

# BBAG – Bradford & Bingley Action Group

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The Chairman  
The Upper Tribunal  
Tax & Chancery Chamber  
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20/06/2011

The Upper Tribunal Tax and Chancery Chamber [UT]  
Cases BB/0001/2011 Onwards  
Applicant. Bradford & Bingley Action Group [BBAG]  
Respondent. Peter Clokey, the Independent Valuer

Dear Sir,

Peter Clokey [PC] has responded to BBAG's referral to the UT Form FTC3 dated the 27/03/2011. He makes clear that the valuation is subject to review by the Tribunal only on the grounds of unreasonableness and that it has no power to direct him to adopt any particular approach or substitute a different valuation. His response then justifies the nil valuation based on statutory assumptions in various legislation all of which was passed by the previous Government. BBAG has already made clear that in its view PC's terms of reference ensured he had no alternative other than an 'in administration' approach thus ensuring a nil valuation. This suggests the whole exercise was no more than a cynical attempt to cloud the issue and buy time for the previous Government in the months prior to the General Election in May 2010.

It is difficult to over emphasise the sense of outrage amongst our supporters, many of whom feel the B&B nationalisation was a toxic mix of criminal deception and legalised theft. BBAG's view is that the behaviour of various Government departments has been less than white as when asked for full details of the sequence of events pre and post the nationalisation of B&B under the Freedom of Information Act [FOI], the only responses have been a combination of disingenuous comment, obfuscation and subterfuge. This behaviour and the restrictions imposed in the Compensation Order on the extent to which information obtained for the purpose of the assessment could be disclosed has prevented BBAG from properly exercising its rights of appeal. Note 2 of our referral to the UT provides a good example of this - the No 10 Cabinet Office's response to a FOI request was 'we have no files whatsoever'. This statement was proved to be untrue by the comment on page 47 of Gordon Brown's book 'Beyond the Crash.'

We do not intend to repeat our concerns in respect of the selective use of the SLS by the previous Government other than to ask why B&B, which had a far stronger balance sheet due to a successful rights issue than the Royal Bank of Scotland and Halifax Bank of Scotland, had its support withdrawn whilst the latter secured £61 billion of support just eight days after the B&B nationalisation. Furthermore, in BBAG's view the conflicting statements between the B&B board and officers of the FSA prior to nationalisation as against various government departments and the FSA after the nationalisation should be the subject of a full investigation.

The valuer has referred to the outflows of retail deposits and expected further outflows on Monday 29th September 2008. It is BBAG's belief that the catalyst for this was the Treasury briefings to Robert Peston of the BBC, whose comments in the media also created a false market in B&B bonds and shares. This should also be the subject of an investigation

The B&B nationalisation was due to the failure of the tripartite regulatory system and the relevant accounting standards resulting in a decision made in haste for political reasons by Gordon Brown from the ante room of the Oval Office at the White House, it is no coincidence that the Conservative Party was holding its annual conference the following week commencing the 29th September, 2008. We are now in the extraordinary position that the nil valuation is being justified on the basis of the Valuer's terms of reference set by and legislation passed by the previous Government when it was responsible for this debacle. BBAG believes the decision to nationalise B&B was deeply flawed, misguided and unnecessarily disadvantaged nearly one million share and bondholders who are entitled to an independent inquiry which we would urge the Tribunal to recommend to the current Government.

Yours Faithfully

David W. Blundell  
Chairman, BBAG