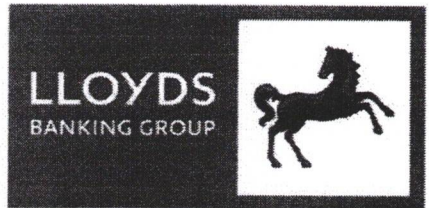


RECEIVED

04 MAR 2019

Benedict Brogan
Group Public Affairs Director



Kevin Hollinrake MP
Chairman
APPG on Fair Business Banking
House of Commons
London SW1A 0AA

Lloyds Banking Group plc
25 Gresham Street
London
EC2V 7HN

21 February 2019

Dear Kevin,

Thank you for your letter to António Horta-Osório of February 14. I know you and I have been in touch about it informally since, but I thought you should have a more formal reply that reflects the preliminary conversations we have had here.

I am grateful to your office for confirming that your letter in fact refers to a single case, that of Mr and Mrs Julian Watts. A review of this customer case has been underway since the end of last year. As you know it dates back to June 2010, when Lloyds Bank began court proceedings over a mortgage that was in arrears. Mr and Mrs Watts made allegations of false statements in the course of two court hearings that year, which were dismissed by two different judges who granted the Bank permission to take possession of the property. This is always a regrettable action of last resort on the Bank's part but, as was explained to the Court, we had not been able to reach agreement with the customer for repayments on their borrowing.

As part of our complaints procedure, Mr and Mrs Watts' allegations have been investigated again subsequently by both our in-house legal department and the solicitors who were instructed to act for the bank in repossession proceedings. In the light of these reviews, we can confirm that all the details within the court documents were accurate, and where necessary signed by the appropriate person. We are surprised and disappointed therefore that Mr and Mrs Watts continue to make these allegations in public. You may find the attached letter from our solicitors TLT LLP to Mrs Watts helpful, as it sets out in detail why they are mistaken.

I remain concerned that in your letter you refer several times to 'customers', which gives the impression that this issue has been raised with the Bank by many others. Clearly, if any other cases with similar allegations have indeed been brought to your attention please do let me have the details. Evidence of wrongful behaviour should be reported, but you will appreciate the risk of repeating claims and evidence that have been tested and even dismissed – sometimes repeatedly – in the courts. If you have any relevant evidence I would be grateful if you could ensure we receive the specifics to allow us to investigate, and I would urge you, as before, to encourage all those you deal with to bring that evidence to the appropriate authorities at the earliest opportunity.

On the general point about so-called forged signatures, we simply do not recognise the issue as you set it out. We are confident that the solicitors who act for us in all UK jurisdictions are professionals who are subject to their own professional and regulatory obligations and owe a duty to the Court. To the best of my knowledge, there has been no suggestion of a similar issue in the UK over the years since the US issue arose. Nor, to my knowledge, has there been any suggestion of this being raised as an industry-wide issue in the UK Courts. As I say, do please bring to our attention any evidence to the contrary.

Finally, on a specific point, you repeat your allegation about Lloyds attempting to "silence customers" who allege fraud by "using NDAs in order to gag customers". As we have said before, and continue to say, this is untrue. Our proceedings or agreements with customers or former customers, whether NDAs or otherwise, do not prevent them from raising any concerns, issues or evidence with the police, the FCA or any other lawful authority.

BENEDICT BROGAN
Group Public Affairs Director

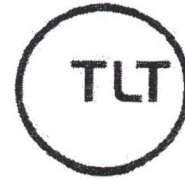
Cc: Andrew Bailey, Chief Executive, Financial Conduct Authority
Stephen Jones, Chief Executive, UK Finance
John Glen MP, Economic Secretary to HM Treasury

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Our ref
Your ref



Strictly private and confidential

Mr Julian Watts

Direct tel

Date 16 August 2018

Direct fax

Email

Dear Mr Watts

Our Client: Lloyds Bank Plc

I further refer to your numerous letters dated 16 June 2018 addressed to various partners of this firm, including myself.

Most, if not all, of the allegations which you raise were referred to at the hearing of our client's claim for money judgment to be awarded against Mrs Watts (the **Claim**) on 5 July 2018, at which we were both present. However, as the supervising partner overseeing this matter, I respond to your correspondence as follows.

1 Systemic forgery of signatures on Banks' Court documents

Your allegations that TLT systemically forge signatures to court documents (or indeed any documents) are denied in their entirety.

You and/or Mrs Watts (whom you are representing in the Claim) have sought to allege that the signature of [redacted] of this firm to various documents are not her own, to include that [redacted] was absent from the office on the dates when the documents were signed by her. I have reviewed your allegations against our confidential absence records and I inform you that these have no merit.

The claim form and particulars of claim were sent to the court electronically for issuing on 28 June 2010. [redacted] was not absent from the office on that date, or indeed any other date in June 2010.

The pre-action protocol checklist was signed by [redacted] on 7 July 2010 and her witness statement was signed by her on 14 July 2010. The only date in July 2010 upon which [redacted] was absent from the office was 16 July 2010, being two days' later.

Our client was awarded a Possession Order over Mrs Watts' former property at [redacted] on 3 August 2010. Notwithstanding that [redacted] did not file or serve any further documents subject to a statement of truth following her witness statement of 14 July 2010, she was not absent from the office from 16 July 2010 to the date of the hearing. [redacted] absence from the office from the date the Possession Order was awarded is irrelevant given that she ceased to have conduct of the Claim upon Mrs Watts filing her Appellant's Notice.

2 Instruction of TLT LLP in the Claim

Your allegations that we/our client amended/concealed evidence from the court and/or that our client's former solicitors, [redacted] ceased to act for reasons relating to dishonesty, are denied in their entirety. Our client instructed this firm to take over conduct of the Claim on its behalf in view of our knowledge of the background as to how the shortfall on Mrs Watts' mortgage account accrued and also the allegations which were previously raised during the possession proceedings relating to Mrs Watts' former property at [redacted].

3 Allegations of dishonesty by TLT LLP

Your allegations that we/our client have persistently deceived and/or misled the court are denied in their entirety. We are aware of our professional obligations and we deny that we have acted with a lack of integrity or that we have deliberately misled the court. Accordingly, we are not prepared to enter into any correspondence in the manner you request.

As you are aware, directions in the Claim were set down by District [redacted] at the hearing on 5 July 2018. Therefore, any further allegations (if any) will be responded to by our client formally as part of its Reply to Mrs Watts' Amended Defence, which we await.

Yours sincerely

Partner
for TLT LLP