



## GEORGE KEREVAN MP

HOUSE OF COMMONS  
LONDON SW1A 0AA

7 February 2017

To: António Horta-Osório, Executive Director and Group Chief Executive, Lloyds Bank

Dear António,

Firstly, my great thanks for your wonderfully prompt response to my letter. The APPG is delighted to have Lloyds' engagement and involvement in our work. Our aim is to create common ground on which the financial services industry can prosper and help the economy grow. Central to this is rebuilding public trust in the institutions that serve the sector, and we hope that Lloyds will be an exemplar.

Your clear commitment to bringing the HBOS Reading affair to a satisfactory resolution is much appreciated. For too long, businesses have been considered collateral damage, and it is important that we put victims first. I very much look forward to working with Lloyds to provide transparent and speedy redress for the victims of the HBOS fraud so that they may move on and rebuild their lives after so many years of purgatory.

Thanks also for the meeting with Andrew. In choosing an appropriate mediation system for the HBOS Reading victims, it is critical that you avoid blanket schemes like the current and defective one being proposed by RBS with regard to customers forced into the GRG unit. The latter has unacceptable exclusion clauses and is poor when it comes to consequential losses. Critically, it completely lacks credibility both with the public and here in Parliament. In order to rebuild confidence and to demonstrate true leadership and transparency, I would urge Lloyds to first sit down with the customers who were caught up in the HBOS Reading scam and involve them in designing the redress machinery. Again, both the APPG on Fair Business Banking and our colleagues in the APPG on Alternative Dispute Resolution, stand ready to work with yourselves and the victims to help identify an arrangement in which all parties have confidence.

On a broader topic, can I welcome your commitment to give evidence and work with the inquiry currently being undertaken by the APPG on Fair Business Banking and the APPG on Alternative Dispute Resolution (ADR). It is critical that any generic model of resolution of redress is transparent, balanced and legally binding, and that the victims themselves are able to bring their own independent representation to the table. We are fortunate to have the involvement of the Chartered Institute of Arbitrators involved in our work, and we look forward to discussing with the bank the models available for our use in the present and other cases.

Yours sincerely

George Kerevan MP  
Chair, APPG for Fair Business Banking and member of Treasury Select Committee.