copies of cheques going into storage. Apart from cheque-clearing, there were no other major expected regulatory-driven changes to record keeping. However with other developments the number of boxes would in time significantly reduce and the store of paper could then gradually be reduced.