

LLOYDS BANKING GROUP – COOKING THE BOOKS

Since at least the 2008 banking crisis, Lloyds Banking Group has used every conceivable means to cover up and deny its criminal frauds, while Government has made sure that every arm of state has assisted in the process. Ministers have knowingly misled complainants, regulators have not regulated properly, prosecutors have not prosecuted and the Police have refused to investigate. As a consequence, Lloyds' impairment charges for bad loans have recently turned out to be better than expected. Lloyds Bank and the authorities have been doing whatever they can get away with, so it is little wonder that the European Commission is withholding an agreement with the UK on financial services. It does not trust us - and it is absolutely right not to do so.

LLOYDS BANKING GROUP – IMPAIRMENT & PPI COSTS (2017-2020)

	£ mn	Q1	Q2	Q3	Q4	Year to Dec
Impairment	2017	127	141	270	257	795
	2018	258	198	86	395	937
	2019	275	304	371	341	1,291
	2020	1,430	2,388	301	128	4,247
PPI	2017	350	700	0	600	1,650
	2018	90	460	0	200	750
	2019	100	550	1,800	0	2,450
	2020	0	0	0	85	85
Impairment & PPI	2017	477	841	270	857	2,445
	2018	348	658	86	595	1,687
	2019	375	854	2,171	341	3,741
	2020	1,430	2,388	301	213	4,332

Note: Impairment charges are taken above underlying profits but PPI costs are taken below. Both are recorded before pre-tax profits. Source: Lloyds quarterly and annual reports.

As part of the ongoing cover up and denial of justice, Lloyds has been taking concerted action to prevent the full extent of its wrongdoing becoming recognised and has been artificially depressing its impairment charges. Below are just four examples of such conduct, which is ongoing at present.

Halifax Bank of Scotland (HBoS) Reading fraud¹

The Reading fraud has so far cost Lloyds £435mn but the compensation paid to victims four years after those criminals immediately responsible were jailed has been only £130mn. With the complicity of the FCA and Government, Lloyds has instead spent £305mn, three times the amount paid to victims, commissioning four wholly unnecessary reviews of the fraud and paying its heavyweight lawyers. Lloyds has then corrupted and manipulated those supposedly "independent"

¹ HBoS was taken over by Lloyds in January 2009. For further details of the Reading fraud, see pages 28-34 of The Omnibus edition of the Lloyds press releases, which is available on www.lloydsbankassetfrauds.com

reviews to its advantage². The bank's motives are numerous and all of them improper: to pretend that the fraud was much smaller (£245mn) than it actually was (£1 bn), to play down its involvement as far as possible, to deny victims proper compensation, to prevent the fraud being found to have taken place considerably higher up HBoS than the trial revealed and to ward off linkage being made between the Reading fraud and the considerably larger ones allegedly involving Lloyds Recoveries, Bristol.

Signature and document forgery³

Evidence of systemic signature and document forgery by banks, notably Lloyds, was first taken to the National Crime Agency in July 2019 by the Chairman of the All Party Parliamentary Group (APPG) on fair business banking, Rt. Hon Kevin Hollinrake MP and the Police & Crime Commissioner for Thames Valley, Anthony Stansfeld. They asked the NCA to investigate but instead, the agency has spent nineteen months declining to do so, even turning down requests from the Treasury Select Committee. This period coincided with PPI claims peaking at Lloyds in Q3 2019 and impairment costs topping out in Q1/Q2 2020. The National Economic Crime Centre of the NCA has just started to investigate but conveniently for the banks, it is likely to spread its investigation over a long period.

Police refusal to investigate fraud⁴

Ten regional Police forces have declined to investigate Lloyds' frauds and have pretended to victims that their cases are civil, when in numerous instances, they are criminal. Victims can point to fifteen criminal charges, which can be made against Lloyds Recoveries Bristol, its associates and the professional agents they have shared. However, Avon & Somerset Police have been refusing for over a decade to investigate their alleged extensive frauds. If the Police do not investigate, the Serious Fraud Office can use this as its excuse not to do so, and if you do not investigate, there can never be any finding of wrongdoing. It is as simple as it is deeply corrupt.

Business Banking Resolution Service (BBRS)⁵

The BBRS was first conceived in November 2018 but its launch has been delayed for two years, a period during which Lloyds' impairment and PPI charges peaked. The scheme has been agreed by the seven leading banks including Lloyds but is completely biased in their favour. The BBRS treats all victims separately and in isolation, will deal with their cases in discussions with the banks behind closed doors, refuses to accept criminal evidence, has a totally inadequate ceiling for compensation, ensures that there will be no accountability and finally, will seal every outcome with a non-disclosure agreement (NDA). The derisory sum of £100mn is understood to have been allocated to the scheme, which when divided between the participating banks is negligible and underlines the regard which the authorities hold towards victims of serious banking misconduct and fraud. Euthanasing outstanding victims in this way conveniently enables banks such as Lloyds to minimise the impairment charges from its so-called legacy cases.

² Specifically, the Griggs, Cranston and Foskett reviews.

³ See pages 41-43 of The Omnibus edition of the Lloyds press releases.

⁴ See pages 74-75 of The Omnibus edition of the Lloyds press releases.

⁵ See pages 86-88 of The Omnibus edition of the Lloyds press releases.