

Mr. Antonio Horta-Osorio
Group Chief Executive
Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

20th August 2018

Dear Mr. Horta-Osorio

Lloyds Banking Group says: "If we are to become the best bank for customers then we must ensure that this vision is inclusive of the LGBT community". In its Code of Business Responsibility, the Bank also says: "We recognise that by understanding and valuing difference, we can build trusted relationships with our customers, colleagues and communities. Leaders throughout the business are encouraged to set an example by behaving in line with the Group's Values and demonstrating their commitment to diversity and inclusion". Quite rightly, the Group takes great pride in the recognition of its work in the LGBT arena and that culminated in it being named number 1 in the 2017 Stonewall Top 100 employers list.

Given the forgoing, you can imagine our surprise on being told that the Offshore Banking (Jersey, Guernsey and the Isle of Man) business has operated a policy of discriminating against same-sex couples when making mortgage and unsecured loan decisions. The individual providing that information to the Union would be in a position to know how the Bank's policy was being applied across all three Islands. I appreciate that this may come as a surprise to you but this goes to the heart of the relationship between Lloyds Banking Group and its customers, and that is why we have taken the unprecedented decision of writing to you personally. A copy of this letter is being sent to Lord Blackwell, Chairman of Lloyds Banking Group and Lord Lupton, Chairman of the non ring-fenced bank. Simply ignoring the Union is not going to make this issue go away. Equally, this is not about the state of our current relationship, we are content with that position, it's much more important than that. If such a policy exists, it's got far reaching public policy implications beyond Offshore Banking.

I should be grateful if LBG would provide the Union with the following information:

- How many same-sex couples have applied for mortgages or unsecured loans in Jersey, Guernsey the Isle of Man in the last five years?
- How many heterosexual couples have applied for mortgages or unsecured loans in Jersey, Guernsey and the Isle of Man in the last five years?
- How many heterosexual customers have had their mortgage or unsecured loan applications turned down in the last five years?
- How many same-sex couples have had their mortgage or unsecured loan applications turned down in the last five years?
- Copies of the mortgage application and loans guidelines that have been used on the Islands in the last five years.

Lloyds Banking Group may argue that there are data protection restrictions which prevent it from providing the

information we have requested, although our advice is that given that we are only asking for cumulative data that should not be an issue, However, in the interests of getting to the bottom of these serious allegations, we are prepared to accept that an independent third party, agreed by both the Lloyds Banking Group and BTU, review the relevant data and interview senior members of the local management team to determine whether the Group has operated a policy discriminating against same-sex couples when making loan and mortgage decisions and, if so, over what time period. The terms of reference for that review, timescales and communications will be agreed by Lloyds Banking Group and BTU. If an independent third party is appointed, the Union will await the outcome of that review, subject to timescales being agreed, before issuing any communications to members.

If we don't receive any response from the Group by 5pm, 24th August 2018, we will take that as confirmation that a policy discrimination against same-sex couples exists and the business does not wish to undertake an independent review.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark V Brown', with a long horizontal flourish extending to the right.

Mark V Brown
General Secretary