



HOUSE OF COMMONS

LONDON SW1A 0AA

António Horta-Osório
Group Chief Executive
Lloyds Banking Group
25 Gresham Street
London EC2V 7HN

13th February 2019

Dear Mr. Horta-Osório

As you are aware, all 50 US state Attorney Generals have already investigated the industrial-scale forgery of signatures on banks' court documents in cases against customers. The investigation resulted in penalty payments by US banks amounting to \$25 billion and the review of four million court cases by banks against customers.

The US Department of Justice described the penalty payments as "*the largest consumer financial protection settlement in United States history*". The industrial-scale forgery of signatures on banks' court documents in cases against consumers was described as "*the largest consumer fraud in American history*".

You were repeatedly notified personally of alleged forged signatures on Lloyds court documents. In fact, each of the top 24 Lloyds Banking Group Non-Executive Directors, Executive Directors, Group Executive Committee members and attendees have been personally notified formally of alleged forged signatures on Lloyds court documents up to five times since 2016.

The response and conduct by Lloyds to customers who first formally notified Lloyds of alleged fraudulent forgery of signatures on Lloyds court documents appears to be very similar to Lloyds' response and conduct towards customers who first formally notified Lloyds of the fraud at HBOS Reading, as documented in the Masterton report.

It appears that nothing has changed as a result of the HBOS Reading fraud. Lloyds appear to be repeating the same conduct and response to customers who have provided your bank with evidence of alleged signature forgeries. Evidence was provided to you in 2016 by a customer:

- Seven days after a customer's husband wrote to Lloyds Non-Executive Directors formally notifying them of alleged forged signatures on Lloyds court documents, Lloyds recommenced litigation against the customer after a gap of over six years.
- Lloyds then formally offered four times to withdraw the litigation if the customer signed an NDA gagging her from talking about the criminal allegations of fraudulently forged signatures. (The customer did not sign the NDA).
- Lloyds refused eight times over four years to provide signature comparison information which would confirm whether or not signatures were being forged on Lloyds court documents.
- Lloyds refused to conduct an audit of signatures on Lloyds court documents and refused to make any statement or provision regarding signatures on its court documents in its 2016, 2017 & 2018 annual accounts.

As a result, there are some extremely serious questions which, as Group CEO, you personally need to answer, including:

1. Why did Lloyds recommence litigation against the customer after a gap of six years just seven days after the customer's husband formally notified Lloyds Non-Executive Directors of alleged fraudulent forgery of signatures on Lloyds court documents?
2. Why did Lloyds then formally offer four times to withdraw the litigation if the customer signed an NDA gagging her from talking about the criminal allegations of fraudulently forged signatures?
3. As Chief Executive, please state if it is Lloyds' corporate policy to attempt to silence customers who notify it of alleged fraud by the bank, for example through using litigation in an attempt to intimidate customers and using NDAs in order to gag customers from speaking about alleged criminality by Lloyds?
4. Why has Lloyds refused eight times to provide the requested signature comparison information which would clearly confirm whether or not signatures have been forged on Lloyds court documents?
5. Why did you, as CEO, and Lloyds Board refuse to conduct an audit of signatures on Lloyds court documents despite being personally formally notified of alleged forged signatures on Lloyds court documents up to five times since 2016 and despite being fully aware that the identical issue of forged signatures on US banks court documents had already been investigated by all 50 US state Attorney Generals resulting in penalty payments by banks amounting to \$25 billion and the review of four million court cases?
6. What is the total number of claims and the total amount of all sums claimed in Court claim forms by Lloyds Banking Group including all its subsidiaries, in all cases against personal and business customers, for all types of financial products (including mortgage, credit card, bank overdraft, personal loan, car loan, business loan etc), each year since 1 January 2010?
7. Why did you, as CEO, and Lloyds Board refuse to include any statement or provision regarding alleged forged signatures on Lloyds court documents in its 2016, 2017 & 2018 annual accounts?

As the answers to these questions includes your personal conduct and reasoning, I look forward to receiving a full response from you personally. I mention that as you have previously failed to respond to questions to you personally regarding your conduct as CEO by delegating the response to subordinates.

Yours sincerely,



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

Cc: Andrew Bailey, Chief Executive, Financial Conduct Authority
Stephen Jones, Chief Executive, UK Finance
Benedict Brogan, Group Public Affairs Director, Lloyds Banking Group