Scots are Flying In To Talk to New CEO Ross McEwan

Summary:
Our UK brother bank warriors Ian Lightbody and John Guidi are flying into Sydney for NAB's AGM on 18.12.19. Banks should have realised by now that activists are united around the country and around the world. The old delay, deny, deceive routine just doesn't work anymore. Victims of predatory banking know exactly what was done to them, how it was done, who profited from the misconduct and who is covering it up. Brave whistleblowers and gutsy journalists are assisting the path to justice and remediation.

The bank business model is flawed. What happened in the UK also happened in Australia. If the boards of these banks didn't know what was going on they were either incompetent or negligent. If they were neither they are complicit and culpable. Either way directors are in an untenable situation.

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Businessmen travel to Sydney to confront ex-RBS boss over alleged mis-selling by his new employer NAB

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Two angry Scots are this week making a 10,500-mile trip to confront ex-Royal Bank of Scotland boss Ross McEwan over alleged mis-selling by his new employer, National Australia Bank.

Businessmen Ian Lightbody and John Guidi believe they were mis-sold loans by Clydesdale Bank when it was owned by NAB. They are demanding a meeting with McEwan, who started his new job last week.

Clydesdale is part of CYBG, which NAB spun off and floated on the London Stock Exchange in 2016. Lightbody heads the CYBG Remediation Support Group. Guidi – one of its members – went on hunger strike outside the bank's Glasgow HQ earlier this year.

The pair are also planning to attend NAB's annual general meeting in Sydney on Wednesday next week.

They fly to Australia on Saturday and will travel back to the UK five days later.

Lightbody and Guidi are among hundreds of small business leaders who blame their banks – including CYBG, RBS and Lloyds – for ruining them in the aftermath of the financial crisis.

Thanks to William Turvill of the Financial Mail for the above news story.

Ross McEwan started his new job at National Australia Bank on 2.12.19

Background: the Clydesdale - NAB - RBS Connection *(from Spank The Banker)*

THE GREAT BANK HEIST EXPLAINED

Over the past decade, big banks in the UK have seized or looted over £100 billion of assets from small firms as a way of boosting their capital reserves and profits.

This was not the fault of the small companies involved. It was not the result of these small firms borrowing more than they could afford or being badly managed. It was a deliberate strategy of the banks to loot the assets of their customers for corporate gain. Why target small and medium enterprises (SMEs)? Unlike lending to individuals, bank lending to small companies is unregulated. This means small business customers are at the mercy of their lenders – who can sue a bank and win?

Banks used a variety of scams – some illegal – to loot their small business customers:

1. TAILORED BUSINESS LOAN SCAM

30,000 small companies were sold “tailored business loans” (TLBs) and similar “complex” financial products by the Clydesdale and other banks. Customers were deliberately not told that cancellation or re-scheduling TLBs would result in “break” fees as high as 40% of the original loan. Numerous cases have come to light of bank officials later fabricating records to pretend customers had been given the correct facts. When interest rates fell, borrowers found it too expensive to exit TLBs in favour of cheaper financing and were forced into bankruptcy. Their properties and homes were then seized by the banks.

In 2012, the UK Financial Regulator banned complex loans to small businesses. Clydesdale Bank agreed to pay limited compensation – but refused to accept legal responsibility. Clydesdale also refused to repay lost profits to businesses wrongly bankrupted.

2. HBOS-READING AFFAIR – THE SCAM

In 2017 Lynden Scourfield, a senior banker at HBOS-Lloyds, was found guilty in court of defrauding the bank’s small business customers of up to a £1 billion.

Scourfield and his criminal associates were sentenced to almost 50 years in prison. But the real scandal is that the board and senior management of HBOS-Lloyds knew of the fraud for a decade but did everything they could to block an investigation or bring the culprits to trial. Between 2002 and 2007, HBOS small business customers from across the UK were routinely transferred to the bank’s corporate division at Reading. There they were classified as ‘high risk’ – even when they had never missed a repayment. The head of the Reading operation, Lynden Scourfield, operated a corrupt scam. He forced customers to appoint his business cronies, David Mills and Michael Bancroft, as bogus consultants. They would then submit a case for additional loans – often against the wishes of the owners. Scourfield would give the extra cash which went to Mills and Bancroft (with a cut for Scourfield himself). The stolen money was spent on holidays and prostitutes. These unnecessary loans often bankrupted the small firms. But they also cost HBOS-Lloyds around £1 billion. However, the bank’s corruptly inflated loan book qualified senior managers throughout HBOS for huge bonuses. Early on, the scam was uncovered by two of the victims: Nikki and Paul Turner. They informed the bank, its board, senior managers, the British government and the official regulator. But for a decade no official action was taken against the fraudsters.

3. HBOS-READING – THE COVER-UP

HBOS-Lloyds covered up the scandal in case it affected the bank’s share price and the bonuses of top management. The bank refused to press charges against Scourfield. Instead, HBOS-Lloyds tried to evict the Turner’s from their home. Eventually Anthony Stansfeld, the elected Thames Valley police commissioner, took up the case and pressed for the prosecution of Scourfield. The bank remained uncooperative but in 2013, worried senior executives commissioned a secret internal report on who knew what about the Reading scam. Code-named “Project Turnbull”, this report was written by a senior HBOS-Lloyds manager, Sally Masterton. She proved that the bank at the highest levels had deliberately covered up the Reading fraud for a decade, misleading shareholders and protecting management bonuses. In a panic, the bank fired Masterton and buried her report.

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It was finally published by the House of Commons Treasury Committee in 2018. As a result, the National Crime Agency has launched a criminal probe into Lloyd's conduct.

4. THE RBS GLOBAL RESTRUCTURING SCAM

Global Restructuring Group, or GRG, was a unit of RBS created supposedly to help the bank's small business customers manage their way out of economic difficulties. Instead it became a monster dedicated to maximising the bank's profits by tripping companies into bankruptcy, buying them at knockdown vales, then selling on at a mark-up. Following the 2008 credit crunch, GRG took control of 16,000 SME customers with £65 billion of assets via 'Project Dash for Cash'. In 2013 the UK government's official entrepreneur-in-residence, Lawrence Tomlinson, published a report into GRG. Tomlinson found RBS had seizing viable companies that had not defaulted on any loan repayments. Individual bank managers were able to increase their bonuses by identifying viable customers who could be looted.

Tomlinson was an RBS customer himself. The bank responded to his report by closing his accounts and cancelling his loans.

As a result of the Tomlinson Report, the official UK bank regulator commissioned its own investigation into GRG.

The FCA report found that:

- **2 out of 3 companies transferred to GRG were perfectly financially viable**
- **In a fifth of cases, customers "experienced inappropriate action by RBS" resulting in material financial distress"**

In other words, RBS looted assets from these firms to make a profit. As a result of the FCA findings, RBS has set aside £100m to compensate victims of GRG…

But RBS claims that as the lender to these firms, it should get most of the compensation!

BRN Comments

Let's piece this together. Ian Lightbody and John Guidi were mis-sold loans by Clydesdale Bank when it was owned by NAB. The previous CEO of RBS from 2013 to 2019 - Ross McEwan - is now the CEO of NAB. Ross had been employed by RBS in large part to fix the trail of destruction left by the bank's Global Restructuring Group when it engineered defaults and bankruptcies of thousand of small businesses. How well did Ross do his job? That's another story. For more on the RBS scandal check out Ian Fraser's book *Shredded: Inside RBS, The Bank That Broke Britain* >> https://www.ianfraser.org/shredded/

We expect Ian and John to have a serious discussion with NAB's CEO Ross McEwan and Chairman Phil Chronican in Sydney. What all bankers who are interested in rehabilitating their brands must realise is that -

- Customers' complaints will not go away until dealt with honestly and ethically
- Some banks have settled serious cases in order to protect their reputation
- It really is best for banks to remediate legacy cases sooner rather than later. Particularly damaging with escalation to the media and political arena
- Cases will only get more expensive to settle the longer they remain unresolved
- For NAB it would be best to clean the slate before Ross McEwan becomes involved
- Shareholders would not be impressed if a drawn out remediation ends up costing the bank much more than a prompt admission of liability with proper compensation
- Cover-ups often cause more damage and in some cases are criminal. Bank lawyers may not

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be the best people for CEOs to take advice from. Lawyers have been known to facilitate and cover up some of the most horrific abuses of customers. Unconscionable asset stripping cannot proceed without the assistance of dodgy lawyers, liquidators and valuers. All of whom are indemnified by the bank. In other words they are off the leash able to get away with any action that enriches the bank bar murder.

PRESS RELEASE: Clydesdale Victims Fly To Sydney For Justice & Remediation - download below

File Attachments:

Attachment	Size
Press Release Dec 2019	515.22 KB

Websites For More Information: Source - The Financial Mail On Sunday UK - William Turvill
https://www.dailymail.co.uk/money/news/article-7767559/RBS-duo-set-Sydney-showdown.html
Source - Spank The Banker - Movie Website
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