Damian McCarthy

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Employment Lawyer

£1million accountant who blames racism for limiting his pay

A partner being paid nearly £1million a year at one of the UK's largest accountancy firms is suing for loss of earnings on grounds of racism.

Dunstan Pedropillai, 47, told an employment tribunal that PricewaterhouseCoopers paid him less than his colleagues and gave him inferior clients because of his skin colour.

Despite being hailed as a 'rising star', the Sri Lankan-born Cambridge graduate claims bosses failed to give him the top jobs and limited his earning potential because he was not one of the 'white British' City elite. He is suing the firm, where he still works on a salary of £933,480, for £2.6million in lost earnings and pension contributions, on grounds of racial discrimination over 25 years of employment.

The tribunal, in Croydon, South London, heard that Mr Pedropillai, who has lived in Britain since he was 11, joined PwC as an audit specialist after graduating in 1986.

His lawyer Christopher Jeans QC said he was soon recognised as a 'star performer', and was regularly promoted. Superiors were so impressed with his 'exceptional professional and interpersonal skills' that they 'broke the rules' and proposed him for a partnership in 1997 a year earlier than was customary, Mr Jeans said.

Mr Pedropillai was seconded to the firm's offices in Japan, but on his return in 2001 his career began to falter.

Although his unit dealt with top banks, such as Barclays and Goldman Sachs, Mr Pedropillai was given small, high-risk firms to deal with.

In a witness statement, Mr Pedropillai said: 'I believe I have been treated less favourably by PwC on the grounds of my race in comparison to my peers.

'I am stuck on a very low role level. However hard I pump my accelerator I am never going to get up to the kind of income level other partners have got.

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'The original culture of the firm is an extremely strong collegiate club-like corporate culture which has its roots in Anglo-Saxon male culture, which is the major composition of the firm.'

Of his return from Japan, he said: 'It was as if they had already formed a view that I was not a 'member of the club" or that in some way my face did not fit. The firm felt they could not put me in front of blue-chip top tier clients – they felt as a non-white I didn't look right.'

By 2003 his rating at the firm had dropped to the bottom level available for a partner.

In 2004 he received a bad appraisal for dating a colleague, Marina, now his wife, without revealing the seriousness of the relationship to his boss.

Mr Pedropillai filed a grievance on his role rating and, although an investigation found that the rating had been unfair, no remedy was offered.

When he complained that he suspected racial discrimination, Mr Pedropillai was threatened with the sack. Mr Jeans said: 'In February 2005 Andrew Smith, head of partner affairs, leaves him a voicemail saying if he claimed for race discrimination he would be dismissed from the firm. He added that he would deny that this call had ever taken place if he ever raised it.'

Suzanne McKie, representing PwC, said the firm denied that Mr Pedropillai's career stalled because of his ethnicity and put it down to his 'poor people skills'.

She said that the poor global economy meant Mr Pedropillai's unit grew only marginally, and that two of his white peers were made redundant, while another, who had returned from working abroad at the same time as Mr Pedropillai, had been forced to move to Australia because there was no work for him in London.

She said the £100,000, or 12 per cent, pay cut received by Mr Pedropillai last year was roughly in line with the eight per cent salary drop received by partners across the board and that he had a low role grade because he refused to accept any negative feedback.

The hearing continues.