

PRESS RELEASE

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Treasury and FCA's Records Retention Makes 'Mockery' of FOI Act - BBAG

Gordon Brown, the Prime Minister of the United Kingdom and Leader of the Labour Party from 2007 until 2010, nationalised Bradford & Bingley ('B&B') in a transatlantic telephone conversation with Alistair Darling on the 26 September 2008. Since then both B&B share and bondholders have sent thousands of requests to various UK Government departments and MPs asking how and why their company was destroyed as a continuing business.

The result has been that dispossessed shareholders have been confronted by a five-year period of obfuscation and subterfuge. In the view of the Bradford & Bingley Shareholder Action Group ('BBAG') it was a "flawed decision" to nationalise B&B, which was made in haste for political reasons. Neither was it equitable nor consistent with the support given to other UK banks.

David Ward Blundell, BBAG Chairman, said: "BBAG believes the Cabinet Office, HM Treasury and the Financial Conduct Authority (FCA) have been less than honest in this matter, have thwarted all B&B share and bondholders' attempts to find out how and why their company was confiscated and made a mockery of the Freedom of Information Act 2000."

A wall of silence has been exhibited by a number Government bodies when attempts are made by the public to gain the truth, details of which are provided below.

In October 2008 the Cabinet Office ('CO') was asked for details of the nationalisation under the Freedom of Information Act ('FOIA'). Its reply was: "We have no records whatsoever". Subsequently, in 2011 the CO admitted this statement was "incorrect" and that it actually did have records. Despite this the Information Rights Tribunal failed to uphold BBAG's recent appeal as it accepted the CO's refusal to provide the information requested on the grounds of 'public interest'.

The response of the Financial Conduct Authority (FCA) - the recently renamed UK financial regulator - to an FOIA request stated that it has no records of reassurances it gave to the general public regarding B&B's financial viability just six working days before the nationalisation decision. BBAG has asked the FCA for an internal review as the action group has conclusive proof that it did have such information. So, either the FCA (previously the Financial Services Authority) has resorted to subterfuge or the records have been destroyed.

An FOIA request to the Treasury also asked for details of communications between Robert Peston, a BBC business reporter, and his former colleague at the Financial Times John Kingman, who was Second Permanent Secretary at the Treasury at the time. The Treasury stated it had no such records and when Mr Kingman left the organisation in December 2008 information on his laptop, smart phone or other networked resources was cleared. It also stated there was no record of 'On the Record' briefings by policy officials with journalists.

“This carefully worded statement raises further questions,” noted Mr Blundell. There is substantial evidence suggesting many ‘Off the Record’ briefings of which it would appear Mr Peston took full advantage. Secondly, Mr Kingman’s sudden departure so soon after B&B’s nationalisation and the immediate clearance of his records has proved to be fortuitous for the Treasury in enabling it to avoid disclosing the truth.”

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NOTE TO EDITOR:

The Bradford & Bingley Shareholder Action Group was formed to promote the interests of the former ordinary shareholders and the bondholders in Bradford and Bingley Plc, following the nationalisation of the company. Many shareholders were particularly unhappy with the nationalisation as they had subscribed only shortly before to a large rights issue, which was intended to put the company on a sound footing for many months.