

Sunday Times

My battle with the bullying billionaire

The reporter who exposed the skulduggery surrounding Sir Philip Green's £1 sale of BHS recalls the burly tycoon's furious four-letter outbursts and pugilistic swagger as the stricken company slid towards bankruptcy

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May 1 2016, 1:01am, The Sunday Times

It started on a damp Thursday afternoon in March last year. I was in BHS's headquarters in Marylebone Road, central London, with Dominic O'Connell, business editor of The Sunday Times. We had been summoned for an audience with Sir Philip Green.

We waited for 10 minutes. Then double doors swung open and the billionaire stood there, arms outstretched, almond eyes glinting.

"The boys!" he called out, a mischievous grin spreading across his face.

The Sunday Times had a special relationship with Green. It had charted his unstoppable rise as he bought the BHS department store chain, launched two hostile bids for Marks & Spencer and took over Arcadia Group, which owned Topshop and Dorothy Perkins.

That morning, after months of rumours, he had announced that BHS, which had faded away under his ownership while the core of his empire thrived, had been sold for a token £1. He wanted to give just one interview about this, and there was no question which newspaper would get it.

Green has two sides. One is the ruthless businessman who chews up opponents without mercy. The other is the whip-smart charmer with a surprisingly sensitive side. On this occasion, he was on top form: the Green-o-meter flickered towards bonhomie.

The BHS boardroom was a shrine to his success. There was a photograph of him receiving his knighthood from the Queen, a framed collage of yellowing newspaper headlines, and a model of his Gulfstream G550 private jet, a gift from his wife, Tina. The bookshelves were lined with bound volumes of his press cuttings.

Stuffing a doughnut into his mouth, Green described his parting from BHS as "sort of happy-sad". He was about to turn 63, he said. "My birthday present was a disposal as opposed to a present."

The mood changed abruptly when I asked what it would mean for his reputation if BHS were to go bust under its new owners, an unknown consortium called Retail Acquisitions.

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“Am I really going to get into that debate?” he snapped. “If I give you my plane, right, and you tell me you’re a great driver and you crash it into the first f***** mountain, is that my fault?”

I had no idea this would be my last remotely civil conversation with him. Nor did I realise, despite the £1 deal’s bad smell, that we were about to unravel one of the biggest corporate scandals in years.

Green had paid more than £400m of dividends from BHS to his wife in the tax haven of Monaco and two partners during his 15-year ownership. In selling the store chain, he escaped immediate liability for its £571m pension black hole. But he handed responsibility to someone who turned out to be incompetent and who would suck out millions of pounds before BHS went into administration last Monday.

The billionaire has seen his reputation savaged over the past week by public outrage at the implications for BHS’s 11,000 staff and 20,000 pension members.

The initial reaction a year ago to the sale was muted, however. Now the facts are out in the open, this seems perplexing. But it would be hard to overstate the influence Green exercised over the media. With his £3.2bn fortune, volatile temper and willingness to help favoured reporters, the Topshop owner rarely used financial public relations companies. Alone with his discontinued Nokia 6310 mobile phone, he was the master of PR.

My first lead on the BHS story came through social media. I spotted a message on Twitter hinting at the chequered past of Dominic Chappell, Retail Acquisitions’ main shareholder. A quick search of his Companies House records revealed a long trail of bust companies. One of the more recent, Island Harbour Holdings, seemed to relate to a property development on the Isle of Wight.

I started ringing addresses there. Eventually I got through to someone who knew him. “The first thing you need to know about Dominic Chappell,” this source told me, “is that he’s a sociopath.”

The story tumbled out: Chappell had borrowed £24m from Anglo Irish Bank in 2006 to build luxury flats on the island. Most of it had been blown on boats, cars and a helicopter before the scheme collapsed.

I caught a train to Southampton, crossed to Cowes on the ferry and spent two days tracking down other people who had known Chappell. One memorably opined that he “couldn’t run a penny machine in a toilet door”.

Sensing a negative article coming, Green tried to neuter it by arranging an interview with BHS’s new owner. I met Chappell in Green’s old boardroom. A porky, unremarkable 48-year-old in shirt and jeans, he was sweaty and fast-talking with an upmarket estate agent’s patter.

On March 29 last year, The Sunday Times published the first in a series of articles under the headline: “Revealed: the trail of disasters behind mystery buyer of BHS”.

In the early hours of the following Saturday, as I was stumbling to bed after my uncle's wedding in Scotland, I received an intriguing email. "We can help you to know the real story behind it and who is the mastermind and what is going to happen."

The tale that emerged was extraordinary. The BHS deal had been put together by Paul Sutton, a convicted fraudster, who had been forced to hand it over to Chappell after angry creditors delivered details of Sutton's conviction to Green's apartment in Monaco. Sutton also had links to Eddie Parladorio, a celebrity lawyer and minor shareholder in Retail Acquisitions.

When I called Green and mentioned Sutton's name, the Topshop owner went berserk. It was my first experience of the hairdryer treatment.

"Take a look in the mirror," he screamed, so loud that every reporter sitting near me could hear him on my phone. "There are 11,000 jobs at stake here."

When his threats had no effect, Green vowed: "This is going to get very ugly. I've never had a fight with The Sunday Times before, but I'll fight if that's what you want."

Chappell's lawyers sent over an aggressive, four-page letter. Nonetheless, the story was printed on April 12 with the headline: "Fraudster's links to the £1 sale of BHS".

Green rang me that morning and went ballistic again. "If I was Chappell I wouldn't bother with lawyers. I'd come round to your office and punch you on the f***** nose," he shouted.

Yet once he had worn himself out, he cracked a few jokes. "We are where we are," he sighed. "But leave it. Leave it, seriously, or this is going to get ugly."

Later that month, he tried — and failed — to get the editor to rein in the story. "I'm gonna call Rupert Murdoch [ultimate owner of The Sunday Times] on Monday morning because this is unacceptable," he ranted at me. "This has got to stop."

It did not. As I continued to dig, rival journalists on other papers expressed amazement that I was being allowed to take on Green.

One gave me a front-page story on BHS. "There's no way my editor will let me print it, so you may as well have it," he shrugged.

Green bombarded O'Connell with calls. Our stories were going to sink BHS, he complained. Suppliers would take fright. We carried on regardless.

The next clash came in June, as we prepared to expose Chappell's lavish lifestyle since the BHS deal. Among other things, he had bought a new Range Rover and a Swan 42 racing yacht.

"What do you expect him to do, ride a bike to work?" Green bellowed. "I'm gonna come round there and smack you in the f***** mouth!"

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Another heavy-handed legal letter arrived, citing comments I had made about Chappell. Green had clearly filleted bits of our conversation and passed them on. I texted him: “Surprised you didn’t mention your repeated threats of violence to me down the phone.”

I went for a run to relieve the stress. When I came back there were several missed calls from Green. When I rang him back it was the only time I ever heard him contrite.

“Oliver, I apologise,” he said, his market-trader voice now gravelly and warm. “You know, I only lose my temper because I care.”

As the saga rumbled into this year it grew more ominous for Green. In March, a source said he was being probed by the Pensions Regulator over the gaping hole in BHS’s pension fund. This led to another front-page story.

A week later, a tip arrived that I could barely believe. In the midst of the pensions wrangling, Green was about to take delivery of a £100m superyacht. Even though it had been ordered four years ago, the timing made the extravagance look grotesque.

His response was predictable. “Oh, please. F*** off, OK?” he growled.

Green instructed his lawyers to try to stop the story. This was a sign of how bad things had got. Green hates using advisers — he believes he can handle problems better himself. To pay a law firm was an admission that events had run beyond his control.

The piece ran anyway with the headline: “The £100m boat comes in — just as BHS pensions need bailing out”.

Events were picking up speed as BHS was running out of cash under Chappell’s hapless ownership. Last Saturday, as the story moved towards its sad finale, I called Green and told him we planned to report that a restructuring firm was due to be appointed as administrator.

“Incorrect,” he said. Pressed on the truth, he exploded: “If you want to call me a liar, come round to my office on Monday, call me a liar to my face and face the consequences. How’s that, if you’re such a big f***** boy? Because you will get thrown through the f***** window.”

We published our story and Green called O’Connell to complain. The business editor, sick of his endless attempts to interfere, told him that BHS’s implosion was his own fault and hung up. BHS collapsed into administration the next day.

Overnight, the dam burst. Fleet Street, for so long cowed into submission, rose up and bit back hard against the bullying billionaire. I called Green one last time to ask if he felt any remorse.

“F*** off,” he said. “Is that easy? F*** off.”