

LLOYDS
BANKING
GROUP



16 May 2017

25 Gresham St
London
EC2V 7HN

Paul Michaels
Low Newbiggin Estate
Aislaby
Whitby
YO21 1TQ

FINAL RESPONSE

Dear Sir

Property: Low Newbiggin Estate, Aislaby, Whitby YO21 1TQ

Following our acknowledgement email of 15 May 2017, we can now confirm that we have completed our investigation into your complaint and this is our final response.

Your complaint

Our understanding of your complaint is set out below:

1. Bank of Scotland Plc refuses to accept that it is wrong;
2. Bank of Scotland Plc continues to harm you and your family;
3. You and your wife had to endure an unnecessary three day trial.;
4. You were not given the trial bundle until 6pm on the evening before the first day of the trial;
5. Bank of Scotland Plc knew that the property was your principle home and that it was listed for sale but this was not stated on the claim form;
6. Bank of Scotland Plc has refused /interfered with a sale of your property;
7. Bank of Scotland Plc has offered financial and life advice which has caused you loss;
8. The day after signing an agreement with Bank of Scotland Plc, proceedings were brought for possession of your property;
9. There has been interference by Bank of Scotland Plc's legal representatives;



You demand an immediate meeting with a senior bank representative, repayment of your losses, the immediate end to the void claim against you and the removal of illegitimate and illegal information registered against your properties and businesses.

Background

In January 2007, Bank of Scotland Plc granted you a loan for £1,000,999 to re-mortgage your property. An additional sum of £92,000, was drawn down on 15 March 2007.

In June 2008, you granted a second charge in favour of Bank of Scotland Plc in respect of a commercial overdraft facility of £1,215,000.

The overdraft was the subject of proceedings issued in October 2009. These proceedings were compromised in July 2011 by an order under which you were to repay £330,000 by way of 13 instalments in default of which Bank of Scotland Plc was entitled to enter judgment against you. You failed to make the agreed payments under the Order and in default, judgment was entered on 17 January 2013 for the entire overdraft debt of £1,534,497.16.

On 14 October 2013, you agreed settlement terms in respect of the overdraft pursuant to which you were required to pay £600,000 in full and final settlement of the Judgment. Nothing has ever been paid by you under this agreement.

In the meantime, you ceased paying your mortgage account and proceedings for possession of the above property were commenced in March 2014. These proceedings related solely to your mortgage account and not your overdraft. However, you brought the overdraft into those proceedings by way of your defence and counterclaim in which you alleged that Bank of Scotland breached the terms of the October 2013 settlement agreement.

In an attempt to resolve the possession proceedings amicably, Bank of Scotland Plc met with you on 13 October 2016 during which we put forward a proposal for settlement. Our proposal was not accepted. That proposal was then reiterated on several occasions up to the final hearing of those proceedings in March 2017 but was not accepted by you. At the trial, the Court found in favour of Bank of Scotland Plc granting us an order for possession of your property. The order made by the Court was less favourable to you than the offers we had previously made.

Findings

Having thoroughly investigated all the points you raised, we now address each of your concerns below:

- With regards your assertion that Bank of Scotland Plc refuses to accept that it is wrong, we have followed due legal process and are satisfied that the order made at the trial in March 2017 was the correct outcome given the circumstances of your case.



- Whilst you may view our decision to seek possession of your house as harmful, it is something we are entitled to do due to your failure to maintain monthly payments towards your mortgage in breach of your mortgage terms and conditions. We have followed the correct legal process. Possession proceedings are an action of last resort and it is not too late to avoid your house being repossessed. Such steps can be avoided by re-commencing monthly payments and providing proposals for repayment of your missed payments.
- A three day trial was necessary as it was not possible to reach an amicable resolution to the matter beforehand despite our reasonable attempts to do so.
- As regards the late provision of the trial bundle, this is something you will need to take up with your own solicitors who represented you up until a few days before the trial. Our solicitors provided the trial bundle to your solicitors on 28 February 2017 and your solicitors acknowledged receipt of them on 2 March 2017.
- Whilst we acknowledge that you appear to have been marketing the property for sale for many years, as no sale has ever been achieved, possession proceedings were entirely necessary.
- In support of your assertion that Bank of Scotland Plc has refused a sale of your property, you refer to a Paul Colam e-mail dated February 2009. We assume that you are referring to the e-mail dated 27 February 2009 in which it is stated 'I have discussed your situation with my central team. Their initial view is that a sale at £1.75m would not allow full debt repayment/coverage and as such we would probably not agree to release the charge. A price of c£2m is going to be needed and/or funds from Canada or elsewhere to payback any shortfall caused by an agreed sale at a lower figure'. We understand that the proposed purchaser subsequently withdrew their offer to purchase the property and so the purchase did not proceed.
- As regards your assertion that Bank of Scotland Plc has offered financial and life advice which has caused you loss, unfortunately your allegations are not sufficiently detailed to enable us to respond to them.
- We do not agree that proceedings were brought for possession of your property the day after signing an agreement with Bank of Scotland Plc. The agreement which related to your overdraft was entered into on 13 October 2013 whereas proceedings for possession of your property for non-payment of the mortgage were not issued until some five months later on 12 March 2014. Prior to the agreement concerning the overdraft in October 2013, a number of letters were sent to you regarding your arrears on the mortgage from which it would have been clear that the agreement concerned your overdraft and not your mortgage.
- As regards your assertion that there has been interference by Bank of Scotland Plc's legal representatives, unfortunately your allegations are not sufficiently detailed to enable us to respond to them.



Conclusion

Based on our findings as detailed above, we are unable to uphold your complaint. Furthermore:-

- we do not agree to your request for a further meeting;
- we do not agree to repayment of your alleged losses (which are in any event unparticularised);
- we do not agree to end the claim for possession of your property;
- we are not aware of any illegitimate or illegal information registered against your properties or businesses.

Next Steps

We hope that we have resolved your complaint fully. If you feel that we have misunderstood your complaint or have any further details that you think you should be aware of, please do not hesitate to contact us.

We are regulated by the Financial Conduct Authority. We enclose a leaflet issued by the Financial Ombudsman Service which sets out how you can progress complaints against us.

Yours faithfully

S. Briggs

Sarah Briggs
Group Executive Complaints

Notice of HEARING PURSUANT TO ORDER OF 31ST MARCH 2017

In the County Court at Scarborough	
Claim Number	4PA41550
Date	26 June 2017

28 JUN 2017



BANK OF SCOTLAND PLC	1st Claimant Ref CADDYL/209964.000140
PAUL MICHAELS	1st Defendant Ref
CHARLOTTE S MICHAELS	2nd Defendant Ref

TAKE NOTICE that the HEARING PURSUANT TO ORDER OF 31ST MARCH 2017 will take place on **2 August 2017 at 9:30 AM (BY TELEPHONE, BEFORE HIS HONOUR JUDGE RAESIDE QC WHICH THE CLAIMANT SHALL ARRANGE)**

Leeds Combined Court Centre, The Courthouse, 1 Oxford Row, Leeds, LS1 3BG

When you should attend

1 hour has been allowed for the HEARING PURSUANT TO ORDER OF 31ST MARCH 2017

Please Note: This case may be released to another Judge, possibly at a different Court

The hearing of this case will take place by way of a telephone conference.

The Claimant's Legal Representative is ordered to arrange the telephone conference.

Please quote telephone number 0113 306 2441 when arranging your telephone conference.

Time estimates for hearings must be accurate as they will not be allowed to over-run. In the event that a time estimate is insufficient then please contact the court. Please note that time has been allocated for the Judge to read all papers in advance of the hearing.

Approved telephone conference providers:-

British Telecoms Plc 0800 028 4194

The court office at the County Court at Scarborough, Scarborough Justice Centre, The Law Courts, Northway, Scarborough, YO12 7AE. When corresponding with the court, please address forms or letters to the Court Manager and quote the claim number. Tel: 01723 505000 Fax: 01264 785001. Check if you can issue your claim online. It will save you time and money. Go to www.moneyclaim.gov.uk to find out more.

LegalConnect

0800 953 0405 - Email: support@legalconnect.co.uk

Kidatu

0800 279 4595 - Email: info@kidatu.co.uk

Arkadin

020 8600 0751 - E-mail: legalevents@arkadin.co.uk

General Form of Judgment or Order

In the County Court at Scarborough	
Claim Number	4PA41550
Date	31 March 2017

06 APR 2017



BANK OF SCOTLAND PLC	1 st Claimant Ref CADDYL/209964.000140
PAUL MICHAELS	1 st Defendant Ref
CHARLOTTE S MICHAELS	2 nd Defendant Ref

Before His Honour Judge Mark Raeside QC sitting at the County Court at Leeds, Leeds Combined Court Centre, The Courthouse, 1 Oxford Row, Leeds, LS1 3BG.

Upon the hearing of the trial on 8 and 9 March 2017 and the Court giving an extempore oral judgment which both parties agreed and will be corrected should a transcript be requested.

And Upon the Defendant obtaining a transcript which the Court has now received for making the necessary corrections

And Upon the Court receiving a draft order and Upon the parties making written submissions in respect of the Order and the Defendant indicating they will seek permission to appeal.

IT IS ORDERED THAT

1. There shall be a telephone hearing at 9.30 am for up to an hour on the first available date after the provision to the parties of a corrected transcript of the judgment.
2. The Defendants shall provide in writing prior to the hearing of any grounds of appeal they propose to rely upon.
3. The Court will then decide the appropriate order to be perfected.

Dated 31 March 2017