

The knighting of Horta-Osório – the UK in very deep water

Whoever approved the award of an honorary knighthood to the former chief executive of Lloyds Banking Group, António Horta-Osório scored an amazing own goal. They could not have sent out a more spectacularly improper message. At a time when the UK's integrity is being questioned internationally over the Northern Ireland protocol, the Government announced a prestigious award for a leading figure, who has knowingly, and with the full support of Government and every arm of State, covered up serious banking fraud. It is more than a reward for failure. It goes much deeper than that and has very serious implications for us all.

Horta-Osório's "achievement" and could it have been done differently ?

The short answer is it absolutely could and should have been done very differently. However, in 2007, Lloyds Business Support Unit (BSU) was turned into a profit centre¹, enabling the bank and its agents to profit at the expense of troubled businesses. The bank proceeded to misappropriate the assets of such customers on a spectacular scale, following the 2008 banking crisis. In 2011, Horta-Osório was appointed chief executive of Lloyds, to take advantage of this network which was already in place. Lloyds has been hauled back from the brink but its rescue should never have required the bank to cross the red line into criminality and have involved the breaking and disregarding of the law². During Horta-Osório's decade as Chief Executive, the Lloyds' share price declined 21%, while the FTSE index gained 20%. The bank's shareholders should be asked if they consider this justifies such a conspicuous reward for failure, in addition to the payment of the £56mn he has already received.³

What Horta-Osório has known and covered up

Horta-Osório was fully cognisant of Lloyds BSU's business model and the systemic fraud it deployed against thousands of viable SMEs. He was well aware of Lloyds' manipulation of LIBOR and the repo rate and was involved with its cover up. He was very conscious of the HBoS Reading fraud and engaged in its subsequent dishonest concealment, together with the severe mistreatment of the whistleblower, Sally Masterton⁴. He was also well aware of and complicit with Lloyds' extensive legal wrongdoing, using heavyweight lawyers. Together with Lloyds' former chairman, Lord Blackwell, Horta-Osório has been responsible for overseeing the cover up of the bank's extensive wrongdoing – and for that, he has been rewarded with a knighthood !

The sheer hypocrisy of Lloyds' support for mental health charities

Under Horta-Osório's leadership and especially from 2017, Lloyds has supported Mental Health UK and been a member of the City Mental Health Alliance. Last year, the bank won a gold award in the Business Disability forum's "Disability Standard". However, victims of Lloyds' prolonged misconduct and fraud view this as the ultimate in hypocrisy. Through their disregard for due process and the Rule of Law, the actions of the bank, orchestrated by its heavyweight solicitors and professional

¹ See section 15, "Lloyds Omnibus of press releases" (Dec 2020) on www.lloydsbankassetfrauds.com

² Ibid - See section 4: Lloyds' corruption of the Rule of Law; section 17: Lloyds' abuse of legal process; section 18: Lloyds' industrial forgery of signatures; section 20: Lloyds' Land Registry fraud; section 23: Lloyds Recoveries Bristol – widespread criminal fraud.

³ See section 27: Lloyds' executive pay and the bank's criminal fraud.

⁴ See section 25: Lloyds' mistreatment of whistleblowers.

agents, have had devastating consequences for the mental health of thousands of the customers they wilfully defrauded. Meanwhile, Lloyds and its former chief executive have had the gall to publicise their support for mental health charities. There may be nothing more dishonest than prominent individuals and the organisations they lead, pretending to be honest and upstanding, when in reality, they are nothing of the kind. And all this undertaken by the UK's leading domestic bank.

Government and banks are above the law ⁵ & ⁶

The principal message, which the award of a knighthood to Horta-Osório sends out, is that the Government is far more powerful than you, the ordinary citizen and can act with impunity. We can bestow honours on whoever we wish, even those who have knowingly covered up extensive wrongdoing and fraud. The Rule of Law applies to you, the ordinary person but not to us. It is better for Government and financial elites, such as the major banks, to be above the law because in that way, we can maximise the good we can produce for everyone. Holding us, or the major banks, to account would be far too damaging for the economy. Not only will we celebrate Horta-Osório's "achievement" but we will continue the cover up under the new Lloyds' Chairman and Chief Executive. The former is described as an expert in corporate governance⁷ and yet, Robin Budenberg is using his undoubted skills to maintain the cover up of serious wrongdoing and fraud. This is completely unsustainable, even if the Government and banks consider otherwise.

The UK in very deep water

Honours are decided and announced by the Cabinet Office twice a year. They are bestowed by the Queen. By knighting Horta-Osório, the Government is requiring the Monarch to award a major honour to an individual whose record has been, at very least, highly questionable. The honours system has already been heavily diluted but it should not be further degraded by honouring a prominent individual, whose performance has been so widely called into doubt. Like the proroguing of Parliament, the Government should never involve the Monarchy in its own malfeasance.

The role of the opposition parties is to hold the Government to account. However, to a significant extent, this is simply not happening. Major opportunities to do so are routinely being missed and this is very damaging for our country and its citizens. These include highlighting serious banking fraud, which continues to be covered up by Government and every arm of state, as well as the refusal of our leading regulatory and prosecutorial agencies to act correctly and observe the law. As with the Post Office scandal,⁸ major institutions, which are supported by Government, are only being held to account now by the Courts and after vast expense and deliberate delays, often lasting many years.

This is the epitome of arbitrary and improper government, which can only worsen and accelerate the decline of our country. Honouring Horta-Osório, after what he has been responsible for, underlines how significant that decline has already become.

⁵ See "The Rule of Law – why it matters and how it is being corrupted" on www.lloydsbankassetfrauds.com

⁶ See section 26: "Lloyds Banking Group – untouchable and above the law".

⁷ <https://www.thecrownestate.co.uk/en-gb/about-us/our-people/the-board/robin-budenberg/>

⁸ See the presentation "The Lloyds Frauds – more serious than the Post Office" on our website.