

Rt Hon Nicky Morgan
Chair of the Treasury Select Committee
House of Commons
Committee Office
London
SW1A 0AA

12th July 2018

Dear Mrs. Morgan

Lloyds Banking Group & The Reading Fraud

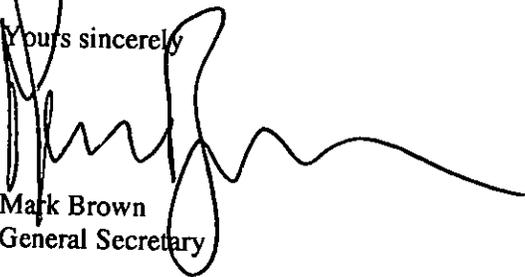
I refer to Mr. Brogan's letter to you dated 26th June following your letter to Dame Linda Dobbs.

In response to the appointment of Dame Linda Dobbs to review claims of an alleged "cover-up" in the Impaired Assets Office of HBOS Reading we wrote to all MPs saying that the results of that review, set up by Antonio Horta-Osorio, Chief Executive Officer of Lloyds Banking Group, would only be seen by the Bank's Board with a copy sent to the Financial Conduct Authority (FCA). We said that: "The need for transparency dictates that a copy of the report should be sent to members of the Treasury Select Committee and made available to all members of the House of Commons so that MPs can discuss and debate what went on in the lead up to the fraud, the actions of key players and the conclusion drawn by Dame Linda Dobbs. The FCA and Lloyds Banking Group must not be allowed to sweep this scandal under the carpet".

A number of MPs wrote to the Antonio Horta-Osorio asking that the report be made available to Parliament. In response to those letters Mr. Brogan, Group Public Affairs Director said: "When the Group announced Dame Linda's appointment, we made it clear that her findings would be shared with the FCA once complete. At that point, the Group will need to discuss Dame Linda's findings with the FCA. That will be the appropriate time for the Group to consider the issues in relation to provision of the report to MPs on the Treasury Select Committee.". The Bank has, since then, confirmed that it will provide the Treasury Select Committee with Dame Linda's findings. The Bank's late conversion to the need for transparency is to be welcomed. However, like you, what we find unacceptable is the length of time it is taking Dame Linda Dobbs to produce her report. Dame Linda Dobbs was appointed on 27th April 2017 and she's now said "Our hope is that we will complete our report during the second half of next year". When it's finally published, the Dobbs Report will have taken 2.5 years to complete. The Bank is in possession of much of the documentation, customers have set out their complaints in great detail and interviewing witnesses can't be that onerous. And lest we forget, the review doesn't deal with the issues before the criminal cases began. To put that into perspective, Lord Leveson's Inquiry into the culture, practices and ethics of the British Press heard 337 witnesses, had 300 written statements to review, millions of documents to sift through and still managed to produce a 2,000 page report in 17 months. Dame Linda is proposing to take 14 months' longer than the Leveson Inquiry to produce her report.

It's in the Bank's interests for this report to be kicked into the long grass and by starving Dame Linda Dobbs of the necessary resources to complete her report expeditiously, that's exactly what it is doing. Furthermore, one could argue that it is in the Bank's interest for the Dobbs Report to be produced after Professor Griggs has completed his customer review because her findings could affect how much individual customers seek to claim and are prepared to accept. We would suggest that the Treasury Select Committee determine what resources Dame Linda has received from the Bank to date and what resources she would need to ensure that her report is completed by the end of the year. Those affected by the Reading Fraud including taxpayers, who according to the National Audit Office (NAO) report into the return of Lloyds Banking Group to private ownership lost up to £6 billion on the bailout of HBOS, and Bank customers have a right to know what went on and why and they should not have to wait another 18 months to get answers to those questions. Justice delayed is definitely justice denied, especially when you read some of the personal stories of those customers who suffered at the hands of the fraudsters at HBOS Reading.

Yours sincerely



Mark Brown
General Secretary