KEVIN HOLLINRAKE MP

HOUSE OF COMMONS

LONDON SW1A 0AA

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

29th July 2019

Dear Mr Horta-Osório,

Thank you for the letter dated 12 July 2019 sent on your behalf, which:

- was again sent by a subordinate rather than from you personally as CEO
- failed for the third time to answer the extremely serious questions listed 1 – 7 in my letter to you dated 13 February 2019, including regarding your personal conduct and reasoning
- failed for the third time to address the two key points of the illustrative customers actual allegation
- made further misleading statements
- failed to provide the requested signature comparison information which could show whether signatures on Lloyds court documents have been forged on an industrial scale

Your letter stated that *"we do not understand the relevance of the documents you refer to relating to* [redacted]". However, as you are personally fully aware, the illustrative customers letter to you dated 13 September 2018 (copy attached) asked Lloyds to conduct an audit of signatures on Lloyds court documents and listed specific signature comparison information relating to [redacted] which would need to be reviewed as part of the audit regarding alleged bank signature forgery. The letter also documented that the specific signature comparison information regarding [redacted] had also been listed in the illustrative customers letters dated 13 September 2016 and 2 November 2016 to Lloyds Non-Executive Directors. The NEDs were asked to write to you personally so that you could provide them with the signature comparison information relating to [redacted]

In addition, Lloyds was formally asked by the customers to provide signature comparison information regarding [redacted] and/or [redacted] eight times from 2011 – 2015 but refused to do so. I would urge you to now release this evidence which could show whether signatures on Lloyds court documents have been forged on an industrial scale. So as stated in my previous letter, please would you send me the following signature comparison information:

- The signature section of every document containing a statement of truth signed in the name of [redacted] and dated between 1 January 2010 and 31 December 2010.

Email: kevin.hollinrake.mp@parliament.uk Tel: 020 7219 4746
Constituency Office: 9 Hanover House, Market Place, Easingwold, York YO61 3AD Tel: 01347 666880

- The attendance records for [redacted] between 1 January 2010 and 31 December 2010 showing when [redacted] was absent from work, including for example through being on holiday.
- The signature section of every document containing a statement of truth signed in the name of [redacted] and dated between 1 January 2010 and 31 December 2010.
- The attendance records for [redacted] between 1 January 2010 and 31 December 2010 showing when [redacted] was absent from work, including for example through being on holiday.

Yours sincerely,

Kevin Hollinrake

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

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António Horta-Osório
Executive Director and Group Chief Executive
Lloyds Bank
25 Gresham Street
London
EC2V 7HN

Private & Confidential
For Addressee Only

13th September 2018

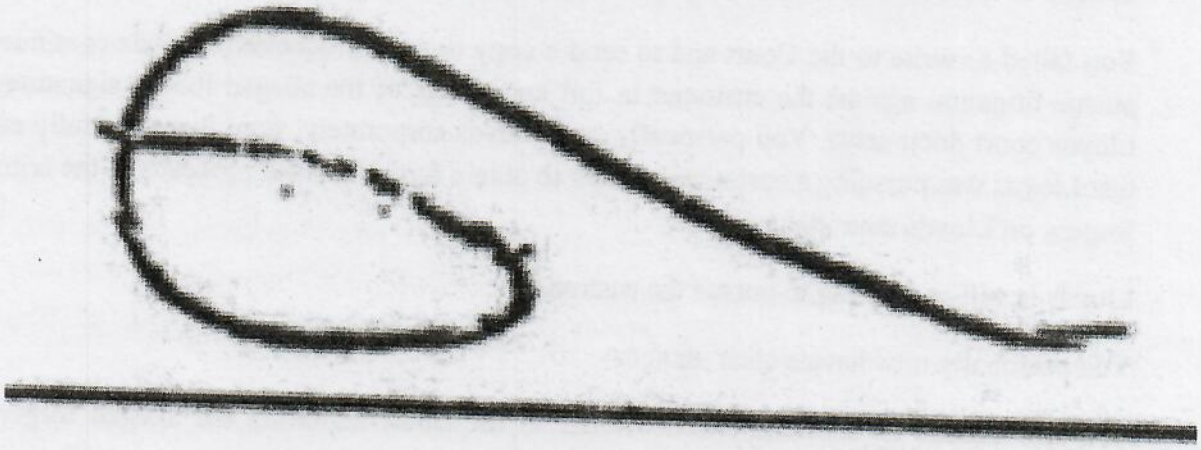
By guaranteed next day recorded delivery

Dear Mr Horta-Osorio,

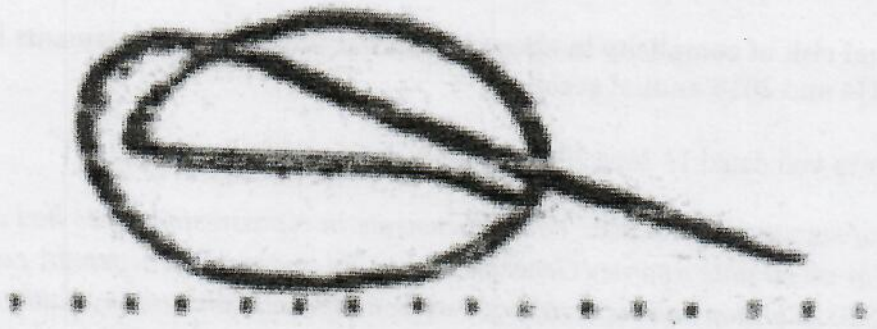
1 Your personal risk of complicity in Lloyds alleged proceeds of crime of forgery

The two Lloyds court documents below were both signed in the name of the same person, [redacted] and resulted in Lloyds receiving over £200,000 ie the alleged proceeds of the crime of forgery was over £200,000 just in one case.

Signature in [redacted] name on Checklist – signature only



Signature in [redacted] name on Witness Statement – signature only



As you can clearly see:

- The Checklist signature starts to the **right** and loops **down**. The Witness Statement signature starts to the **left** and loops **up**
- The start and end of the Checklist signature point in **opposite** directions. The start and end of the Witness Statement signature point in the **same** direction
- The Checklist signature is a sideways number 6. The Witness Statement signature is a circle bisected by 2 lines

A Department of Justice forensic scientist with 27 years' experience as a questioned document examiner has confirmed that the construction of the signatures is different, supporting the allegations that the signatures were signed by different people and therefore that one or both signatures were forged.

My previous letter to you dated 13 June 2018 formally notified you personally as a member of the Group Executive Committee, and Lloyds Bank corporately, of alleged persistent dishonesty by Lloyds, including forged signatures on Lloyds court documents, and asked you personally to write to the Court to admit Lloyds persistent dishonesty in this case.

You failed to write to the Court and to send a copy to me as requested. Lloyds continued to pursue litigation against the customer in full knowledge of the alleged forged signatures on Lloyds court documents. You personally, and Lloyds corporately, were therefore fully aware that Lloyds was pursuing a customer in order to obtain further alleged proceeds of the crime of forgery on Lloyds court documents.

Lloyds is still continuing to pursue the customer.

You personally now have a clear choice:

You can choose to send the attached letter to the Court admitting the alleged forgery of signatures on Lloyds court documents in this case

or

You can choose not to send the letter to the Court and thereby may risk appearing wilfully complicit in Lloyds continuing attempts to obtain further alleged proceeds of the crime of forgery on Lloyds court documents

2 Your personal risk of complicity in alleged potential financial misstatements in Lloyds Q3, Q4 and 2018 annual accounts

My previous letter to you dated 13 June 2018 formally notified you that:

systemic forgery of signatures on banks' court documents in repossession cases had already been investigated by all 50 state Attorney Generals in the USA and resulted in penalty payments by US banks of USD$25 billion and the review of 4 million repossession cases by banks against consumers. The industrial-scale forgery of signatures on banks' court documents became known as foreclosure fraud and robo-signing and was described as "the largest consumer

fraud in American history". A common foreclosure fraud technique was to forge signatures in a person's name using initials or symbols as these were easier for teams of people to forge rather than the person's full name.

My previous letters to Lloyds NEDs repeatedly formally notified Lloyds of allegations that:

- *the systemic signature forgery on Lloyds court documents was identical to the industrial-scale signature forgery / foreclosure fraud in the USA;*
- *the resulting payments and property received by Lloyds were therefore the proceeds of the crime of fraud;*
- *the scale of provisions required for Lloyds systemic signature forgery in cases against consumers for secured and unsecured debt since at least 2010 could exceed the (then) £17 billion provision for another Lloyds industrial-scale systemic scandal – PPI;*
- *the signature forgery on Lloyds court documents would therefore require a provision and statement in Lloyds quarterly and annual accounts;*
- *the failure to include any statement or provision in Lloyds accounts regarding the signature forgery on Lloyds court documents would be wilfully misleading to current and future investors.*

You personally now have a clear choice:

You can choose to instruct your staff to ensure that:

- an immediate comprehensive audit of the signatures on all Lloyds court documents since 2010 is conducted ***before*** Lloyds Q3, Q4 and 2018 annual accounts are published, and
- Lloyds Q3, Q4 and 2018 annual accounts contain written statements explicitly informing stakeholders of the signature forgery on Lloyds court documents and the similarities with the foreclosure fraud scandal in the USA, and provisions explicitly for signature forgery on Lloyds court documents, which could easily exceed the current provisions for PPI

or

You can choose not to instruct your staff as above and thereby may risk appearing wilfully complicit in Lloyds alleged potential financial misstatements in its Q3, Q4 and 2018 annual accounts

3 Comprehensive audit of signatures on Lloyds court documents since at least 2010

Lloyds clearly cannot responsibly publish its Q3, Q4 and 2018 annual financial statements before carrying out a comprehensive audit of the signatures on all its court documents in cases against customers. The signatures on all Lloyds court documents since at least 2010 must be reviewed as part of the audit. In addition, every symbol signature, initials signature and electronic signature (where anyone could fraudulently type in the name of the same person to forge that person's signature on a signed statement of truth) should be an immediate red flag for the audit team.

To assist you with your audit of the signatures on Lloyds court documents, I have outlined below:

- the sections of Lloyds court documents which will need to be reviewed
- minimum additional checks to identify that forgery is occurring
- the documents which will need to be reviewed
- the scale of provisions which could be required in Lloyds financial statements

3.1 The sections of Lloyds court documents which will need to be reviewed

The audit of the signatures on Lloyds court documents will need to focus on the signed statement of truth section at the end of Lloyds court documents, which includes: a phrase like *"I believe the facts stated in this document are true"*; the signature (physical or electronic); the name of the person who signed the document; and the date it was signed. I have included below examples of the signed statements of truth sections on Lloyds court documents:

Signature in [redacted] name on Checklist – signed statement of truth section

Statement of Truth

* I believe that the facts stated in this Checklist are true.

* I am duly authorised by the claimant to sign this statement.

Signed _____ Date 07/07/10

Full name [redacted]

Signature in [redacted] name on Witness Statement – signed statement of truth

13. The information in this witness statement has been provided by the Claimant. I believe that th facts stated in this witness statement are true.

Signed..... [redacted]

Dated 14th July 2010

Signature in [redacted] name on Claim form – signed statement of truth

Statement of Truth

We believe that the facts stated in this form are true.
I am duly authorised by the claimant to sign this statement.

Signed [redacted] date 28 June 2010

3.2 Minimum additional checks to identify that forgery is occurring

In addition to visually comparing signatures signed in the name of the same person, a secondary complementary check is to compare the dates during the year when court documents were signed in the name of the same person, with the dates when that person was absent from work. Clearly, if court documents were being signed in a person's name when that person was absent from work, forgery was occurring.

This should be used as a secondary complementary check to identify that forgery was occurring. When teams of people are forging one person's signature, they may be doing so when the person is present at work as well as absent from work. The fact that a person is present at work does not mean that forgery is not occurring. So this check cannot be used to show forgery was not occurring.

3.3 The documents which will need to be reviewed

The audit will need to include specific documents listed or referred to in the schedule of comparison information in my previous letters to Lloyds Non-Executive Directors of 13 September 2016 and enclosed again with my subsequent letter to NEDs of 2 November 2016. These include:

- Every document containing a statement of truth signed in the name of [redacted] and dated between 1 January 2010 and 31 December 2010
- The attendance records for [redacted] between 1 January 2010 and 31 December 2010 showing when [redacted] was absent from work, including for example through being on holiday
- Every document containing a statement of truth signed in the name of [redacted] and dated between 1 January 2010 and 31 December 2010.
- The attendance records for [redacted] between 1 January 2010 and 31 December 2010 showing when [redacted] was absent from work, including for example through being on holiday.

The comparison information listed above is only part of the documentation which must be reviewed. The comprehensive audit should include the signatures on all Lloyds court documents since at least 1 January 2010. In the USA, government officials in various counties investigating fraudulently forged signatures on banks' court documents reported that in one county 74% of bank court documents reviewed had suspect signatures, while another county found over 25,000 bank court documents that had suspect signatures (the average population of US counties is around 100,000 people), with the earliest dating as far back as 1998. If your initial comprehensive audit from 2010 onwards finds any suspect signatures on Lloyds court documents, the audit should be extended back to at least 1998.

3.4 Scale of provisions which could be required in Lloyds financial statements

The scale of provision could be:

- for all Lloyds group products (consumer and business, secured / mortgage, credit cards, loans, overdrafts, motor finance etc)

- all money received by Lloyds (ie the alleged proceeds of crime) after the issue by Lloyds to the customer of any Lloyds court document eg claim form, signed in a name with suspect signatures
- each year, from at least 2010 onwards and potentially as far back as 1998 (as in the USA) or even earlier

The scale of provision required in Lloyds Q3, Q4 and 2018 annual accounts could therefore easily exceed Lloyds £19 billion provision so far for PPI.

3.5 Your personal risk of complicity in alleged potential perverting justice

Please note that if Lloyds makes any attempts to destroy, conceal, amend or fabricate any information regarding the alleged fraudulent forgery of signatures on Lloyds court documents, it may risk appearing that you personally are complicit in alleged potential perverting the course of justice

4 Audit of signatures also required given Lloyds publicly stated objectives & culture

Given Lloyds publicly stated objectives and culture, it would clearly be extremely irresponsible and impossible for Lloyds to release its Q3, Q4 and 2018 annual accounts as being a true and fair view without first completing a comprehensive audit of signatures on Lloyds court documents since at least 2010:

- The opening paragraph of Lloyds 2017 accounts states *We are creating a responsible business that better meets our customer needs and a culture where our colleagues put customers first*
- *Our Purpose. Helping Britain prosper. We are a responsible business* (page 11)
- *Running a responsible business for all our stakeholders* (page 11)
- *Doing business responsibly underpins our purpose and is supported by our Group values and Code of Responsibility* (page 18)
- *We use advanced technology to protect customers money...and systems that prevent fraud...we helped to set the strategic direction for fraud prevention* (page 23)
- *We also championed the national rollout of the Banking Protocol...An estimated £9 million of fraud was prevented through the Protocol this year* (page 23)
- *We also encourage them to speak up, challenge and act if they witness or suspect wrongdoing* (page 24)
- *minimising conduct risk is critical to meeting our strategic goals and meeting regulatory standards* (page 35)
- *The Groups ongoing commitment to good customer outcomes sets the tone from the top* (page 134)

In addition, clearly any *responsible business* that *puts customers first* would not hesitate for a second to launch a comprehensive audit to determine whether it had defrauded customers through the industrial-scale forgery of signatures on its court documents in cases against customers.

A *responsible business* that invested in anti-fraud *advanced technology to protect customers money*, had *helped to set the strategic direction for fraud prevention*, and *championed* anti-fraud initiatives which prevented *£9 million of fraud*, would leave no stone unturned to check if it had defrauded its own customers of £19 billion through the industrial-scale fraudulent forgery of signatures on its court documents

A *responsible business* would ensure that customers who *speak up, challenge and act if they witness and suspect wrongdoing*, for example, by repeatedly formally notifying Lloyds Executives and Non-Executives of alleged industrial-scale forgery of signatures on Lloyds court documents, would be *encouraged* and thanked.

As *doing business responsibly underpins our purpose and is supported by our Group values and Code of Responsibility*, Lloyds Executives and NEDs would *set the tone from the top* by immediately launching a comprehensive audit to stop any future *conduct risk* of fraudulent forgery of signatures on its court documents and identify any and all previous cases of such *conduct risk*

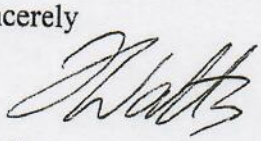
5 Next steps

Please would you therefore

- Send the attached letter to the Court admitting the forgery of signatures on Lloyds court documents in this case
- Write to your staff instructing them to conduct an immediate comprehensive audit of the signatures on all Lloyds court documents since 2010

Please send me copies of your letters to the Court and your staff so they reach me within 10 days of the date of this letter.

Yours sincerely



Julian Watts

[redacted]

The Court Manager
Bournemouth County Court
Courts of Justice
Deansleigh Road
Bournemouth
BH7 7DS

Claim Reference: 0PA84973

Claimant: Lloyds Bank

Defendant: [redacted]

By guaranteed next day recorded delivery

September 2018

Dear Sir

I am a member of the Group Executive Committee of Lloyds Bank.

In accordance with my personal duty and corporate duty to the Court, I admit that the signatures on the Claimant's claim form, particulars, checklist and witness statement in this case, which were all signed in the name of [redacted] were not all signed by [redacted] and therefore that one or more of the signatures were forged.

I have today sent a copy of this letter to the Defendant by guaranteed next day recorded delivery

Yours faithfully

Signed:

Print Name:

Position: