

KEVIN HOLLINRAKE MP



HOUSE OF COMMONS

LONDON SW1A 0AA

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

18th December 2018

Dear Nicky,

The APPG on Fair Business Banking receives frequent correspondence from individuals who are deeply dissatisfied with the compensation scheme established by Lloyds Banking Group to provide redress and restitution to the victims of the HBOS Reading fraud. I very much share their concerns. The design, methodology and process of the Review is an affront to any notion of natural justice as it denies the victims of the fraud a fair hearing and appropriate compensation for their loss. In the words of one such individual that has endured the Review:

"The Griggs Review process is not fit for purpose. It's a box ticking and rubber-stamping exercise carried out by lawyers and Professor Griggs, both paid for by Lloyds. It's not independent, it's not fair and it's not helping the victims of a fraud where six people were convicted and went to jail for nearly 50 years in January 2017. The Review is certainly not fair, swift or paying appropriate compensation as LBG said it would."

It is for these reasons, and a number of others, that I applied for and have been granted a Westminster Hall debate today, for which I attach a briefing paper for your consideration. Furthermore, in the attached advice report published today by SME Alliance, Jonathan Laidlaw QC found the Review to be "procedurally defective", "unfair", "flawed" and also "partial to LBG's interests". Mr Laidlaw QC has also stated that the conduct of the executive directors "clearly discloses a lack of integrity required by those who are part of the SMCR [Senior Managers and Certification Regime]".

It is abundantly clear that the Griggs Review is being undertaken in bad faith and I believe the Treasury Select Committee, the Treasury, the APPG and the public are being misled.

As you know, the APPG also has serious concerns about the way in which LBG has treated their former employee, Sally Masterton, and how the bank dealt with the extremely serious allegations that she articulated of the fraud and the cover-up of the fraud within the bank during the tenure of Chief Executive, António Horta-Osório.

It is for these reasons that the APPG have written to the FCA to request that they investigate Mr Horta-Osório under the Senior Managers and Certification Regime (SMCR). I respectfully urge you to call Mr Horta-Osório to give evidence in front of your Committee to explain his actions and to be held directly accountable for the fundamentally flawed Griggs Review, the treatment of Sally Masterton and the allegations of a cover-up of the HBOS Reading fraud at the highest levels within Lloyds Banking Group.

Yours ever,

Kevin Hollinrake MP
Co-Chair of the All-Party Parliamentary Group on Fair Business Banking

Cc:

Rushanara Ali MP

Steve Baker MP

Colin Clark MP

Simon Clarke MP

Charlie Elphicke MP

Stewart Hosie MP

Alison McGovern MP

Catherine McKinnell MP

John Mann MP

Wes Streeting MP