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17th April 2019.

Dear Member,

Our Campaign Against The Treasury Continues!

I would like to thank all those of you who contributed so generously to our appeal. This has ensured our campaign is able to continue, it is much appreciated.

As you know BBAG has appealed to the Information Commissioner in respect of the FCA's failure to provide the time at which B&B were advised that its banking licence was extended on the 29 September, the FCA's repeated prevarication and BBAG's further attempts to secure the truth culminated in a refusal to divulge any information on the grounds of 'vexatious requests.'

The ICO received our complaint against the FCA's response, ref FS 50827217, on the 19 March 2019. This is a key issue as the FCA's failure to advise the time B&B received notice of the licence extension suggests its nationalization was illegal. Any progress on this will be advised to you immediately.

Many of you have written to your MPs requesting an independent inquiry, the standard response to which has been a Treasury letter attempting to justify its collusion with the European Commission in the destruction of B&B. This letter is riddled with inaccuracies and is a total distortion of the facts that have been uncovered thus far, just a few examples will suffice for now.

1. The statement that the B&B £21 billion deposit book, retail network and Isle of Man international operations were sold to Santander after a 'competitive process' is untrue. BBAG has compelling evidence that the Treasury was attempting to persuade Royal Bank of Scotland (RBS), which was insolvent, to take over B&B, despite it having a far stronger balance sheet than RBS.

The supposed process commenced on the 27.09.08 with bids required by the following day, the only bidder Santander paid £612 million and was immediately able to recoup £200 million of working capital from the deposit book. A fair market value was £1.0 billion, it is no wonder that Santander was openly boasting of the profitability of this purchase at circa £600 million plus synergy savings. BBAG believes this fire sale to Santander was an attempt by the UK Government to ensure that the European Commission would give post event authorization of its unlawful support of the banks.

2. The Treasury letter draws attention to my wife Irene's claim against the Tripartite in Leeds Small Claims Court in respect of her support of the B&B rights issue in 2008, stating that it was struck out as being without merit and permission to appeal was refused. This is another example of Treasury subterfuge, District Judge Hesford attempted to strike out the claim without explanation, Irene successfully appealed and at a hearing on the 8 November 2018 His Honour Judge Gosnell criticized the lower court for not allowing an oral hearing and refused the Treasury's request for costs. He was both fair and sympathetic of Irene's claim but made clear that it was out of time as a judicial review should have been pursued within three months of the B&B's destruction on the 29 September 2008. However, the Treasury and the Cabinet Office ensured this route was not pursued by its out of time appointment of the valuer Peter Clokey and the unacceptable delay in specifying the valuation terms of reference, which ensured a nil valuation.
3. In attempting to justify its dishonourable behaviour the Treasury consistently falls back on Peter Clokey's nil valuation, confirmed by the Upper Tribunal on the 19 July 2012. The proceedings of the latter were deeply flawed as its president Sir Stephen Oliver QC agreed to the Treasury's request not to attend the Tribunal, BBAG's appealed against this decision on the grounds that the Treasury would avoid examination of its role in this matter, but to no avail. Sir Stephen offered no reason for his extraordinary decision and also confirmed that he would judge the valuation on the Treasury's terms of reference. The terms of reference specified an 'in administration' approach and no access to further funding, despite many banks including B&B receiving covert support, which ensured a nil valuation. Peter Clokey is on record that if his terms of reference had differed his valuation may have been other than nil. During the valuation process a senior member of Peter Clokey's valuation team assured me that B&B was solvent and there would be a substantial surplus when it was finally wound down which has proved to be correct as the Treasury has made a profit on its destruction of B&B.

It is clear that the Treasury is determined to suppress the truth as to why it colluded with the European Commission in the destruction of B&B: for more than ten years it has behaved like a mendacious cash register totally lacking in any form of integrity.

The treatment of B&B employees, share/bond holders and the once prosperous Bingley community by the Treasury and the political establishment, which refuse to hold an independent inquiry, has been outrageous. It is clear that we no longer live in an open democracy subject to the rule of law in which those who hold high office are accountable to the people

The Treasury has repeatedly emphasized the legality of B&B's destruction so why is it determined to avoid an independent inquiry? Our fight for justice continues.

Yours Sincerely

David Blundell
Chairman BBAG