

Westminster Banking Debates - Hansard - UK

2 June 2009 Column 44WH

<https://publications.parliament.uk/pa/cm200809/cmhansrd/cm090602/halltext/90602h0007.htm>

James Paice MP “In July 2003, the Turners’ business, which was called Zenith, had a £50,000 overdraft. The Turners submitted a business plan to HBOS in Cambridge requesting funding of £450,000, of which £160,000 would be under the small firms loan guarantee scheme. In August, the scheme aspect was approved, but HBOS Cambridge referred the overall request to its credit department, which, it transpired, meant moving the request to Reading.....

21 June 2012 Volume 546 12.02 pm

<https://hansard.parliament.uk/Commons/2012-06-21/debates/12062137000003/InterestRateSwapProducts?>

Interest Rate Swap Products [Guto Bebb \(Aberconwy\) \(Con\)](#)

I beg to move, That this House has considered the matter of the mis-selling of interest rate swap products to small and medium-sized businesses; notes the work undertaken by the Financial Services Authority in this respect; and calls for a prompt resolution of the matter.

24 October 2013 Volume 569 11.27 am

<https://hansard.parliament.uk/Commons/2013-10-24/debates/13102453000001/InterestRateSwapDerivatives?>

Interest Rate Swap Derivatives [Guto Bebb \(Aberconwy\) \(Con\)](#)

I beg to move, That this House considers the lack of progress made by banks and the Financial Conduct Authority on the redress scheme adopted as a result of the mis-selling of complex interest rate derivatives to small and medium businesses to be unacceptable; and notes that this lack of progress is costly and has caused further undue distress to the businesses involved.

I am surprised to be back here 15 months after the first debate on this important issue. I appreciate the Backbench Business Committee—the Chair is in her place—once again offering time to debate it. The first debate made a significant difference. Prior to that debate, the Financial Conduct Authority and the banking sector were refusing to acknowledge that there was an issue that needed to be dealt with. A few days after the first debate, that changed and a pilot scheme was announced.

Members who have followed this issue carefully are aware that the pilot scheme found that approximately 91% of cases investigated between July 2012 and January 2013 had a technical mis-selling, so the process has highlighted the mis-selling of these products. The House should take some comfort in knowing that securing the second debate has also resulted in a significant concession from the banking sector. Members of the all-party group on interest rate mis-selling have argued long and hard that the redress scheme had a central flaw, which is that the technical redress for the mis-selling of interest rate swap derivatives and the consequential losses were linked within the redress scheme.

17 December 2013 Volume 572 9.30 pm

<https://hansard.parliament.uk/Commons/2013-12-17/debates/13121743000001/TomlinsonReport?>

Tomlinson Report [Guto Bebb \(Aberconwy\) \(Con\)](#)

I am pleased to have secured this debate on the Tomlinson report prior to the Christmas recess, because it is important and touches on a lot of my work on interest rate swap mis-selling. The report's scope is wider than just the interest rate swap mis-selling scandal, and it looks at how a certain part of the Royal Bank of Scotland, namely the global restructuring group, has been operating in relation to small businesses. It is important to place on the record that Lawrence Tomlinson's findings reflect what I have seen both as a constituency MP and in my work on interest rate swap mis-selling.

Prior to the report's publication, Lawrence Tomlinson spoke to the all-party parliamentary group on interest rate swap mis-selling, and it is fair to say that many Members in that meeting were shocked by what they heard about banks' behaviour. What should concern us more than the fact that Members were shocked by Mr Tomlinson's comments is that many of them were not surprised. When some of the report's findings were highlighted, it was concerning to see that such activity was recognised by Members from their constituency casework. If MPs are not surprised by allegations of behaviour that verges on the criminal, there is cause for significant concern about banks' behaviour.

Since the publication of the report and its findings, there has been a certain degree of blow-back. Elements of the press have suggested that Mr Tomlinson might have a personal agenda or vendetta against RBS. I therefore want to place on the record that I have never banked or had any banking facilities with RBS, and have no vendetta whatever against it. My concern lies with the numerous constituents who have been treated in a manner that I find unacceptable. It is important to highlight what the report found and how it resonates with those of us who have dealt with businesses that have been badly treated by their banks.

The report was met with a significant degree of sympathy when originally published, but concerns have been highlighted since then. I want to examine three key issues of concern today; other Members may have different issues to discuss. First, I want to concentrate on the report's findings in relation to whether the bank deliberately attempted to engineer situations in which businesses defaulted or breached their banking covenants. One of the report's key claims is that businesses often found themselves in difficulties due to the bank's deliberate efforts to ensure that that happened, including through revaluations. Once banking covenants were breached, businesses were placed in the so-called supporting hands of the global restructuring group.

The second question that deserves consideration is about the nature of the support that businesses receive once subjected to the support structure of the GRG. Is it really trying to get businesses back on track, or—as in many cases that I have seen, and in many cases highlighted by Lawrence Tomlinson—are businesses subject to unfair and penal rates of interest and charges, and often asked to pay for reports and valuations that are almost never in the businesses' interests?

The third question is about the impartiality of the whole insolvency process. The report asks significant questions about whether the process and all the professionals involved actually operate in an independent manner. I have seen a number of cases of valuations changing dramatically because valuers have been instructed to undertake a second valuation by the bank. That raises significant concerns about the independence of those valuations. Consultants, solicitors and accountants have been asked to undertake work, paid for by the business, on the instruction of the banks. Time and again, that work has been less than helpful to the survival of the business.

When I conclude my remarks, I will touch on the selection of Clifford Chance to conduct an internal review of RBS. I have no doubt that Clifford Chance is a reputable firm of solicitors, but I have concerns about whether it will pass the smell test of being impartial enough to undertake such a review, given its links to RBS.

<https://publications.parliament.uk/pa/cm201415/cmhansrd/cm141204/debtext/141204-0002.htm#14120439000001>

Backbench Business Financial Conduct Authority Redress Scheme

Guto Bebb (Aberconwy) (Con): I beg to move, That this House has considered the Financial Conduct Authority's redress scheme, adopted as a result of the mis-selling of complex interest rate derivatives to small and medium sized businesses, and has found the scheme's implementation to be lacking in consistency and basic fairness; considers such failures to be unacceptable; is concerned about lack of transparency of arrangements between the regulator and the banks; is concerned about the longer than expected time scale for implementation; calls for a prompt resolution of these matters; and asks for the Government to consider appointing an independent inquiry to explore both these failings and to expedite compensation for victims.

This is the third debate that I have led on interest rate mis-selling. I wish to express my gratitude to the Backbench Business Committee for allowing further time to debate this important issue in the main Chamber of the House.

The fact that we have a third debate is a good thing and a bad thing. It is clearly a good thing because hon. Members are still taking an interest in the issue. It is a bad thing because three years after the first debate, hundreds, if not thousands of businesses still feel that they have not been dealt with fairly or adequately by the redress scheme that was put in place by the Financial Conduct Authority. It is therefore important to explore their concerns.

We are coming to the end of the redress scheme, so it is appropriate that we examine its successes and failures at this point. I am, in general, an individual who sees the world in a "glass half full" rather than a "glass half empty" manner—some of my colleagues would perhaps dispute that—and I think it important to highlight some of the successes. First, 91% of all the sales examined within the scheme have been found to be non-compliant. That fact alone justifies all the effort that has been put in by Members from across the Chamber in ensuring that this issue was addressed by the banking system. Similarly, 99% of all redress determinations have been communicated to customers. A total of 14,000 redress offers have been made to date, 10,500 of which have been accepted. Some £1.5 billion in redress has been paid out. Some £1 billion—perhaps even £1.1 billion—of cancelled swaps have been hugely beneficial to the businesses that were affected. Most importantly, as a result of the successes that I mentioned, businesses and individual lives have been put

back on track. We should, as a House, acknowledge those successes. However, when this Chamber called for the establishment of a redress scheme, we wanted a scheme that would be fair and equitable to all the businesses affected.

1 February 2016 7.39 pm

<https://publications.parliament.uk/pa/cm201516/cmhansrd/cm160201/debtext/160201-0003.htm#1602023000001>

Financial Conduct Authority

Guto Bebb (Aberconwy) (Con) I beg to move, That this House believes that the Financial Conduct Authority in its current form is not fit for purpose; and has no confidence in its existing structure and procedures.

It is four years since I first raised the issue of interest swap mis-selling in this Chamber. Since then, I have led three Back-Bench business debates on the issue; an Adjournment debate on the Connaught Income Fund, which is another example of financial mis-selling; and a debate on the global restructuring group. I have also contributed to an effort to secure a debate on the future of the Royal Bank of Scotland. It is clear that I have attempted to utilise this House to bring to the attention of Members and the wider public the issue of financial mismanagement and the lack of financial regulation in the marketplace.

Some people have argued that this debate and this motion are premature. Given the evidence and information that I will present, I argue that they are long overdue. We must remember that the Financial Conduct Authority has a clear and specific mission statement:

“We aim to make sure that financial markets work well so that consumers get a fair deal.”

15 December 2016 Volume 618 1.03 pm

<https://hansard.parliament.uk/commons/2016-12-15/debates/6783C8F6-7370-4CD0-B607-7834A68AD2A7/CommercialFinancialDisputeResolutionPlatform>

George Kerevan (East Lothian) (SNP) I beg to move, That this House notes the statement presented to the Treasury Committee on 20 July 2016 by Dr

Andrew Bailey of the Financial Conduct Authority (FCA); endorses his statement that the ad hoc creation of a compensation scheme within the FCA was not entirely successful and lacked perceived authority to treat customers with fair outcomes; believes that the recent headlines and allegations in the press against RBS will lead to pressure for a similar scheme; notes that many debates in this House over the years have focused on similar subjects with different lenders; believes that what is needed is not ad hoc compensation schemes, but a long-term, effective and timely dispute resolution mechanism for both regulated and unregulated financial contracts; and calls on the FCA, the Department for Business, Energy and Industrial Strategy and the Ministry of Justice to work with the All-Party Parliamentary Group on Fair Business Banking to create a sustainable platform for commercial financial dispute resolution.

22 February 2017 Volume 621 4.44 pm

Cerberus Capital Management: Purchase of Distressed Assets

<https://hansard.parliament.uk/Commons/2017-02-22/debates/92838813-D3EE-493E-BD45-EED766235F34/CerberusCapitalManagementPurchaseOfDistressedAssets>

George Kerevan (East Lothian) (SNP) I beg to move, That this House has considered the purchase of distressed assets by Cerberus Capital Management.

Cerberus Capital Management is an American private equity firm that specialises in distressed investing—purchasing so-called distressed or non-performing loans. Few people in the UK have heard of Cerberus, but it is the biggest purchaser of distressed assets in the world. Since 2010, Cerberus has acquired more than 1.2 million distressed or non-performing loans, worth more than \$80 billion. Simply put, Cerberus is the world’s largest debt collector.

Let me begin by saying that so-called distressed loans are often anything but. Since the banking crisis of 2008, we have seen a sorry catalogue of thousands of instances in which banks have forced legitimate borrowers into distress or even insolvency through no fault of their own. The so-called distress that we are discussing is largely manufactured. That has come about for a variety of reasons: interest rate swap mis-selling, the infamous Royal Bank of Scotland

global restructuring group's dash for cash, and outright criminal fraud such as occurred at HBOS Reading.

Even where such egregious or criminal behaviour has not taken place, there are too many instances of banks deciding that they no longer wish to support small and medium-sized enterprise customers in sectors that the lender now considers non-core to its shrinking loan book. As a result, thousands of legitimate customers find themselves being sold on to firms such as Cerberus without their knowledge or against their wishes. Because loans to SMEs are unregulated, those customers have little or no redress. My intention today is to put on record the plight of those badly served bank customers and to expose the exploitative and often inadequate business model used by Cerberus—a model that is also bad for the British taxpayer.

18 January 2018 Volume 634 12.04 pm

<https://hansard.parliament.uk/Commons/2018-01-18/debates/662C3FBE-7CAA-47F9-A63A-D01564E21B44/RBSGlobalRestructuringGroupAndSmes>

RBS Global Restructuring Group and SMEs

[Relevant documents: Oral evidence taken before the Treasury Committee on 31 October 2017, on The work of the Financial Conduct Authority, HC 475; Written evidence received by the Treasury Committee, on The work of the Financial Conduct Authority, HC 475; Correspondence between the Chair of the Treasury Committee and (a) the Chief Executive of the Financial Conduct Authority and (b) the Chief Executive of Royal Bank of Scotland, relating to the report into the Royal Bank of Scotland Global Restructuring Group, reported to the House and published on 14 September, 17 October, 25 October, 31 October, 28 November 2017 and 17 January 2018.]

Clive Lewis (Norwich South) (Lab) I beg to move, That this House is deeply concerned by the treatment of small and medium-sized enterprises (SMEs) by the Global Restructuring Group of the Royal Bank of Scotland; notes that there are wider allegations of malpractice in financial services and related industries; believes that this indicates a systemic failure to effectively protect businesses, which has resulted in financial scandals costing tens of billions of pounds; further believes that a solution requires the collective and collaborative effort of regulators, Parliament and Government; and calls for an independent inquiry into the treatment of SMEs by financial institutions and the protections afforded to them, and the rapid establishment of a tribunal system to deal effectively with financial disputes involving SMEs.

May I echo your comments, Madam Deputy Speaker? As generous a soul as I am when it comes to interventions, I will limit the number I take to two or three, if at all possible, because I understand that Holocaust Memorial Day is also a crucial issue that everyone here would want to see debated fully afterwards. None the less, there are a lot of Members here, on both sides of the House, who want to speak about an issue that has deeply affected many of their constituents and small businesses across the country. I thank hon. Members for their support for this important debate, as well as the Backbench Business Committee for allowing the time, particularly the Chair, my hon. Friend the Member for Gateshead (Ian Mearns). He has made it clear to me and others that he was keen for the debate to take place, and here it is.

As the details of the various scandals that have hit our financial services sector trickled out over the last few years, I think we all started by treating the stories we heard with a certain scepticism. They just did not seem to make sense. Indeed, when I read letters from one of my constituents, my first reaction was to think that the story he was telling simply could not be true. “No bank could have dared to behave in such a brazenly outrageous way,” I said to myself. My constituent, Andi Gibbs, was forced by his bank, RBS, to buy an interest rate-hedging product, which should have protected his business against rising interest rates, but in fact drained it of cash. RBS then placed the business into its Global Restructuring Group. He lost his business, his home, his marriage and, I think it is fair to say, almost his sanity. His crime: nothing more than being an entrepreneur who banked with RBS.

10 May 2018 Volume 640 1.32 pm

<https://hansard.parliament.uk/commons/2018-05-10/debates/509848CF-596B-41F3-91F1-C7AAA434E9D3/BankingMisconductAndTheFCA>

Banking Misconduct and the FCA

[Relevant documents: Oral evidence taken before the Treasury Committee on 31 October 2017, on the work of the Financial Conduct Authority, HC 475; Oral evidence taken before the Treasury Committee on 30 January 2018, on RBS’s Global Restructuring Group and its treatment of SMEs, HC 737; Written evidence received by the Treasury Committee on the work of the Financial Conduct Authority, HC 475; Written evidence received by the Treasury Committee on RBS’s Global Restructuring Group and its treatment of SMEs, HC 737; Skilled persons report into the treatment of customers in RBS’s Global Restructuring Group prepared for the FCA, reported to the House and published on 20 February 2018; Correspondence between the Chair of the

Treasury Committee and (a) the Chief Executive of the Financial Conduct Authority and (b) the Chief Executive of Royal Bank of Scotland, relating to the report into the Royal Bank of Scotland Global Restructuring Group, reported to the House and published on 14 September, 17 October, 25 October, 31 October and 28 November 2017 and 17 January, 7 February, 16 February, 20 February, 27 February and 28 March 2018.]

Martin Whitfield (East Lothian) (Lab)

I beg to move, That this House welcomes the public disclosure of the Section 166 report into the conduct of RBS Global Restructuring Group (GRG); is concerned about the fundamental difference of tone and emphasis between the summary produced by the Financial Conduct Authority (FCA) and the full report; believes this calls into question the strength and independence of the regulator; notes that the concerns raised in the debate on 18 January with regard to the financial services sector, which is not limited to RBS and its advisors, not only persist, but are amplified by the conclusions in the report; calls on HM Treasury to instruct the FCA to move on to phase 2 of the investigation into the root causes of the conduct of RBS GRG by a body independent to the FCA; and once again calls for an independent inquiry into the financial services sector and the associated industries that have allowed misconduct to thrive, and the establishment of an independent mechanism for redress for businesses.

I would like to start by paying tribute to the Backbench Business Committee for enabling this debate to take place and to the enthusiastic work of the all-party parliamentary group on fair business banking and finance, of which I am vice-chair and which is led by the hon. Member for Thirsk and Malton (Kevin Hollinrake). I would also like to take the opportunity to thank the hon. Members for Stirling (Stephen Kerr), for Edinburgh West (Christine Jardine), for Glasgow South West (Chris Stephens) and for Dumfries and Galloway (Mr Jack), who supported my application for this debate. I also thank those who have travelled down today to listen to the debate live from the Public Gallery.

This debate follows on from the one led by my hon. Friend the Member for Norwich South (Clive Lewis) in January. It demonstrates what an important issue this is for not only our individual constituents but the economy as a whole. For many, the foundation of the problem is illustrated by bank closures. Indeed, in my constituency, bank closures and the disappointing remission of free-to-use ATM machines are breaking down trust in the banking industry. Ensuring that consumers have access to finance is fundamental to the ethos of community banking.

Today's debate rightly shifts attention to financial misconduct and considers the section 166 report, but it also stands as a timely reminder to the entire banking sector that the consumer must always be at the centre of its operations. Access to finance is so important to local businesses in East Lothian and across the UK. Whether wronged by commercial lending policies not fit for purpose or hit disproportionality by bank closures, businesses are being badly let down by the industry.

Regarding financial misconduct, a lot has happened since January, and we are not simply here to cover an old story.

12 | July 2018 Volume 644 1.30 pm Banking Sector Failures

<https://hansard.parliament.uk/commons/2018-07-12/debates/EBD46A4F-CF2C-477F-AF6B-B77E05FAC9CF/BankingSectorFailures>

Martin Whitfield (East Lothian) (Lab)

I beg to move, That this House has considered failures in the banking sector.

It is a privilege to serve under your chairmanship and guidance, Mr Bone, as we find ourselves gathered to discuss the banking situation. I thank the Backbench Business Committee for facilitating this debate and the hon. Member for Stirling (Stephen Kerr), for co-sponsoring it.

On 10 May, I was proud to lead a main Chamber debate, in which I raised the section 166 report and called for full redress for the victims of profound financial misconduct. Today's motion is deliberately phrased more broadly, to enable us to reflect our constituents' many frustrations with the banking industry. I am therefore glad that we have been given a significant amount of time to discuss this issue. There will be a diverse range of submissions from Members who wish to discuss their constituency matters.

The all-party parliamentary group on fair business banking and hon. Members from across the House recognise that work is continuing within the industry, and with UK Finance and the Financial Conduct Authority, to drive higher standards and accountability. Hard lines need to be drawn so that we can not only solve the ongoing disputes, but prevent another conduct crisis in the future. It is our firm and unwavering position that things have not changed sufficiently to prevent the abuses of power we continue to see in the financial services industry and the surrounding supporting professional sectors and service areas of law, valuation, Law of Property Act receivership and insolvency. The APPG will focus on those areas with renewed vigour in the coming months.

Hon. Members and the APPG engage regularly with UK Finance and the FCA, and we see a genuine will to drive higher standards in the industry. We look forward to continuing to work together, and we appreciate the forthright relationship we have developed. UK Finance, in particular, has shown itself to be an industry leader, and we sincerely hope it challenges the industry to be the best it can be.

I want to focus on the banking industry's failure to support small businesses, and on the erosion of trust between such businesses and banks. Small and medium-sized enterprises are pivotal to the UK economy. The Department for Business, Energy and Industrial Strategy highlights that they constitute 99.9% of businesses operating in Britain. They bring in £1.8 trillion in annual turnover and employ just over 60% of people in the private sector. They are the lifeblood of our nation's economy, but worryingly, the critical bond of trust between them and business banking has never been lower.

9 October 2018 Volume 647 4.30 pm **Business Banking Fraud**

<https://hansard.parliament.uk/Commons/2018-10-09/debates/362E54F9-B141-45B9-8029-D8AA14144453/BusinessBankingFraud>

Mr William Wragg (Hazel Grove) (Con)

I beg to move, That this House has considered the investigation of business banking fraud.

It is a pleasure to serve under your chairmanship, Mr Robertson. We have had many debates in both Westminster Hall and the Chamber that have focused on the mistreatment of thousands of small and medium-sized enterprises at the hands of financial institutions which, in the wake of the financial crisis, sought to shore up their balance sheets as they plundered those of their business customers.

The subject is becoming an all too familiar one for debate. Indeed, this is the fourth such debate in which I have spoken. Looking around at my distinguished colleagues from across the House I see many familiar faces who have taken part in previous debates. Many Members will be familiar with the cases of hard-working businessmen and women who have had their businesses broken up and livelihoods destroyed by acts of deliberate deception and fraud, systemic asset stripping and inflated charges and fees, all at the hands of their banks.

18 December 2018 4.30 pm HBOS Reading: Independent Review

Kevin Hollinrake (Thirsk and Malton) (Con)

<https://hansard.parliament.uk/Commons/2018-12-18/debates/51504BA8-AAA2-4085-8A3B-E20BC57A748A/HBOSReadingIndependentReview>

I beg to move,

That this House has considered the independent review of HBOS Reading.

19 March 2019 Volume 656 1.10 pm

<https://hansard.parliament.uk/Commons/2019-03-19/debates/C2B82C4A-104D-4C16-A796-385D46BFE51F/ClydesdaleBankAndSmes>

Angela Crawley (Lanark and Hamilton East) (SNP)

(Urgent Question): To ask the Economic Secretary to the Treasury if he will make a statement on Clydesdale Bank's treatment of small and medium-sized enterprises.

Mortgage Prisoners 06 June 2019 Volume 661 2.24 pm

<https://hansard.parliament.uk/Commons/2019-06-06/debates/029457C4-5BC6-49F3-91BC-3A8127A373E6/MortgagePrisoners>

Charlie Elphicke (Dover) (Con)

I beg to move, That this House notes that the practice of selling mortgages and unregulated commercial loans to unregulated funds has been creating mortgage prisoners, exposes businesses to asset stripping and threatens to continue to create further mortgage prisoners and risks to businesses; is concerned that mortgage prisoners are being exploited by such unregulated funds by being kept on high standard variable interest rates and therefore denied the opportunity to take advantage of historically low interest rates or fix their mortgage interest payments to gain certainty over their mortgage payments; is further concerned that businesses continue to be exposed to asset stripping; further notes that many of those unregulated funds pay little or no UK tax while depriving citizens of opportunities and in many cases their homes; believes that HM Treasury should immediately require UK Asset Resolution to cease selling mortgages to any unregulated entity; considers that HM Treasury and the Bank

of England should take all possible measures to ensure that mortgage prisoners are given access to new deals and fixed interest rates, and that banks cease discriminating against mortgage prisoners by offering them less favourable mortgage terms; further considers that the Government should expand the scope of FCA regulation to include all mortgages and all unregulated purchasers of mortgages; and calls on HM Treasury and the Bank of England to hold an urgent inquiry into the sale of mortgage and commercial debt by any financial institution to any unregulated entity, with the findings of such inquiry to be published.

I thank the Backbench Business Committee for agreeing to list this important debate. A number of Members have been unable to attend because they have been detained elsewhere, and that includes the hon. Members for Feltham and Heston (Seema Malhotra) and for Burnley (Julie Cooper), the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) and my hon. Friend the Member for Worthing West (Sir Peter Bottomley).

The reason for bringing this debate to the Chamber is that it is time for a new covenant to deliver fairness for borrowers—a deal that will set mortgage prisoners free. Who are the mortgage prisoners? They are the people who are trapped by changes in mortgage regulation. They are trapped in expensive mortgages, unable to remortgage to get a better deal. The rules say that they cannot afford payments on a mortgage of, say, 2% so they are forced to continue with a mortgage of 5% or more. It makes no sense at all. It is estimated that there are up to 200,000 mortgage prisoners in the United Kingdom today. Every one of those 200,000 families has a story to tell about how they struggle to get by, forced to keep up payments to keep a roof over their heads, often going without.

Lloyds, HBOS and the Cranston Review 04 February 2020 4.28 pm

<https://hansard.parliament.uk/Commons/2020-02-04/debates/7E8A86C0-301F-45D8-A81D-6BE34B1A291D/LloydsHBOSAndTheCranstonReview>

Kevin Hollinrake (Thirsk and Malton) (Con)

I beg to move,

That this House has considered Lloyds, HBOS and the Cranston review. It is a pleasure to see you in the Chair, Mr Hollobone. I think this is the second time I have spoken under your chairmanship about banking matters. This story is at least as shocking as the last one we discussed.

The story starts back in 2007, when Nikki and Paul Turner, who were then customers of HBOS, told the bank of a huge fraud in its organisation that was affecting them and many other customers. The bank denied all knowledge of the fraud. It sought to suppress the evidence that Nikki and Paul Turner had and to ensure they could not speak out by trying on 22 occasions to repossess their home. Without the Turners, I do not think we would be here today, but they found out, and their determination has brought these matters to this point. The fraud was finally proven in court in 2017, 10 years later—imagine those 10 years of denial.

Despite the fraud happening within HBOS, which was part of Lloyds Banking Group by that point, we were willing and happy for Lloyds to take on its own customer review and compensation scheme for those victims, many of whom had been denied any justice and had it denied to them that any fraud was going on whatsoever. Lloyds set up the Lloyds Bank customer review, also known as the Griggs review because it was headed by Professor Griggs, who was appointed by Lloyds to undertake compensation payments to victims.

The Turners were compensated, but they decided to help other people navigate the Griggs process. They formed an organisation called the SME Alliance, which has been proactive in making sure that people get justice. Not only did they warn Lloyds about the initial fraud; they started to warn Lloyds about how unfair the Griggs review was and how partial the process was to the interests of the bank. In fact, they went as far as commissioning their own review of the review, undertaken by Jonathan Laidlaw in 2018-19, which endorsed the Turners' findings and said that the process was truly unfair and partial to the interests of the bank

Throughout the process, others were warning Lloyds that the Griggs review and the scheme was completely unfair. Following all those calls and the Laidlaw review, the Minister kindly supported those calls and commissioned a review, carried out by Sir Ross Cranston.