

Banker loses sexism claim

A former executive at the London offices of Merrill Lynch has lost her £7.5m (\$14.6m) sex discrimination case against the US investment bank.

An employment tribunal dismissed Stephanie Villalba's allegations of sexual discrimination and unequal pay. But the 42-year-old won her claim of unfair dismissal, resulting from her sacking in August 2003. Her partial victory is likely to cap her compensation to about £55,000, a tiny fraction of what she asked for. The extent of damages will be assessed in the New Year. The action - the biggest claim heard by an employment tribunal in the UK - had been viewed as something of a test case.

The tribunal decided that Ms Villalba had been unfairly dismissed because, having been removed from a senior post, she was entitled to wait to see if a suitable alternative position could be found in the organisation. Ms Villalba, the former head of Merrill's private client business in Europe, has made no decision on whether to appeal.

A spokesman for her lawyers described the decision as "very disappointing", but pointed to some criticism of Merrill's procedures within the lengthy judgement. The tribunal upheld Ms Villalba's claim of victimisation on certain specific issues, including bullying e-mails in connection with a contract, but said it found no evidence of "laddish culture" at the bank. "We said from the start that this case was about performance not gender," Merrill said in a statement. "Ms Villalba was removed by the very same person who had promoted her into the position and who then replaced her with another woman. "Merrill Lynch is dedicated to creating a true meritocracy where every employee has the opportunity to advance based on their skills and hard work."

Based in London's financial district, Ms Villalba worked for Merrill's global private client business in Europe, investing funds for some of Merrill's most important customers. But in 2003 her employers told her she had no future after 17 years with the company, and she was made redundant. Merrill Lynch denied Ms Villalba's claims and said she was removed from her post because of the extensive losses the firm was suffering on the continent. The firm had told the tribunal that Ms Villalba's division had been losing about \$1m a week. Merrill said Ms Villalba lacked the leadership skills to turn around the unit.