

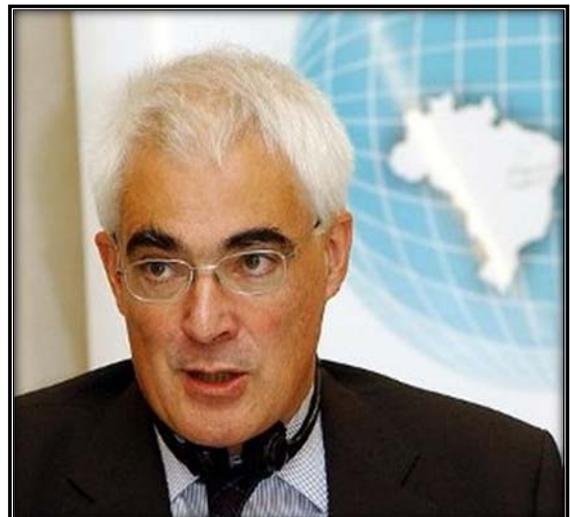
## **PRESS RELEASE**

### **Guilty Of The Unnecessary Destruction Of Bradford & Bingley?**

***- B&B's nationalization was a "deeply flawed" act and former government ministers still refuse to explain the sequence of events around it and for which they were responsible despite numerous FoI requests - Shareholder Action Group claims -***



**Gordon Brown  
Former Chancellor  
and Prime Minister**



**Alistair Darling  
Chancellor of  
the Exchequer**

**Leeds/London – July 2019:** Bradford & Bingley (B&B) was a 'solvent and highly regarded bank' based in the North of England just prior to being nationalized a decade ago with a far stronger balance sheet than Royal Bank of Scotland (RBS) and Halifax Bank of Scotland (HBOS), which received over £60bn of covert financial support, according to the action group fighting for fair compensation for around a million former B&B shareholders.

HBOS and RBS were both major employers in the central belt of Scotland, which was the power base of the Scottish Labour party at the time. But still the then government, headed up by the Labour party leader Gordon Brown, nationalized B&B. The bank's fate was effectively sealed in a transatlantic telephone call between Mr Brown from the Oval office in Washington D.C and the Chancellor Alistair Darling back in the UK.

From a letter (dated 1 October 2008) from the European Commission to David Miliband, the then Foreign Secretary, the B&B Action Group (BBAG) believes that the European Commission colluded with the UK Government by authorizing £22bn of State aid, which was made available to a Spanish bank Santander.

Simultaneously the Treasury sold B&B's £21bn deposit book, retail network of 197 branches and 140 agency outlets together with the Isle of Man international operations to Santander for about £400m net. This was when a fair market value would have been more than £1bn, the Action Group contends.

The Commission's letter also made clear that its authorization was on a non-notified State aid basis and the UK Government was in breach of Article 88 (3) EC Treaty and had indulged in unlawful financial assistance.

Despite numerous Freedom of Information requests over a period of ten years to Messrs Brown, Darling, Cameron, Clegg, the Cabinet Office, the Treasury and Financial Conduct Authority (FCA), nearly one million B&B employees, share and bond holders, most of whom were 'just about managing' retail investors, still do not know why their company was destroyed by the Commission and the UK Government.

"The industrial scale level of obfuscation, misinformation and subterfuge by the Cabinet Office, Treasury and the FCA in their determination to suppress the truth has been outrageous," said David Blundell, chairman of BBAG. "It suggests we no longer live in an open democracy subject to the rule of law in which those who hold high office are answerable to the people."

The UK Government attempted to blame the UK Banking failures of 2008/9 on a worldwide crisis. Ms Yvette Cooper, Chief Secretary to the Treasury at the time, made several statements in defence of the Treasury and blamed worldwide events. This was "a fiction" according to action group campaigners.

It was not – the BBAG stress - a worldwide crisis. Many banks in the UK, USA and Europe had strong balance sheets and Canada, South America, Africa, the Middle and Far East were largely unaffected.

BBAG argue that the main causes of the UK crisis was the misfeasance of the UK Government, which diluted the regulatory powers of the Bank of England in 2001, introduced international financial reporting standards in 2005 which enabled greedy bankers to indulge in false accounting, encouraged a light touch regulatory approach leading to significant failures by the FCA. And, lastly - its total failure to ensure that economic growth was based on sound money.

Within the last two years BBAG has written to Mrs May, Sir Vince Cable and Jeremy Corbyn asking for their support for an inquiry. Mrs May fell back on a 'straight bat' non reply, Sir Vince did not reply and Mr Corbyn's office confirmed that he would not support an inquiry, so much for his self appointed role as the people's champion.

Currently, further requests for support have been made to the two contenders for leadership of the Liberal Democrats and leaders of the SNP, Plaid Cymru and Green parties. It also wrote to Gordon Brown on 3 June 2019 asking him why his government and the European Commission destroyed B&B. Receipt of this letter has been signed for but he has not (yet) replied.

### **Summary**

The Action Group further emphasizes that the political establishment have a duty of care to the people, a duty in which it has totally failed nearly one million B&B employees, bond and shareholders, the former owners, who still do not know why their company was destroyed and why the three former ministers have not been required to justify the sequence of events in 2008/9 for which they were responsible. A Public Inquiry is long overdue.

### **CONTACT**

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## **NOTE TO EDITORS**

**The Bradford & Bingley Action Group , B&B Action Ltd**, is a voluntary not for profit company limited by guarantee, formed to promote the interests of the former share and bond holders following the destruction of the bank by the UK Government and the European Commission. Many shareholders who subscribed to the rights issue were outraged as it was completed just six weeks before the nationalisation, particularly as B&B's balance sheet was far stronger than the two Scottish banks.

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