

THE MOST SERIOUS FINANCIAL SCANDAL OF MODERN TIMES

19. LLOYDS RECOVERIES UNIT, BRISTOL – WIDESPREAD CRIMINAL FRAUD

Lloyds Recoveries unit at Wine Street, Bristol has been among the most notorious in the bank. This release details the very serious allegations against it and describes how it has enjoyed protection from all investigation.

While its improper practices went into overdrive after Lloyds' Business Support Units (BSU) were turned into profit centres in 2007 ¹, the origins of Lloyds' fraudulent asset seizures can be traced back to the early 1980's, if not considerably earlier.

Principal allegations against Lloyds Recoveries, Bristol

- The deliberate targeting of profitable, asset-rich and other businesses with valuable assets for transition into Lloyds' Business Support Unit (BSU). This was done to assist the Bank's own capital position.
- The manipulation of property valuations to achieve manufactured loan-to-value (LTV) covenant breaches and the subsequent sale of customers' assets at significant undervalue.
- The mis-appropriation of those assets from distressed customers at significant undervalue and their subsequent re-packaging and sale at a significant mark up in so-called "Projects" - eg. Project Avon - to purchasers of distressed debt such as Cerberus.
- Widespread and long-standing collusion between Lloyds Recoveries, its officers and LPA receivers for financial gain at the expense of customers and the UK taxpayer.
- The improper use of property firm professionals, who were embedded with Lloyds Recoveries but posed as officers of Lloyds Bank and appointed their own firms as receivers ².
- The systemic forgery of signatures on legal documents, which Lloyds Bank, its officers and agents relied on including in court, in contravention with the Forgery & Counterfeiting Act 1981. ³
- The use of deliberately invalid documentation for the appointment of Lloyds' LPA receivers in order to distance the bank from the frequent criminal conduct of its receivers.

¹ Press release 12.

² <https://hansard.parliament.uk/Commons/2015-09-16/debates/1509164000003/AlunRichardsAndKashifShabirSFO>

³ Press release 15.

- The alleged deliberate large-scale destruction of evidence in contravention of the Criminal Justice Act 1987⁴.
- The systemic abuse of Land Registry regulations regarding the correct registration of titles.⁵
- The mis-use of non-disclosure agreements (NDAs) and “no comeback” clauses to cover up criminal fraud committed by its officers and professional agents.⁶
- The creation of a wide network of fraudulent legal and property professionals throughout Bristol and the South West, who have been complicit with and profited extensively from the unit’s long-standing criminality.⁷
- The mis-use by the unit’s professional agents of Government and regulatory agencies, including DEFRA, Trading Standards, RSPCA and the National Health Service to destabilise customers’ businesses and cause them to fail. The bank’s agents have, on occasions, made false representations to land honest customers with criminal convictions.
- The association, and the sharing of professional agents, with a secondary lender⁸, whose activities have been described in Parliament as “a prima facie case of criminal fraud.”⁹

Large-scale of wrongdoing¹⁰

Jo Stevens MP (September 2015) said on behalf of Lloyds’ victim, Kashif Shabir: “During Mr Miles’ (the partner of Alder King, who was seconded to Lloyds Recoveries and then posed as a Lloyds’ bank manager) secondment to Lloyds, he had 2,400 live cases, each worth in excess of £1 million, within his recoveries department. Those were 2,400 live cases in respect of which, if he wished to, he could appoint receivers from his own firm, Alder King”.

Huw Irranca-Davies MP (September 2015) said on behalf of Lloyds’ victim, Alun Richards: “The consequences of the alleged criminal fraud of Lloyds Recoveries in Bristol, along with Alder King, are far reaching, because more than 3,000 customers were with (Lloyds’) Bristol Recoveries at one time”.

In September 2019, staff acting for Lloyds may have deliberately shredded a large quantity of records from the unit, destroying vital evidence: <https://youtu.be/wFXOpikBUhw>.

⁴ <https://youtu.be/wFXOpikBUhw>

⁵ Press release 16.

⁶ Press release 18.

⁷ “Lloyds & UK Acorn web of fraud” – table available on request.

⁸ “Serious corporate fraud in the UK”, report sent to Home Secretary, Theresa May MP, May 2014.

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<https://publications.parliament.uk/pa/cm201415/cmhansrd/cm141111/halltext/141111h0001.htm#1411115000001>

¹⁰ <https://hansard.parliament.uk/Commons/2015-09-16/debates/1509164000003/AlunRichardsAndKashifShabirSFO>

Lloyds Recoveries Bristol - protected from all investigation ¹¹

- The bank's Bristol recoveries unit has benefitted from the consistent refusal of Avon & Somerset Police to properly investigate complaints against the unit and its professional agents ¹². Even when Thames Valley Police (TVP) conducted a scoping exercise in relation to Avon & Somerset's failure to investigate allegations of fraud involving Lloyds Recoveries Bristol, its terms of reference were determined by the very force, which TVP was investigating! ¹³
- The cover up is linked to the Police & Crime Commissioner (PCC) for Avon & Somerset, Sue Mountstevens and the Chief Executive of her PCC office, John Smith.
- In the course of a two-year investigation (2008-2010), the Solicitors Regulation Authority (SRA) commissioned Bevan Brittan LLP to examine allegations of serious professional misconduct and criminal fraud involving 62 partners and staff at Burges Salmon, Bristol, the solicitors extensively used by Lloyds Recoveries, Bristol. It is understood that widespread serious wrongdoing was found to have taken place and a mass exodus from the firm occurred in 2010 but no-one was ever prosecuted. Midway through the SRA investigation, John Smith left Burges Salmon and was appointed Chief Executive of the Police & Crime Commissioner at Avon & Somerset Police, a position which he has continued to hold to the present day.
- When the PCC for Thames Valley, Mr Anthony Stansfeld requested a copy of the Bevan Brittan report from the SRA, the regulator refused, claiming that it was an internal report. The SRA is widely suspected of having been complicit with the cover up.
- Likewise, the Serious Fraud Office (SFO) has consistently refused to investigate allegations of serious wrongdoing and fraud at UK Acorn Finance (UKAF), the notorious secondary lender which shared its professional agents with Lloyds Recoveries, Bristol. ¹⁴ We believe that this has been because of UKAF's close association with Lloyds Bank. Its senior management had been derived from Lloyds Corporate Bristol, Lloyds' wholly-owned subsidiary the Agricultural Mortgage Corporation (AMC) and Lloyds Recoveries, Bristol.

The comprehensive protection afforded to Lloyds Recoveries Bristol has enabled its officers and professional agents to act with impunity, even to the point of committing criminal offences, confident in the knowledge that any wrongdoing would never be investigated or prosecuted.

¹¹ Lloyds Asset Theft Frauds, table page 15: "Lloyds Bank Recoveries Bristol & the refusal to investigate fraud".

¹² <https://www.theyworkforyou.com/whall/?id=2014-11-11a.321.1>

¹³ <https://www.bristolpost.co.uk/news/bristol-news/watchdog-grill-head-police-lloyds-2645906>

¹⁴ SFO Director David Green - letter to Bill Wiggin MP, dated 20th September 2016.