

20 Polbae Crescent, Eaglesham  
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CYBG REMEDIATION  
SUPPORT GROUP



Monday 9 December 2019

## **NAB AGM SYDNEY AUSTRALIA 0930HRS WEDNESDAY 18 DECEMBER 2019**

### **CLYDESDALE BANK TAILORED BUSINESS LOANS / NAB LOAN BOOK SALE TO CERBERUS**

Since attending the CYBG AGM in Melbourne, in January this year, despite all sorts of promises of positive engagement CYBG PLC, now Virgin Money, CEO David Duffy and his team have produced virtually nothing, other than to antagonise and prolong the agony for so many.

In a letter to our group chairman dated 8 April 2019 CEO Duffy confirmed that “I am engaging with NAB at the most senior level”.

In a follow up letter dated 24 April 2019 he confirms that “I will continue dialogue and engagement with NAB senior management”

These promises to engage with NAB, has resulted in absolutely nothing. They also involve vulture fund Cerberus to whom many loans were sold via a complex “assignment” process involving all three parties.

CEO Duffy and his team, talking lead from their chief legal counsel James Pierson ...interestingly a former NAB employee working in their Melbourne HQ when and from where these loans emanated ...have changed their stance and now “lawyered-up”, which tells you a lot about the people and the culture within this bank.

In all their public statements, through 2019, the CYBG board made clear the importance they put on their “Investors & Markets Day” at the London Stock Exchange on 19 June 2019.

It is now patently obvious that their strategy was to obfuscate and delay any serious statements on remediation for legacy cases until after this flagship date had passed.

Indeed, CYBG CFO Ian Smith stated to those present in London in June, and to the world via the live webcast, that “legacy issues are pretty much a thing of the past”!

In July despite having promised much to “hunger striker” John Guidi he had heard nothing in almost 6 months.

After pressure from John, he and our group chairman Ian Lightbody were invited to meet with CEO Duffy and Chief Legal Counsel James Pierson at their Glasgow HQ on 31 July.

The meeting was a spectacular failure. Duffy lead the meeting and confirmed that they were going to do nothing for John, and he would need to take his fight directly to NAB and Cerberus.



When questioned directly at the meeting, and again in writing subsequently, David Duffy refused to confirm when and with whom he had been engaging at NAB.

We have since sent four letters from our group to Phil Chronican, who was acting CEO, and is now Chairman of NAB. These letters ranged from the end of August until last week.

Mr Chronican regards himself as a model banker and is on record as follows:

*“We have let down our customers”*

*“I am focused on making sure we compensate customers as quickly as possible: and on fixing issues that caused the failure. I am equally focused on putting customers first”.*

*“We can only move forward if we deal with the past.”*

Disappointingly, and contrary to his public pledges of putting wrongs right, **no acknowledgement at all** was provided to any of our correspondence, by the NAB CEO.

It is the bank AGM season in Australia and in advance of the NAB AGM next week, one of our Australian Bank Warrior colleagues met today with Phil Chronican. He is now chairman of NAB following Ross McEwan's arrival, from the UK, as CEO.

He confirmed that he is aware of our group's existence and John's plight.

So, in response to CYBG's dismal efforts and in view of NAB's seemingly dismissive attitude to our correspondence we will now take the fight for justice to them, in Australia.

Australia, via NAB Treasury, is where these toxic TBLs were formulated to be foisted on the UK commercial real estate market in the early noughties. Interestingly they were never used in their antipodean homeland which is something we will seek to discover why?

Following recent Banking Royal Commission in Australia, subsequent to NAB's chairman Ken Henry and CEO Andrew Thorburn both resigned. Many top-ranking others such as NAB's Chief People Officer, Lorraine Murphy did likewise stating that *“her time at NAB but had reached a “useful point of reflection” to consider her future”*.

One of NAB's biggest exposures brought about by the banking Royal Commission has since been charging **fees for no service**

They deliberately did the same in the UK, via Clydesdale and Yorkshire Banks.

By their own admission they hid undisclosed **“Hidden Margin”** on LIBOR based loans.

They charged enormous **Break Fees** linked to IRHPs which by their own CEO David Thorburn's testimony weren't hedged to the market, as the contract terms demanded.

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Despite the de-merger from NAB of the Clydesdale and Yorkshire “**Death Star**” brands in early 2016, we have recent evidence that, despite their statements to the contrary, NAB and CYBG continue to work together in the administration and settlement of issues with these tailored business loans. CYBG and NAB are also tying themselves into settlement deals being done by Cerberus, forming a formidable triumvirate.

As part of the de-merger NAB paid CYBG PLC a £1.7B “Golden Goodbye” which should now be regarded as a “Gold Plated Cheerio!” This payment related to outstanding legacy issues, including PPI.

Within one calendar year CYBG’s accounts highlighted that they had paid out all but £148 Million of this pot. That meant that they had paid out over £1.5 Billion in a single year.

We have documentary proof from within NAB that CYBG asked for considerably more and accepted a far lower amount than the figure that they knew that they needed.

With the UK General Election 2019 out of the way this week hopefully it will allow us, together with key political & press allies to focus on our campaign for justice.

This will be our focus as well as discussions with the financial regulators who now seem to be waking up to these malfeasant banks, as evidenced by the Cranston Report issues today in the UK at the request of the FCA.

If all else fails funded, strong legal action will be instigated.

The final stage in our push for justice starts this week when we travel to Sydney Australia to join with our colleagues, the Australian Bank Warriors, to attend and present our issues to the board of NAB, the originators of these **Time Bomb Loans**.

## We are not going away!

[Ian Lightbody – Chairman - Leadership Group](#)

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