

## OPEN LETTER

WRITTEN SUBMISSION on Thursday 24<sup>th</sup> May 2018

**Concerning the deliberate “sabotaging” by the FCA and RBS from inception of the S166 Promontory Report into RBS – GRG utilising inappropriate and suspect Study Design Methods and Analysis to purposefully frustrate and intentionally denying the likelihood of the Report finding its stated purpose – *“If inappropriate treatment of customers is identified, to form a view on whether it was widespread and/or systematic.”***

**Concerning the Conduct and Contempt of Parliament by Sir Howard Davies, Chairman & Mr Ross McEwan, CEO of RBS re GRG. –**

**Concerning the Conduct & Contempt of Parliament by Mr Andrew Bailey CEO of the FCA & Mr John Griffith-Jones former Chairman of the FCA.**

**To the Prime Minister, The Rt Hon Theresa May MP  
To the Chancellor of the Exchequer, The Rt Hon Philip Hammond MP  
To the Chair and all the individual Members of the Treasury Select Committee,**

(This is an Open Letter primarily addressed to you, but widely circulated to many other interested parties).

### **Copies:**

**Andrew Bailey, CEO, FCA**

**Declaration of Interest:** We the undersigned are affected by RBS – GRG.

**Original Author:** Mark Banister, RBS Customer & GRG Accuser

**Reviewer & Contributor** – R Neil W Mitchell, Customer & RBS Campaigner

**Please Note that both of us are prepared to appear before the Treasury Select Committee to give ORAL Evidence if called upon.**

Dear Prime Minister, Chancellor, Chair and individual fellow Members of the Treasury Select Committee,

**This submission addresses the following issues...**

- **How through clever design The FCA & RBS structurally sabotaged the S166 Promontory report into RBS – GRG.**
- **Many SME companies were needlessly made insolvent and asset stripped, but extreme abuse was not exclusive to them.**
- **The FCA and RBS intentionally sabotaged the S166 Report so that they could declare RBS falsely innocent, and hide this abominable crime.**
- **The FCA – the Regulator – intentionally and knowingly deceived the Treasury Select Committee as to the characterisation and tone, the pivotal central findings, and contents of the full S166 report as compared to the Summary Report issued in October 2017.**
- **The CEO of the FCA – Mr Andrew Bailey repeated these same wrongdoings and falsehoods publicly to the Press throughout the period 2016 – 2018 destroying the required trust the public must have in the FCA as an institution, and the integrity of its leadership. – His past conduct makes his continued position in any role of responsibility completely untenable.**

**As regards the S166 Promontory Report itself into RBS - GRG;**

- **The FCA manipulated the design method to make it materially less likely to find the end points it was tasked with proving!**
- **The FCA cynically and intentionally “sabotaged” the Report it commissioned to protect a bailed out, State owned, Bankrupt Bank - RBS - in direct and intentional denial of justice for victims.**
- **The sampling Method of the Review was “rigged” in multiple ways.**
- **The sample used in the review was adjusted to be intentionally unrepresentative of the cohort, entirely contrary to the express and oft repeated claims throughout the Report. A blatant deception undermining all confidence in the report, and importantly the FCA as the Regulator.**
- **The TRUE sample used in the report, was absolutely NOT A REPRESENTATIVE SAMPLE as claimed.**
- **The statistical evidence shows that the numerical findings contained within the Promontory Report absolutely cannot be relied upon.....**
- **In short, all the numbers in respect of the S166 Promontory Reports findings are deliberately and knowingly fraudulent and deceitful, and all of this was done by the FCA and RBS with intent.**
- **The chair of the statistics and Law panel of the Royal Statistical Society the world’s premier standards body in this area of expertise has described the reports methods as;**
  - *The design and analysis does not appear to be appropriate...*
  - *a thorough investigation of exactly what the sampling approach was, and exactly what cases were dropped, with reasons, is required.*

I have repeatedly alleged that the FCA & RBS colluded together jointly “hobbling”/ sabotaging the S166 Report before it even started.... **such that it was never capable of evidencing the allegations it was supposed to confirm.** – To confirm or deny the worst findings / allegations of customer abuse contained in the Laurence Tomlinson & Sir Andrew Large Reports were of merit, and if they were, to determine whether these findings were representative (i.e. widespread & systematic) ....

## **I now evidence irrefutable proof of this from within the S166 Promontory Report !**

### **The FCA & RBS cleverly sabotaged the S166 review in a number of ways....**

Please note I didn't reference Promontory in the context of the Review.... because Promontory were handed this instruction brief complete, so to my mind at this point (the study's design and method as set out by the FCA) had nothing to do with Promontory, and this distinction should be clearly noted. As I have detailed before, **the only people responsible for the study design and method were the FCA and RBS**.

To my assessment Promontory's responsibility and related culpability only began once they commenced the report, but certainly in finalising the report I believe they had a clear responsibility to demonstrate absolute professional independence, and intellectual integrity in publication. – **They did NOT!**

Promontory should have been mandatorily obliged to reference a very clear **“health warning”** about any concerns they had relative to the instructions they were given, and the undoubted constraints that placed on their report (or be held liable). In plain speak they should have been obligated to indicate unequivocally that the report was “sabotaged” from inception, and this unnaturally constrained the report's findings. --

-- Clearly for many reasons, including pragmatism, such objective honesty in the absence of a legal obligation, **(an uns subtle hint to the TSC why the mandatory adoption of “Best Practise” is so necessary in these reviews)** was a step too far, and certainly beyond the bounds of reason for any organisation or persons desirous of remaining inside the City community, and deriving further “instructions” from it, upon which they commercially depend. **Another clear conflict of interest !**

**It is vitally important that I emphasise and illustrate to you how critical the above paragraph and related point is, and why in future all reviews must follow “Best Practise” protocols and be fully independent and transparent in conduct and findings**. – If done, none of this manipulation or deception would be possible.

The vast majority of people who have read the Promontory report believe it to be a good, solid, honest and objective report... As a stand alone cleverly constructed, and by appearance well judged report, I can fully appreciate how and why, that would be most peoples' impression, and critique of it.

However, they have been misled and deceived, and the very fact they hold the opinions they do is illustrative of my point. If they had the benefit of a truly “gold standard” report for comparison. A report that was totally objective, non-partisan, correctly constructed technically, using unbiased sampling, and academic rigour in design, while the all-important judgmental assessment criteria were themselves entirely transparent, and intellectually tested in the inverse for rational probity and rigour. **Armed with that knowledge and understanding all these peoples characterisation of Promontory's report would I suspect, indeed would guarantee, be altogether different and infinitely less complimentary.....** to the point of sharing the same abject concern I have about it. That substantively, it's a very cleverly constructed sham.

Indeed, **such a gold standard comparison would devastate most of the core arguments that are the foundation and premise of the Promontory report**, as I have set out and evidenced in prior submissions.

**It must be a grave concern that had it not been for my lone voice, much of this critical detailed granular assessment would never have been undertaken, nor considered, and the general prevailing view of the Promontory report would have triumphed**. That is frightening.....

Thankfully supported by the evidence and irrefutable logic, along with support from Academics of incontestable experience, knowledge, and excellence in the relevant field, I have been ably assisted and empowered to prosecute the arguments **and highlight the incontrovertible flaws of the S166 Promontory Report, that can no longer be denied**, and must form a clear part of any report, whether interim, or final,

that address this investigation as submitted to Parliament by your Committee. I trust this will be the case.....

Nevertheless it is an extremely sobering and very important thought..... and point to make, that put succinctly in straightforward honest speak... **"Bullshit very nearly baffled and deceived all of your brains."**

**.....And an intentional (further terrible) injustice in the form of the S166 Promontory Report was nearly successfully perpetrated on innocent victims by the FCA and RBS, using Promontory as their hapless agents of deceit.**

This horrendous deceit must be punished as we have repeatedly set out.

**We await your timely confirmation that you have taken the steps required against Sir Howard Davies, and Mr McEwan of RBS, and Mr Andrew Bailey CEO of the FCA and its now former Chairman Mr John Griffith-Jones for the numerous transgressions they have all committed, not least for lacking all discernible "Exact Integrity" whatsoever and Contempt of Parliament.**

**To be clear your own credibility and integrity is at stake and that of Parliament beyond, else what remains? save a morass of lies, deceit, and the destruction of morality in the very place charged with defencing all of these critical values. -- Prime Minister, Chancellor and The Treasury Select Committee you must act, set an example, and demonstrate "Exact Integrity."**

**What follows is an explanation together with the required proof of how through clever design, The FCA & RBS structurally "sabotaged" the S166 report from inception with intent.**

## **1. How to Sabotage a Report – Using End Points as selection criteria.**

In the FCA's instructions for this review it states that the purpose of the review was (Pg: 302 Pt: 1) .... *"to assess the validity of the allegations of customer treatment" made* in the Tomlinson and Large Reports (Pg: 302 Pt: 2) *"If inappropriate treatment of customers is identified, to form a view on whether it was widespread and/or systematic"* (Systematic = intentional and co-ordinated strategy – defined in note on [Pg: 302] which meant the worst allegations of abuse).

The information and instructions that the FCA gave Promontory on how to conduct the S166 Report are contained in 3 separate paragraphs (Annex V (Pg: 335)) which of course are suitably opaque, and certainly less than completely transparent as we shall see....

**Importantly you can assess the validity of my commentary for yourselves.... judged by the extent you didn't know or understand what I now explain....** Whilst bearing in mind that in a "Gold Standard trial", with normal full disclosure as a base requirement, **all of this would be completely obvious and clear, leaving no room for doubt or equivocation about any aspect, or detail, no matter how trivial.**

The Requirement Notice stated; *"the Skilled Person is expected to undertake a detailed review of a representative sample of customer experiences to form a view on the validity of the allegations and to be able to put those allegations in context..."*. It then continued;.... *"In order for the Skilled Person to determine a representative sample size for the initial case review in Phase 1, RBS Group should provide numbers of the Starting Population (by number of customers) for each 12 month period from 1 January to 31 December in the Relevant Period, broken down by the number of cases in each Outcome Pool....Once this data has been provided, the Skilled Person will determine a representative sample of cases for review. The sample size will be agreed with the FCA."*

The FCA and RBS determined that the study would use 4 "Outcome pools" as its "end points" and as its selection criteria.... (outcomes = what finally happened or what the study is supposed to be looking for)

In study design using end points as selection criteria is **a complete No, no....**

No proper academic study would ever do this, it's the academic equivalent of cheating, pure and simple. –

- **Effectively this method looks for, and selects, only what you want to find!**
- **It is completely biased** - You would be laughed out of every Academic community for even proposing this, much less actually doing it, with your credibility in justifiable tatters forevermore.
- This seemingly innocuous method had a huge impact as we shall see..... but none of your realised because you didn't know or understand, **nor did you bother to find out whether this was a legitimate, or as it turns out, completely illegitimate method to use..... a big failing on your part....**
- You just assumed it was legitimate because the FCA mandated it.... **You blindly trusted the FCA, people who don't deserve that trust because their actions are obviously untrustworthy**, but again you decide based on the evidence of what they did, or instructed be done, **without questioning it.**

The Requirement Notice described four "outcome pools" as the basis for sample selection. The 4 categories of outcome pools, Annex V (Pg: 335), were listed as follows;

**(N.B. The bold type is the FCA descriptor** ---- the normal type is my assessment / commentary.

<b>Cases that resulted in insolvency;</b>	Highly likely to find abuse. – Company went bust.
<b>Cases that returned to the main bank;</b>	Less likely – survived returned to normal banking
<b>Cases that exited RBS borrowings;</b>	less likely – survive repaid debt / bank elsewhere
<b>Cases that remain in GRG as at 01/01/2014.</b>	Medium likely - still in GRG, but not dead yet!

The worst allegations of (extreme) abuse would most likely be found in companies that had been made insolvent, **(extreme) abuse was not exclusive to them, but more likely.... (because they were frequently asset stripped once insolvent!)** Conversely extreme abuse was proportionately less likely to be found in the other 3 categories, **it was still there for sure, but proportionately its occurrence was much less likely.**

- If you have returned to main Bank obviously your highly likely to still have your principle assets, and similarly that's very probably the same circumstance if you were able to re-bank elsewhere, which just leaves those remaining in GRG, where currently they are still alive, so presumably not asset stripped yet, and where they may never be, but equally still had the potential to be.

In one seemingly innocuous step by use of this clever, but totally unnecessary, and intrinsically improper sampling method, **which importantly had no relevance or reason to be utilised given the end point of the review**, searching for and confirming severe abuse, **the FCA and RBS had dramatically reduced the likelihood of finding cases of severe abuse**, (which remember is what they were supposed to be confirming and its extent!)

- The FCA and RBS actively and needlessly, but intentionally utilised a method that could only achieve the opposite of what they were publicly telling everyone they were doing / supposed to be confirming.
- **This defines intentional cover up and collusions between the FCA and RBS**
- **It is a classic illustration of barefaced pre-meditated "mis-direction" – say one thing, while doing the exact opposite!**
  - This wasn't chance, it was intentional – there was no reason to use this methodology accept to achieve the outcomes noted, to reduce the chances of finding customer abuse. That's all it does! **...and in this circumstance, all it could ever do.**

- It offered NO other benefits, nor had any counterposing merits or positives at ALL, NONE, only adding needless harmful complexity as we shall see later.... which then allowed the FCA and RBS to achieve a further additional and extremely beneficial piece of manipulation!

This neat little trick, that unless you have detail knowledge of how study design works, and the dramatic effects that different sampling methods can have on the results of reviews,.... **went completely uncommented on, or critiqued..... by EVERYONE including you the TSC....!** You just assumed everything was good because Promontory told you it was.... Well as we now see, **that was a straightforward lie itself.**

The potential for subtle alterations to dramatically distort and influence what otherwise **looked like a perfectly credible and legitimate study to the untrained / unqualified eye**, but in fact in this case, **had now intentionally reduced the risk of random selection of the worst cases from a 100% possibility, to a figure closer to around a 25% possibility....!**

If you have any lingering doubts about the importance of this methodology to distort the reviews findings, then the table below will assist your comprehension of just how ubiquitous, and pervasive this manipulation was.

The source data is from the report itself! (Pg: 265 Fig: 26 first column). It indicates the degree of “sabotaging” that could be achieved simply by giving each outcome pool an equal weighting versus the actual weighting of customers correctly classified relative to what actually happened to them, **and again I bet all of you missed this VITALLY IMPORTANT issue too.....**

So via this bogus methodology the FCA and RBS had achieved two very useful things....

1. They had reduced the risk of selecting the worst cases from a 100% possibility to nearer 25%
  2. They had mis-applied the weighting of customers within the outcome pools relative to the actual customer circumstances and weighting, and lowered their risk by this technique too!
  3. Each manipulation multiplying the other, **further compounded the chances of NOT finding abuse!**
- They had reduced the high-risk category weighting and increased the low-risk category weighting!
    - Promontory also changed the title descriptors so it was very easy to miss this tables correlation to the outcome pools, and the evidence it provides of manipulation! – **Why would you do that unless you were trying to hide something, distract, and mislead?**
    - These ceaseless tricks serve to confirm the lengths Promontory pursued to confuse and deceive. If they were innocent why did they do this? - There is no credible explanation.

		Real Distribution of Cases in Pool		Theoretical Distribution used in S166 Report		Real vs Report Difference	
Outcome Pool Description used by FCA	Changed Description used in (Fig 26)	No. of Cases	% of Cases	No. of Cases (even)	% of Cases (even)	No. Of Cases Diff.	% Under / Over Weight
Cases that resulted in insolvency;	Appointment	1,366	23.2%	1,475	25.0%	- 109	- 7.4%
Cases that returned to main bank	Return to satisfactory	608	10.3%	1,475	25.0%	- 867	- 58.8%
Cases that exited RBS borrowings	Exit Bank	910	15.4%	1,475	25.0%	- 565	- 38.3%
Cases that remain in GRG at 1/1/14	Remains in GRG	3,016	51.1%	1,475	25.0%	+ 1,541	+ 104.5%
<b>Total</b>		<b>5,900</b>	<b>100.0%</b>	<b>5,900</b>	<b>100.0%</b>	<b>0</b>	

What this table **UNEQUIVOCALLY** demonstrates is entirely contrary to the assertions made, that the Promontory S166 review was based on, “a representative Sample” this first element of manipulation by the FCA and RBS alone had **comprehensively destroyed that claim, undoubtedly sabotaging the S166 review findings, and as importantly, what it was capable of finding!!**

Of course the FCA and RBS hadn't eliminated the risk of finding the worst cases altogether through their manipulation of the sampling method / criteria, but they had reduced the proportional risk by circa 75%, a very significant amount, and were therefore well ahead in their efforts to cover things up.....

**If you don't look for it....** you can't find it,... Better still, if via a deceitful clever design of the sampling method you intentionally haven't selected it.... or radically reduced the chances of doing so, then you're even less likely to find it!..... And to the extent you can find it, the prevalence will be far, far less,.... and especially so if the "even / equal" distribution you select your cases from, bares no relationship to the actual customer experience and outcomes weighting.....!!

### **So do you still think the review was remotely "a representative sample" now ???**

This was all done deliberately before the review began so that both the FCA and RBS would be able to declare.... as you shockingly read,....

In not just **RBS's press releases, but worse still, those issued by Andrew Bailey of the FCA.... that;**  
*"the report found RBS innocent of the worst allegations"* etc.

### **I have said this before, but it must be repeated; -**

**This was the CEO of the Regulator intentionally and deliberately promoting a brazen deception, and a known untruth, in short a **PACK OF LIES**.....**

- This is untenable, as is his future, both at the FCA and in Financial Services and holding any senior position elsewhere in Financial Services or any Public Company. There is not a sliver of integrity associated with any of this whatsoever, and that is not reasonable or acceptable.

Of course, Mr Bailey will claim that this was all done before his time, and that may well be the case as regards the design of the Review, but he knowingly presented / promoted these false findings, then went to enormous lengths to frustrate the publication of the report when he knew, along with others, that it would expose inconvenient facts. He chose to publish a false summary instead, itself a blatant deception of the truth the report contained. Not content with this he had also of course negotiated the deceit, denial and dismissal RBS Redress scheme on the back of these false findings....

However, the greater point is, if I can work all of this out with no information or access, where in contrast he had every resource and access available, where it was his fundamental responsibility to maintain confidence in markets and his institution, ensuring that everything he was proposing more than met any level of meticulous review, withstanding any level of absolute scrutiny, and still demonstrating total probity and intellectual integrity.

In summary Mr Bailey possessed a duty of care to confirm before going anywhere near all of this **that it was unimpeachably reliable, and dependably honest**. Of course, the S166 review was none of these things, and instead Mr Bailey chose to knowingly peddle deception, fraud, lies, and untruths. So, he can choose his poison, incompetent and carless, or malevolent and knowingly responsible, either way he is guilty of gross misconduct, misrepresentation, of hawking known falsehoods, undermining confidence in his institution and intentionally perpetrating a shameful and calculated injustice on victims, none of which is remotely, justifiable, acceptable, or sustainable. He must go.



Furthermore, I have previously brought to your attention how RBS and the FCA influenced and manipulated the language the review was to use to report its findings, in a further bid to ensure that RBS were found innocent, even when they were far from innocent, but were in fact ABSOLUTELY guilty..... **Remember the “murder” metaphor,..... You can’t declare yourself innocent just because you only murdered one person, when originally accused of murdering the whole family? – You still guilty of murder, not innocent because you didn’t murder the remainder....** This just illustrates how warped and intellectually deceitful Mr McEwan and Sir Howard Davies are as the leaders of RBS and irrefutably demonstrates how unsuitable they both are to the positions of leadership they hold.

I have already pointed out in my submission dated 20 March 2018 (Pg: 13 – Para 5/6) Ms McKinnell MP questions (Q136, 137, 138) the Summary Report indicated that a particular allegation was not declared “widespread or Systematic” if it had occurred, then it was not legitimate for the Bank to falsely proclaim it had been found innocent or that *“The most serious allegations against the Bank were not upheld.”* They were upheld just not to that extent, BECAUSE the FCA & RBS by design had sabotaged the review from meeting this totally arbitrary threshold.... and now you know this, reflect on all those Q/A’s you had with Sir Howard Davies and Mr McEwan and the answers you received in the context of them knowing all of this.....

I say again you have been devastatingly played by RBS and the FCA.... and made to look like abject fools and idiots having been comprehensively and intentionally misled by both of them....

### **– Oh YES, and who issued the Summary report?**

– That’s the summary report that **just happened to leave out the pivotal finding that RBS was guilty of widespread and systematic abuse of its customers.....** the very finding the review was tasked with confirming....

Those “nice” deceitful men, Mr Andrew Bailey CEO, and his then Chairman, Mr John Griffith-Jones of the FCA. ---

And who came before your Committee supposedly to give honest witness, addressing all of these matters in great detail, yet never once telling you, much less alluding to you that the principle findings of the full report had been left out of the Summary Report, and in so doing telling you what they knew to be known untruths, giving false answers and offering what they absolutely knew to be entirely false assurances, all the time hiding behind the FCA – RBS’s Sir Howard Davies, and Mr McEwan.

It is quite clear the FCA executives and similarly the named RBS executives lied and actively sort to mislead the Treasury Select Committee, **which is contempt of Parliament.** – Worse still and what makes all of their positions totally untenable is they have DESTROYED the public trust of their respective institutions, which the Public is forced by position (RBS) and in law (FCA0 to rely on.

In the case of the FCA an institution, because of its position in law, the Public MUST retain total confidence in and be able to rely on. While in a commercial context the same base proposition holds true of RBS.

**Prime Minister - Irrespective of how regrettable it may be, ALL these men must resign, and if they are not gone by Friday 1<sup>st</sup> June, you must see them fired, or be held actively responsible for permitting them to remain, and thereafter be held accountable for your own total lack of required integrity and related lack of judgement. I cannot emphasise how important this is, with respect, please act.**



Subsequently both Mr Andrew Bailey, and his then Chairman, Mr John Griffith-Jones along with Sir Howard Davies and Mr McEwan must be banned from Financial Services for life, for a lack of “exact integrity” and similarly banned from being directors of Public Companies or any other position of responsibility.

This is not about vindictiveness, it’s about accountability and standards, **and more fundamentality equality under the rule of law** which must apply equally to all in society, irrespective of position, power, or influence. All the rules and all the laws must apply, and as importantly be seen to apply, to all with indifference, all of the time.

It is also entirely necessary that Mr Andrew Green QC be made to provide an extremely credible account and explanation of his failings at the risk of his future as a Lawyer, much less a QC, because without doubt the S166 Summary, not the very least by omission, let alone characterisation, was not remotely an accurate account of the full report as he attested it was. – DISGRACEFUL he should be DISBARRED and very likely will be if we are forced to act. Better he fall on his sword with some honour remaining and resign before he brings further disgrace on his colleagues, his chambers, and his profession beyond. --

## 2. The next thing the FCA instructed Promontory on, was to select “a sample that was representative of the GRG population”

(Pg: 336 annex V pt 7) I reproduce below lifted straight out of the Promontory Report (Pg: 55) the figure 8 table that lists the breakdown by industry category. (the source is RBS)

**Fig. 8: Transfer to GRG by customer business types<sup>34</sup>**

Sector	Number of Customers	% of total transferred
Commercial Real Estate	3,196	54.2%
Leisure	414	7.0%
Retail	341	5.8%
Health	291	4.9%
Construction	280	4.7%
Industrials	185	3.1%
Automotive	154	2.6%
Building Materials	102	1.7%
Professional Services	94	1.6%
Agriculture	88	1.5%
All other sectors	755	12.8%
<b>Total</b>	<b>5,900</b>	<b>100%</b>

There then follows what to all intents and purposes might best be described as..... “marketing waffle” which tells us precisely nothing of substance, other than leading you to believe that the method was all extremely well thought through, dependable, trustworthy, and therefore the **careful sampling design, could be relied upon!!**

Further words of assurance are stated.... *“In order for the analysis to be robust,* to which of course my response would be don’t talk about it, show us. Where is the full transparency and comprehensive unequivocal and unambiguous detailed explanation..... Of course there isn’t any!

It then continues telling us ....*following careful study design..... each group must be homogenous* (homogenous is a fancy word meaning the same / similar) *and of a sufficient size to select a sample from the outcome pools.... met these criteria.”*

This bit is a tad tricky so bear with me.... Effectively what this required Promontory to do was to select a **“representative sample”** of all the different sectors from Figure 8 Table above, and select the right number of cases from each category, and having done so then divide that number by four, thereby selecting 25% of the total number from each of the four “outcome pools” previously discussed above.

The easiest way to think of this is to look at the percentage column and take the applicable percentage for each sector and multiply it by the 178 cases in the sample group, then take that number and divide it by 4 to give the number of cases to be selected for each sector from each of the 4 outcome pool groups.... Easy!

So, by example from Commercial Real Estate it was  $(54.2\% \times 178) = 96.5$  cases in total or a fraction less than 24 cases to be selected from each of the 4 outcome pools.... and so on..... from Leisure 12.4 cases or 3.12 from each outcome pool; Agriculture the smallest category 2.6 cases or 0.67 of a case from each outcome pool **and I will explain the significance of that in a moment** – how can you have 0.67 of a case!!! Etc etc.

## Now its time for the more TRUTH,..... they cheated..... again!

Here is the confirmation from within the S166 Promontory Report that the FCA and RBS were conclusively responsible through clever study design and sampling manipulation of **intentionally sabotaging the S166 Reports ability to find and prove the outcome it was tasked with confirming**, which we remind ourselves was to: *“assess the validity of the allegations of customer treatment in the Tomlinson report and, where relevant, points raised by the Large report. - If inappropriate treatment of customers is identified, to form a view on whether it was widespread and/or systematic”* (Pg: 309; Pt; 1 & 2)

The FCA and RBS sabotaged the S166 Report so that they could declare RBS innocent and make all the entirely bogus and misleading statements that have subsequently been made by both the FCA and RBS in support of this false proposition to the intentional detriment of victims.

## So how exactly did the FCA and RBS do it?

We have been told repeatedly that the *“sample was representative of the GRG population.”* Indeed Promontory stated, remembering that they were told exactly what to do and how, by the FCA who in turn had pre-agreed all of this with RBS..... *“We followed a structured process, supported by a best practice sampling methodology' to select a sample that was representative of the GRG population.”* (Pg: 336 Pt; 7)

Please also remember the commentary of the Academics from the Royal Statistical Society, Professors Hutton and Ansel, to whom I once again offer my sincere thanks and gratitude. They made their positions unequivocally clear previously;

- *“The design and analysis does not appear to be appropriate or as good as I would expect for a major value case.”*

– this is a polite academics way of saying the study is not fit for purpose – my original contention proved....  
Prof. Hutton continues....

- *“the lack of information available in the public realm detailing the exact methodology used in the design and analysis, is also cause for concern.”*

– this is a polite way of saying you didn’t publish the methodology clearly because it doesn’t with stand scrutiny. While finally she says;

- *“This would allow an assessment of the suitability of the design and analysis relative to the original brief set out by the FCA. The original brief might not have been entirely appropriate.”*

- So, if the S166 reports sample were truly **“representative”** as ceaselessly claimed you would expect the largest sector, **Commercial Real Estate**, to have 54.2% of the total sample size of 178 cases, where 54.2% is its proportion of the total cohort of cases. (see Figure 8 reproduced above (Pg: 55))

- **And 54.2% of 178 = 96.5 cases..... but of course there were **not** 96.5 cases in Commercial Real Estate, arguably the highest risk group that provided the greatest direct opportunity for asset stripping.**

- **The truth is that there were 74 cases from the Commercial Real Estate sector or 22.5 fewer cases than should have been allocated to this most high-risk category for it to have been correctly described as a “representative sample”!!**

- Or expressed another way **there were 23.3% fewer cases from Commercial Real Estate than there should have been, from the most high-risk group, where the potential for discovering the worst abuse, of the most significant type, asset stripping, was greatest.**

- All this in a report that was supposed to be finding / determine whether the alleged abuse referred to in the Tomlinson and Large reports was indeed **both widespread and systematic!!**

- I reordered the list of sectors by size, (largest first- descending) “Commercial Real Estate” (column 3) **54.2%** of the population; “All other Sectors” **12.8%** etc. – ending with Agriculture the smallest sector last at **1.5%**

- The lighter shaded orange (column 4) shows the number of cases in proportion to the population that there should have been.

Sector	No of GRG Customers	% of Total transferred	Total cases per Sector	Cases per sector for each Outcome Pool	Actual Cases per sector	Actual Cases per sector for each Outcome Pool	Difference	% Difference
Commercial Real Estate	3,196	54.2%	96.5	24.1	74	18.5	- 22.5	- 23.3%
All other Sectors	755	12.8%	22.8	5.7	24	6	+ 1.2	+ 5.3%
Leisure	414	7.0%	12.5	3.1	16	4	+ 3.5	+ 28.4%
Retail	341	5.8%	10.3	2.6	12	3	+ 1.7	+ 16.2%
Health	291	4.9%	8.7	2.2	12	3	+ 3.3	+ 37.6%
Construction	280	4.7%	8.4	2.1	12	3	+ 3.6	+ 43.4%
Industrials	185	3.1%	5.5	1.4	8	2	+ 2.5	+ 45.0%
Automotive	154	2.6%	4.6	1.2	8	2	+ 3.4	+ 72.9%
Building Materials	102	1.7%	3.0	0.8	4	1	+ 1.0	+ 32.2%
Professional Services	94	1.6%	2.8	0.7	4	1	+ 1.2	+ 40.4%
Agriculture	88	1.5%	2.7	0.7	4	1	+ 1.3	+ 49.8%
<b>Total</b>	<b>5,900</b>	<b>100%</b>	<b>178</b>	<b>44.5</b>	<b>178</b>	<b>44.5</b>		

- **An explanation of the chart above.....** (prior page)
- The darker orange (column 5) shows the number of cases there should have been in each of the 4 outcome pools the cases were to be drawn from. Effectively column 5 is  $\frac{1}{4}$  of column 4 representing the number of cases per sector in each of the 4 “outcome pools” the FCA specified.
- The lighter shaded blue column shows the number of cases in the Commercial Real Estate Sector which I have confirmed by calculation. The numbers for all the other sectors down the column 6 are speculative..... HOWEVER interestingly as you will see on closer inspection all I have done is rounded each fraction number in column 5 up to the next whole number column 7 (bearing in mind you can’t have a fraction of a case) and the numbers all work out perfectly!!
  - I am therefore 99% certain that these are VERY close to the correct numbers for each sector, as this makes perfect sense, and of course the numbers work perfectly too.... basically this is what they did, and it all looks so reasonable....! ....**but its ABSOLUTLEY not reasonable** !
- Finally, the last two columns... Column 8 in light pink and light green shows the reduction or gain in the number of cases allocated in total across the 4 outcome pools, while column 9 in the darker shade indicates the percentage increase or decrease in that groups total weighting in the study relative to the theoretical weighting it should have been in column 4, light orange.
- You can now see what Promontory did, given that in the smaller sectors you can’t have a fraction of a case. They increased every other sector till they had the next whole number in each of the 4 outcome pools which very “conveniently” permitted **them to substantially reduce the numbers in the largest sector by nearly a quarter**. A sector that was both the largest by numerical size, but as I have legitimately speculated on in prior submissions, **was very likely even more overweight by financial value, as these were generally bigger high value real estate transactions – which also of course were of known interest to RBS’s West Register operation, and of course co-incidentally prime targets for asset stripping, where the worst cases of abuse would be found !!**
  - The correct solution of course to the issue of fractions of a case was never to have used the 4 outcome pools as part of the selection process.
  - Furthermore, you round up and down not just one way, and beyond that to have had a larger sampling pool, or any number of other legitimate recognised statistical methods.
  - What we can definitively state, is that the method used to distort the numbers in all of the sectors was definitively not the way to proceed, therefore.....

### **Clearly it doesn’t take a rocket scientist to understand that...**

- If you have a significantly smaller number of cases in the highest risk group
- and in addition, you have re-allocated those critical 23.5% from a high-risk sector to lower risk sectors....
- the likelihood of finding the worst abuse further decreases dramatically on a number already reduced by circa 75%.
- Then on top of that they also ensured they sourced only 25% of all cases from the highest risk outcome pool, cases that went bust, while sourcing 75% of the sample from lower outcome pools.
- Now its not hard to see how the “probability risk” of selecting the worst cases was dramatically reduced by a factor..... to a point by multiple compounding of each method on the next, the risk was now minuscule or negligible !!
  - And within that high risk sector... and at 6.2.55 Promontory tell us that... *“nearly half of the property cases (48.6%) we assessed as clearly not viable (group 1).”* And **Group 1 -- were not assessed for abuse because they were bust on arrival into GRG!!** – No thought was given, nor

assessment made, as to what had reduced them to this state in the first place, this pivotal issue was completely ignored !! (how very convenient – but hardly intellectually robust).

- BUT of MOST SIGNIFICANCE to the reviews findings, **this meant that even in the highest risk group only circa half of the 25% in this outcome category, could even find abuse(!)**, or approx. 12.5% -- because 48% of the 25% of this outcome pool represented – Commercial Real Estate - were automatically struck out of the abuse considerations, because they were declared as “clearly not viable!”
- Relative to my earlier commentary that all these tricks had reduced the probability of finding the worst cases of abuse which had already been reduced to circa 25%. – which at the time you probably thought was a hopelessly aggressive observation, **is in fact a hopelessly conservative assessment !!**
- The truth was however that if only 12.5% of the risk could come from the outcome pool that represented insolvency, because the other half = to 12.5% had been declared non-viable, and therefore not part of the abuse assessment, then the remaining 12.5% of my 25% total of high risk abuse cases had to be found from the other 3 outcome groups, where I told you originally the risk was much lower, although not eliminated.
- **Using the multiplier effect of all these insidious little tricks and deceptions the FCA and RBS had done an excellent job of very significantly mitigating the proportional risk of selecting / finding the very worst cases where abuse had taken place.**
- This in part explains why Mr McEwan when summonsed to meet the FCA in spring 2016 was so shocked to learn that Promontory had found something material... **Both RBS and the FCA thought they had “fixed and sabotaged” the S166 Report to such an extent that it was all but impossible for it to find abuse.... And as I have explained to you... they had.... so....**

**Against this background and context,... The 11% number that Promontory declared had suffered inappropriate abuse begins to make sense, in fact its remarkable!**

- **In proportion to the degree the study design actually permitted the chances of selecting, and therefore finding these cases, then the 11% number in the S166 Promontory Report is in context, a shockingly large percentage !!!**
- Really... 11% is appallingly large....and indicative of a big.... **BIG problem !!**  
**Consider this line of thought, which I fully admit at this stage must be a matter of some modest conjecture / supposition, though entirely intellectually credible.**
- Where the 11% finding is also heavily constrained by the impact of the definitions / interpretations Promontory used to determine their classification of abuse.
- where I consider Promontory were far too supplicant and lenient in their analysis and definitions of what constituted abuse,
- all of which I have comprehensively evidenced in previous submissions, not least because **Promontory failed to pay any attention to the events that frequently led to the issues that resulted in entry to GRG**, or many other issues that should all have formed part of the criteria of assessment, but were not considered. (The impact of IRHP's for example).

It is entirely credible to believe if a truly independent “Best Practise, Gold Standard” compliant review were carried out, given what we now know and understand of the compromised Promontory Review design and sampling method, and even then, what it still found.

I feel very confident in asserting that a new review utilising proper and honest “Best Practise sampling and Study design” would very likely conclude that the widespread and systematic abuse classification arose **in the MAJORITY of cases.....**

**That comment best illustrates the extent and scale of the manipulation that the FCA and RBS indulged in ....to deceive everyone, and worst of all, it nearly worked..... which is the truly frightening thing.....**

So how do I support and validate my contention that unlike Promontory if a Best Practise unbiased review were to be conducted it would find **widespread and systematic abuse as alleged in Tomlinson and the Large reports.....** Again its easy...!

- In effect if 25% of the sample found 11% abuse then x4 and you would then theoretically find 44% of cases with abuse.
  - But let us be ULTRA conservative and say that only the Commercial Real Estate were twice the risk of all other categories remembering they were 54.2% of the cases then you might expect 23% abuse from them and another 11% abuse from the other cases for a Conservative total of circa 34% with abuse
- then you multiply that amount by the 24% of cases taken out of the high-risk sector re allocated to the low risk sectors and your at 50% for the normal number, and for the ultra conservative assessment circa 38% would show abuse.
  - then you re-adjust the classification of cases to a less partisan and biased assessment that for **instance doesn't remove 61 of 178 or just over 34% of all cases being designated as clearly non-viable (Pg; 257 Pt; 6.2.57) and therefore not admitted to the abuse classification at all!**
- And your conservatively back into the high fifties low sixties percent for widespread and systematic abuse, indeed a potentially higher number than that! and for the ultra conservative method its easily greater than 50% or **a MAJORITY of cases as noted above!**

This speculative example serves to illustrate how absolutely credible and perfectly probable it is to conclude my base contention that widespread and systematic abuse classification arose **in the MAJORITY of cases.**

It therefore follows that when correctly reviewed, using a truly “representative sample” in a “gold standard best practise independent review” **could easily find the abuse as alleged in the Tomlinson and Large reports was indeed “widespread and systematic” as originally suspected,** indeed for the rational reasons noted, aside from any personal hunch, **I would further propose this outcome was a probable racine certainty.**

Furthermore, this entire proposition is even easier to believe if you look at the argument / proposition from the inverse perspective.

- All the evidence and logic I have previously supplied about what RBS was actually doing, and its key significance and necessity to restore RBS's Balance sheet indicates why the balance of evidence that even Promontory found makes this a certainty. -**This answers, the “motive question.”**
- Then you consider that RBS GRG had every conceivable resource, knowledge, and ability to abuse its customers in any and every way it saw fit, aided and abetted by the cadre of professions necessary to assist RBS in furthering its aim and objectives – **That answers the “capability / capacity question.”**



- Which just **leaves “willingness/ opportunity question,”** and here there is no question. Promontory commented widely on the culture of the organisation along with its capacity and capability to abuse customers in every way conceivable. Given this capacity and the cultural willingness / requirement to act in these ways, remembering the GRG group were incentive paid for results, which when all the inbuilt advantages they had were considered, it would be completely unrealistic and illogical to suggest that RBS GRG didn’t make good use of this opportunity.... **The Promontory evidence says they did, as do the Customer screams of abuse and compliant.**
- Finally, if RBS – GRG weren’t abusing their customers to the very worst extent **as Promontory unbelievably states**, what were they credibly doing, and why did they stop short of abuse?
- They weren’t spending their days escorting old ladies across the road....!!
- All the evidence shows exactly what they were up to, and suggest that all inside GRG did actively abuse their customers in the worst, most severe methods and psychological ways conceivable, and Promontory’s suggestion they did not,... **not only defies all logic and related credibility, but simply does not align with the evidence, both by outcome and customer protest!**

Having inverted the argument **it is plainly obvious that the only inconsistency....** is the notion that this, **only occurred in 11% of the cases, and that the worst abuse was not “widespread and systematic...”**

**That proposition is the only outlier here, and as such is wildly, unbelievably, and incredulously inconsistent with the likely facts... and was only possible due to the “sabotaging” of the reviews methodology that intentionally denied the truth !!**

- I leave you to make your own minds up..... Especially now I have shown you how to look at things with a more honest open minded perspective.... and the techniques necessary to achieve this.... Simple when you know how....! (I must stop meddling in things I understand and you don’t!)

So now I hear you quite correctly say that entirely contrary to my assertion, **absolutely nowhere does it say in the S166 Promontory Report that there were only 74 cases in the Commercial Real Estate sector.....** and you would be 100% correct....

**And that’s the final point...**

In order to deceive you about the real facts, and **this is one of the core themes and arguments I have repeatedly made since the beginning**, and is credibly supported by the unimpeachable reputations of the Royal Statistical Society Academics, there is..... **NO clear information about the study design, etc. As there should be, and which is a fundamental tenant of all reputable and credible Academic Studies.**

**Why is this...?? It’s incredibly simple..... because the detail method does not withstand scrutiny....**

Indeed, to the extent I might have this marginally wrong, the only people to blame are the FCA / RBS / and Promontory, precisely because again they flouted what minimum accepted Scientific standards would require,.... that absolutely **everything** about the reviews method, analysis, and findings, be published in full and made transparently clear.

- *“It is both disappointing and of potential concern that the standard of reporting is less than would be expected to meet academic standards of openness.” – Prof. Jane Hutton.*



While in contrast the FCA and RBS, latterly assisted by Promontory, **all went to considerable efforts when writing up the report to ensure that nothing was made clear....and very little was published.** In fact, they intentionally went out of their way to hide almost everything.

- Labelling was changed to create inconsistencies that misled.
- Arguments were not presented back to back
- No ability to make apple to apple comparisons etc., however....

**So here is the undeniable TRUTH sourced from WITHIN the S166 Promontory Report that comprehensively destroys the validity of all Promontory's numerical findings.... Using their evidence! and almost certainly**

**reveals severe abuse was “widespread and systematic” in all areas as per Tomlinson and Large allegations / findings, - entirely contrary to Promontory's fraudulent, deceitful, totally compromised “sabotaged” S166 report findings. Themselves intentionally incapacitated by corrupt manipulation of the reviews design method by the FCA & RBS to enable them to deny the truth and / or justice for victims.**

Fortunately for us Promontory made a single mistake, forgetting that a sole critical number they used was one half of a binary number, where its alternate percentage gave me the missing link, which in combination with other separate pieces of isolated information from elsewhere, enabled me to determine with **complete confidence using their numbers contained in the S166 Report, the single pivotal fact.....**

That in the largest group, that as noted **affects 54.2% of the entire cohort, -- Commercial Real Estate, --**

That the true sample size used was absolutely..... **NOT a REPRESENTATIVE SAMPLE**, as claimed, and therefore as I have repeatedly alleged, the statistical evidence and numbers / data contained in the Promontory Report unequivocally.... **cannot be relied upon....**

- **In short, as shown and evidenced the S166 findings are completely fraudulent and deceitful, and all done by the FCA and RBS intentional compromising of the reviews design and method.**

Of course, none of the tables are apples to apples comparison one to another, **AS THEY SHOULD BE to comply with BEST PRACTISE and normal scientific / academic standards of transparency and rigor.**

Therefore, a bit of detective work and some reverse engineering allows us to confirm the numbers thus:

- 6.2.57 tells us that 117 cases were viable, which axiomatically tells us out of a total of 178 -- that 61 cases were not viable. – **This is important because it tells us a third of all cases were excluded from the consideration of abuse which was the Trials purpose !!!** (I bet you hadn't spotted that either!!)

**YES.... a THIRD of ALL cases** excluded from abuse assessment the primary purpose of the review, confirming whether abuse was widespread and systematic...!!! (alleged in Tomlinson and Large Reports).

- 6.2.55 tells us that... *“nearly half of the property cases (48.6%) we assessed as clearly not viable (group 1).”* This implies that 51.4% of property cases were viable. –
- Figure 30 tells us there were a total of 38 PROPERTY cases that were designated (category 2;3;4) i.e. these cases were viable cases because their treatment was then categorised, which therefore implies that if 38 Property cases = 51.4% then the total non-viable property cases equals 36 = 48.6%
- and the total number of property cases used in the review was 38 + 36 therefore = **74**

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6.2.55 tells us that... "nearly half of the property cases (48.6%) we assessed as clearly not viable (group 1)." This implies that 51.4% of property cases were viable.	51.4%
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which therefore implies that if 38 cases = 51.4% then, the total non-viable property cases were 36 = 48.6%	36
the total number of property cases was 74 = 100%	74

So now I leave you with two further **critical observations for you to consider** which together share an important interrelationship.

I knew quite early on something was very strange about how this analysis and how the sampling was constructed, when out of 5,900 cases they had to reduce the minimum case size from £1m to £250k because they didn't have enough samples in some subsections of the review...

**It made no sense that this could be remotely necessary if the study followed any normal best practise design I was familiar with, which had been done correctly.** This was a significant alarm bell in my mind..... (as stated: Appendix I Pt. 2 - Pg. 325 - "Amendment to the definition of SME customer")

The second concern arose (Pg: 337 Pt:9); from this final innocuous remainder section to a sentence; *"...we identified data tape quality issues which resulted in a file being invalid for sampling purposes. In these cases, we replaced the case with another case with similar characteristics. In total, we replaced 20 cases."* and in particular two aspects....

- 1) The lack of information pertaining to these dropped cases where Professor Ansell of the RSS noted: *".....and for lowest value to be assigned to missing values. Implying that those removed may be more likely to be extreme values,"* - which interpreted means that the 20 cases or 11% of the 178 that were removed from the study due to "poor data" were highly likely to have been, as found in numerous other academic studies,

*"It is well known that missing data is a sign in credit scoring of lower scores"*  
- i.e. **the worst cases, or just the ones you would want to replace if you were RBS / FCA** and how would you achieve that without Promontory knowing, by finding that the data files were to poor..... what a pity!

While professor Hutton noted:

*"For example, simply excluding units with inadequate data is not recommended."*

- 2) The second thing that caused me anxiety, and again would never be permissible in a proper review were the seemingly innocuous words to you.... **"similar characteristics"**..... which poses the question.... How do you know what their "similar characteristics" are ??

Unless some degree of "pre-screening" had gone on? Which of course is concerning, and that led me to consider the very last thought I am going to leave you with.....

And it's **the final element that you need to be gravely concerned about....** because no credible "Best practise gold standard review" would ever do this.....

Everywhere in the instructions to Promontory the Report uses the words **"Representative Sample"** the key word being **"representative"** not **"random"** as it should be, instead always **"representative"....** and how do you know what representative is? Just as how do you know what "similar characteristics" are?..... Unless you have done some considerable pre-screening, which inevitably leads too, and results in **selection bias.**

I have made several references to "gold standard and best practise" review methodology, so I think it helpful to assist any not familiar with what that precisely means.

As I set out in Submission dated 06 April 2018 study design and methodology and indeed the Statistical analysis is a fiendishly complex area best left to experts who devote their life's work to it. However, at its heart lies a couple of elemental propositions and principles that are frequently referred to, if not always understood and they are studies that adhere to a **"randomised double blind crossover or placebo" protocols.** Where EVERYTHING is done at RANDOM... The selection of the cases, which patients are on active drug, which are on placebo, where neither the patient nor the doctor knows whether they are receiving the active substance, or whether they are in the control group receiving a placebo.

Clearly this kind of trial was not suitable or applicable to the S166 Review, but the core principle of **RANDOMISATION that is the fundamental principle of all trials is absolutely key to their integrity,** as it should have been in this circumstance, NEVER a "representative sample."

**"Representative sample" is a travesty compared to a "Random sample".**

And in case you think I am chasing kites or tilting at windmills.... Promontory admit to doing just this.. or at least a "sanitised legitimate version" of it, all very professional etc in the quest to achieve a truly authentic "statistically representative sample" (Pg: 336 Pt: 7 Bp: 3).... *the Bank submitted three versions of the data to us before we were satisfied that the quality of the data was adequate to allow us to select a sample of cases....*

*Stratifying / segmenting the data into the four FCA outcome pools and across other characteristics including core/non-core classifications, regions (GB/NI) and year of entry to GRG; and selecting the sample of cases for review.*

So, I conclude with a further comment from Professor Hutton sent in addition to her earlier noted insights and concerns due to these further revelations:

*"It does seem that a thorough investigation of exactly what the sampling approach was, and exactly what cases were dropped, with reasons, is required."*

**I therefore make the following simple, but telling observation;**

All medical studies require that no review can be even started, much less carried out / performed until every aspect of what is proposed has been considered in depth, and actively approved by.... **A completely independent ethics review panel, formed of experts and independent suitably qualified lay people who bring the broadest range of specialisms and differing intellectual insights and perspectives to consideration of the proposal precisely to ensure all aspects of the review, its method, suitability to purpose, are well-thought-out and as noted only approved when they meet highest standards of ethical probity.** In a medical context this is done to protect lives, but I would argue that lives and sanity are just as at stake here in just the same way.

What the FCA and RBS did with the S166 Promontory report was **to further torture by resolve the sanity of victims with the purposeful intent of denying justice.** The men who initiated this and those that came after and sustained it are.... beneath contempt.... and must be held to account for their actions and punished, **the incontrovertible proof of their crime is now before you as set out.**

Had there been an independent control, review, and oversight facility in place, where Best Practise informed every aspect of what was done, and by whom, we would not be in this lamentable position now. This would have been better for absolutely everyone, including but perhaps most of all the FCA and RBS, because they would not have further compounded the immense problem they have created and now compounded,.... for they would never have tried and failed to cheat their way to an entirely false set of outcomes,.... would they?? I rest my case, for it is conclusively made.....

**The S166 Promontory Report was devastatingly “sabotaged” to the extent it could never accurately find....** *“If inappropriate treatment of customers is identified, to form a view on whether it was widespread and/or systematic.”*

- **The Reports findings are not representative of the truth as a direct consequence of the intentional actions of the FCA and RBS to purposefully frustrate justice and deny the truth to victims.**
- **Regrettably, but indisputably they were ably assisted through complicity by their agents Promontory in this heinous endeavour.**
- **You cannot trust ANY of the numerical and fact based statistical outcomes of the S166 Promontory Report.**
- **You can however continue to trust all the “soft findings” pertaining to culture, policy, philosophy etc. These elements were not related discreetly to the cases as the “hard findings” were. The only caveat to this statement is one of degree, and emphasis, related to the soft findings potentially being more prevalent than reported currently !**

I commenced my submission of the 8<sup>th</sup> of May by explaining the importance of Best Practise which by definition, encapsulates, “Exact Integrity.” -- I noted the missed opportunity the S166 Promontory report represented, particularly to the FCA and RBS who determined how the review would proceed, though that doesn’t absolve Promontory of a very mixed performance, intellectually odious in parts, whilst also showing admirable independence in some elements, commentary, and findings.

The substantive point however is, HAD the S166 utilised “Best Practise” none of us would be in this lamentable position, to the undoubted benefit of victims, and I would argue counterintuitively RBS and the FCA as well. For whilst unquestionably, they fear the truth, being culturally unused to it, they may yet realise it ultimately serves their organisations better, if not the protagonists personally. **This is a critical observation; we should never confuse the entity, with the people that run it,** as many others have observed, **there are no bad Banks, only bad Bankers,** and others that **influence, facilitate, condone or otherwise excuse malevolent actions, they know to be wrong.** The same holds true of the Regulators, Courts, Parliament, indeed yourselves, as you fail to protect Parliament from contempt in a timely manner.

As victims we all know what injustice and dishonesty feels like, and we will play no such part in any similar enterprise, which is why I ended the last submission with the simple and straightforward observation to you all, **“its Best Practise, or its nothing”**, and now you understand why that is completely non-negotiable and ultimately in the bigger picture is of benefit to all.

Our ambitions, our families and our confidence in impartiality, honesty, and most important of all “fair” and “reasonable” application of “justice” under the law – have all been lost to perversion, and thus the last bastion of a civil, democratic, society denied. -- As if all that weren’t bad enough they stole so much more, our futures, they stole our dignity, and in some cases they stole people’s faith in their own humanity and lives, because there has been no justice, nor prospect of same. While those that should have supplied and secured it, instead actively colluded in denying and frustrating it. That’s not just the Bankers, but the regulators and most astoundingly you as politicians, and most especially those in power, the Government.

Surprisingly perhaps, I don’t relish vanquishing our foes, I genuinely wish it weren’t necessary, but since it is necessary it is vital to do it palms up, out in the open. For unlike them, we want and need to look our nemesis’s in the eye, having the satisfaction of knowing that we did right by them, in a way they couldn’t and didn’t conceive of doing to us their victims, as they quite literally slaughtered us.

In light of this perhaps the most shocking thing of all, is your hesitancy to act.... and protect Parliament the rule of law, the foundation of our democracy, show and demonstrate “Exact Integrity”.

I ceaselessly tell people when they moan and complain about all the injustice in Society, Society is not an amorphous entity that belongs to, or is the responsibility of someone else. Society is us. We are society, you and me, its our responsibility, and the Society we have is the one we permit. If we want a civil society we have to as individuals make it so, we have to protect it, nurture it, and defend it, everyday, everywhere, and in everyway. Society is our responsibility, and in this case yours as elected representatives vested with the greatest accolade of trust and responsibility, to use your authority wisely to do no harm, bringing your powers of influence to the benefit of all those you represent, to better their Society. **You don’t have the right to do nothing, you have been entrusted by your electorate to be overt in action, all the time, in defence of that which you were given responsibility for.....** To lead, shape, and defend Society. The Society we have is the one we create.... you create, and it cannot continue to be unjust,.... it cannot be deceitful,.... it cannot deny the truth,.... it cannot defend or condone injustice,.... it cannot support different standards or rules for the rich and powerful,.... and as a start..... in cannot allow people to act and speak in contempt of Parliament. **Else by intent and inaction, you are the anarchists destroying Societies values from within.**

Finally, Whilst I have written this letter, my voice is of no significance or importance, I have simply vicariously given expression to the views, wishes, and sentiments of the many victims who have suffered so much, indeed some irreversibly whose memories we must honour by achieving vindication, justice and “appropriate” full redress for all.

My grateful thanks in advance for your time and perseverance.

Now please, “Action this day...!” (W.S.C.)

Yours Sincerely,

**Mark Banister.**

**Original Author - RBS Customer & GRG Accuser**

**R Neil W Mitchell**

**Reviewer & Contributor - RBS Customer & RBS Campaigner**

**Points of Emphasis - Index** -- raised in 3 prior submissions 30 March 2018 ; 06 April 2018; 08 May 2018 with Ref: #'s to the supporting original text in the Addendum attached to this letter.

## **Submission 1 - dated: 30 March, 2018**

1. The charge: **Sir Howard Davies and Mr McEwan, respectively Chairman and CEO of RBS.** – Have repeatedly deceived the Public and Parliament in testimony and communications, acting as serial dissemblers and consequently have not shown the required “integrity” commensurate with their leadership positions, much less “exact integrity.”  
**This is - Contempt of Parliament - report them to the Speakers office.**  
Ref: 1.1
2. The Treasury Select Committee must act to **prevent Parliament falling into disrepute by tolerating intentionally evasive, vague and ambiguous and equivocal answers, let alone false witness, or be responsible thereby for the tacit acceptance of Contempt of Parliament and the destruction of the rule of law from its source !**  
Ref: 1.2
3. The intentional use of Weasel words to frustrate honest enquiry. What defines Contempt?  
Ref: 1.3
4. The danger of bringing the Committee into disrepute and therefore Parliament through a failure to act.  
Ref: 1.4
5. Example 1: – False claims by Mr McEwan of cultural change, and false testimony related to personnel in GRG and the newly renamed Restructuring dept. correctly described as “rebranding”.  
--- False testimony that would have stood if the Committee had not asked for confirmation.  
Ref: 1.5 / 1.6 / 1.7 / 1.8 / 1.9 / 1.10 / 1.11 / 1.12
6. Historical evidence. Missed opportunities by the TSC to act and reduce the unnecessary burden on **victims, who need and deserve timely action.**  
Ref: 1.13 / 1.14
7. Example 2: False Testimony by Sir Howard Davies and by Mr McEwan in respect of the most significant widely discussed illustration of cultural abuse in the entire Promontory report. **An illustration of intentional dissembling and spin to expressly present a dishonest assessment of the culpability and scale of malfeasance by the Bank to Parliament, the Committee and the Public. – We refer to the “just Hit Budget Memo.”**  
Ref: 1.15 / 1.16 / 1.17 / 1.18
8. Commentary directly to Sir Howard Davies and the Bank more widely in respect of the authors family position, and his broader views about how to address the inevitable difference of view such a charge must very likely induce.  
Ref: none.
9. The self-evident probable perspective and contempt that RBS senior management have for the Committee and the wider public / customers.  
Ref: 1.19 / 1.20

10. Example 3: The overarching cultural deceit and deception perpetrated by RBS across the landscape to YOU the MEMBERS of the TREASURY SELECT COMMITTEE as it seeks to limit and deny the reality of the scale and depravity of the GRG situation, portraying much of it as a matter of normalcy, and on all occasions relying on amorphous legally nebulous words of insincere contrition. All illustrations of a complete lack of honesty, candour and the required "exact integrity".  
Ref: 1.21 / 1.22 / 1.23 / 1.24 / 1.25
11. --- The case of Charlotte Hogg where the TSC insisted on decisive action for a misdemeanour related to principle, but of infinitely less material consequence, removing a person for a lack of "integrity" related to testimony, unacceptable behaviour and connected actions.  
--- **In this circumstance the TSC CANNOT be any less PRIMCIPLED or else be rightly charged with completely duplicitous behaviour.... Sir Howard Davies and Mr Ross McEwan must be sited with Contempt of Parliament and publicly removed so that standards in public life are upheld and seen to be so, and that no charges of gender discrimination can otherwise be levied against the TSC decisive action against a woman and its continued procrastination against two men.**  
Ref: 1.26
12. **Train Fair dodging related to £23,000 gets you banned by the FCA for a lack of integrity however 5 years of deceitful denial of wrongdoing, serial dissembling of this committee and Parliament sees no action taken by anyone.... YET !**  
--- An Illustration of FCA action to remove people for lack of "integrity" related to testimony, unacceptable behaviour or connected actions. Self evident hypocrisy that cannot remain un-addressed, less the TSC itself descend into farce and undermine its own authority.... an intolerable circumstance that must not be permitted.  
Ref: 1.27
13. Sir Howard Davies contempt for shareholders and GRG victims together with his and the RBS Board's complete mis-judgement of their obligations and the related Public mood / acceptance of their actions.  
--- A total lack of discernible judgement by the Board nor candour about the true realities of RBS's past actions and related liabilities and corresponding responsibilities.  
Ref: 1.28 / 1.29 / 1.30
14. Second Illustration of FCA action to ban people for lack of integrity related to unacceptable behaviour or related actions. – An example of a senior city executive being banned for life where the judge described his actions as: ... *"stuck to the truth where he was able to, but departed from it with equanimity and adroitness where the truth was inconvenient"*. The total synchronicity of Tony Verrier, with the actions of Sir Howard Davies and Mr McEwan are palpable and their punishment and shame must be likewise.  
Ref: 1.31
15. **Illustration why the same sanctions must be applied to the unacceptable long standing and oft repeated deplorable actions and false protestations and knowing deceits of Sir Howard Davies and Mr McEwan.**  
Ref: 1.32
16. **Report Sir Howard Davies and Mr Ross McEwan to the Speakers Office for Parliamentary Investigation.....** What action must be taken to address this appalling and unacceptable circumstance.  
Ref: 1.33 / 1.34 / 1.35



17. The City of London, The Bank of England, The Treasury, and The Govt. must hear us and cast Sir Howard and Mr McEwan out or jeopardise their own futures endangering the golden goose they all depend on.... Else we cant be held responsible for our actions directly created from their failure to address unacceptable behaviour, ethics, and immoral wrong doing.  
Ref: 1.36
18. Members of the Treasury Select Committee. Do you want to be part of the problem or the solution?  
Heroes or villains..... ??  
Ref:

## Submission 2 - dated: 06 April, 2018

19. Obligates Prime Minister and Chancellor along with the Members of The Treasury Select Committee to show **Exact Integrity and safeguard Parliament, the rule of Law and democracy....** by ensuring Sir Howard Davies, and Mr Ross McEwan are sanctioned for Contempt of Parliament.  
Ref: 2.10
20. Highlights the realities of **RBS's GRG liabilities when correctly ascribed to the Balance Sheet the common Equity of RBS is worthless, and more pertinently the Bank is insolvent.**  
--- What plans does the Government have to address RBS's insolvency once it becomes the publics common perception.... The Government must act responsibly now and sort this matter out, not ignore it and hope it goes away..... because it won't !  
Ref: 2.20 / 2.30
21. Indicates to the Chancellor that **he has been making misleading and false commentary to Parliament and the Public in respect of the potential for RBS share sales and impact on Budget forecasts.**  
Ref: 2.40
22. Reminds the Prime Minister that **Mr Anthony Stansfeld, The Thames Valley Police Commissioner wrote to her many months ago setting out in detail the Fraudulent cover up and denial of wrong doing by the Lloyds Bank Chairman, CEO and Board** and that she had done nothing about it making her liable to obvious accusations of an attempted cover up at a minimum, and active complicity at worst in the known maintenance of corruption.  
Ref: 2.50
23. **Requests Government acknowledge the issues and address them, else we will be forced to take action, only because Government has not responsibly done so, instead preferring to deny and deceive the citizens it is charged with governing . We are simply being responsible first.**  
Ref: 2.60 / 2.70

24. **RBS Redress Scheme – A Fraudulent FCA sanctioned scheme of Deceit, Denial and Dismissal.**  
 Ref: 2.80
- a) The amount of money is not £400m claimed, but in reality no more than £250m.
  - b) The 2008 – 2013 date period is entirely arbitrary, deliberately chosen to co-inside with the period of Financial turmoil to disguise RBS GRG activities that in truth began 13+ years before in mid 1990's and continue to this day.
  - c) **The number of Customers abused by GRG & addressed by Promontory and the Redress Scheme bares no relation to the 5,900 RBS / FCA acknowledge.** They ignore the 16,000 BBC and Buzzfeed validated for the 3 year period 2008 -11 along with 8,000 SRM claimants; 8,000 EFG claimants and all those that fell outside the arbitrary dates of 2008 – 2013.
  - d) **Total GRG liabilities could credibly exceed £120bln which in context of RBS's balance sheet of £2,300 bln + is "only" a 5% hit. In context of the TRUTH this report and the redress scheme is a WHITEWASH of epic intentional deceit... The TRUTH must be fully revealed, uncovered and TOLD.**
  - e) Question the TSC's credibility and actions in relation to its continuing to lend its credibility to the RBS Redress scheme and point out by use of unassailable logic and metaphors how completely corrupt and unacceptable the current position is and that the TSC must act to end it by speaking out.
  - f) Indicate the FCA is indeed by action and intent a Rogue Regulator that doesn't remotely fulfil its remit, emphasised by use of a powerful but sadly apt metaphor, that indicates both how ludicrous the current position is, and also how untenable.
25. The Numerical fact based assessments contained in the S166 Report are completely compromised, and shockingly the TSC has never "tested" the information, simply accepting it on blind faith because it is from so called "credible" companies; Promontory and Mazzars – One of which has been fined by the US authorities, and the other which has a huge and ongoing conflict of interest.  
 Ref: 2.90 / 2.10
26. Numerous elements of the Report are hopelessly flawed, and can be seen to be on the most basic inspection. Again the real numbers of victims bears no correlation to the FCA / RBS 5,900 number of cases.  
 Ref: 2.11
27. The review method is compromised from its foundations upwards. Site the independent assessments of the most knowledgeable Professors in the field who chair and sit on the Royal Statistical Society Law and Statistics Committee ! –  
 --- **They indicate that the S166 review may not be fit for purpose and highlight numerous fundamental concerns relating to lack of disclosure, and dropped data amongst others, and most fundamental the study may not be fit for purpose, nor as good as they would expect!**  
 Ref: 2.12 / 2.13 / 2.14 / 2.15
28. Highlight the desire and need for Mr Anthony Stansfeld to come before the Committee and give witness over matters of immense material public interest and importance, and that the TSC should not frustrate this, as it has already done, Chair admitting to a failure to respond to correspondence from Mr Stansfeld.  
 Ref: 2.16 / 2.17

29. FOS executive Management and Board is failing....completely unacceptable.... and must be replaced and the organisation urgently reformed and managed up to Best Practise including new levels of transparency and a level playing field in terms of disclosure and by both sides and independent vetting of decisions.  
 --- The current proposal to invite management consultants in is a further indication of inability and an abdication of responsibility.  
 --- Shockingly the TSC has known of the low staff moral for many months, indicative of malaise. TSC took no overt actions to insist management respond to the issues confronting it and submit comprehensive plans to the TSC relating to achieving Best Practise.  
 Ref: 2.18 / 2.19 / 2.20 / 2.21
30. **Finally against this background and bad operational practise and decision making for clients of FOS it is IMPOSSIBLE to conceive that its remit be extended as proposed by the FCA and FOS mgmt. – The very proposal that FOS could consider higher value cases against the current operational malaise, indicated how divorced from reality both FOS and FCA are.**  
 --- Any extension of FOS remit currently would be completely IRRESPONSIBLE.  
 Ref: 2.22
31. A public Enquiry covering the horizon of Financial Services in City a necessity. Sets out a clear schedule of requirements and reasoning and indicated the terms of reference and scale of a full Public enquiry.  
 Ref: 2.23 / 2.24 / 2.25 / 2.26

### Submission 3 – dated: 08 May, 2018

32. **Best Practise....** Why its vital and non negotiable... Had the S166 Report met these standards we would not be in this lamentable position.  
 - **The S166 Report was “sabotaged” from inception and is fundamentally flawed. The numerical findings cannot be relied on.**  
 Ref:
33. This **manipulation** affects over half of all RBS – GRG victims, by value probably more than 70% of total. – **This deceit alone decimates the credibility of the entire S166 Promontory report, so fundamental is it.**  
 Ref: 3.1
34. **Different valuation ratios dependent on who owned the property asset.**  
 --- Different perspectives about the probability of a recovery in property asset values. When the customer owned the asset NONE, when RBS owned the asset its expected!  
**Promontory’s intellectual deceit on this single matter -- OUTRAGEOUS. --**  
 Ref: 3.2 / 3.3 / 3.4
35. Presentation – **How to hide a blatant deception and contradiction in plain SIGHT**, and perpetrate a fundamental deceit that promotes....  
**“One Rule for the Customer, and a better nicer rule for the Bank!” -- Intolerable --**  
 Ref: 3.5 / 3.6 / 3.7
36. Economic Background – An explanation of the prevailing conditions and realities.  
 Ref: 3.8

37. **The Solution “Q.E.” – Quantitative Easing** – Reflating the Economy – Supplying liquidity and Govt promises that bailing out the Financial system and specifically the Banks and ensuring the availability of liquidity to them to **ensure Banks in turn would continue to support and lend to the economy.** --- Pivotal to the final issue Pt. 56---  
Ref: 3.9 / 3.10
38. Why **Property values and asset prices had to / would be made to reflate and recover** – An economic necessity to re-start economic growth and create a recovery.  
Ref: 3.11 / 3.12 / 3.13 / 3.14 / 3.15 / 3.16 / 3.17
39. Government – **A lack of joined up thinking and conflicting actions.**  
Reflating the economy with the “right hand” via the Bank of England QE fiscal stimulus, while deflating the economy with the “left hand” via UKFI and APA insisting RBS shrink its loan book and thus its balance sheet, predictably killing 10,000’s of SME businesses and in some tragic cases their owners quite literally too.  
**TOTAL MADNESS and UTTERLY IRRESPONSIBLE in the fiscal and economic environment.**  
Ref: 3.18 / 3.19 / 3.20 / 3.21
40. Government / Treasury Instruct via UKFI & APA – RBS to downsize / shrink its Balance Sheet.  
- A negligent action given the prevailing economic circumstances that had only one possible outcome..... **the destruction of Value for all RBS stakeholders;-**  
- Customers  
- Shareholders  
- Society.  
Ref: 3.22 / 3.23 / 3.24 / 3.25
41. **SME were the only realistic viable lending group to target** and they were a “rich” seam to ruthlessly exploit, for numerous reasons.... and RBS had all the existing infrastructure and human resources / skill sets with which to brutally undertake the task. – **Tens of thousands of SME’s destroyed to repair the balance sheet of a State owned, bailed out, bankrupt Bank – RBS.**  
Ref: 3.26 / 3.27
42. Government backed, Treasury sanctioned, UKFI and APA facilitated state sponsored “**Business Slaughter**” by RBS....of SME’s.  
Ref: 3.28 / 3.29 / 3.30
43. **Proof that the Government knew EXACTLY the impact of its intentional Business Slaughter of SME customers would be** – Govt. didn’t care how many SME’s suffered so long as RBS Balance Sheet shrank, so they could validate their actions to bail it out and re-privatise it quickly. This was the driving force and thinking underpinning all Government. actions.  
Ref: 3.31 / 3.32 / 3.33
44. RBS’s favourite and most frequently used method for manipulating their SME customers.  
--- **LTV (Loan to Value) Ratio manipulation and asset re valuation.** –  
--- One rule, one value ,and one ratio for the Customer, - and an altogether better nicer rule, value, and ratio for the Bank..... --- Scandalous ---  
Ref: 3.34

45. **WR and RBS – Alchemy in a GRG office near you!**  
How to fund your former customers assets recently acquired by RBS through asset stripping for free and repair your Balance Sheet at the same time.  
Ref: 3.35 / 3.36 / 3.37 / 3.38 / 3.39
46. A double benefit for RBS. **Shrinking Lending and improving capital ratios...** all at the same time. Happy Days, Smiles all around.... No wonder RBS did so much of it.... like drug addicts they had to score more victims to feed their insatiable all-consuming need for more capital.  
Ref: 3.40 / 3.41
47. **City cronyism.** A spiders web that perpetually protects the corrupt and dishonesty of the city elite.  
Ref: 3.42
48. The **Financial Reporting Council**, another rogue regulator that doesn't regulate led and run by city cronyism insiders.... an organisation that exonerated KPMG auditors over HBOS the Bank that didn't have a hole in its Balance Sheet nor any fraudulent activity until 6 people went to jail for 46.5 Years!  
Ref: 3.43 / 3.44 / 3.45
49. The FSA forerunner of the FCA looked the other way, WHY? Failing to consider the obvious!  
Ref: 3.46
50. **RBS – GRG Redress Scheme an immoral scheme sanctioned by the FCA in an attempt to falsely draw a line under this horrendous crime. In truth a Scheme that ignores infinitely more victims than it addresses, a scheme whose criteria are ridiculously tight so almost no one can receive justice, in summary a scheme of deceit, denial, and dismissal, all masquerading as a false vail of legitimacy. A scheme that lies so far outside the Best Practice and the base tenants "juris prudence" that the retired old judge running it should resign or be told to go forthwith. The scheme is not about redress its about a whitewash of the guilty and as such a complete disgrace that the TSC must speak out against forthwith.**  
Ref: 3.47
51. **RBS – GRG Property EMPIRE not huge, but HUMUNGOUS. A Megalomania Property division built on steroids, fuelled by former customer assets stripped from them and their companies, that became by size one, if not the largest Property companies in not only the UK.... but more shockingly the WORLD !!!**  
Who gave permission for this entirely speculative sub enterprise of -- a bailed out bankrupt bank -- to be paid for using Taxpayer Bailout money ??? (I don't think that the average UK citizen suffering a decade of austerity ever gave his permission for the enterprise he/ she owns to steal customer assets and create a speculative Property empire in the process that RBS now admit to losing money on?  
--- **Who in Government knew, sanctioned and managed this affair???**  
--- **There are innumerable questions to be asked and answered....**  
Ref: 3.48 / 3.49
52. **The RBS Treasury sponsored attack on SME's.** Citizens like all others who had contributed to financing the bailing out of RBS.  
– A truly circular perversion where those that had paid to save the jobs of RBS employees were then hunted down and exploited into extinction by these same RBS employees they had saved who were incentivised by bonuses to do this!!  
Ref: 3.50 / 3.51 / 3.52 / 3.53

53. How RBS exploited and made worse an already oversupplied Property market, creating more supply that pushed asset prices further down, creating more asset valuation sales, that triggered more customer defaults and collapse, **so RBS could feed their asset stripping machine GRG... that repaired their Banks balance sheet.... Why wouldn't RBS do this if Government and Regulators failed to prevent this complete immorality?**  
Ref: 3.54 / 3.55 / 3.56 / 3.57
54. **Case Study – The Nurse** – A story that highlights the insanity and perversion of all the points previously made.  
--- A tale of futility and needless despair that ultimately benefited no one. An illustration of madness, and unadulterated stupidity.  
Ref: 3.58 / 3.59 / 3.60 / 3.61 / 3.62
55. **Did RBS in common with other Banks have an obligation to sustain their customers and their access to credit as was the stated reason and principal justification made by Government for bailing out the Banks....** (See Point 38)  
Ref: 3.64 / 3.65

**ADDENDUM** (The Text from original documents is reproduced here with number references as well as Page - Point and Paragraph (from top of each page) references for the original submission ).

## Points of emphasise from previous submissions.

### 1. Submission 1 - 20 March, 2018.

#### 1.1. Submission 1 (Pg: 2 / 3 Pt: 1 / 2)

Contempt of Parliament by Sir Howard Davies and Mr McEwan Chairman and CEO of RBS for serial dissembling in both oral and written testimony for numerous known falsehoods, and repeated failure to be transparent, obfuscation of the truth, and calculated deceptions accompanied by an abject failure to “Tell the truth, the whole truth, and nothing but the truth” – making a mockery of Parliament and bringing it into disrepute.

#### 1.2. Submission 1 (Pg: 3 Pt: 2 Para 4)

These actions would be considered Perjury and contempt of Court – Parliament is no different.

#### 1.3. Submission 1 (Pg: 3 / 4 Pt: 3 Para: 2 / 3)

critically no absolute admittance of wrong doing, or acceptance of liability, indeed not even legally meaningful remorse. Their best offering being the contemptuous purposefully calculated legally nebulous allusion.... “*We did not get this right; We did not treat our customers well; We did not do a good job with these customers,*” each variant being in context a heinous contempt of decency; each a further assault intentionally perpetrated on the victims; each use a further confirmation of a total lack of sincerity, morality, or ethics, displaying not a single atom of the required “exact integrity.”

#### 1.4. Submission 1 (Pg: 4 Pt: 3 Para: 2 / 3)

Failure to answer honestly and fully is a contempt itself, it doesn’t require a “lie” to be considered contempt, the swearing process gives the clue to this where the expectation is that you will.... “Tell the truth, the whole truth, and nothing but the truth.” -- The expectation is of total candour, honest answers that are factually correct, and as meaningful and explicit as possible, NOT the intentional use of words that are nebulous, utilised to frustrate legitimate questions, or answers that are plain simply wrong and proven so when asked for confirmation. These acts must be considered contempt before Parliament just as they ARE (would be) in a Court.

#### 1.5. Submission 1 (Pg: 5 Pt: 4 Para: 2 / 4)

Given their undeniable failures these are not suitable men to be running such an important Bank that reaches so far, and is unavoidably deeply imbedded into every fissure of our society. Indeed RBS’s 70,000+ staff deserve to be led by better men, who actually know what “honesty” and “integrity” is, practise and apply these values to everything they do, something these two men demonstrably do not do.

#### 1.6. Submission 1 (Pg: 5 Pt: 5 Para: 2 / 4)

False claims by Mr McEwan of cultural change and false testimony related to personnel in GRG and the newly renamed Restructuring dept. correctly described by you as “rebranded”.



### 1.7. Submission 1 (Pg: 5 / 6 Pt: 5 Para: 4 / 5)

Except.... it transpires when Mr McEwan replied to your request for confirmation of his original testimony, (that importantly would have stood as a clear deception if you had not challenged his testimony) that..... of course it wasn't 2 managers that were the same.... it was 2 that were different...! 32 of 34 remaining the same, or 94% being the same managers as before, still in post, still doing the same jobs, still using the same techniques just as before, simply rebranded to a new name.

### 1.8. Submission 1 (Pg: 6 Pt: 5 Para: 2)

This is yet another illustration of the ceaseless shameful deceit and deception by Sir Howard and Mr McEwan to your Committee, and more importantly still, on the Public, who because of the Banks position in society must rely upon the veracity, accuracy and ethics of these men. This illustrates precisely why the Public cannot rely on them.

### 1.9. Submission 1 (Pg: 6 Pt: 5 Para: 6)

No CEO and Chairman of a Bank should come before you in Parliament and talk such utter "rubbish" without consequence. It is not acceptable to "fly kites and wing it" either. Testimony must be accurate, fulsome and fundamentally honest.

### 1.10. Submission 1 (Pg: 6 Pt: 5 Para: 8)

-- And in context Mr McEwan MUST have known that, while his testimony left you and every other listener with a diametrically opposite impression, a false impression, a factually incorrect impression, in a known false answer, he freely chose to give. -- ENOUGH. --

### 1.11. Submission 1 (Pg: 6 Pt: 5 Para: 9)

Treasury Select Committee you have been "played" yet again by this shameful duo who "lied and deceived you" because given the importance of this subject – the exclusive topic they came to speak to you on – to plagiarise the authors of the Promontory Report,- it is completely reasonable to have the expectation that this is something they "*knew, or should have known.*"

### 1.12. Submission 1 (Pg: 7 Pt: 5 Para: 2)

If the Committee fails to uphold basic standards and reasonable expectations of fundamental conduct before Parliament (or indeed anywhere else) then the public perception will rightly be that you are responsible for permitting the flagrant acceptance and tolerance of false testimony, and intentional obfuscation in evidence, and thereby undermining Parliaments authority, and bringing it into disrepute.

### 1.13. Submission 1 (Pg: 7 Pt: 6 Para: 5 / 7)

You cannot in good conscience recognise the plight of victims and empathise with them as you all publicly do on the one hand, and then with the other hand be a part of the problem by failing to act vigorously to address wrong doing and deceit, much less in a timely manner.

What explanation can you legitimately offer for ignoring such obvious false testimony and malfeasance? Sadly this failing places the Committees reputation clearly at stake now. Has its own ethical "integrity" been compromised to political expediency or some other malevolent force or pressure?

#### 1.14. Submission 1 (Pg: 8 Pt: 6 Para: 2 / 5)

You and all Parliamentary Committees need to have the clearest understanding that what you do in cases like this,.... is of immense consequence. It really matters, especially to the oppressed. Your work is of the utmost importance and should not be undertaken in a cavalier manner where witnesses are permitted to abuse Parliament and basic decency.

We therefore remind you all personally, as well as a collective Committee of two things.

Your own need for “exact integrity” in the face of these lamentable deceptions.

Edmond Burke – “**All that is necessary for the triumph of evil, is that good men do nothing.**”

#### 1.15. Submission 1 (Pg: 8 Pt: 7 Para: 8 / 9 / 10)

Sir Howard stated that the “Just hit budget” was not widely disseminated in testimony to your Committee ((Q:158) and more broadly thru’ Q: 162) .

Bear in mind that Sir Howard knew precisely what the Promontory report said, he had had it for many, many months, in fact more than a year. –

Whereas you had not seen the Promontory Report, and did not know what it said, indeed a report you were never meant to see, and didn’t know the detail of at the time you interviewed Sir Howard, and asked your question....

#### 1.16. Submission 1 (Pg: 9 Pt: 7 Para: 1 / 3 / 4)

Sir Howard **lied** to you and just as deplorably was “economical with the actualité” in reference to the distribution and dissemination of the document.

Shockingly it takes us to do what you should have done, but have been too timid to do.

As we noted previously the Committee cannot credibly proceed like this, you must call falsehood out, without delay, precisely because it matters to all of society, the ethical values it depends on, and of course the maintenance of Parliaments authority, and the rule of law.

#### 1.17. Submission 1 (Pg: 9 Pt: 7 Para: 7)

More remarkably still Sir Howard’s testimony to the Committee came after Mr McEwan had written to the committee on the 9<sup>th</sup> January 2018 portraying the document as written by a “*Junior manager*” then stating, “.....*the document was not widely distributed. It was circulated within one regional office and had limited distribution within two other GRG offices (one in the UK, one overseas). At no time did it form part of GRG or RBS policy.*” This was the “context” that Mr McEwan sort to portray.... For instance in suggesting dismissively it was written by a junior manager and that it was not policy.... YET he expressly omits the reports context that.... “*appears never to have been challenged at that time (including by the Regional Director who was aware of its circulation at the time), was indicative of an unprofessional culture...*” Clearly and indisputably the Promontory Report actually stated the diametric opposite of what Mr McEwan entirely falsely led you to believe. Both as to Senior staff sanction and cultural policy.

#### 1.18. Submission 1 (Pg: 10 Pt: 7 Para: 6 / 7 / 8)

Suffice to say that both Mr McEwan and Sir Howard's testimony stands no accurate comparison to the report, and as such was a known and intentional deceit perpetrated on the Committee full in the knowledge that at that time you did not have sight of the report, and therefore were in no position to contradict their statements.

We put it to the Committee that every aspect of their material testimony was false. But of even more importance, they both actively sort to knowingly create an entirely false perception of the Report, and the truth it was intended to convey.

This isn't chance both men actively chose to mislead and give false witness and evidence to the Committee, on separate occasions, in both written and oral evidence to the Committee, making no attempt to correct earlier falsehoods either. There are no acceptable explanations, this is symptomatic of their actions, and approach, and illustrates beyond doubt why they must both resign with immediate effect. And similarly, why the Committee must actively pursue such actions if they haven't done so of their own accord first.

#### 1.19. Submission 1 (Pg: 11 Pt: 9 Para: 1 / 3 )

So as we see the predilection for the truth by Sir Howard and Mr McEwan didn't last long did it? So no fibs there Sir Howard and Mr McEwan just another honest, dishonest misunderstanding, just like before, and like every other occurrence, no need to worry, just apologise to the gullible, oh so desperate to believe naïve Members of the Treasury Select Committee, carry on as always. Same old strategy, worked last time, worked the time before that, bound to work this time too, they're green and trusting, desperate to avoid having to commit, in the final analysis they might be indignant for a while, but nothing more. They might have a little moan, we can apologise and hand them a pyric victory, but they never actually do anything, they're politicians after all! It will be Ok, it always is, it's the British way; Jaw, jaw, but no, war, war... Basically clueless and gutless!

Why on earth would they respect you? Judged unemotionally, the Committees indecisiveness, and total lack of tangible action has now descended into farce. Clearly these men and the Board that sanctions and approves all this nonsense has demonstrated a total lack of judgement and as such are liabilities. **Sir Howard and Mr McEwan must resign, or be forced to do so immediately, while the remainder of the Board must all go over the medium term, once it has been fully reconstituted and renewed.**

The staff deserve to be led by better,

The customers need and require to be able to rely on better.

#### 1.20. Submission 1 (Pg: 12 Pt: 9 Para: 2 )

This is not supposed to be some back street loan shark operation run by amoral, unprincipled, dubious serial dissemblers, who lie and deceive Parliament, the Public, and their customers. It's the second biggest domestic retail bank in the Country for goodness sake, it has to be led by people of unimpeachable veracity, ability and integrity, not people who, destroyed us and brazenly deceived you.

#### 1.21. Submission 1 (Pg: 12 Pt: 10 Para: 4 - Header )

**Example 3: The overarching cultural deceit and deception perpetrated by RBS across the landscape as it seeks to limit and deny the reality of the scale and depravity of the GRG situation as a matter of normalcy. All illustrations of a lack of honesty, candour and the required "exact integrity".**

### 1.22. Submission 1 (Pg: 12 Pt: 10 Para: 6 / 7 / 10)

They are all entirely solid and you can't deny them..... Why ? because they are YOUR observations made by YOU the MEMBERS of the Treasury Select Committee..... Your observations about their deceit and dissembling to you!

We are not talking about "trivial" issues such as the intentional mis use of the word "turnaround" (Q90 - 91) which 99.9% of people would think implied the dictionary definition: *"An abrupt or unexpected change, especially one that results in a more favourable situation."*- but in Mr McEwan's use and lexicon the definition in testimony to you personally could mean.... not being turnaround, insolvency, liquidation, administration in short the loss of everything.....

Again we, point out that had you not challenged Mr McEwan the perception he first presented would have stood, and clearly it is a deceit of absolute consequence being a polar opposite. Detail maybe,.... but of huge consequence in the real world to a customer of the Bank when he is being told that the Bank is going to help him "turnaround" and he hasn't got your power and position to extract the real meaning.....!!!

### 1.23. Submission 1 (Pg: 13 Pt: 10 Para: 4 / 5 / 6)

Mr Jack MP wrapped up all his preceding points by posing this single question (Q: 129) to Mr McEwan *"....would you not agree that for the response of RBS to be that these allegations have not been upheld is just misleading?"* Mr McEwan's response was the epitome of what he stands accused of, dissembling and deceit, seeking to falsely blame the Tomlinson report for proposing that the worst allegations applied to every case (which was never suggested by Tomlinson) as a perverse justification that he on behalf of RBS could legitimately suggest quite extraordinarily that they hadn't applied in any cases as per his press release. *"The most serious allegations against the Bank were not upheld."*

Ms McKinnell MP in extending the same line of questions (Q: 136, 137, 138) managed after an effort to extract that just because the Summary Report indicated that a particular allegation was not declared "widespread or Systematic" if it had occurred then it was not legitimate for the Bank to falsely proclaim it had been found innocent or that *"The most serious allegations against the Bank were not upheld."* Where clearly except by the qualification of degree *"widespread or systematic"* they were upheld.

To put the perversion of the Bank and Mr McEwan's logic in a contextual framework.... It's as if your accused of murdering an entire family. Then once the crime is investigated it transpires you only murdered one person.... That hardly makes you innocent of murder, but at every turn time and again in all contexts this is what the Bank, Mr McEwan and Sir Howard Davies sought to suggest.

### 1.24. Submission 1 (Pg: 13 Pt: 10 Para: 7 / 8 / 9)

We could have given all of you a turn, but this letter is already too long, so we will limit ourselves to one last person who in this context won first prize. In (Q: 194) Mr Wes Streeting MP following a string of obtuse answers, and in with no small measure of frustration and perhaps even exasperation, he gave Sir Howard Davies both barrels, demonstrating consummate accuracy and prescient observation, and I quote:

*"It seems to me at the moment, even with the assurance you have just given of some independence in the valuation aspect, we are still having to place some trust in RBS to do the right thing. "Do the right thing" was conveniently forgotten earlier in the session, when it came to a simple question about the four principles.*

*I am afraid to say that so much of what we are discussing here is about the culture of the bank: not just historic culture, but culture now. The responses to Ms Ali's simple and straightforward questions about whether or not RBS accepts the findings of a report that has already been done very thoroughly, when we heard evidence from you this morning, point to a culture that has not fundamentally changed. RBS at every single stage has had to be dragged through this process. Even when it comes to looking at the findings at the end, we still do not get simple, straightforward answers, accepting independence in the report. Why on earth should we put trust in any judgement and decent judgement for RBS to do the right thing at this stage of the process."*

**1.25. Submission 1 (Pg: 14 Pt: 10 Para: 2)**

So please no more Committee, don't deny your own thoughts and beliefs any longer, have courage, call these men and their untruthful statements, their false impressions and perspectives, their dissembling and deceit out, as we have done with none of the protection you enjoy, (indeed at some very significant personal risk in the form of potential retaliation by the Bank on my family).

**1.26. Submission 1 (Pg: 14 Pt: 11 Para: 3- Header / 4 / 6 / 8)**

**Illustration of TSC action to remove people for lack of "integrity" related to testimony, unacceptable behaviour or connected actions.**

To its credit the Treasury Select Committee did take action, indeed relatively recently, against the falsehood and attempted deception by Charlotte Hogg formerly of the Bank of England.

We hardly need point out to the Committee that exactly the same fundamental issues of principle found in the Charlotte Hogg case apply like a mirror image in respect of both Sir Howard and Mr McEwan, particularly as they relate to the need for integrity.

By contrast the scale and size of the malfeasance, its consequences and impact is off the scale in respect of Sir Howard and Mr McEwan, which means the application of the same outcome, is vastly more imperative and important.

**1.27. Submission 1 (Pg: 14 Pt: 12 Para: 9 – Header / 10 / 11)**

**First Illustration of FCA action to ban people for lack of integrity related to unacceptable behaviour or related actions.**

If the FCA can ban a man from holding any role of responsibility in Financial Services for life as a consequence of dodging rail fares and state: *"Burrows held a senior position within the financial services industry. His conduct fell short of the standards we expect. Approved persons must act with honesty and integrity at all times and, where they do not, we will take action."*

– Or are we to understand and conclude that the Treasury Select Committee and the FCA consider Rail Fare dodging amounting to circa £23,000 is a more serious crime than the "widespread and systematic" inappropriate miss-treatment of SME customers by RBS - GRG.... Actions perpetrated variously on 5,900 or 16,000+ SME businesses (dependent on how many cases RBS seek to unreasonably exclude in the period 2008 – 2013 only – there are yet more beyond these artificial, RBS imposed dates!).

### 1.28. Submission 1 (Pg: 15 Pt: 13 Para: 3- Header / 2 )

**Sir Howard Davies contempt for shareholders and GRG victims together with his and the Boards complete mis-judgement of their obligations and the related Public mood / acceptance of their actions**

That he and the Board had to act and validate their actions relative to their responsibilities... *"we have to weigh up our obligations to shareholders"* describing the creation of the redress scheme that is not... as *"...a difficult decision made by the board."* as they considered how... *"to determine what is right and appropriate."*

### 1.29. Submission 1 (Pg: 16 Pt: 13 Para: 2 / 3 / 4 / 5)

More correctly described as... **the least they could get away with.**

Permit us to set Sir Howard and the RBS Board straight in respect of how "normal" people see getting the balance right. –

- There isn't a shareholder (taxpaying member of the public) in the land that would validate or condone, either the Banks original actions, or its subsequent handling of them in relation to GRG and the wilful harm perpetrated on innocent customers.
- Not a single shareholder would validate this sort of behaviour being done in their name.
- None would want the shame and blood this affair has spilt on their hands, or more importantly on their consciences.
- None wants to be associated with the many and manifest wrongdoings highlighted in small part in the Promontory report, but in truth far more extensive and serious than is yet known or understood.
- The public as shareholders unequivocally reject what has been done in their name by Sir Howard and the Board, and the Company's executives as *"right and appropriate,"* they want no part, or association of any kind with it.

What all of this demonstrates is that there is, and has been, a TOTAL lack of accountability.

- In effect the board has become feral, observably divorced from reality, showing no discernible judgement, much less "exact integrity."

And no credible Chairman, Board, Executive, or Politician should dare to suggest otherwise as the current clearly unsuitable Chairman so despicably sought to do in validation and justification of his and the Boards actions.

**Abject shame on the lot of them (the entire RBS Board), clearly if that was their judgement, none of them are fit people to fulfil such roles and responsibilities.** They must all resign (and never hold such positions again) as soon as an orderly reconstruction of the Board can be achieved.

### 1.30. Submission 1 (Pg: 16 Pt: 13 Para: 6 / 7 )

So, the fundamental question is simply this....

Is all this horrendous malfeasance and destruction of lives, and billions of pounds of wealth wilfully destroyed, and lives lost, considered less important by the FCA and in turn by you, the Treasury Select Committee than Rail Fare dodging, and the defrauding of £23,000....?

### 1.31. Submission 1 (Pg: 17 Pt: 14 Para: 3 / 4 )

Second Illustration of FCA action to ban people for lack of integrity related to unacceptable behaviour or related actions.

His misdemeanour..... In the course of trying to recruit his former team to his new employers, Verrier was accused of deliberately losing the BlackBerry phones he used to contact them with because they may have contained "*inconvenient material*" that Verrier knew "allegedly" if disclosed would undermine his position, so he... "*stuck to the truth where he was able to, but departed from it with equanimity and adroitness where the truth was inconvenient*".

The FCA, in upholding its life time ban, expressed its reasoning as follows, which is both enlightening and a totally pertinent exposition of RBS and its Chairman's and CEO current circumstance.... "*Verrier held a senior position within the financial services industry. He should have been a role model for others. Trust will not be restored in financial services unless professionals within it can be relied upon to act with integrity*".

### 1.32. Submission 1 (Pg: 17 /18 Pt: 15 Para: In full)

Demonstration of why the same actions and sanctions must be applied to the unacceptable long standing and oft repeated deplorable actions and false protestations and knowing deceits of Sir Howard Davies and Mr McEwan.

Look at the testimony given by these men to your Committee and by the Bank over past years, and more generally compared to the revelations that have then come forth subsequently.

Mr McEwan and Sir Howard as chief apologists follow this same completely unacceptable model.... they ignore or deny *inconvenient material and stick to the truth where able to, but depart from it with equanimity and adroitness where the truth is inconvenient*. Similarly the Promontory Report is littered with these same failings by RBS and its former senior management whom its states with total clarity, "*knew or should have known*."

The FCA's rightful indignation in the cases noted above must apply to all, there is no difference here, accept as to scale, which in Sir Howard and Mr McEwan circumstance is infinitely greater as to consequence and frequency.

Clearly if these men are forced to go, as they must, all others will have to follow, for the fate of one seals the fate of all, but then they all pursued these activities, and as the Promontory report says.... "*knew or should have known*".

At every stage every individual had the opportunity to act "ethically" and "honestly" and with the required "exact integrity."

-- **No one forced them to do what they did, each made a conscious decision and choice**, and the FCA sanction for that is clear, and must apply equally to all immediately, just as it has been applied in the past.

- The public will see no objective difference between the pre-existing policy actions of the FCA in the cases cited, and this circumstance, barring of course the somewhat larger scale (!) and immeasurably greater consequence of the current circumstance, which of course only makes the necessity of immediate action the more imperative and crucial.



- There is simply no credible way to finesse this, and woe betide the standing and indeed the “exact integrity” of anyone (of you) who seeks to suggest there is a difference. Or fails to ensure that immediate steps are taken to deliver the same fate that is so clearly already established by the FCA as its guiding principle, and only appropriate response, utilising the same pre-existing reasoning and legislation without any further damaging procrastination or delay.
- The maintenance of your credibility and that of your Committee means, very fortunately you can rightly claim to have no choice in this matter.

### 1.33. Submission 1 (Pg: 18 Pt: 16 Para: 3 / 4 )

What action must be taken to address this appalling and unacceptable circumstance.

**(1) You must report this alleged “Contempt of Parliament” to the Speakers Office for Parliamentary investigation.**

**(2) Hold Sir Howard Davies, Chairman & Mr Ross McEwan, CEO at RBS who have failed to show “exact integrity” in relation to their misleading the Treasury Select Committee to account and have them fired by the Board and see them banned for life from Financial Services under the Senior Managers Regime or other such legislation by the FCA with immediate effect.** (The outcome of the FCA internal focused study (instead of Promontory Phase 2) can have no bearing on this matter as it primarily addresses the culpability of others... Messrs Hampton, Hester, Bostock, Sullivan, Sach, etal).

We understand there will be pressures within; The FCA, The Bank of England, The Treasury, The Govt., indeed every echelon of the “Establishment” will seek to ensure no breach of the wall risks the dam, but they have it wrong.

### 1.34. Submission 1 (Pg: 18 Pt: 16 Para: 8 / 9 / 10 )

The totality of the dam is now at risk precisely because “they” have not acted previously, their failed strategy and incorrect priority has endangered all.

This is a failed strategy, as we have seen time and again, in scandal after scandal. Now the malaise is so severe it unnecessarily risks the whole edifice unless immediate action as described is taken, precisely because of the failure to act on innumerable successive prior occasions. – The Bank of England and the Government can no longer risk everything in pursuit of defending these men and their position in the belief that “stability” is the primary necessity, to be pursued at all costs to ensure the safety of the Financial system.

In summary it is the unrealistic past quest for “stability” that now unnecessarily jeopardises RBS, and more broadly many other Banks and institutions too. In short, the “Establishments” acquiesce of unacceptable standards, poor governance, and specific untenable transgressions of behaviour by numerous senior executives in the pursuit of “stability” now risks all, and cannot and will not stand. -- What stupidity.... what irony.

### 1.35. Submission 1 (Pg: 19 Pt: 16 Para: 1 / 2 )

The Public have correctly lost all confidence, and will not be denied justice now, not least because it is Govt and the institutions of state that now perpetrate these deceits against them.

Enough has already proved too much.

- There is a groundswell of revulsion and justifiable disgust for these men,
- their actions,
- their abuse of power,
- their immorality,
- their avaricious personal greed,
- their total conceit,
- but most fundamentally for the grotesque harm they have perpetrated on victims, and society as a whole, whose living standards have fallen, while in contrast all these men and their families remain financially insulated at the ordinary tax payers – hard working, just about managing family's expense.
- This circumstance is morally repugnant, ethically untenable, **and assuredly politically explosive.**
- Beyond all this, when their malfeasance and immeasurable destruction and maltreatment of innocents whom they proclaimed to be “helping” is so transparently clear, they continue to deny, nor acknowledged unequivocally their self-evident wrong doing, and then in the final insult institute a sham redress scheme that is by intent, purpose and function a scheme of intentional “Deceit, Denial, and Dismissal.”
- If that does not define a lack of “exact integrity” nothing does. – Call it out. Act.

### 1.36. Submission 1 (Pg: 19 Pt: 17 Para: 3 Header / 6 / 7 / 8 )

The City of London, The Bank of England, The Treasury, and The Govt. must hear us and cast Sir Howard and Mr McEwan out or jeopardise their own golden goose.

We sought only justice and fair redress, nothing more. We have played your “game” patiently and politely for the longest time, but at every turn RBS, the FCA have sought to deny and obfuscate reasonableness, justice and honest fair redress. This is your one and only chance to cast all those at RBS both past and present out of your community and in so doing protect your own circumstance.

If you don't do so with immediate effect you risk all that you depend on, because in taking action no distinction can be drawn between the innocent and the guilty. Moreover if the innocent don't act to quote Edmond Burke... no one can legitimately claim to be innocent. – **“All that is necessary for the triumph of evil, is that good men do nothing.”**

The good men of the City must speak out or become co-conspirators, it is not enough to do nothing, you must be pro-active to assert your goodness .... In very short order if no action is forthcoming as set out, your failure to act will endanger the very circumstance you all depend on, that sustains your comfortable existence. Don't risk what you depend on for these men.... Deservedly see them cast out now, so that the City's re-habitation can at last begin in the eyes of the Public as finally the men who have done so much harm are seen to pay with their careers, not out of vengeance, rather to finally deliver justice for victims, something that you and others should have ensured happened long ago, if only through the preservation of self-interest.

## **2. Submission 2 - 06 April, 2018.**

### **2.1. Submission 2 (Pg: 7 Para: 5 )**

Prime Minister, and Chancellor you will doubtless be well aware by now that I am demanding that the Treasury Select Committee instruct the FCA, that Sir Howard Davies, and Mr Ross McEwan, Chairman and CEO of RBS respectively have lied and serially dissembled in both written and oral evidence / testimony on numerous occasions to the Treasury Select Committee, and therefore they can no longer be considered fit and proper authorised persons to hold any position within the Financial Services Sector. That the FCA must instigate such proceedings as to facilitate their immediate removal from RBS, and thereafter from any future lifetime involvement in Financial Services. All the reasoning is contained in the letter of 20<sup>th</sup> March, sent to the Treasury Select Committee which has already caused so much consternation. This letter is now officially including you both into the content of this letter, and the letter of the 20<sup>th</sup> March (first sent to the Chair and Members of the Treasury Select Committee), its contents, demands, placing the same obligations on you both, namely that you show “exact integrity” and safeguard Parliament, the rule of law, and democracy, and call these men out.

### **2.2. Submission 2 (Pg: 7 Para: 6 )**

The contents of the programme sets out the “true” reality of RBS, and indeed the position of the shareholders – the majority of which are, of course, UK taxpayers. Effectively RBS’s equity is **worthless**, or perhaps more accurately and of greater relevance when the liabilities are properly ascribed to the balance sheet it is also, **insolvent**. I am not even going to begin to debate the finer details of any counter proposition you or others might wish to advance because in reality it would be nothing more than attempting to dance on the head of a pin.

### **2.3. Submission 2 (Pg: 8 Para: 1 / 2 ) ..... .**

Our Counsels confidence in the potential to therefore successfully pursue any legal angle / case whether civil or criminal in any jurisdiction is now beyond doubt, and to be demonstrably clear in territories outside of the sphere of influence of the Government should any attempt be made to prevent justice here, though quite obviously such a notion would be hugely concerning and elicit a response like no other.

In effect we are telling you the game of denial in respect of RBS is unequivocally over, and as importantly the Governments absolute involvement, knowledge and complicity in the strategy the Bank pursued over the past years is known and evidenced, making it a co-defendant and jointly liable. Further none of this addresses the enormous liability to victims either. Whether you choose to believe us is entirely a matter for you, by outcome it will make no difference to us, however I rather suspect it makes an enormous difference to you both, in respect of the political and personal ramifications. In short risking the Government and economic stability for this circumstance can never be justified, so it is long past time to act sensibly and expediently, and your very fortunate to be dealing with men who understand that, especially when in the past none of you have shown any such wisdom.

#### 2.4. Submission 2 (Pg: 8 Para: 3 )

**Chancellor let me address you first.** If all of this is known and clear to us, as it is, and indeed has been for many months, then it certainly must have been known to you and the Treasury, which means you have been making all sorts of misleading and false commentary to Parliament and the Public in respect of commentary about RBS, the potential for share sales, and its related impact on your budget forecasts etc.. Alternatively, you can claim innocence, and look incompetent as a consequence, but certain material now in our possession would make any attempt at pursuing that option very detrimental to your credibility and position and deny any perception of the required “exact integrity” necessary to the maintenance of your position.

#### 2.5. Submission 2 (Pg: 8 Para: 4 )

**Prime Minister your position is subtly different,** but essentially the same as that of your Chancellor. Mr Anthony Stansfeld, The Thames Valley Police Commissioner wrote to you many months ago setting out in some considerable detail the Fraudulent cover up and denial of wrong doing by the Lloyds Bank Chairman, CEO and Board in respect of investigations his Police Force had pursued and successfully prosecuted. He also informed you how this malfeasance extended far beyond this confined circumstance. He requested that you actively pursue the matter to a resolution. He knows, as do we that you passed on his letter to others. However, importantly in the context of this letter, you failed to follow up, as was entirely necessary given the gravity of the matters raised, nor did you ensure that the issues Mr Stansfeld’s letter highlighted were addressed effectively, an absolute necessity given their enormity and seriousness in respect of overt criminality. In effect the appearance will be that you stalled it deliberately, irrespective of whether you did or not. I will not be so rude as to point out the obvious issues and challenges this now presents for you personally and politically, much less the required execution of “exact integrity.” The continuing lack of action means that innocents have needlessly suffered while you have taken no adequate steps to ensure it was prevented and stopped, making you liable to obvious accusations of an attempted cover up at a minimum, and active complicity at worst in the known maintenance of corruption, neither of which are tolerable in the circumstance, and especially by our Prime Minister.

#### 2.6. Submission 2 (Pg: 8 Para: 5 )

Clearly all of this has grave implications for the Government on many levels, as does this very letter itself, for you both. As I set out in my letter of the 20<sup>th</sup> particularly in sections 16 & 17 we are absolutely aware of the wider ramifications that the actions we demand, have the potential to create. We also set out with total clarity the necessity of action, and that the arrival at this point was as a direct consequence of decisions your Government both took, and of equal importance, overtly chose not to take, but should have taken. We are simply responding to unacceptable events and circumstances you created.

#### 2.7. Submission 2 (Pg: 9 Para: 3 )

What I am sure we can all agree on is that it is better for the Country and its citizens, and importantly the financial stability all rely on, if their Government is perceived to be in control, purposefully determining / driving events, rather than the inverse, out of control and responding to events in a vacuous crisis driven manner. This letter is an “open letter” therefore you will readily appreciate given the paragraphs above what the perception will be, and the trauma / frenzy that will ensue as a consequence.

## 2.8. Submission 2 (Pg: 9 Para: Cont'd pages 10, 11, 12)

(All of this content is pivotal, so I reproduce it in full.)

### **RBS – REDRESS Scheme – A scheme of;- Deceit, Denial and Dismissal.**

Chair of the Treasury Select Committee I corrected you about your published commentary pertaining to the “real” amount of money available in the RBS redress scheme that isn’t.....

Contrary to your Website statement;

The facts are that the real amount available is circa £180m rather than the £280m you stated because you had forgotten to deduct the £100m provision RBS was charging back to the total fund to conduct the review from the total compensation fund. – Expressed another way it inflated the fund from its true extent of £300m to £400m to make it sound bigger while charging the £100m to run the review, to the fund itself.

- Embarrassing when the tables are turned on you and self-evidently you don’t know your facts.... isn’t it? Below is the link to your incorrect press release (BTW- another Nicky Morgan says, rather than the TSC says...)
- <https://www.parliament.uk/business/committees/committees-a-z/commons-select/treasury-committee/news-parliament-2017/rbs-global-restructuring-grg-evidence-17-19/>
- We should not forget that of the £115m the bank repaid in direct fees – it is estimated that circa £45 - 50m the Bank repaid itself because the entities still owed outstanding amounts from their bankruptcy! (So it didn’t cost £115m in reality, it cost RBS £65 - 70m)
- So that wonderful redress scheme headline sounding all bountiful and compassionate has shrunk from £400m to barely £250m! - Feeling deceived by chance?
- A scheme hardly anyone qualifies for, and even if they did, it would equal just over £11K per claim of the 16,000+ victims. (£185m / 16,000 + victims = £11.3k)
- I told you we know of 10 legitimate prospective claims with consequential damages each one is in excess of £100m that’s over £1bln of claims for 10 cases.... not forgetting the other 15,990 entities..... Suppose the average claim was £2m then the sum would be £32bln..... and the average claim is NOT £2m we estimate its probably closer to £5.0m which suggests a figure of £80bln +
- However there is another pool of victims that were excluded from the S166 report and related scheme by RBS and the FCA.... There are 8000 SRM claimants completely ignored by this scheme and never mentioned. Their average claim size seems to be very similar or an average of circa £5m so that would add another £40bln.
- Then there are the EFG claims again excluded for no credible discernible reason. This pool of victims were smaller companies (sole traders, shop owners and the like) The average claim here appears to be circa £150k so that equals £1.2bln
- **ALL TOLD that’s aprox £80bln GRG + £40bln SRM + £1.2bln EFG = £121.2bln Total !!!**
  - Suppose we are wrong by 50% then its still more than £60bln+..... and we aren’t wrong by 50%!
  - Did we mention RBS did this overseas? Yes they did....Lots and lots of it..
  - The numbers sound ridiculously big but remember RBS was the biggest bank in the world with a balance sheet north of £2200bln so losses of 120bln represented only a 5% hit to total assets.

It should more factually be branded as the RBS – FCA sanctioned... **Deceit, Denial and Dismissal Scheme..... because by function that is exactly what it does... look at the numbers above** – follow the money as I constantly shout at everyone, the money doesn't lie....

We all lost collectively Many, many billions... yet somehow RBS have hood winked you into thinking it can fairly compensate victims with less than £250m net including consequential losses? –

- Who is kidding who...?
- How detached from reality are you and your Committee....? I know the Govt practises Voodoo economics (QE) on occasion, but this is beyond black magic.... this is fantasy land!
- The truly stunning thing is that all of you have been so completely bamboozled and taken in by RBS and the FCA....
  - and if your not deceived..... Why have you not called this out already....?
  - Instead of still sanctioning it... Your position is completely beyond belief!
- I can honestly tell you that in years to come Psychologists will conduct a case study on deception utilising your Committee as an illustration of just how gullible and naive intelligent people can be made to be. –
  - Of course you will all bristle incandescent with rage at these outrageous and unfair comments....
    - But what have you DONE.....?
    - What material difference have you made.....?
  - Nothing..... beyond sending RBS a “Dear Ross, note - Utterly unprofessional in any circumstances – much less these ones. Do let us know how it’s going, keep us updated on how many former RBS customers you have managed to screw again with your redress scheme this quarter, Best wishes, Nicky.”
    - This is truly deckchairs on the Titanic stuff while the band (named TSC by co-incidence!) played on to soothe the poor victims frayed nerves, as the icy water rose up to drown them.
      - Can’t you hear the drowning victims shrieks of despair...? I can!
- This is the Banking equivalent of Paedophiles running social services where the regulator (FCA) has previous form for child exploitation and pimping, (and if he is not a former Paedophile he is looking forward to a future high paid management job with them. – The revolving door). The Treasury Select Committee turn up and naively interview all the protagonists, questioning them about how all the formerly rich now very poor children received their bruises (bankruptcies), probably fell in the playground, couldn't possibly be a “rojjer” by that nice smartly dressed paedophile who works for the Bank! – Never mind children you go unaccompanied, in secret, with the nice bank man down to the deep dark “compensation” woods, and if you were very, very “good” and promise never to tell anyone about all the “rojjer” he did to you previously, and promise to sign another NDA, he might give you a couple of “sweeties” (he decides the amount) to make things better! More likely he'll tell you to bugger off, *“sue me if you can afford to,” which you can't... “Cause you don't deserve any of my sweeties, because I was “legally” justified in “rojjer” you in the first place, and don't whinge or complain because I've got FCA sanction for all this, and a Retired old High Court Judge (who if his judgement was viable, should have known better than to touch this lot with a barge pole) to validate my activities. Oh and the Treasury Select Committee also know what I am up to, and obviously they approve too, because they tell me to get on with it faster....!. and to send them updates on progress regularly! So you horrible pesky troublesome whining customers... You can SOD OFF because we don't give a \$hit.---- We are the BANK, we can do what we like, and guess what, WE DO!”*
- Competence..... Get real, we haven't seen any from you and your Committee.... yet.

- In short it's a fiasco of a scheme put in place by the same corrupt individuals and institution who perpetrated the crime in the first place, facilitated by a regulator that doesn't regulate, because it's entirely supplicant and staffed by ex bankers and future bankers. Not to mention a past Chairman who was head of the firm that audited HBOS into oblivion along with the CO-OP Bank, and the new chairman who you sanctioned, is a past admitted tax dodger!

Good enough... ,maybe for you, but not for us... No wonder your struggling with "exact integrity."

The FCA is a Rogue Regulator and my challenge to you **now is to prove its not...** And you cant, so all of you had better address that issue too, Prime Minister and Chancellor as I am speaking directly to you as the Government in making this comment. – Remember this is a Public Letter, and don't for a moment think you could successfully rubbish us... We will bury you under an avalanche of evidence, at the time of our choosing, the majority of which has been supplied from within!

- Genuinely we are not sure which is more endemically corrupt RBS or the FCA.
  - Can you imagine a rapist acting as the jury in the very trial he was accused of rape in, and then the rapist deciding whether or not he owed the victim compensation....? While the Judge (FCA) openly and proudly admitted to administering and sanctioning such an arrangement with the rapist...claiming of course that he had no choice because rape is an "unregulated activity." -- Honestly your all completely MAD – not incompetent – MAD and BAD.
  - What on earth do you think you and your Committee are doing seeking updates on such an utterly corrupt unethical scheme?
  - Worse still telling RBS to get on with it faster, and by seeking these updates lending your credibility to that scheme.- Again are you all MAD.....? No your BAD.
  - But don't worry..... Its all OK and legitimate because an Ex High Court Judge is overseeing it. – So it must be OK. – 2 points please;
    - He is overseeing RBS incredibly narrow and totally corrupt terms of reference, and let's face it RBS were totally corrupt, but no one said they were stupid... So whilst it was never "just" it was often just marginally legal enough especially after a bit of unknown signature forgery, or the opening of shadow bank account that the customer never knew about, that went in the red and triggered a default, or a dodgy valuation by a tame valuer .... The variety and extensiveness of all these shenanigans was nothing if not ceaselessly creative, and all done to purposefully create a "legal" fig leaf by which the Bank could then validate every other action. – But to be clear legal is still totally immoral, unjust, and perverted. – Remember the Nurse?
    - Which is why any compensation scheme worthy of the name must operate on the basis of "reasonableness" not legality and revert back to a time when businesses were healthy and then work forward from that point so that the totality of everything the Bank did is considered, not just the narrow actions immediately surrounding the point of demise/ bankruptcy.
- You suggested I and others should trust you, on what basis? I have the clearest answer that any rational sane thinking individual would give. It would be a straight NO, not this side of hell freezing over!
- How could you expect to be taken seriously and accorded respect, much less trusted if the roles were reversed? You wouldn't trust me on that basis would you? (probably don't anyway!)

One last thing on this..... Prime Minister, Chancellor, Chair of the Treasury Select Committee and fellow Members..... I'm not a nutter, nor is this a rant, its intentionally written for an audience other than you... but Stop and think about what I have just said and done.



I have just crushed all of your respective competency and credibility to dust. I have probably defamed you all multiple times.... and yet I can tell you with no side whatsoever, that I am as calm as the proverbial cucumber, and there is a reason.... What I have written is the fundamental TRUTH so I have absolutely nothing to fear.... which by common logic – the inverse – means you have EVERYTHING to fear, in terms of your reputations and base competency. --- Unbelievable. ---

## **2.9. Submission 2 (Pg: 12)**

**(This submission has addressed this issue in other conclusive ways so I will address only the distinct points made here rather than the totality).**

### **The S166 Promontory Report into RBS – GRG.**

**The key message is that you cannot trust ANY of the numerical and fact based statistical outcomes of the S166 Promontory Report.**

## **2.10. Submission 2 (Pg: 13 Para: 2 )**

**Importantly, you can however continue to trust all the “soft findings” pertaining to culture, policy, philosophy etc.** These elements were not related discreetly to the cases as the “hard findings” were. The only caveat to this statement is one of degree, and emphasis, related to the soft findings.

- The contention being that the sampling and other methods deployed were developed to find the “least worst cases” despite the end point of the review being to prove or disprove the worst case allegations alleged in the Tomlinson and Large reports respectively.
  - Clearly since the intentional method “hobbled” the study from achieving the end points by intentional design bias, to self-select the “least worst cases” and absolutely avoid the selection of the “worst cases” especially by volume / frequency the “soft findings” may in fact be worse in reality, and certainly so by frequency if not degree, though likely that as well.

## **2.11. Submission 2 (Pg: 13 Para: 2 )**

No need to worry however because the S166 report was commissioned by the FCA that pillar of independence, trustworthiness...and unimpeachable ethical standards, NOT.

- The FCA negotiated every aspect of the design of the review that now forms the S166 report with RBS... before it was even announced!
- Again... RBS and the FCA jointly agreed every aspect of the design of the review..... For instance....
  - RBS and the FCA decided on the artificial dates of 2008 – 2013... why?
    - RBS – GRG had been abusing and refining their modus operandi since the mid 1990’s some 15 years previously.
    - The reason they selected 2008 as the start date was simple... The financial crash and associated financial dislocation provided perfect cover to legitimise the illegitimate practises they used. The market dislocation hid and explained every sin.
      - An earlier start date than 2008 would have provided no such cover from the financial crash.....
      - Worse still because the outcomes in the earlier period were the same as post 2008 and earlier date would affirmatively have proved that the actions / outcomes had in very little or nothing to do with the financial crash environment – they were absolutely and exclusively as result of RBS’s manner of operating... Ouch!

- The FCA and RBS agreed what the definition of an SME was. It started as £1m - £20m
- Later (as stated: Appendix I Pt. 2 - Pg. 325 - "Amendment to the definition of SME customer") they reduced the £1m to £250k because they didn't have enough samples in some subsections of the review.... (Incidentally this totally innocuous admission confirmed my initial concerns that something was very wrong with the fundamental design of the study).
- Again this artificially constrained the number of potential claimants / victims to the RBS figure of 5,900 where in truth its 16,000+ To be accurate you then have to include the SRM customers another 8,000 making a total of 24,000
- Then you can't forget the EFG customers circa another 8,000....
- Yet RBS and the FCA only included 5,900 in their review and redress scheme beyond....

## 2.12. Submission 2 (Pg: 14 Para: 2 )

Permit me to use the analogy of a house. Your Committee and Secretariat have spent hours studying the S166 Report. You know every detail about the room sizes, the plumbing, the paint colours, the soft furnishings, but never once did you look at the floor, and importantly in this context the detail method of the construction of the otherwise unseen, uncared about, but totally pivotal foundations upon which everything you do know about, and do understand, was built on!

Sad to say the Foundations are completely unfit for purpose, and unstable, which means of course that so is everything that is constructed from the report in terms of hard findings. And just so we don't have an Argument about this....This is the opinion of the most knowledgeable academics in the country who through the Royal Statistical Society set most of the standards worldwide. In Professor Hutton's own words - Chair of the RSS expert panel / committee on Stats & Law. (I have her full permission and knowledge to use this commentary in any Public Manner as I do that of her colleague's commentary Professor Ansell....).

## 2.13. Submission 2 (Pg: 16 Para: 2 )

Permit me to interpret these very measured words that Academics always use.... When Professor Hutton says; *"The design and analysis does not appear to be appropriate or as good as I would expect for a major value case."* – this is a polite academics way of saying the study is not fit for purpose – my original contention proved.... she goes on.... *"the lack of information available in the public realm detailing the exact methodology used in the design and analysis, is also cause for concern."* – this is a polite way of saying you didn't publish the methodology clearly because it doesn't with stand scrutiny. While finally she says; *"This would allow an assessment of the suitability of the design and analysis relative to the original brief set out by the FCA. The original brief might not have been entirely appropriate."* This is effectively indicating the S166 review is rather unlikely to have been fit for purpose, again my original contention confirmed.

While Professor Ansell a published SME Credit scoring expert no less! And RSS panel member states *".....and for lowest value to be assigned to missing values. Implying that those removed may be more likely to be extreme values,"* - which interpreted means that the 20 cases or 11% of the 178 that were removed from the study due to "poor data" were highly likely to have been, as found in numerous other academic studies, *"It is well known that missing data is a sign in credit scoring of lower scores"* - i.e. the worst cases or just the ones you would want to replace if you were RBS / FCA and how would you achieve that without Promontory knowing, by finding that the data files were to poor..... what a pity.

Two things to note for the sceptics amongst you. Reverting back to Professor Hutton she states referencing amongst other things the missing data.... *"For example, simply excluding units with inadequate data is not recommended. It is both disappointing and of potential concern that the standard of reporting is less than would be expected to meet academic standards of openness."*

#### **2.14. Submission 2 (Pg: 17 Para: 1 )**

But finally, and most importantly..... The total failure to set out clearly "how" the study design works in detail, means you can't know at all, on what basis, or by what method, your judging the results.... Results are always results of something.... but what....? If you don't know the "what" for sure, and in detail.... and your Committee doesn't, along I might add with everyone else, then you can't know what the results are, or what they really mean / show... In effect the results are just "smoke and mirrors." A beautifully crafted deceit intended to fulfil RBS and the FCA's needs.

#### **2.15. Submission 2 (Pg: 17 Para: 5 / 6 )**

Worse still you have every resource and influence available to you, while we have none. You could have made one call and had the RSS on side checking this as I did, yet it never even occurred to you to do so....

- Never once did you think that there might be a problem.... because of course you weren't looking for it.
- You just blindly continued to trust the FCA and RBS both of which are IREFUTABLY totally corrupt by obvious evidence.
  - I can't wait to watch each of them blame the other, suggesting it was all the others doing. - Hilarious.
- One more thing of pertinence that I have discussed with the academics at considerable length.....
  - This mess could NEVER have been the result of unfortunate serendipity....
  - This much deceit took a great deal of purposeful effort and execution, and the only two institutions in the room and involved.... were RBS and the FCA.
- So do not tell me that ENEDMIC CORRUPTION is not RIFE THROUGOUT BOTH INSTITUTIONS the evidence for it sat in front of you, all smug and deceitful on your nice green chairs.

So Chairman and Committee behave and act, because if you haven't yet realised you have no choice. BAN ALL of them regardless of whether or not its convenient... tricky.... difficult... expedient etc.... and bare in mind that when this letter hits... and is widely released to the public, and the press, all of you are going to receive the most almighty, humiliating, and well deserved kicking, and I greatly doubt any of you will survive it either.... My advice to you is to do what RBS laughably did to the FCA over the release of the S166 report – Strike first,.... and do exactly what we demand, show belatedly - "Exact Integrity"!

#### **2.16. Submission 2 (Pg: 17 Para: 7 - Header )**

**Anthony Stansfeld – The Thames Valley Police Commissioner.**

### 2.17. Submission 2 (Pg: 18 Para: 2)

I will conclude that YES Mr Stansfeld wants a platform and you both should and indeed must afford it to him at the earliest opportunity as he has matters of immense Public interest to say, and you and your committee should never find yourselves in the position of actively frustrating that, as you have self-evidently already done. Not least in your acknowledgement that you had received a letter from him, and yet nearly two months later by your own admission you have done nothing. I wonder what your commentary to all the people who have been maltreated by the banks in question and been improperly and unjustly evicted from their homes will think, while you have done less than nothing. -- Shameful. –

### 2.18. Submission 2 (Pg: 18 Para: 3 - Header )

#### **FOS – Financial Ombudsman Service.**

### 2.19. Submission 2 (Pg: 18 Para: 4 / 6 / 7 / 9 / 10 )

The Channel 4 Dispatches programme raised important issues of concern and it is good to see that the Treasury Select Committee was swift in following up on the points highlighted, writing to the FOS CEO Ms Wayman..... was only ever going to write back and offer calm reassurance that nothing much was wrong. .... So, by objective analysis this effort achieved nothing material, which is the core problem with so many of the TSC actions. A Paucity of outcome, relative to power to influence.... sound familiar?

The Treasury Select Committee has known of major concerns within the FOS for many months past, related to low staff moral, and a common perception that the Executive Management of the FOS was / is failing. Indeed Mr Mann interviewed Md Wayman only recently. Yet the Committee has done nothing material. Moreover, it seems as if we live in a land where we wait for failure, and then do precious little to resolve it, rather than actively pursue policies and expectations of excellence that ensures failure is never reached.

Why did the TSC at its last session with the FOS not demand certain minimum standards be attained way above the floor level of failure and demand credible action plans be submitted and implemented to it on a timely basis that ensured such an outcome was attained within acceptable defined time limits?

Or the removal and replacement of the incumbent management by others able to achieve the necessary renewal and invigoration? Are you in the oversight business to accept mediocrity and lack of action?

You will argue this is not your role, rather that of the Board of the FOS, whereupon I would retort that not only is Ms Wayman failing, but self evidently the Board has too.... in failing to support Ms Wayman and manage her... and needs urgent renewal and rejuvenation, and that being the case it was absolutely your remit and obligation to make that call not in a reactive manner but a proactive one.

### 2.20. Submission 2 (Pg: 18 / 19 Para: 11 / 12)

I observed that Ms Wayman's principle deflection tool was the appointment of an independent review to report to the Board. For goodness sake this is just admission of complete abdication of management responsibility, by both the Board and Ms Wayman.

If you don't know in the greatest detail what is wrong with the organisation you run, or the organisation your paid to have oversight of then you shouldn't be running it.... or overseeing it.... What earthly function, other than turning up, and nodding sagely, do they think they get paid for? Waiting for the sky to fall in so that they can call for independent review?

The entire circumstance is once again a joke, accept no one is laughing,..... **and as such it is inconceivable amid this much malaise and management chaos that the FOS could even consider extending its remit and role as the FCA and FOS planned....** and certainly not until the organisation is renewed and reformed, made fit for purpose functionally from the bottom up and most especially the top down.

### **2.21. Submission 2 (Pg: 19 Para: 4)**

As I have indicated in other contexts two clear things drive up standards.

- Personal culpability of action
- Total transparency of activity.

### **2.22. Submission 2 (Pg: 19 Para: 7 / 8 )**

We know what Best Practise looks like in 2018, why is the Treasury Select Committee not ensuring that it is universally applied across all the organisations that it has responsibility for reviewing. It is deeply troubling that a programme like “Dispatches” can so easily uncover these deficiencies. ....

**In summary you must absolutely insist that the FOS is overtly managed up to “Best Practise” in the shortest time conceivable. Until then and the full implementation of personal culpability, full open transparency of information between the parties, and independent oversight and review with powers of veto over decisions, then the expansion of the FOS’s responsibilities cannot be extended to include the handling of significantly higher value cases than now. The FOS just isn’t fit nor capable.**

### **2.23. Submission 2 (Pg: 20 Header )**

#### **Schedule of Requirements.**

### **2.24. Submission 2 (Pg: 20 Para: 1 / 2 / 3 )**

It must be abundantly clear to all by now that our real expectations extend far beyond just the named executives from RBS and the CEO and Former Chairman of the FCA. Indeed, we always wanted to achieve far more because relative to the scale of the malaise across the entire Banking sector and the wider Financial Services sector and related tertiary professions that surround and support them we knew the removal of these four men was / is substantially immaterial in the totally necessary broader context of “R&R” of the City and the Financial culture our Economy and Country must rely on. We also knew that it was most improbable that you would fulfil our expectations at the first attempt, and in not doing so we also knew you would generously empower us further now... Thank you. (Please see my original comments in points 16 & 17 in the letter dated 20<sup>th</sup> March).

I have already indicated that you can present the required events in any manner of your choosing, using whatever your preferred levers. My suggestion is that given the breadth and scale of the changes required to be implemented, this “event” should be presented as a comprehensive cultural renewal from top to bottom, hence the scale and sweeping renewal at a single stroke. It could never be done credibly by separate piecemeal events because each time the powers of the entrenched system would deny and frustrate it, but if you take them all out in a single event, as extreme as this might appear, actually it is not, it's safer because you will control it. The Public and media perception of strength will also play into your hands being seen as strong and decisive. It will sit extremely well with the Public mood as finally absolute tangible and credible renewal and action will be obvious, rather than the endless re-organisation of the same faces resulting in no material change, it will represent politically strong decisive assured Government people crave to see by a self-confident administration that actually leads and to borrow Labours appropriate tag line....”For the many not the (powerful) few. If you hold this pivotal thought in your minds as you consider the detail it will then make perfect sense, as a credible and decisive package of proposals, that could only ever have been driven by Government will and determination, so comprehensive are they. Your Government, your will....

Alternately you can attempt to frustrate us and suffer the consequences. I have one further comment to make in that regard. As you must realise every time you seek to frustrate us the scale of the changes increases in exact correlation with the ease of achieving them, because you are now effectively supplying the means! When you consider the position calmly and apply dispassionate rational detached analysis to the circumstances you will see that it is now a simple choice effect the changes, or create a huge and troublesome impact for yourselves. -The former is beneficial to all, the later harmful to all, the sole responsible choice is therefore made.

## **2.25. Submission 2 (Pg: 22 Para: 5 )**

Doubtless all of this personal responsibility, accountability and culpability will appear outrageously radical to the City at large, the specific individuals named, and very possibly to you Prime Minister, Chancellor, and Governor of the Bank of England, however consider it from the perspective of a former SME customer ruined by a Bank. He or She devoted many years of their lives with these exact responsibilities as a normal mundane daily occurrence and never thought to consider them as anything less than an obligation they needed to fulfil. This is not radical, this is normal in the real world where your not isolated from the responsibility of your actions. To be utterly clear I am not anti Banks far from it I am pro them, when well and ethically run with a clear understanding that they have a moral and ethical role in Society as well as a financial one I am completely pro Banks. What I am not pro is amoral, unethical, unprincipled individuals who show no integrity.... and nor should you be..... See them all GONE for GOOD.... (ever and better).

## **2.26. Submission 2 (Pg: 23 / 24 Para 5)**

**(Mrs May's Downing Street address on becoming Prime Minister).**

Mrs May, Prime Minister, cometh the hour..... *"There is a tide in the affairs of men, Which taken at the flood, leads on to fortune. Omitted, all the voyage of their life is bound in shallows and in miseries. On such a full sea are we now afloat. And we must take the current when it serves, or lose our ventures."* -W. Shakespeare.

Be in no doubt this is you, and your Governments circumstance and hour. We therefore call on you and the Chancellor to make a clear and unequivocal commitment to the following:

- (1) An Independent Enquiry into Every aspect of Banking, Financial Services and related Professions and Services that link to them. The pivotal intent will be to restore ethics and integrity to the City without diminishing its ambitions and inventiveness. It must not be seen as a negative but a necessary renewal and enhancement to ensure its future vibrancy, independence, and vitality, but serving society not denying it. The Enquiry will have every conceivable power to compel testimony, seek evidence, and as necessary levy unlimited fines both corporate and personal and impose short prison sentences as necessary to ensure that its investigations are not frustrated.
- (2) It will consider how the FCA and FOS can be successfully reformed and how regulation can be pursued in future to prevent this circumstance every happening again.
- (3) The inquiry chair people will be appointed independently by Prof Scraton utilising Best Practise and full independence. He will similarly work with the chair people to divide this enormous task up into sub- enquiries so that the core work and report can be achieved in the shortest time period possible, but interim reports within 15months from the start date and a full report within the 2 year anniversary.
- (4) It will be paid for entirely by a levy on the City and all firms and people within it.
- (5) One of the Sub-enquiries will undertake the work to see that all victims of these Bank frauds are fully compensated according to "reasonableness" starting from when they were healthy and working forwards considering all the "events" that were relevant to the Bank and their ultimate

situation via an independent scheme underwritten in full by the tax payer, but in time fully refunded by a levy on both the firms of the City, and also the staff of the city, (possibly multi year as required) with a disproportionate percentage being levied on the higher paid. This levy will also include those that formally worked in the city during the period 2005 to the present day but now retired or pursuing other activities. The City pleaded for self-regulation – it must now pay the price for failing to regulate itself.... and once the precedent has been set as now, it will think twice before transgressing again, and indeed should work to ensure that the rogue elements within it are routed out through self-interest. My letter of the 20<sup>th</sup> March 2018, para's 16 &17 gave the clearest hint to this. This will not be economically detrimental to the nation it will simply fiscally amount to a redistribution and a positive one to the regions, as well as diversifying the wealth away from its current concentrations it will send it back from whence it came.

- (6) The Government and opposition parties will reach the fullest joint undertaking to implement the findings of the Public enquiry promptly and fully.
- (7) The Enquiry will also review all the current insolvency legislation and look to introduce extensive reform that leads to a chapter 11 style scenario for business renewal and restructuring.
- (8) There are many other aspects that the enquiry will rightfully consider and look at that I have left out but which others will make submissions on. I.e. Formal Whistle blower legislation. Etc.
- (9) The Government will publish and implement a whole raft of small business friendly legislation related to mandatory timely payment of invoices according to their terms and numerous other similar detail matters that we will address with the Govt shortly hereafter.
- (10) Finally but not least The Govt will implement new legislation that brings personal ethical responsibility and accountability and culpability into the workplace so that there is a clear incentive to ensure that responsible citizenship lies at the heart of our economic life, in short the renewal and rebirth of that which once stood.



### 3. Submission 3 - 06 April, 2018.

#### 3.1. Submission 3 (Pg: 5 Para: 4 / 5 )

It affects more **THAN HALF** of the 5,900 cases that the report seeks to address..... Yes 3,196 customers.....that's over 54.2% of the entire study population.....

By number more than half the total cases were related to Commercial Real Estate lending.

#### 3.2. Submission 3 (Pg: 6 Para: 2 )

Promontory found a very clever, almost innocuous way of sweeping these cases aside and completely distorting the S166 reports findings as a result..... **Simply astounding....** (....and no one has noticed or remarked on it!)

#### 3.3. Submission 3 (Pg: 7 Para: 1 / 2 / 3 )

So here we have **the same assets**.... but according to Promontory in the S166 Report a property market recovery and related increase in value, **is entirely dependent on who owns the asset!**

When the customer owns the asset with 30% equity to quote Promontory *"we made no assumption about the inevitability of the property market improving."* Yet Promontory said it was fine for RBS to buy the former customers assets, assets RBS was entirely responsible for forcing on to the market... *"....in expectation of higher prices at a later date... (the future profit motive)!"*

Promontory found many reasons why it was not possible to forecast a property market recovery when customers owned their asset, actively classifying their cases in review of harm to reflect this view. In contrast they registered no similar doubts or objective criticism of RBS's ownership of the same assets...

#### 3.4. Submission 3 (Pg: 7 Para: 5 / 6 )

- **One rule for the Customer, and the opposite rule for RBS,.... over the same assets.**

In short, **"Outrageous..."** I want to meet the economist or other professionally qualified individual who came up with this line of complete and utter **"crap"**, who had the front and temerity to pass this off as a legitimate argument in such an important document as this report.... and Sir Callum McCarthy who also brazenly put his name to this absolute **"Crock of \$hit...."**

#### 3.5. Submission 3 (Pg: 7 Para: 7 / 8 )

**It's all about Presentation.... or more pertinently separation. – How to hide an illogical argument in plain sight --- Fake news, False truth. --**

Of course it's all about the presentation, never the substance..... because when separately presented far apart in the document with no common linkage, Promontory were able to make both arguments sound entirely rational and plausible in their isolated context. Indeed, Promontory never placed these arguments side by side, obviously they could not do so, common sense would have destroyed each argument relative to the other in an instant. Therefore to deny the obviously ridiculous, Promontory had to keep each proposition entirely separate from the other, in wide isolation, in fact in different sections of the report; section 4 for the Customer; and section 5 for the Bank, and 76 pages apart....! At no point do the two opposing sides, of what is the same argument come closer, hardly chance!

### 3.6. Submission 3 (Pg: 7 Para: 10 )

More importantly, it absolutely confirms Promontory's resolute intent to deceive, and their purposeful collusion to fulfil their paymasters bidding and intent, the FCA and RBS. The presentation had nothing to do with chance, it took careful studious design and execution.

- There was no earthly reason for Promontory to do this by, or for themselves. Not least because they would needlessly lay themselves open to the charge I now make.

### 3.7. Submission 3 (Pg: 8 Para: 2 / 3 )

So again, as stated above, if you want to know what author bias and facilitation looks like, **look no further, this is it personified and made manifest.**

There are numerous other examples of this behaviour, some of which I will touch on at the end of this document, however the fundamental point is made with this powerful illustration, **that affects more than half the total Customers**, and is a cornerstone argument of the entire report, given this categories obvious dominance by both number of cases, and financial weighting.

### 3.8. Submission 3 (Pg: 9 Para: 5 / 6 )

#### ECONOMIC BACKGROUND:

- When the crash happened there was a widespread loss of confidence, which led to a severe economic and fiscal contraction. Two principal elements were responsible.
  - The sudden and catastrophic reduction in the availability of credit, and the seizing up of related credit markets that all financial institutions relied upon.
  - Sentiment -- The psychology of consumers and economic investment collapsed...the two major drivers of economic growth and related prosperity.
- Both factors exacerbated each other in a classic downward, potentially self-fulfilling spiral, and possible economic deflationary implosion,....
  - Something had to be done to halt it, both quickly, and decisively.
- **It is important to remember that for the most part this was a financial crash,.... not an economic one,... certainly in its initiation and cause. –**
- **Action had to be taken to prevent the financial crash becoming an economic crash..... So the authorities acted multilaterally.**

The immediate UK Government response was to bail out the Banks, placing the full faith and Guarantee of the Nation behind them to guarantee their credibility, keep the doors open, serve the wider economy, maintaining customer confidence, **with the explicit promise of the continued availability of credit and that banks would operate their business as usual.**

### 3.9. Submission 3 (Pg: 10 Para: 3 / 4 / 5 )

#### The Government and Bank of England had a solution...

They would aggressively expand the money supply into the economy, and by doing so, reflate economic activity. The strategy was to force feed the economy with a huge surplus / surfeit of cheap money, and introduce vitally needed liquidity into all markets. All done in such a way that created the necessity to re-invest the cash the Bank of England would inject, and thereby forcibly pump liquidity back into every facet

of the wider economy in the hope that consumers would spend it, and companies would have the confidence to invest it, resulting in the return of rising overall economic activity.

## **The primary weapon to reflate the economy was “QE” – “Quantitative Easing.”**

### **3.10. Submission 3 (Pg: 11 Para: 2 / 3 / 4 / 5 / 6 / 7 )**

#### **The Bank of England were quite explicit when they announced QE:**

- From inception the Bank of England stated they would do as much QE as was necessary to restore economic growth consistent with the 2% inflation target.

Further, the Bank of England would not stop until this was achieved, indeed more than achieved, until it was confident the 2% inflation target had been assured, not just met.

In the end it took far more QE to achieve this than first thought, but the objective and commitment to the outcome never wavered during the period.

These words and actions meant the Government and Bank of England were going to forcefully reflate the economy until they had banished deflation from the economy and asset prices, and restored their long-term Govt mandated 2% annual inflation target. The 2% inflation target was only possible to achieve if you returned to relative economic normalcy and health, because by definition... it implied growth.

- There was a fundamental reason why their actions and commitment was so assertive... Unless The Bank of England and Government restored liquidity, and thus recreated and restored consumer confidence and demand, which is 66% of total GDP(!!!) **there would be no economy, or tax base left to argue....**

Else, what had started as a financial crisis, would quickly have become a genuine economic and social crisis.–

- That could never be allowed to happen, and wasn't, and EVERYONE in Government knew and understood that, and the steps and actions necessary to prevent it were taken.
  - It was never a case of “if it worked”
    - It had to work.
  - **The Bank of England and the Federal Reserve in the USA would die trying if necessary.**
  - **Or would have taken such other economic expansionary steps and tactics as were necessary.**
  - **Both the UK and the USA pursued the same strategy to reflate not only their economies, but the global dollar based reserve currency economy too.**
    - **Most raw materials are priced in \$ and the UK as a trading nation means \$ play a huge role in our economic life, even though we don't readily appreciate this on a daily basis.**
  - **In total the USA did 3.75 Trillion (1 trillion =1000 billion) dollars worth of QE!! (circa x750+ more than the UK!)**

### 3.11. Submission 3 (Pg: 12 Para: 4 / 5 )

#### Construction and Property Values - A pivotal driver of Economic recovery.

Relative to total UK GDP, Construction is worth about 6% + directly, and circa half as much again in related supply chain output of goods and service elements that are causal linked to it, and associated demand pull of consumer spending related to what is a very labour intensive area of the economy and the psychological impact it has on wider consumer demand.

Construction is the principal pump priming sector of the economy, getting on in totality therefore for circa 10% of the total UK economy when fully cross related into consumer demand.

- It's simply not possible to have a healthy functioning economy without a reasonably healthy vibrant construction sector, because aside from the direct effect, it also has a huge psychological impact on Consumer spending and investment spending, which are the other two principal drivers of GDP growth.
- Consumer spending represents about 66% of GDP. It is an economic impossibility to successfully stimulate one without the other, or

### 3.12. Submission 3 (Pg: 12 Para: 3 / 4 )

The restoration of Property prices and asset valuations was therefore a complete economic necessity / imperative, because to achieve broader economic growth, this was a requirement by outcome. Growth could not be restored, let alone sustained, without Property and construction making a meaningful contribution and impact, and for that to happen prices and the value of property had to be restored. This was the fundamental reality by any economic analysis.

Nor could consumers be persuaded to willingly spend in any meaningful way, until from a psychological perspective, they felt secure about their employment prospects, and beyond that, the value of their personal wealth, which as noted is principally their property wealth.

- In short at a minimum, stable / rising property prices were / are a necessary precursor for any, and all meaningful economic recoveries, and future growth.
- Further nobody buys a house if they believe its going to be cheaper tomorrow..... This logic applies to all assets. Again, Government knew it was an imperative that the property market had to be restored to both price stability, and also full value, because otherwise there would be no movement within it, which is also a necessary requirement for the sector to work properly... (People trading up to new homes creating supply at the bottom of the market, and demand higher upwards to allow it to function).

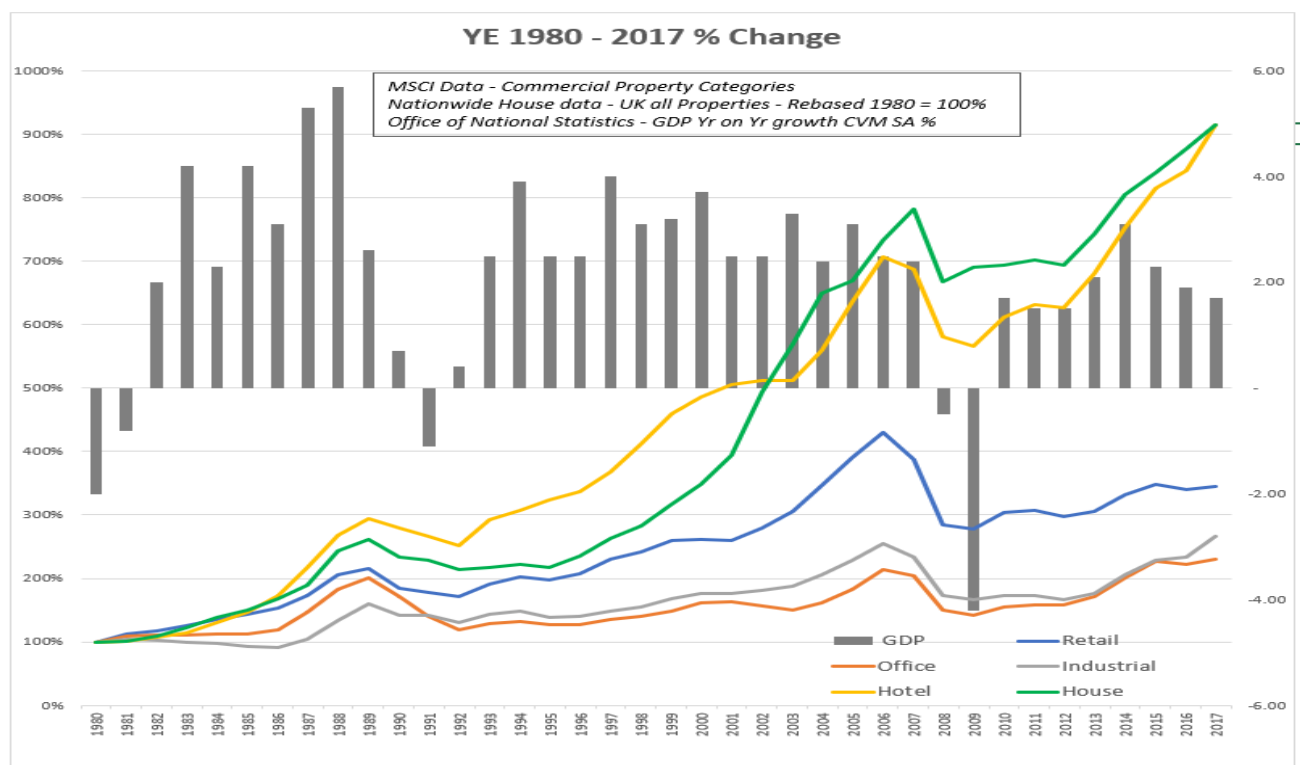
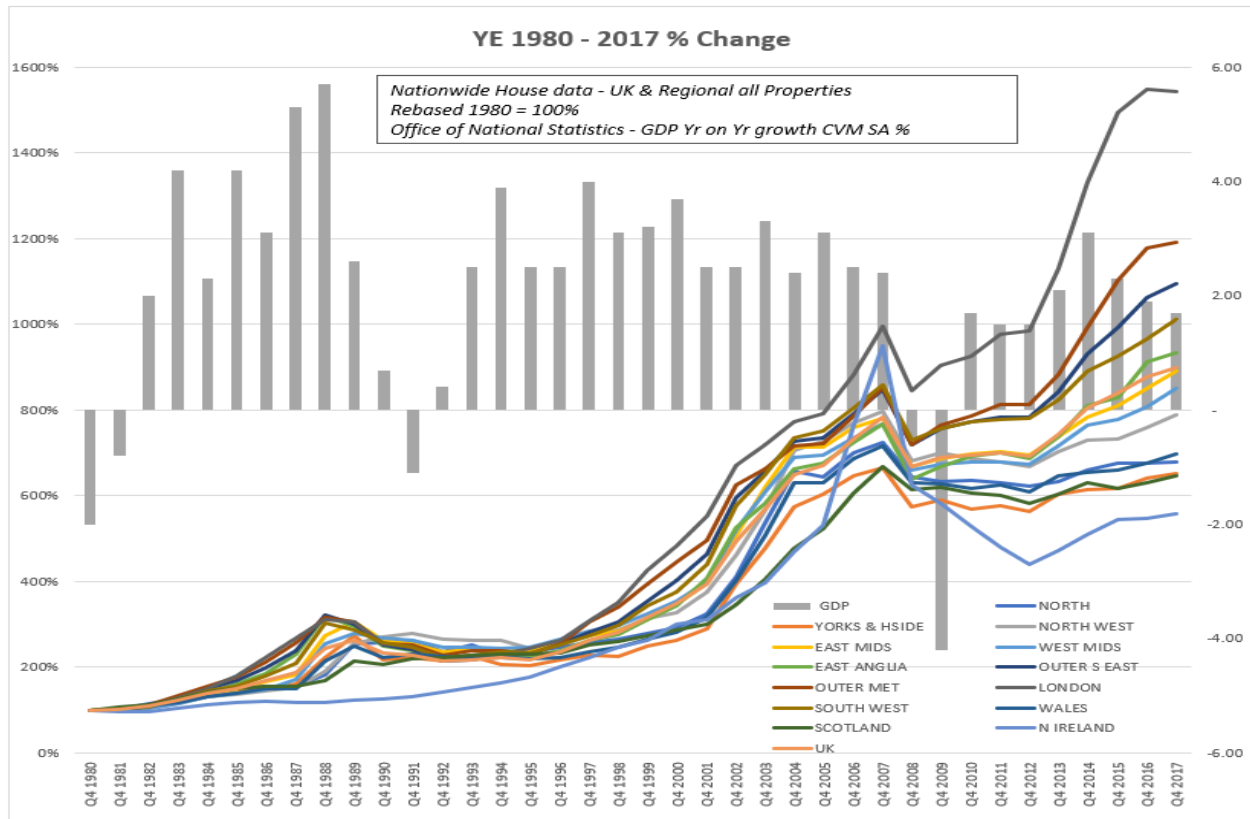
### 3.13. Submission 3 (Pg: 14 Para: 1 )

In short, the economy had to be revitalised. --- If you subscribe to that argument at all, which was front and centre of Government macro economic policy.... Record low interest rates, and massive fiscal stimulus via QE –

- it was not only a given that property values would reflate –
- it was an economic imperative and necessity / requirement **that they be made to do so.** –
- Further all the Global Central Banks actions were predicated on achieving this same outcome.
  - And by way of proof.... **guess what actually happened....**
  - TODAY considered as a whole, all types of Property assets, Residential and Commercial, are at record valuation levels. (notwithstanding some regional and sectorial variation which is uniformly always the case, irrespective of broader background market conditions).

- And that condition applies not only in the UK, but in the USA too, and in most other advanced economies.

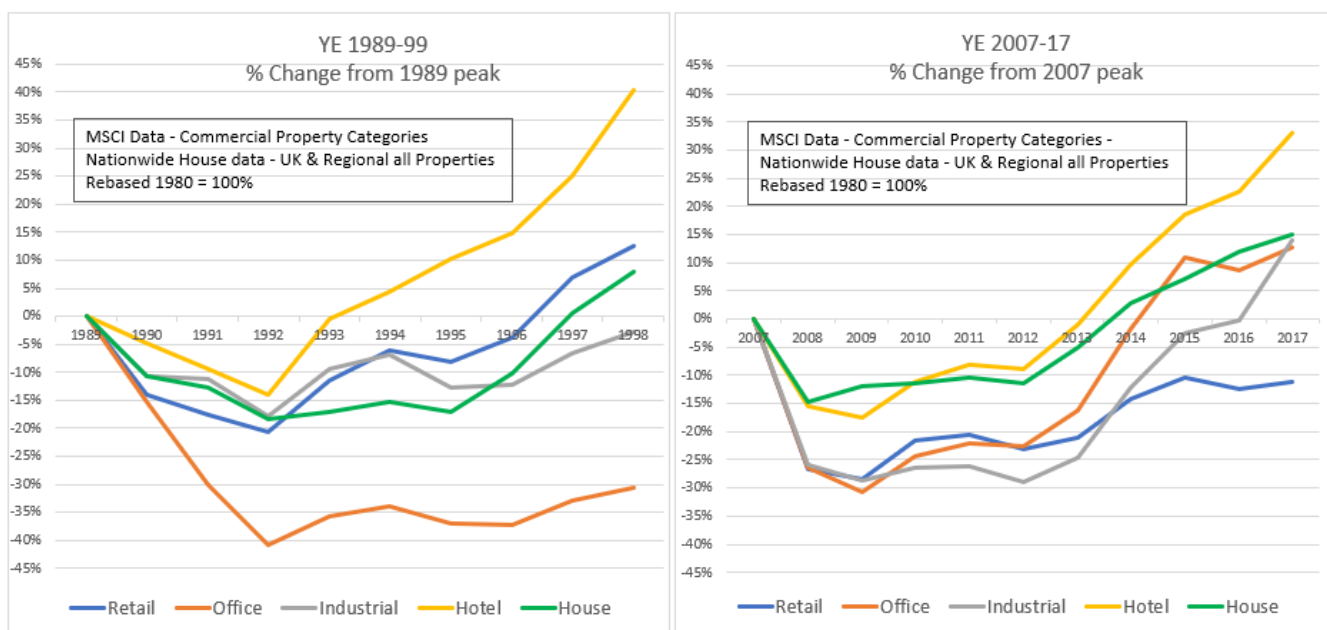
### 3.14. Submission 3 (Pg: 14 Para: 1)



### 3.15. Submission 3 (Pg: 17 Para: 1 – full page )

These two graphs are the same only for different date periods illustrating the last two major property price cycles. The right hand graph being the latest. The graph shows the data rebased from the price peak in mid to late 2007 and shows the percentage fall and then the recovery subsequently. All sectors with the exception of retail have long since recovered to and now surpassed pre-crash levels with the exception of Retail where sectorial change is playing a significant impact.

Irrespective the graphs unequivocally illustrate that even with the cost of carry noted previously the strategy I set out and was almost universally adopted elsewhere was by far and away the better one from all stakeholders perspectives.



**How the S166 Report FALSE PROPOSITION intentionally deceitfully dismissed over half of all the cases. 54.2%**

Judged against this background and the overwhelming evidence, the Promontory proposition can be seen to be, the OUTRAGEOUS load of complete “crap” I first described it as, and palpably totally intellectually corrupt, dishonest, and immoral.....

Furthermore, all of this serves to highlight just how obviously intellectually unreasonable and morally bankrupt the entire Promontory S166 Report is, especially in respect of this category / group, that represents **54.2% of cases**, or more than half the total, (but by monetary value conceivably upwards of 70%) as well as other aspects of the report, where it so blatantly serves its paymasters, the FCA and RBS, and their desires and ambitions, both of whom needed to be absolved of all substantive wrong doing.

What possible other reason can you or anyone else credibly conceive of, by way of plausible explanation for the position Promontory adopted, given how utterly outrageous this argument and proposition was / is relative to both the economic and monetary facts pertaining at the time.

Not to mention their blatant acquiescence and acceptance of ;.....

**One rule for the Customer, and an opposite and better rule for the Bank.**

### 3.16. Submission 3 (Pg: 18 Para: 2 )

Promontory cast aside The S166 Reports intellectual honesty and credibility on this pivotal group of customers that represent **more than half the total cases**, in favour of further deceit and denial of reality.

### 3.17. Submission 3 (Pg: 18 Para: 7 / 8 / 9 )

The two sides of the argument were presented in different sections of the report (4 & 5), more than 76 pages apart, never back to back as would normally be the case, where the merits or otherwise of the proposition were plain for all to see, judge, and critique. – As the Academics from the RSS confirmed:

- ***the S166 report falls far short of scientific standards of rigour and transparency.***
- You only go to this much effort to hide an argument if it doesn't bare scrutiny, and quite obviously this proposition doesn't.
- Therefore, once again the demonstrable evidence shows the degree of effort that was applied to making this deceit appear innocuous and viable.
  - because when the true circumstance is now pointed out,
  - it shouts at you, and everyone else, that it was neither innocent, nor viable, --
  - rather a blatant deceit of the observable facts and reality.

It wasn't an accident or unfortunate serendipity either. It was a result of a carefully crafted contrived conceit born of purposeful intent... to deceive.... and worst of all.... it very nearly did!

– And it nearly worked because none of you, despite reading the Report, probably more than once, spotted what you now see with total clarity. An outrageous deliberate intentional odious distortion and deception, perpetrated for the benefit and justification and legitimisation of the FCA and RBS 's actions, to the palpable detriment of their innocent victims. – ENOUGH. -

### 3.18. Submission 3 (Pg: 19 Para: 7 - Header / 8 / 9 )

#### **Government – A lack of joined up thinking and conflicting actions.**

What is truly staggering is the complete lack of “joined up” thinking by Government and the Treasury and the various branches within it, including the Asset Protection Authority – APA -- (set up to manage and oversee RBS actions in respect of the loan book underwritten and guaranteed by £286bln Government (British Taxpayers) money. This was the toxic “bad bank” element of the balance sheet designated “non-core assets” that was to be run down and eliminated as fast as possible on the instructions of the Treasury

Both the APA and UKFI were busy pushing RBS management to take injudicious actions that were entirely contrary to the big economic picture and strategy that Government was working to achieve, actions that were also obviously contrary to the interests of the Banks customers and the survival, prosperity, and wellbeing of their legitimate enterprises. –

### 3.19. Submission 3 (Pg: 19 Para: 5 / 6 / 7 )

With the right hand, the Treasury and Government was busy doing everything it could via the Bank of England to reflate the economy. Meanwhile at the very same time Government and the Treasury with its left hand, via the APA and UKFI which was charged with looking after and instructing RBS and others, was busy telling RBS to pursue policies and actions that ran completely contrary and opposite to what the right hand of Government was attempting to achieve to reflate the economy and protect jobs and living



standards, and in so doing, undermined and negated much of the effort and the effectiveness of the right hands stimulus efforts. ---

**As fast as the Right hand was pumping money into the economy, the left hand was pulling it back out. This removal of credit and its resultant obvious consequences was a primary cause of further destroying confidence, and prolonging the psychological malaise that was so vitally important to reverse for the success of the stimulus effort. This was completely unnecessary, and had horrendous detrimental effects, that undoubtedly deepened and prolonged the recession.**

To describe this as incompetent would be to underplay the associated “rank stupidity”, and gross failure of Government and the Treasury to think through the entirety of its various actions and related positions. Especially the actions of both its left and right hands, and the consequential impact its decisions would have, not only on innocents, but more staggering still, on its own wider economic actions and ambitions, that had to take precedence, namely preventing a banking / financial crisis from becoming an economic one, and returning the Country to growth at the earliest opportunity.

### **3.20. Submission 3 (Pg: 19 Para: 9 )**

But worst of all..... This was a circumstance where Ministers took tax payers money to bail out a bankrupt Bank – RBS - and then in their desperation to validate their action as being in the “national interest,” then battered into insolvency some of the very tax payers who funded the RBS bailout, quite literally in some tragic occasions... to death.... in their irrational and foreseeably imprudent attempt to repair RBS balance sheet quickly, and thereby prepare it for re-privatisation, and thus validate their actions and political ambitions, and all done in the apparent.... national interest.

### **3.21. Submission 3 (Pg: 20 Para: 2 )**

Not a single Banker suffered, instead they got paid (and bonuses too) to terrorise and hound in some cases to death.... the very SME entrepreneurs whose taxes had contributed to saving these employees and their jobs..... -- Obscene.—

### **3.22. Submission 3 (Pg: 20 Para: 4 / 5 / 6 )**

**Government / Treasury’s instruction via APA and UKFI to “downsize” RBS’s Balance sheet.... irrespective of the Global financial turmoil, and why this was an utterly ludicrous and negligent action given the economic environment, and foreseeably harmful to all RBS stakeholders;- Customers, Shareholders, and Society....**

RBS was a state controlled bailed out bankrupt Bank... On behalf of taxpayers the Government bought 81% rising to 84% ownership when conversion of the Pref shares acquired in lieu of the 2% or £6bln fee owed to the Asset Protection Agency a division of the Treasury that had underwritten £286 bln asset protection / guarantee scheme.

As agents of the Treasury, UKFI and the APA had approved RBS management scheme to dramatically shrink the balance sheet of RBS, indeed if you listen to this audio clip at 3m:30s in to 3m:50s you can hear John Hourican then Head of Global Markets for RBS confirming UKFI – The arm of the Treasury, and under its control, as agreeing and sanctioning the RBS management strategy. If you listen on you can then hear Mr Hourican telling and confirming this to his managers in plain English, and beyond this commentary, explaining in depth RBS actions to restructure its Balance sheet and his glib assessment of what that would mean for customers.....!

Everyone knew what the cost to Customers would foreseeably be....! - There are no innocents here....!

<https://www.youtube.com/watch?v=z5IORwT6qY0>

### 3.23. Submission 3 (Pg: 20 Para: 8 / 9 )

Clearly little, or certainly insufficient thought was given to what “right sizing” RBS’s balance Sheet meant in practise by way of effect on customers and the UK economy, indeed given RBS was a global Bank these actions would have similarly severe impacts on many other economies around the world.

The theory of the strategy to downsize RBS’s Balance sheet when considered in isolation in a normal market environment relative to RBS discreet needs, might have been acceptable if carried out over an extended period, **mindful of the impact on customers and the Banks need to honour its commitments, not find devious ways of climbing out of them.** Indeed, with those provisos attached, it could have been considered a pragmatic policy strategy for RBS and its new shareholder the Government to pursue,... if these had been normal times,..... but these were anything but normal times, and this change to RBS could not be considered, nor constructed on the basis or normal times. **Observably these were abnormal times and the notion you could successfully pursue these measures in such an environment demonstrates total naivety and incompetence and as such, was an act of “rank stupidity”.**

### 3.24. Submission 3 (Pg: 21 Para: 1 Bp: 1/2/3 )

- Similarly, RBS was not a one off case where in normal conditions the wider banking market might have been capable of and expected to absorb and mitigate without issue the worst effects of a single isolated banks need to resize itself, and as in RBS’s specific case, the need to shrink its balance sheet.
- The reality was that ALL Banks were in the same position, the problem was systemic. Observably everyone in Government knew this, indeed the layperson in the street knew it. **It was the very proposition that was used to justify and validate the necessity of bailing out the Banks the world over with tax payer funds.** The major Banks were too important to fail, for the very fear that the required debt of a modern economy would otherwise be withdrawn.....and economies implode as a consequence. All modern economies without exception are now totally dependent on debt / credit and it was universally accepted and acknowledged that its withdrawal could NEVER be allowed to happen, without devastating economic consequences, which was the very reason the principal Banks of the world had to be bailed out, and RBS was the global biggest!!!
- The UK Government couldn’t hold that pivotal understanding and knowledge on an industry wide global basis, and then decide to act in a specific Bank context, suggesting that RBS’s situation was different, and the basic argument universally used, now don’t apply in its specific case.....**(especially when RBS was at that time the Worlds largest Bank!)**, but that’s exactly what the Left hand of Government did with RBS, both directly, and via the APA and UKFI. It decided it could unnaturally shrink RBS’s balance sheet by withdrawing credit from customers without consequence, or more correctly they didn’t care about the consequences – **UNBELIEVABLE --**

### 3.25. Submission 3 (Pg: 21 Para: 5 / 6 / 7 )

Again, this was the very reason the Banks had been bailed out, to ensure credit was kept flowing round modern economies that were, and still are depend on it, the oxygen of commerce. It was unthinkable that Banks demise, the loss of their balance sheets and associated lending could be allowed to devastate the real economy and cast millions across the world into poverty, and civil society into anarchy and chaos.

Again with this in mind, it was equally unthinkable that the worlds largest bank, RBS could then do the exact opposite, and act as an island, without all the consequences on a Micro level that everyone feared on a macro level, that Government in the name of their Taxpayers had thrown such immense amounts of public money to ensure was avoided.

Yet RBS executives in collusion with Treasury officials, and Ministers with demonstrably no understanding, or seeming knowledge, or care as to the realities on the ground, decided that they could do, on a case specific RBS exclusive basis, the very thing they had just forestalled by bailing out the entirety of the Banking Industry and finance system. They believed they could remove lending without having any discernible detrimental impact on customers, or if they knew it would have an impact on customers as already stated they just didn't care. Seemingly believing they could deliver this observably intellectually incontinent policy in the most hostile real-world banking environment since the depression of the 1930's, without having a horrendous and entirely foreseeable, appalling and predictable terminal consequence, that would, and did, unjustly devastate thousands of SME businesses / customers, and their families. An action that was wholly detrimental to the broader economic policies of RBS's majority shareholder, the Government acting as agent of the people, was busy implementing and pursuing, – An obviously completely ridiculous circumstance. The entire proposition leaves one... **UTTERLY INCREDULOUS.** ---

### 3.26. Submission 3 (Pg: 22 Para: 5 / 6 )

#### **How and Why SME's were the only realistic way to "downsize" RBS's Balance sheet.... irrespective of the cost.... And it's devastating impact on SME's...**

Once the decision had been made to shrink RBS's balance sheet SME's represented not only a huge opportunity for achieving this, but realistically the only viable one, especially for RBS, who had been the dominant player in this market place for many years previously.

- SME's were the only significant group that were unprotected by legislation,
  - Consumer lending is regulated and provided little scope beyond normal loan run off to shrink the RBS loan book / balance sheet at speed, besides consumers were politically unthinkable and as a result untouchable.
  - Large Corporate lending whilst also unregulated was often securitised away into the tertiary credit markets, besides these customers were part of the Banks future plans, and in addition were well able to defend themselves against Bank abuse, or more simply able to take their attractive business elsewhere. Where despite the prevailing adverse environment other banks would be prepared to take a strategic longer term view to accommodate their needs.
- Therefore, SME's were uniquely vulnerable, small, often relatively unsophisticated, and had been intentionally encouraged by RBS to believe that RBS was their trustworthy partner. A Bank with a different Scottish culture, a reliable bank whom they could depend on for honest reliable assistance, and the provision of unbiased financial advice. – Most did view the Bank in this way to their immeasurable regret and cost. --

### 3.27. Submission 3 (Pg: 23 Para: 1 Bp: 3/4/5 )

- Indeed in many cases these instruments were so biased in RBS's favour that interest rates would have had to reach very significantly higher levels over an extended time period for the SME ever to have derived any benefit at all from this IRHP product RBS sold them. In effect these products were the business equivalent of PPI to consumers, irrespective of what you paid you couldn't derive any money back from them....! Relative to expectation they were at best extraordinarily expensive and at worst economically fraudulent of the customer.
  - Instruments that were hugely profitable to RBS, and because SME's had been encouraged to rely on the reputation and advice of their RBS manager, they did so, unaware of the real motivation or the cultural change building up behind the scenes at head office, relative to the quiescent reliable dependable RBS of long ago..
  - More often still the purchasing of these instruments was frequently a condition of receiving the loan.... Summarised as..... **No IRHP.... no loan.**

### 3.28. Submission 3 (Pg: 23 Para: 3 - Header / 4 / 5 )

**GRG and its antecedents SLS had been in existence since the mid 1990's this is pivotal to understanding that GRG's antics predated this financial crash by more than a decade and their tactics and customer outcomes had often nothing to do with the prevailing environment that has been perpetually played on by RBS but in extremis has little or nothing to do with how they acted... GRG had always acted this way....**

- Almost uniquely amongst the big four clearing banks, RBS had all the essential human resource skill sets ready to be instantly and ruthlessly deployed.
- RBS set about with callous efficiency manipulating and exploiting its defenceless SME customers.
- The reality as Mr Alister Jack MP personal experience denotes... **entirely contrary to the S166 report.**
  - **IRRESPECTIVE of whether your business was healthy or not, entirely contrary to RBS claims and the false findings of the Promontory S166 Report.** -- Mr Jack's business, like so many others we know of, was palpably healthy – despite the prevailing difficult business conditions engendered by the Banks)
  - The reality was RBS actively sought to manipulate any, and – ALL -- SME business's to its advantage. -- Healthy or otherwise.
  - AND Yes entirely CONTRARY to Promontory's position perfectly healthy businesses were targeted for GRG treatment as Mr Jack MP own experience testifies and it beggars all credible belief to suggest that he was a random chance... Indeed he has testified that one of his fellow Directors separate farming business was targeted by RBS.... The truth is they tried anyone and everyone where they thought there was the slightest chance of credibly getting away with it.
  - Which is exactly what RBS and its employees brutally and callously did..... with numerous tragic foreseeable consequences.

### 3.29. Submission 3 (Pg: 24 Para: 2 / 4 )

- These actions were; intentional, foreseeable, Corporate and Governmental “Business-slaughter”
- A private soldier in the British Army knows he isn’t allowed to shoot an innocent, much less in the back while pretending to assist him. The soldier knows he is personally responsible for his actions irrespective of a direct order from even the Chief of Staff, or indeed their Political Masters, he can’t shoot an innocent and expect to get away with it.
- If this applies to a private soldier, it certainly applies to almost anyone inside RBS.... I repeat again there are NO innocents in this debacle, only the guilty. Why should RBS employees be permitted to exercise lesser standards of care or ethics than a private soldier?
- ALL these people had to have and did have professional Banking qualifications.... they knew their responsibilities full well, and if by chance they were secondees who weren’t professionally qualified then RBS’s defence against any and every customer so harmed should fall right there.
- – All people who drive cars irrespective of whether they are a Bank clerk in the mail room or the CEO or Chairman in the Board room, have to obey the rules of the road. Further, for absolution when it all goes wrong, they must be able to demonstrate at a minimum that their actions were reasoned, and reasonable, they exercised “due care and attention”, and even then sometimes that’s still not enough.... Sometimes you have to pay the price of participating in transgression whether intentional, or by accident.
- Just because you go to work does not permit you to leave your ethics and moral responsibilities outside on the pavement as you walk in through the office door in the morning. Only to pick your ethics and moral responsibilities up again as you walk out of the office and back into Society in the evening. The notion that you’re not responsible for your individual participation and related culpable actions, however large or small, senior or humble, when at work, or absolved because someone told you to do something, is a nonsense, and more especially where everyone in that business has to be, and should be, a registered authorised person, completely aware of their obligations. – Again there are no innocents here.
- Demonstrably this position is a nonsense, and as illustrated does not withstand intellectual scrutiny.

### 3.30. Submission 3 (Pg: 26 Para: 1 / 2 / 3 / 4 / 5 )

How could anyone really imagine....

- bankrupting 24,000 (GRG & SRM) SME businesses and 8,000 EFG business’s was going to go improve matters.

N.B. The 24k GRG & SRM number is a BBC / Buzzfeed validated number, but it relates only to the 3 year period 2008-11.... It is vital to remember that SLS the forerunner to GRG operated for 15 years prior to 2008, and similarly how many companies entered GRG after 2011? The prospective true number of companies under the GRG / SRM grouping could easily be half or indeed many more again as the number within the confined 3 year period, that the 24K number relates to....

- or go unnoticed,
- or be a viable outcome, whose impact would ultimately be overlooked and ignored.... it is impossible to conceive.
- The whole enterprise was as stated completely immoral, and could easily be seen to predictably ruin and sadly cost lives... which of course it wretchedly has.

Simply put, if you steal a pound from somewhere, that pound has to come from somewhere else, and if you are both sides of the trade as the Government was, it was fairly obvious that all you could possibly achieve was to frustrate your own wider economic ambitions, and at a huge reputational and economic cost, that such actions would inevitably result in on the RBS side of the activity, which of course the Government was now the majority shareholder of and actively and knowingly engaged in cutting its nose off to spit its face! – **Completely Barmy....** and all at Taxpayers expense..... **A total failure of Leadership.**

No one at the Treasury could ever have thought that the wilful and intentional destruction of tens of thousands of SME businesses, and people's lives, their employees jobs, the repossession of their homes, the destruction of their relationships and families, and every other conceivable element of related impact, and psychological harm etc etc..... could ever be justified against the restructuring of a bailed out bankrupt bank RBS's balance sheet.... --- **Total Insanity, stupidity and naivety.** ---

- And in the context we have been discussing the obvious negative impact this would have on Property prices and related economic and consumer sentiment, the provision of services of every kind, to the detriment of every member of society.
- Every forced sale, lowered prices, predictably destroyed and undermined fragile sentiment,
- Every unnecessary bankruptcy endangered or bankrupted other viable businesses due to the knock on effect of non-payment of debts flowing down through the business community.
- Further unnecessarily prolonging the gloom, and malaise.
- Actively preventing recovery so needed for construction growth and psychological sentiment to return.

The complete irony being, that what RBS did could have been achieved entirely naturally, with nowhere near the detrimental impact. Indeed, if left until markets were functioning normally, conceivably little or, no impact at all. All the Treasury had to do was ensure that RBS capital position was funded sufficiently to take no precipitous actions, allowing time to play its part, and work many of these issues out naturally as has happened progressively for the remainder of the loan book.

And for the reasons pointed out Markets and the economy would have recovered sooner too, had the Government and RBS just taken a more measured approach over a longer period of time. – What a travesty, and all done by the TREASURY.....and its affiliates controlled by the Treasury the APA and UKFI.

### **3.31. Submission 3 (Pg: 27 Para: 2 – Header /3 / 4 / 5 / 6 / 7 / 8 / 9 )**

#### **The Govt. authorised intentional Slaughter of innocent SME's -- the irrational and immoral done to prop up a bailed out bankrupt Bank - RBS.**

There are no Innocent Perpetrators of this crime. All are Guilty of collusion;- Ministers; Government; The Treasury and its agents the APA and UKFI; The Bank of England; The FCA; RBS; and all its past and present Executives. All sacrificed their ethics to expediency... None are innocent, all are guilty.

In respect of this and my previous letters it was hilarious to see that on Thursday 12 April, 2018. The Times carried an article written by Katherine Griffiths entitled...

***“Agency's role in RBS scandal has still to be revealed.”***

The article was clearly “placed” by RBS or other related parties seeking to absolve themselves by indicating they were taking their instructions from a higher power... Presumably the Treasury directly and / or its related instruments of influence the APA and UKFI...

*“This is not the full picture. RBS bankers said at the time and subsequently that the agency had pressurised it to pull the plug on problem loans and to turn down applications for debt restructurings or forbearance, in order to protect public money that was at risk – a priority shared at the time by politicians who thought that zombie companies ought to be killed off for the sake of economic recovery.....”*

*“What was overlooked was that Mr Sach also said the APA was “always pushing us to go for more foreclosure”. That was something Mr Sach “robustly resisted. There is quite a bit of correspondence between me and them of threats and counter-threats and not being prepared to do that.”*

### **3.32. Submission 3 (Pg: 28 Para: 8 )**

What we do know for sure is, just as I hoped, the evil men in this heinous story, as a result of pressure that we have stimulated and applied, are now.... beginning to turn on each other in their inglorious quests to blame each other, name the alternate as the guilty party, in a vain attempt to absolve themselves, and falsely proclaim their relative innocence!

- Cannibalism has always been part of City life... my commentary is simply... Feast away, gorge on each other!

### **3.33. Submission 3 (Pg: 29 Para: 1 / 2 )**

What is most hilarious of all, is that the only thing they have succeeded in highlighting and confirming, is what we already knew.... **None of you are innocent, all of you are guilty**, and every last one of you must be hounded out of office as soon as possible, and where viable, held to account and punished, never to participate in public or corporate life again, and your names shamed and shunned.

As I have noted before, **no one was forced into doing any of this**. Every individual had an opportunity, indeed a responsibility, a duty to act ethically, and say No! --- This is immoral, ethically wrong, and I won't countenance being a part of it, **but none did, all preferred to grasp their fools gold...**

### **3.34. Submission 3 (Pg: 29 Para: 5 / 6 / 7 )**

**Another UTTERLY indecent revelation for you to consider..... One LTV ratio rule for the SME Customer, and an altogether better rule for RBS!**

One of the key methods RBS used to capture its victims into GRG, then assault them once inside, was a breach of covenant due to a fall in Property values, and a resultant transgression of their LTV ratio (Loan to Value) covenant. In most cases the covenant was set at a ratio of 70% maximum debt, to 30% retained equity. So, for the loan to remain valid the debt must never exceed 70% of the appraised value which of course implied there was still clear equity of 30% remaining when a loan breeched its Covenant terms! In these circumstances the debt was just 2.3 times greater than the remaining equity, but RBS considered that insufficient equity, and enough reason for the Bank to begin asset stripping your business. So consider this....

**Remembering to this point the Bank hadn't made a loss on its loan.**

- All that had happened was the margin of “comfort” had decreased, and in the vast majority of cases this was against a background of exceptional circumstances that affected everyone equally.
- In the main therefore it was not a specific LTV issue, but a pandemic one, due to the universal fall in Property asset values.
- RBS actions against this backdrop were the equivalent of throwing the baby out with the bath water rather than “keeping clam and carrying on,” **as they should have been instructed to do by Government**, consistent with its broader monetary expansion and economic reflationary fiscal stimulus measures.



### 3.35. Submission 3 (Pg: 29 Para: 9 - Header / 10 )

#### **West Register “WR” - RBS’s property acquisition vehicle. How RBS practised “Alchemy” in financing former assets of SME Customers!**

RBS had a property acquisition business called West Register. West Register bought almost all of its properties using “Special Purpose Vehicles” companies that allowed RBS to finance the purchases “off Balance sheet”. At the peak, in excess of £3.2bln globally worth of speculative property asset purchases in the UK.

### 3.36. Submission 3 (Pg: 30 Para: 1 )

**N.B. The £3.2bln figure is only for years 2008-11. It is known that WR assets grew dramatically in 2012 indeed were still growing rapidly as RBS negotiated with the FSA over the capital requirements, so the final peak figure is very possibly a multiple bigger than the £3.2bln again... very conceivably making RBS the biggest property company in the UK!**

- Your former assets,
- assets bought from distressed former customers,....
- assets that RBS had been responsible for distressing...
- where all purchases were of course predicated on a rise in property values!
- all speculatively bought by a bailed out bankrupt bank – on the pretext of limiting overall losses!

### 3.37. Submission 3 (Pg: 30 Para: 4 / 5 / 6 / 7 )

So what amount of capital / equity did RBS consider sufficient when buying the customers former asset when they required the customer retain a minimum of 30%?

The answer was a maximum of 8%..... Yes just 8% equity, or 3.75 times LESS equity / capital than RBS told the customer wasn’t enough equity, and the Customer had breached RBS’s LTV ratio, which permitted RBS to begin the processes of stealing the customer asset away from them!!

And don’t forget this was all sanctioned as totally LEGITIMATE by different elements of the same Government that was busy telling RBS to pursue its Customers and thereby shrink its balance sheet..... yet also had target for it to make new loans....!! **What is your answer to that Prime Minister and Chancellor?**

Or expressed another way when the debt was just 2.3 times larger than the still remaining equity, away went your asset. Meanwhile RBS thought it just fine to finance the customers now former asset with 12.5 times more debt than equity and sometime even higher ratios than that.... And remember at the point the customer lost control of the asset he still had 30% equity/ capital in the deal, RBS hadn’t necessarily lost any money on the loan as yet, indeed it might NEVER lose money on the loan, all that had actually happened was that RBS’s margin of comfort had diminished....

**But it was often more than enough for the innocent Customer to lose everything.....**

### 3.38. Submission 3 (Pg: 30 Para: 4 / 5 / 6 / 7 )

But of course, this was not the end of the story.... because this was RBS.... a lot of the time they bought the customers former asset with infinite leverage, **or no equity at all!**

RBS had another little trick up their sleeve, 8% was the very maximum capital they would apply against the purchase of the Customers former asset, because one of their favourite games was.... you guessed it.... “re-valuation” of the asset shortly after purchasing it..... This time not downward as RBS did to the customer,... but upward for themselves!

- What did you expect..? the same rules...? Never!
- – It had to be one rule for the customer, and an altogether better, nicer rule for RBS!

### 3.39. Submission 3 (Pg: 31 Para: 4 / 5 / 6 / 7 / 8 / 9 )

This was a way to create capital where none existed.... **Alchemy made real in an RBS GRG office near you...!**

RBS would buy your former asset at a depressed price of say £1m then they would revalue it at £1.08m a short time later. Suddenly it would require no capital at all to finance that asset because the valuation showed excess value over the £1m debt equal to the 8% capital nominally required to hold it.... **Happy days this transaction was now capital neutral....** no capital involved!

But wait... this was not the end of the story, RBS could do even better than this... they were financial alchemists after all...!

Suppose RBS was able to “persuade” a compliant dependent supplicant valuer, whose firm might just bank with RBS, or perhaps he / she was a seconded employee sitting right there in RBS’s own offices, feeling absolutely no pressure whatsoever from his RBS report sat opposite, who was running the case file. Regardless this secondees was bound to be aware that his primary firm normally received a significant percentage of their total instructions and related revenue from RBS, (and the cartel of other Banks), and felt as a consequence a certain obligation to be a “team player” and now sanction a revaluation (and you all know the Banks had any number of “helpful” valuers) of the asset to perhaps £1.25m.... Or very probably the value that had originally applied to the asset before all the asset stripping LTV repossession “malarkey” started!!

After all if it’s worth that much, and these assets usually were, then now RBS had nefariously succeeded in getting hold of it, by fair means or foul who knows, why not value it properly!!!

Under this scenario RBS now had excess capital of £250k against this asset, which meant they could not only finance the original £1m asset without any capital, but could go out and buy additional assets stripped away from other former SME customers with a value of a further £2.1m, and all without the need for any capital whatsoever....!

### 3.40. Submission 3 (Pg: 32 Para: 1 / 2 / 3 / 4 / 5 )

#### NOW PAY VERY CLOSE ATTENTION TO THIS NEXT BIT....

This technique “created” capital where none previously existed! Indeed, what made this so attractive to RBS was that this free capital when applied to the balance sheet **could count towards the Banks required capital ratios for its balance sheet....**

- **Hey presto the RBS balance sheet magically began to repair itself! – .... Perfect, smiles all round!**
- RBS’s total lending fell thus improving its lending to capital ratios .... **Excellent work GRG!**
- Best of all WR created capital by revaluation – directly increasing RBS’s capital ...**Happy days!**
- Little wonder Government and the Treasury looked the other way..... **They wanted deniability and to have their cake and eat it!**
- No one in Govt, Treasury, B of E, FCA, RBS.... **None wanted to unearth this can of worms.**
- Hardly surprising that the FCA hobbled the S166 Promontory Report... **to conceal this disaster.**
- Unsurprising that the FCA sanctioned and actively colluded in setting up the specious RBS compensation scheme that is actually a, Deceit, Denial, and Dismissal scheme by intent and function. – **The final intended measure to reclaim decency, point to “just fair redress” and see RBS “Do the right thing.” – Shame the scheme is a total FRAUD... Not surprising though, because none connected with this debacle has by evidence the slightest morality left, nor hope of knowing what; “Do the right thing” or “exact integrity” actually is or means !!**

So as shown this technique created enough free capital for RBS to buy another £2.1m of additional assets from their former SME owners.... **and of course RBS could play this game all day long... ad infinitum.... Perpetually in perpetuity...** indeed this and its derivatives is in essence what modern credit based Banking relies upon..... For those that need more assistance it’s all helpfully explained on the Bank of England’s website! (not the RBS manipulation... the credit based banking bit !!!)

Of course, unlike a customer RBS never had to fear a downward revaluation of **their now upwardly valued asset**, nor any transgression of an LTV ratio - they were the lender accountable to no one, other than themselves, and they weren’t about to asset strip their asset, (formerly yours) now it belonged to them!!

RBS had not a care in the world, no one could touch them or their asset now, there was no need to worry. Time to ring the.... Victory Bell,... Send out the Victory emails.... and celebrate the demise of another ignorant SME customer..... **AND even Promontory agree that’s what happened....**

### 3.41. Submission 3 (Pg: 32 Para: 8 )

Crooked... corrupt.... immoral.... unethical.... Certainly,... **but also shockingly, --- all 100% legal --- and legitimate.... and their Auditors would sign this off too, and did for years and years, in fact every year....**

### 3.42. Submission 3 (Pg: 33 Para: 1 – Header / 2 / 4 / 5 )

#### The spiders web of City cronyism that perpetually protects the corrupt and dishonest self-interest of the Establishment Elite....

Men and a few women who sit on each others Company Boards. Members of a club that operates beyond the law, never censured by it, no matter how scurrilous or indecent the abuse or crime they are responsible for perpetrating. Where only the innocent pay the price, while the bosses are rewarded for failure, being despatched to another multi-million pound job as an incentive to maintain their silence about the failures, ensuring no scandal or endangerment, the Establishment protected from within by those that hold the

leavers of power..... Posts like that of the Chairman of the FCA and The Financial Reporting Council.... etc. Rouge, complicit regulators that routinely deny and defy justice to victims nor ever find blame of themselves or their kind... the Establishment Elite.

Every time it's the same problem, the balance sheets and assets aren't as substantive and solid as claimed, in both the HBOS and CO-OP situations (when the post-mortem was carried out) they were shown to have had highly dubious elements for many years!.... and who audited both those banks.... KPMG... and who by chance was the Senior Partner of KPMG.... Oh yes.... Mr John Griffith Jones the subsequently appointed CHAIRMAN of the FCA..... The regulator of the Banks....

- Independence... what independence? --- NONE. ---
- Credibility... what credibility? --- NONE. ---
- Probity... what probity? --- NONE. ---
- Honesty... what honesty? --- NONE. ---
- Integrity.... Don't be daft! --- NONE. ---
- Another discreditable City stitch up that sees the Regulator fail to regulate... An obviously rogue supplicant regulator both by leadership and observable function. The proof lies at your feet, you walk on it everyday... it's the malaise and excrement that you have to step over and is around you everywhere.

Honestly not even "John Le Carre" could invent a plot as bitter and twisted as this in its demonstrable indecency, and this isn't fiction.... **It's the reality**..... but wait, while we are on the subject of perversions let us touch on one more...

### **3.43. Submission 3 (Pg: 33 Para: 6 – Header / 7 )**

**The Financial Reporting Council... that exonerated KPMG auditors over HBOS the Bank that didn't have a hole in its Balance Sheet nor any Fraudulent activity until 6 people went to jail for 46.5 years....!**

**The Auditors regulator..... The Financial Reporting Council** whose Chairman is of course Sir Winfried Bischoff, that trusted old City grandee who is currently Chairman of JP Morgan Securities plc., but more pertinent to this tale of woe.... is the former Chairman of Lloyds Banking Group from 2009 till 2014. Lloyds Banking Group that took over HBOS, which due to an enormous black hole in its balance sheet nearly took the enlarged group down into bankruptcy. And who were HBOS auditors? KPMG... and who was the Senior partner of KPMG... none other than the aforementioned Mr John Griffith-Jones, who was subsequently appointed Chairman of the FCA...

### **3.44. Submission 3 (Pg: 34 Para: 1 / 2 / 3 / 4 )**

Now curiously given that HBOS was spectacularly compromised at the time it was taken over, KPMG the former HBOS auditors were found entirely innocent of any connected failings in their auditing work by their own regulatory body, **The Financial Reporting Council** whose chairman we remind ourselves just happened to be the now former Chairman of Lloyds Banking Group, Sir Winfried Bischoff, who had become Chairman of Lloyds following the takeover of HBOS.... Who now as Chairman of **The Financial Reporting Council** didn't want any scandal to attach itself to the Bank he was formerly Chairman of, nor any controversy that might otherwise spoil his illustrious reputation by having to admit to Lloyds shareholders that they were spectacularly duped by their own board who knew at the time that HBOS had big.... VERY big Balance sheet issues and was a spectacular mistake which ruined their investment in Lloyds Bank shares, a purchase Lloyds of HBOS that could best be described as a complete "Pig in a poke."

Oh, and in respect of the HBOS Reading fraud... now part of Lloyds Banking Group, Sir Winfried Bischoff and all other senior Lloyds executives spent years frustrating Police enquiries, denying there was any fraud...because they didn't want to have to admit they had bought HBOS knowing it had an enormous hole in its balance sheet, that rendered it either worthless, or worth much less than they paid, but worse, also had an enormous fraud liability extending to multiple offices across its network. Clearly the thought of having to admit Lloyds Bank's board was rankly incompetent to their shareholders, and worse still by then had spend years covering up and denying a criminal offence, itself a criminal offence,... was too much to contemplate.... and the associated personal humiliation associated for Sir Winfried Bischoff! No, how much better just to cover it up, deny all knowledge no matter how much damage was further done to innocent victims... Indeed for the longest time that was Lloyds attitude... What victims...?. of what crime...? the fraud, that wasn't a fraud according to Lloyds Bank Group, the fraud that wasn't a fraud that sent 6 people to jail for 46.5 years (!) And where there are further trials pending, and as of last week the National Crime Agency are now conducting a review into wider fraud allegations connected to Lloyds Banking Group itself!!

Hear no evil,... see no evil,... deny all evil,... and in the past it all just went away... because that's what the "Establishment" prefers, keep it nice and tidy, hushed up and quiet, and no harm will come to us. Of course, as noted already HBOS, wasn't an isolated case, The CO-OP Bank was audited, or more correctly, not audited properly, by KPMG who once again were found not at fault by their regulator, The Financial Reporting Council under the chairmanship of Sir Winfreid Bischoff. Of course you would imagine given all the scull duggery that went on under his direction as chairman of Lloyds one imagines he must have had a slightly nervous disposition, the fear that one day the Regulator might come knocking asking inconvenient questions.... but of course he didn't because John Griffith-Jones occupied the Chairmanship of the FCA the regulator, and Mr Griffith-Jones was we remind ourselves the former senior partner of KPMG who Sir Winfried Bischoff as Chairman of the auditing regulator had found no fault in respect of the HBOS audit carried out by you remember KPMG.... How very convenient, how very "Establishment" .... Bet your all a little less comfy now because....

....change is coming.... A long overdue change is coming.... Change is almost here..... The electorate, ordinary decent ethical people have had... ENOUGH.... Prime Minister..

### **3.45. Submission 3 (Pg: 35 Para: 2 / 3 )**

Furthermore, and unsurprisingly a regulator whose board yet again is almost exclusively comprised of former Industry insiders, past members of Audit Accountancy firms, Banks, Legal firms etc. – A web of interconnections where peer pressure assures nothing so unseemly as actual material action is ever even contemplated, much less carried out! **Again, another supplicant rogue Regulator that doesn't regulate.**

So why have I got distracted into the Financial Reporting Council and Lloyds Bank and the HBOS frauds... Aside from being on our to do list as you know.... The substantive reason is simple... to remind you that RBS's auditors sign off the accounts each year as a full and fair representation of RBS financial condition and similarly in a related way this is also confirmed by the Bank of England who undertake stress test analysis on RBS.... So my purpose is to remind you that as stated in our 6<sup>th</sup> April letter when the true liabilities are correctly ascribed to RBS's balance sheet not only is the common equity entirely worthless but also and more importantly RBS is insolvent... and you Prime Minister and Chancellor and Bank of England Governor need to have a realistic plan in place for the inevitable point at which the Public come to share our perspective derived from the realities of the RBS GRG situation that it is quite clear is not going to go away and must be addressed. Permit me to remind you that the UK GRG liabilities alone could very conceivably top a £100bln..... And as you must know there are lots of other liabilities of similar scale elsewhere connected to RBS's GRG operations outside of the UK.

**3.46. Submission 3 (Pg: 35 Para: 4 - Header / 5 / 6 / 7 )**

**Another missed opportunity by the FSA to question what RBS was doing despite alarm bells ringing.... Seemingly there was no desire to stop the abuse of SME Customers..... Why and under whose instruction....?**

So, returning to RBS's financing of assets through these SPV's and why these actions were so materially beneficial to balance sheet constrained, capital deficient RBS.

The ability to create capital readily explains why aside from shrinking its balance sheet by ridding itself of SME loans quickly, not to mention all the fees and other charges that could be generated from SME customers, made the brazen abuse of its SME customers extremely fiscally attractive and rewarding to RBS.

This explains why they utilised every pretext possible to successfully manipulate these SME customers circumstance, by whatever means, fair or foul to serve RBS's own ends, in what is just another illustration, like all the others, of a demonstrably unreasonable, perverted, yet totally "legal" activity....

**3.47. Submission 3 (Pg: 36 Para: 3 - Header / 4 / 5 / 6 )**

**RBS GRG- Redress scheme. – A scheme of Deceit, denial and dismissal.... And all Sanctioned by the FCA where a retired old High Court Judge who should have known better has foolishly lent this duplicitous scheme his credibility.**

Meanwhile as also noted before, the TSC has been deceived into believing that the RBS GRG Redress scheme is in some way legitimate because the FCA sanctioned it.... Not by any ethics, integrity, or morality I, or any common citizen would understand, is it legitimate.... For a start only a tiny of fraction of the real number of cases qualify for it and of those only a tiny fraction are deemed to be worthy of its largess, largess itself so pitiful and difficult to qualify for hardly any has been allocated..... Remember follow the money, the money doesn't lie.

Like everything that has gone before the current scheme is an elaborate deception, validated, sanctioned, and maintained by a rogue regulator, the FCA,.... And the proof of that statement quite obviously lies in tangible evidence of the FCA's actions, namely sanctioning a scheme on the back of a duplicitous report that it jointly hobbled with the perpetrator of the crime RBS, from its inception.

- Then sanctioning a Redress scheme of epic deceit, denial, and intentional dismissal operated by the perpetrator of the crime.... RBS
- The permissibility of this ridiculousness is itself an obscenity, a total betrayal of trust, reason, decency and fundamentally the responsibility to safeguard the base tenants upon which the rule of law relies, and democracy depends..... but you have to be a victim to understand that with clarity.

In short this whole episode is a stain on Parliament and Governmental democracy, that "reasonableness," the cornerstone of our laws, and civil society could be permitted to be so demonstrably abused, dismissed and cast aside, with hard working citizens rights cast away to the expediency of a bailed out bankrupt Bank and a few immoral greedy bankers. --- **It defies decency and it has to end.**

### 3.48. Submission 3 (Pg: 37 Para: 7 - Header / 8 )

**The true scale of RBS – GRG megalomania and its Property ambitions fulfilled.....**

**To become one of the biggest property companies in the WORLD..... Oh yes....**

**Yes ... Yes... RBS – GRG global empire was just that..... an EMPIRE and it was / and still is, much bigger than you know or could possibly conceive of.**

This earlier document details the scale and range of the WR operation...

- If RBS – GRG's West Register (WR) had been a publicly quoted property Company at the time, it would have been in the cluster of companies that occupied **the fifth largest UK quoted property company by assets!** It had £3.2bln of property assets squirreled away in unseen SPV's
- – This was no Mum and Pop operation...!
- It was HUGE with 6,500 properties....
- but read about the management structure....
- There was none! This was a virtual business in every way.
- No one knew it existed (nor were they supposed to find out)
- It had no real substantive management operation.....!
- It was truly virtual and as such.... a total mess.... In that context the glib words about adding value extended no further than the computer screen they were invented on and certainly lacked all substance... as we know from first hand discussions with people involved who had no the slightest clue what to do with 6,500 diverse properties or every conceivable kind and geographical location.

### 3.49. Submission 3 (Pg: 38 Para: 7 - Header / 8 )

**BUT.....**

- Who gave permission for a bailed out bankrupt Bank – RBS -- to decide to become a part time top 5 by size, UK Property company?! --
  - The entire notion is nothing short of ludicrous. ---
  - Just the proposition demonstrates, EVEN after the crash, how completely out of control, and arrogant RBS management and Board were.
  - These executives had the total gall to think they could manage your former assets better than you.....!
  - Only a bankrupt banker could have that much unjustified self-belief
  - Almost overnight with no normal parameters like finance(!) to hold these RBS Executives back, they acquired a totally irrational diverse portfolio of properties, spread across multiple jurisdictions
  - Properties they had no clue or relative experience, nor knowledge of how to manage....
  - And their strategy went against every instinct of a normal property company, related to;
    - Knowledge
    - focus,
    - specialisation,
    - and excellence.
    - RBS – GRG WR were geographically everywhere, and in everything.



- What is really stunning is that I have evidenced that RBS had property assets of £3.2bln which made them the equivalent of the 5<sup>th</sup> largest quoted property company in the UK.....
- BUT this was not the real number at ALL..... THE REAL AMOUNT was a multiple bigger than this....
- RBS had speculative global property assets that dwarfed the £3.2bln the UK, that the FSA Regulator could see....
- The £3.2bln in the UK was the proverbial tip of the iceberg of their entirely speculatively held property EMPIRE all predicated on a rise in global property asset prices.....
- The very property assets RBS had acquired by asset stripping their former customers.
- In global terms RBS's speculative Property empire was FAR LARGER than the largest UK property company by a country mile....
- It wasn't HUGE, it was HUMUNGOUS.... and all predicated on rising property asset prices, the very sector that they were publicly decreasing their loan book in, while throwing countless customers to the wolves and crows,.....
- Yet unseen using off balance sheet SPV vehicles they were privately speculatively committing many, many billions to.
- TSC with the greatest of respect.... You simply haven't got a clue.... As I have told you before, over other matters, you've been led a merry dance, and been made to look like abject fools and idiots by these RBS Executives who as I have set out before have no compunction in habitually deceiving you, dissembling you and... They didn't just lie to you, they didn't remotely tell you the truth... but as you may slowly be beginning to realise, that's the very least of what should concern you, because.....
- All of this was done on taxpayer funded Bailout money...
  - What would the UK taxpayer think of this speculative nonsense done with their cash?
    - I would imagine that they wouldn't be particularly pleased with RBS... nor with the APA or UKFI which as we know is the Treasury and Government.
    - This was of course all being done with UK tax payers £45 bln equity funding and their £286 bln of guarantee funding all unbeknown to them while they suffered endless rounds of unnecessary further austerity..... Not an easy one to explain me thinks..... and all this from Executives of a Bank that had....
  - RBS had already proved themselves unable to run a Banking business and gone bust.....
  - What hope did they have in the unrelated field of property, with no core knowledge and expertise?
  - And don't tell me that financing property deals gave them the relevant knowledge to run a property business... As they arrogantly and conceitedly suggested in their internal propaganda.
    - It's a bit like asking the mechanic of a Formula One car to drive the thing, and set a qualifying lap time, because nominally he's familiar with the car.... He would crash at the first corner, and apparently so did RBS-GRG... They admit to losing money!!!
    - So what will Taxpayers think about that and the Governments management of RBS and all this ludicrousness that at its heart was not only madness but only came about as a function of a GOVERNMENT backed policy to asset strip SME customers as they publicly down sized RBS Balance sheet, itself a ludicrous action but at the cost of BANKRUPTING all these former owners of these assets and innumerable others besides..... I
    - Its quite simply HEINOUS.....and
    - Again, it's all completely UNBELEIVEABLE..... accept its true.

### 3.50. Submission 3 (Pg: 40 Para: 4 - Header / 5 / 6 )

#### **The Treasury mandated and authorised RBS to attack the very SME Taxpayers who had contributed to rescuing the Bank!**

In the context of the GRG victims, the Government underwrote through the APA, utilising the full faith guarantee of Taxpayers funds, £286 bln worth, or 90% of further losses beyond the first 10% which RBS had to meet covering therefore circa £325bln of loans that RBS was concerned about.

The Government, the APA, and UKFI, and who knows which other branches of the Treasury, as noted in the Times Newspaper article (previously cited above), then proceeded to encourage RBS to actively engage in the fiscal assault of its SME customers using its GRG division.

- In effect the Treasury used its powers of influence, to authorise...
- A State sponsored assault of its own Taxpayers, the very same taxpayer who in part were providing the guarantee that RBS relied upon to mitigate it from any losses related to the loans in part associated with these very same customers whose businesses RBS was busy asset stripping...
  - I honestly can't think of a more immoral heinous circular event, its totally perverse and Outrageous in extremis!
- Worse still, taxpayers who had also funded the initial and subsequent bail out of RBS were then assaulted into bankruptcy and destitution, and in some cases oppressed into suicide, by a Bank which incentivised its employees to asset strip their Customers and according to Bank operational manuals were to send out "Victory Emails." All this done to the very people who as taxpayers had help fund these RBS employees to keep their jobs!
- And we are reminded that the best the Chairman and CEO can offer by way of apology even now is the contemptuous purposefully calculated legally nebulous allusion.... *"We did not get this right; We did not treat our customers well; We did not do a good job with these customers,"* each variant being in context a monstrous contempt of decency; each a further assault intentionally perpetrated on the victims; each use a further confirmation of a total lack of sincerity, morality, or ethics, displaying not a single atom of the required "exact integrity."

### 3.51. Submission 3 (Pg: 41 Para: 2 / 3 )

**Government and the Treasury actively sponsored, encouraged, and promoted through its agents, the APA and UKFI, to actively aid and abet the wilful destruction of countless SME customers – by RBS. While RBS used the very same Taxpayer guarantees to safeguard RBS against loss from these actions against customers. IT simply does not bare thinking about in a modern western democratic state, and then nothing is done because the rule of law has been so compromised that all of this is in fact LEGAL.... God save us.**

Guarantees that as noted above, ordinary Taxpayers including the GRG victims of RBS funded... Completely immoral and perverse as noted, and as I noted in my Letter of 20<sup>th</sup> March when discussing Ordinary Tax Payers reaction to what the Board of RBS did in their name declared none would sanction it, rather it would fill them with revulsion.

- No wonder the FCA and all other institutions of Government have been so active in frustrating the open discussion and resolution of this most appalling Government promoted assault on its very own citizens and tax payers.
- And contrary to the partisan claims of the Promontory report, for the most part these weren't "zombie" enterprises as they have been derogatorily branded referred to and described.

- The reality was that these were mainly solid SME businesses, but like all others traversing through a Bank induced recession, the most powerful upheaval since the 1930's, 8 decades before.....
- They were struggling, every business was, but for the most part the majority would have survived to tell the tale, however they often had another Bank induced problem....
- The most common issue that so compromised these businesses were swaps and other highly profitable financial products that RBS had insisted SME customers buy as part of the conditions of lending these businesses money they required in order to operate or expand.
- In reality many of the financial issues the SME Customers had, that compromised their businesses, related to the injudicious sales practises of ethically compromised, greedy bankers, incentivised by RBS to sell and burden their customers with completely unsuitable products they would have been far better off without.
- It was not the ability or lack thereof of the Customers to successfully run their businesses as is so frequently portrayed, but the actions of RBS both prior to and during their time in GRG.

Indeed, don't take my word for this or commentary, read what Promontory wrote and remember this is from a very Partisan Report as I have amply illustrated,.. nevertheless in points 1.85 – 1.89 (pg 26 & 27)

### **3.52. Submission 3 (Pg: 42 Para: 3 / 4 / 5 )**

**The stark reality was that there was more money for RBS in most cases from Asset Stripping SME customers and burdening them with enormous and outrageous fees that had everything to do with EXTORTION and nothing to do with assisting a Company to survive, much less a professional approach consistent with making a genuine effort to assist the customer to turn their enterprise around..... And all of this was done as RBS and its current and former executives are so keen for us to formerly discover, was done under the instruction and with the encouragement of the APA & UKFI, and in turn the Treasury and presumably Ministers. -- As already noted asset stripping and the money it generated was RBS's true and primary priority.**

Of course what the Treasury should have done, via the APA, when giving RBS a blanket guarantee against losses (beyond the first 10% on these assets), was to demand that RBS devolve the guarantee down to the customer loans, and thus protected this huge installed economically productive slice of the economy, rather than seeing to and actively participating in its wilful annihilation, and the consequential wider destruction caused by the knock on effect into other healthy business's, that got dragged down as a consequence of these SME's being unnecessarily pushed into insolvency, and in turn not paying their creditors.

My answer to that is of course "poppycock," and the proof is supplied ironically as ever by the Government and Treasury, because that was exactly what it attempted to structurally achieve with the EFG scheme! To encourage and promote small enterprise borrowing, and facilitate access to growth funding by guaranteeing the loans, using the Banks as their conduit and agent!

### **3.53. Submission 3 (Pg: 43 Para: 2 / 3 / 4 )**

How much easier and more productive would it have been to protect existing enterprises (where viable), which had the immense benefit of existing ongoing momentum, order books, customers, infrastructure, facilities, loyal employees, along with proven ability, and trading impetus. Rather than in contrast take all the start up risks of funding new businesses that had none of these valuable traits, where the additional risk profile of creating an entirely new enterprise with no management track record, scale, orders, or trading history. The entire proposition was a complete no brainer, it wasn't even a decision.

The single action of passing down the guarantee where appropriate or simply instructing RBS not to adversely touch these businesses other than where strictly necessary, **would not only have prevented a huge drag on the economy, but safeguarded it, and then in time led to an earlier and faster recovery.**

All these SME businesses would have remained intact, paying their taxes, employing people, and avoiding the further impact that every failed business inevitably had on otherwise healthy businesses, who themselves were frequently put into financial crisis or bankruptcy by the unpaid invoices, debts and cashflow issues stemming from formerly viable companies now liquidated to RBS's narrow selfish benefit.

- --- The entire story is again indescribably tragic, unreasonable and totally perverse.

### **3.54. Submission 3 (Pg: 43 Para: 6 - Header / 7 / 8 )**

**How RBS actions made an already oversupplied Property Market even worse, intentionally forcing down prices and triggering yet more LTV covenants. Creating a further supply of Customer businesses for RBS to asset strip or burden with unreasonable fees that had nothing to do with turn around assistance, but everything to do with excess profits for RBS**

The final completely ridiculous and perverse element was that the downward valuations the Bank used to force the LTV covenants were against the backdrop of an already abnormally depressed market, where the Bank foreclosing on customers only served to place more supply into a market already suffering from oversupply and lack of demand.

- Caused principally by the actions and failures of the financial community.
- Remember this was a financial induced crisis, not an economic one.

Obviously actively forcing more property onto a depressed market could only compound the total problem to everyone's detriment and nobody's benefit, ironically in the big picture to the Government and RBS's certain harm and detriment.

### **3.55. Submission 3 (Pg: 44 Page in full )**

- **Every time RBS further depressed the property market they undermined all their existing asset lending in a self-defeating spiral that taken to its logical extreme would have undermined every property loan they held on their books. –**
  - Again when you're an over dominant player in the market you become the market and your actions define it.
  - In that context RBS actions were self-defeating, illogical and fiscally dangerous, and intellectually incontinent.
- Let alone the further unnecessary economic malaise that RBS's actions then burdened Society with as a whole.

Free market pricing and price determination works perfectly according to economic theory when the required pre-conditions for it are present,...

- a reasoned number of interested parties for diversity, and balance between, buyers and sellers,
- a reasoned balance between available supply and demand,
- and the all important, ready availability of credit financing, especially vital in the modern leveraged economy.

However, as any Economist will tell you, if any single one of these required components isn't present, or if it is significantly out of balance then...

- reasonable orderly and efficient price determination..... goes out the window.
- At that point all markets of whatever type are inefficient, and proper price discovery and determination becomes grossly inefficient, and
- incredibly poor at recognising intrinsic value in downside markets,
- markets become irrational and ruled by fear and inhibition, especially if there is a belief in further price declines. Hence the expression – No one wants, “to catch a falling knife.” --
- All markets in this circumstance operate at a much more base level, where price is determined by the few remaining speculative participants.
  - Where limited liquidity constraints determine price outcomes,
  - This has nothing to do with efficient price determination, not even intrinsic value ---
  - Price determination is then the preserve of “bottom feeders” and their available cash. –
    - It has nothing whatsoever to do with fair pricing.....
    - At this point, all market pricing is observably inefficient.

It was therefore totally perverse for the Government to allow, much less encouraged RBS to treat its SME customers in this way, because as noted elsewhere, it ran completely contrary to its “right handed” efforts to reflate the economy.

**Further it was completely contrary to the rational that had been used to justify the necessity of saving the Banks, and bailing them out with total peak at risk funding of £1,162 bln....! = to nearly 75% of annual UK GDP!**

- To prevent the contagion spreading into the real economy.... (I have already set out the irrefutable link between house prices and economic activity, and the critical psychological effect on sentiment).
- Yet here was the Government aiding, abetting and demanding RBS undertake actions that ran completely contrary to this primary position....

### **3.56. Submission 3 (Pg: 45 Page in full )**

- This was an intellectually inept, dangerous policy decision that had only a single possible outcome, negativity for Customers and Society alike.
- **An action that Government had already sanctioned in the context of bailing out the Banks as unimaginable and totally unacceptable, and had therefore at its peak, invested more than £1,162 bln of taxpayers money in different forms trying to avoid this very outcome, that it then instructed RBS to pursue. – Madness --**
- The scale of the economic and social costs if one or more major UK banks had collapsed is difficult to envision. The support provided to the banks was therefore justified,
  - The National Audit Office described it thus; “The scale of the economic and social costs if one or more major banks had collapsed is difficult to envision. The Support provided to the banks was therefore justified...”
- **To be a 110% clear Government bailed out the Banks expressly to Keep the economy supplied with CREDIT –That was the sole reason..... To ensure the economy had the necessary credit / loans to prevent exactly what happened to RBS GRG Customers being the universal experience....**

- For Government to then sanction and actively encourage RBS, the dominant supplier of credit into the SME sector, with a circa 35 - 40% market share, a sector that was itself more than half the UK economy, is beyond recklessly stupid. It was unconscionable idiocy.
  - --- It was an act of total recklessness, and obviously contrary to all logic. ---

We have already explored in detail Government confounding its own Macro economic ambitions, however allied to that point is the related madness of the Banks in general, and specifically RBS, undermining their own asset base upon which their Balance Sheet depended, was a similarly inept piece of madness. This would have been daft in “good” or “normal market conditions,” but in the worst for a generation was obviously self-defeating unadulterated incompetence and stupidity.

The very actions that unnecessarily and irretrievably decimated the individual GRG customer, also hurt every taxpayer and consumer by making the recession last longer, making it deeper than was ever necessary.

- Worst of all this was a 100% foreseeable, indeed many respected economists screamed at the Government to think and act in a broader less dogmatic narrow focused singular approach.
- The irony being that as markets fall they create their own resistance mechanism because the further they fall the more “value distortion” is created, to an extreme point where they create value buyers.... desirous of taking advantage of extreme or absurd levels of value.
- Effectively it becomes exponentially harder for a market to fall further, and the resistance to further falls becomes greater the lower you go, as long as your already below intrinsic value, to a point that as long as there is available liquidity, markets simply can’t nor won’t go further down.
- Markets self-create their own floor due to the value they now represent.

In context this demonstrates that locking the stable door after the horse had left (markets had fallen) made no beneficial sense...

- other than for RBS’s illegitimate perverse self-interest, the desire to rebuild its balance sheet using mis-appropriated former customer assets to do it with.
- and to shrink its loan book as fast as possible which is the other component of bringing your capital into line, especially when as then, there was no willingness to supply more capital regardless of the absolute logical and obviously intelligent resolution to the problem that this was
- and also was a resolution that apart from being beneficial to all, would have been far cheaper for Government as I have previously set out.

### **3.57. Submission 3 (Pg: 46 Para: 2 / 3 / 4 – Header )**

I think at this point after so much theory it might be highly instructional to set this out in an a case study..... just as Promontory did.....

I have chosen the Nurse whom I wrote of in 06 April letter. You can argue that this is not a random case, however I would counter that until she rose and spoke at the meeting on 18 January following the previous H of C debate I had never heard of, nor met her before, and anyone of the attendees that day could have stood up and spoken, so to that extent she is as random as I can possibly conceive of.... and I didn’t actually know of the full details of her case until I spoke to her two days ago..... So its not contrived, its fair, but entirely revelatory and illustrative of so many others.....

### **CASE STUDY..... The Nurse.**

### 3.58. Submission 3 (Pg: 48 Para: 3 / 4)

#### OUTCOME:

- In resolution RBS has lost circa £207k or 33% on what were “good” loans totalling £635k where to the point of repossession, no interest payments had been late or missed by the Nurse.
  - Of course, the fully funded loss to include RBS’s own costs will be far higher than this, certainly another 10%, but I have no way of knowing what that is, or how RBS account for it. – I have only used numbers I know, or can be reasonably certain of, however the reality is certainly a far greater total loss, and related impairment charge to RBS’s P+L, RBS’s capital, Shareholders funds – Taxpayer monies.
- We should not forget that only the 5 year loans had expired, not the 15 year loans, but the use of the cross collateralisation clause **allowed RBS to call all the loans.**
- Of course, this was RBS’s intention and strategy as it “legally” allowed them to get **all** the money they had loaned her back, even though at that time £300k of it still had a blended average maturity of another 12.3 years! – Sharp practise or what? --- **But of course all 100% legal.....**
  - **Do you begin to understand just how indecent RBS are in behaviour?** Further this illustrates precisely how the LAW has been so completely subverted by the banks to their own ends, **and as a consequence the law is now totally perverted, to such an extent that it oppresses the innocent, rather than protecting them as this circumstance shows.**

This is yet another illustration of why any effective redress scheme can NEVER work on the basis of what is “legal.” It has to work on what was “REASONABLE” as previously stated, but this example shows why that is absolutely vital, and entirely necessary. The law is no longer reasonable and as such its utility to balance and achieve justice is entirely compromised. – Another vital matter for you to address. --

- As a final comment it also highlights why there are so few successful claimants under the existing RBS redress scheme more aptly characterised by me as the Deceit, Denial and Dismissal scheme -
- --- Again this HAS TO CHANGE.--- The RBS- GRG redress scheme must be closed, as its simply a fraud, and not fit for purpose, a stain on all involved with it, but most especially the old retired High Court Judge who should be mindful that it is predicated on the S166 Report, whose credibility is now destroyed.

### 3.59. Submission 3 (Pg: 49 Para: 1)

- All this on Loans that were fully Up-To-Date, where no payments had been missed, EVER.
- Had the Bank simply extended the loans as originally promised as conceived when taken out, **then today RBS shareholders would have no loss**, and **in contrast would have made a normal banking profit on their interest margin.**
  - Still having a solid loan / asset on RBS’s balance sheet, and a happy customer doing further business with RBS.
- Indeed, as the Nurse has repeatedly told me, and RBS at the time, she was fully prepared to accept a reasonable increase in the interest margin to make the loan more attractive to RBS.
- As the figures have shown, she could have afforded to pay considerably higher interest because her free cash flow net of costs was conservatively more than x3 her income and at least x2 her then interest costs on a worst case scenario.
- The reality was that this might not have been the best loan on RBS’s books, but it was perfectly viable and acceptable loan, and there was no need... **“to fix what wasn’t broken”**, especially where there was a willingness to accept a reasoned increase in RBS’s interest margin to make the loan more attractive to RBS.



### 3.60. Submission 3 (Pg: 49 Para: 4 / 5 / 6 / 7 / 8 / 9 )

- So Prime Minister you now think you know all about this horrendous circumstance, the irrationality of everything that has been done and the reasons why, however I have a confession to make, its not as bad as you think.... its actually worse, because the truth that I have left out until now, is that RBS have no intention of losing money...
- The harsh reality is that RBS are quite “legally,” one of this Nurses creditors, and so now they want her last significant asset, the value contained in the house she and her husband jointly own, the family home, and because her husband is a retired fire fighter living on a pension, he is unable to afford to buy his wife out of her share of the house, so the family home will in all probability have to be sold to pay the debts that RBS believe she “legally” owes them, debts that all the rest of us looking at this situation dispassionately would say RBS ought by any justice that is “reasonable” to be compensating her for.....
- However all of this is a 100% legal and is before the Courts as we speak..... So my question to you once again is what are you going to do about this? And the thousands of others whose cases, which whilst different in detail, follow this exact same theme of rank abuse by RBS...and total moral injustice whilst.... being 100% legal at the same time.....
- You should all as politicians feel the greatest possible shame that you have all permitted this situation to get so indecently out of control. It’s a stain on all of you, and to quote Edmund Burke... what you haven’t done.
- The British people have a conscience, they know what is right, and what is wrong, what is fair, and what is not, and I rather think they won’t be inclined to be led by a Prime Minister who stands idly by and continues to do nothing.
- There comes a point where you can only push your luck and credibility so far, and in this circumstance I suspect your media advisors will affirm this circumstance is now well beyond the tolerance of the average decent British citizen.

### 3.61. Submission 3 (Pg: 51 bottom Pg 52 Para: 1 )

- As regards the RBS redress scheme....
- The Nurse doesn’t even qualify for the RBS redress scheme.....
  - bet you didn’t see that coming members of the TSC....
    - Because you have managed to delude yourselves into thinking its fair.... While we keep telling you it isn’t.... and similarly I have repeatedly stated hardly anyone qualifies for it,
    - Well here is an example chosen at random!
    - While the terms of reference if you do qualify, are so narrow that hardly anyone gets compensated as proved by the numbers.
- However let us explore the reality that common decency would suggest should prevail, but of course doesn’t, because we are dealing with “legality” and the “Law”(!!) not “reasonableness”..... as we need to if this matter is ever going to be settled, and trust restored.

### 3.62. Submission 3 (Pg: 53 Para: 2 / 3 / 4 )

To describe this circumstance as futile is to underplay its absolute unreasonableness. I can only suggest that had you personally been through this experience, and lived with the absolute sense of waste, despair, misery and anguish, you would share this thoroughly decent Nurses sense of complete and utter devastation, and disarray, at how she ever ended up in this position, and that at all the junctures where just an ounce of reason and reasonableness would have seen an entirely different and better outcome, even that humanity was denied her by RBS.

In conclusion it is quite clear that this Nurse has been let down in the first instance by RBS, but thereafter by the actions of the Regulator, that is entirely rogue and doesn't regulate, by the law, that actually suggests that all of this affront to decency is actually legal, and last but not least, by all you politicians who have so much power and influence, but have done nothing in resolution of this long known problem.

Stop protecting RBS and start protecting this NURSE and the thousands like her, or face the roth of a nation that believes in fairness and "reasonableness", and rightfully expects its leaders to espouse these virtues and beliefs, and act to make them real.

### 3.63. Submission 3 (Pg: 54 Para: 3 - Header / 4 / 7 / 8 )

#### **Did RBS in common with other banks have an obligation to sustain customers and their access to credit?**

4.3.52, (Pg; 163) *We do not criticise the Bank for changing its risk appetite and readiness to lend. In particular, it was not unreasonable for the Bank to determine that it no longer wished to lend to categories of customer — including those in the non-core division. However, we consider that the Bank, having made that assessment and being mindful of good turnaround practice and its TCF objectives, would need to consider carefully how to execute that objective in a manner that was appropriate and minimised, as far as was practicable, the adverse impacts of its decision on the customer.*

### 3.64. Submission 3 (Pg: 55 in full )

Unsurprisingly, I find the last quote and observation the most interesting, and objective because it is the only one of the three, that shows the slightest hint of balance and equality, suggesting as it does that along with "Rights" come "Responsibilities" and "obligations" in their wake..... that banking is a serious business not a free for all game for knaves and thieves as the first two assessments born of bias and no practical understanding of customer realities nor banking responsibilities imply..... *However, we consider that the Bank, having made that assessment and being mindful of good turnaround practice and its TCF objectives, would need to consider carefully how to execute that objective in a manner that was appropriate and minimised, as far as was practicable, the adverse impacts of its decision on the customer.....* Promontory stated that RBS had to be "mindful of good turnaround practise", and its obligations to "Treat Customers Fairly", and all done in a manner that was "appropriate", and "minimised adverse impacts on the customer."

I have already set out elsewhere that it is my contention that when the Government spent £45 bln of Taxpayers funds it made an explicit contract with the British people that this action was ultimately in their best interests.... in order to protect the economy, with the express further stated **reason to ensure the supply of credit to the economy**. That not only did this statement, but its wider commentary implied a general commitment that was entirely reasonable for customers to expect to be honoured. A macro commitment in reality is nothing more than the collective of many micro commitments, aside from which even if that isn't so, and I don't agree that it isn't, when the commitment was stated no qualifiers were added to it.

I have further shown that making both the investment and indeed specifically honouring the supply of **credit to the economy was both a pragmatic action, but also one that over time would have been beneficial to RBS and to the value of shareholders, the British Tax payers alike**, and Society too as set out. Indeed all stakeholders benefitted in this scenario, Shareholder; Bank; and Customer alike. More than that, no one lost, which is an equally valid consideration, especially as Promontory's commentary mentions the requirement to minimise as far as practical the adverse impacts of the banks decision.

In conclusion it is therefore clear that it was never acceptable for RBS to consider that it could just terminate a loan and walk away, because it had changed its mind about who, and what asset classes it wished to loan too. That action and attitude wasn't remotely compatible with the reasoning and commitment that the British Taxpayer had accepted the Governments decision on, nor the explanation offered, or therefore the purpose and condition on which RBS received its state assistance.

More often than not loans are underlyingly attached to long term commitments of the Customer, and just as a Banker would recognise the merits of the old adage of borrow long, and lend shorter, as sound advice, and an excellent way to run a Bank. So in turn Banks need to be mindful that in obvious conflict, the same adage applied equally well to the customer too, and both parties could not occupy the same position simultaneously, and therefore accommodation and pragmatism was required, which again is spoken of in Promontory's last commentary. The customers need for finance wasn't going to change just because of the whim of the Bank had changed.

This was never more true than during this period where normal banking markets, and wide choice in lending, and lenders, ended overnight, and where the availability of credit ceased to exist for many customers, leaving them to all intents and purposes with a choice of one, their existing Bank.

As already explored for a bailed out bank their had to be an obligation irrespective of preference to continue lending to companies if there were no alternatives available to those companies, else why had the Bank been bailed out? They were bailed out to ensure just this facilitation and obligation was met, **the availability of credit, and it is patently both ridiculous and duplicitous to suggest otherwise**, because else in the absence of legitimate alternative banking opportunities as was the case, then a perfectly viable enterprise would perish because of a lack of credit funding, which was of course the banks own circumstance..... Banks might have been bailed out due to pragmatism, but that cuts both ways as a concept.

### **3.65. Submission 3 (Pg: 53 Para: 1 / 2 / 3 )**

Accommodation was particularly important in the abnormal market environment pertaining during the period of the reports assessment. These were not normal times or markets. If there was duality of obligation as is the reality of all loans, then I would similarly argue with credibility that there is duality of responsibility too, not just that of the customer to the bank, but the bank to the customer, and most especially in a market environment like the one existing at that time. In short if a Bank no longer wanted to finance the customer they had an equal and opposite obligation to find that customer alternate sources of finance on reasonable competitive comparative terms so that the customer didn't collapse, for if not, what did Good turnaround practise mean by way of substance, and similarly what reality did, treating a customer fairly represent?

To put these abstract comments in some context, if by withdrawal of banking to a customer TCF and Good Turnaround practise only equated to offering a condemned company won last wish before sending them to the gallows, neither TCF nor Good turnaround practise which actually is seemingly a description of

something altogether better than a last cigarette, implying a future, then neither amounted to much....And I hardly think that reasoned or acceptable.

Alternatively a different illustration might be that of pensioners no longer attractive as a productive worker, should be conveniently euthanised as a pragmatic way of cutting cost on inconvenient, unwanted, and expensive assets thought no longer core or desirable. Quite obviously due to the social and moral contract that exists such a notion would rightly be considered inconceivable, whilst not forgetting the ethical implications. I similarly struggle to think there is any significant difference in banking, especially when the environment precluded alternative options. In short Banks had an obligation to pragmatically support their customers and as my case study illustrated only too clearly both the costs to all of not doing so, and similarly the benefits to all of a more positive and pragmatic approach. I rest my case.... since I believe it made.

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