

30 April 2012

Ms N Ceeney – Chief Ombudsman  
The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR

Dear Ms Ceeney

Please can you deal with this case personally? Otherwise, I am quite sure it will be referred back to you sooner or later, you will soon see why. This has been going on for years too long as it is. We have tried to get this endowment mortgage situation resolved with our lenders since it was known to be a ‘dodgy’ repayment method (June 1995). I even got WoolwichSucks.co.uk in 2000 because of frustration with them. The lenders were first the Gateway Building Society, then the Woolwich, and now Barclays. Though the case is somewhat lengthy, I will try keeping it brief.

We are looking for recompense after being churned over five years repayment mortgage, also for damages with ‘mis-selling’ of our endowment mortgage and payments made since it finished on 1 January 2009 – with interest. BTW: why do you not award compound interest? I trust you are as honourable as your predecessor, Mr Merricks. He admitted in 2001, “In ordinary customer protection language these products (endowments) have been discovered to be unfit for purpose.” Though they always were unfit, there was nothing relevant financial professionals did not know at the time. Compare to the customers who were kept in dark, perhaps they should be called ‘prey’. I certainly feel duped. A gamble to repay loans is not good financial advice e.g. the markets could drop again. Sorry, I know this is ‘teaching grandma how to suck eggs’, albeit a young one. I hope you agree with all this. Analogy I use is of it being like a gamble on a horse that could fall many times and not recover in time to repay a loan – or ever recover during your natural lifetime. All the time you are paying lenders (who gave the bad advice) more and more interest. Not a win/win for them, whether it fails or loses, but a win/bigger win. Hmm...

Our lender has now, after 17 years of delay, denial and obfuscation (some enclosed), made final their refusal to admit liability and continue to decline answering pertinent questions. They have been most evasive all along. This is why my anger has been building, no pun intended, with my health becoming much worse over these years. Indeed, Barclays say we still owe a fairly large sum of money (around 10% of original mortgage). They are demanding more money with menaces many years after they said the loan would have been repaid. Barclays do not have reasonable grounds for making the demand – there is no contract between us. Why is it not their fault there is a shortfall – it is their scheme and I made all monthly payments as per agreement.

By now you may sensibly be asking, “Are you blithering idiots, why not get the authorities involved much sooner?” In fact, we have not just been dealing with our building society in isolation all this time – we have tried hard for years to get the Financial Services Authorities to deal with this matter. I have much more to say about the financial industries PR firm – though will confine it to our endowment mortgage in this letter. I will not go on about the fact they give big fines that are passed onto customers or investors, whilst the guilty fat cats award themselves

larger wage rises and even bigger bonuses. Or about them keeping quiet to the public about HBOS. Or that they hid secret for years about endowments being unfit for purpose until damage was imminent. Or their complicity in the current financial crisis. With the FSA we will continue to have even more so-called 'mis-selling', the system is made for it. Yes, I do know you are 'independent' of the FSA. Did I mention that I was a slightly annoyed?

My arguments are objective, based on facts – that is how I proved the FSA lacked integrity with an official complaint (enc) due to the way they handled this 'problem'. They will not answer straightforward germane questions. What good is any regulatory system or authority that lack integrity – or are corrupt? I mention the 'c' word because there has been nothing but devious evasion from most individuals that have responded thus far. This is documented. Notable exception is Mr Devlin who judged the official complaint. There is nothing more we can do via the financial regulators, the FSA being a complete waste of space (putting it politely), you are our last hope of any justice. My wife and I therefore respectfully ask you to deal with our case:

#### 1. Loan details.

25-year repayment mortgage: Offer of Advance 29 May 1981 (enc) and first payment slip 21 August 1981 (enc). Due to finish on 21 July 2006!!!

Homebuilder Endowment Plan: Letter/brochure praising the scheme October 1986 (enc) – they come with a Personal Quotation (enc). Letter 11 November 1986 advising us to "act quickly" by 30 November 1986 (enc). Received Policy 1 January 1987 (enc). Matures 1 January 2009!!!

Endowment plan matures and new plan: Received Letter about maturity 9 December 2008 (enc) with Revised Payment Notice balance of £1904.47 on 13 February 2009 (enc).

Maturity of new plan: Letter 17 January 2011 maturity due 16 July 2011, balance was £1916.74 (enc). Balance has gone up not down. Letter demanding payment dated 4 June 2011 (enc). Letter 30 July 2011 giving balance of £1913.63. Some scam – all money paid since January 2009 was interest. Letter 9 September 2011 confirms they have "received all the information required and are investigating [our] concerns." (enc). Since then we had letter saying to go to the FOS.

#### 2. Churning and 'mis-selling'.

Over five years into repayment mortgage (in October 1986) we received a letter, a Personal Quotation and a brochure. The front page of brochure stating "The mortgage you could pay off years early" OR "leave to pay you a substantial cash sum" – no third option of "debt" mentioned.

Proof they knew and hid risk is contained within the brochure. It is in the smallest font, after assurances about how "Growth performance monitored for you" (large font) and how you can have your money grow for extra cash. It states at the bottom, "Should unit growth for any reason not have reached the assumed rate, you will be advised of the action needed. For example, if on a 25-year term mortgage unit growth over the first 10 years had only been 5% per annum, the premiums would need to be increased by about 15%" (customers reading will think this is not likely given the growth in charts). Of course, they don't tell you this is more awful advice – throwing good money after bad when they cannot guarantee high growth or indeed that it will not crash. You will need to explain how these experts did not know it was bad financial advice to gamble more. Not only that, it gives charts and claims that give the impression of continued massive growth (100 to 357.3 in just 7 years) – with "an award-winning team of investment managers" to secure it (named). We are clearly meant to think it would be madness not to sign. Even as young girl you may remember banks and building societies were trusted in them days.

On 1 January 2009 the endowment mortgage ended and Barclays started taking more money out of my account for the shortfall. It was not agreed and they certainly did not come to us asking about who was liable for it given their wrongdoing and the reason for its 'appearance'.

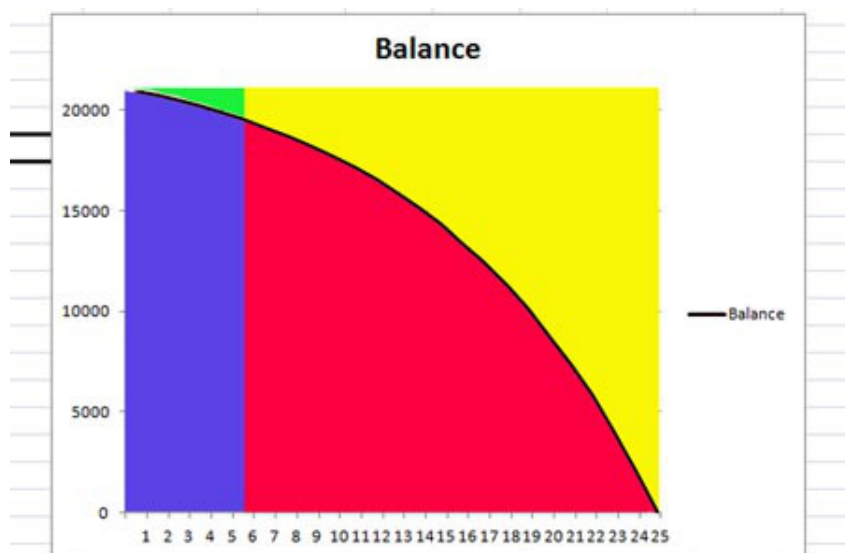
Please explain exactly how other customers on Homebuilder have not been churned or mis-sold.

### 3. Legality – specific to our case.

The authorities commonly use the word 'mis-selling'; this seems to me an incorrect usage – certainly in our case. It is not like customers were mis-sold white paint after asking for blue. Surely this is people seeking a pecuniary gain with criminal intent i.e. knowingly using exaggerated and deceptive claims, is it not? This does not require hindsight or crystal ball (shown above with “the premiums would need to be increased by about 15%”) this is pure deception intended to result in financial gain from customers as far as I can see. These people are known directors and named experts – not a faceless finance firm. Yes – I am asking if this is fraud. Is this really so wild a suggestion to make – am I mad to bring it up? You will have to excuse my ignorance and incredulity; I seem to be missing something most fundamental. I am a critical thinker and entirely willing to have my analysis and suspicions proven wrong.

Please also explain exactly how it is legal to churn a repayment mortgage nearly five and a half years (65 month) payments of £253.80, pay approximately £16,497 to get only £1,215 in return (20925-19710). Them getting around £15,282. It is not as though this shortened our mortgage by 65 months; indeed, we still make payments nearly 70 months after it should have been paid. I really do want to understand. You surely know about the repayment curve i.e. in early years the monthly payment to the lender is made up of mostly interest and a bit of capital. A depiction of the curve is below. You only have to look at the tiny portion of capital (green) that was paid and the interest taken up to this point (blue) to see whom most benefits from this advice.

Closely examine the claims in the letter and brochure, the lack of warning and false impression of how good endowments are. Additionally, in the chart below, compare the more equal proportions of interest (red) to capital (yellow) in payments to what went before. Together it can only be deception intended to result in financial gain for the lender. Another example, it states on front page, “The mortgage you could pay off years early...” when it was going to be paid off in just over nineteen years anyway. It is not as though they did not know it was going to customers who had paid years off – they sent Personal Quotations. I am quite certain that it is possible to counter anything you have in defence of the lenders illegality (i.e. my perception of it), but welcome being proven wrong. Fraud, certainly on the scale I believe, is a very serious crime.



The lenders could have settled at any time whilst not admitting any criminal liability, instead they chose to continue taking more and more interest.

To summarise, please will you inform the SFO if our case is fraudulent. If it is not, please explain difference between frauds versus mis-selling and churning. It seems deception for financial gain is not the disparity. Failing that, if it is churning and mis-selling can you arrange redress for that and the extra payments made since January 2009? With all interest – preferably compound interest, which they would have had. Also please tell them to file their claim of £1913.63 for the ‘shortfall’ in the bin. If it is not mis-selling or churning then please explain what qualifies – using a gun and violence presumably.

I have to make a short comment to you. You talked on 28 June 2011 about redress. Redress is merely to repair/rectify the situation for a few lucky individuals who have been through a prolonged process. Even with it authorities let the guilty party get away with those who have fell by the wayside (for many reasons) e.g. how many on the Homebuilder scheme have not had their churned thousands returned. But perhaps even worse than that, redress allows authorities let the guilty off without them taking personal responsibility, fines merely passed on. The FCA’s approach document may clearly state, “intervention has not always been sufficiently swift”, but to put it bluntly, it has been beyond pathetic with us. Sloth-like would be compliment. Be honest – this is more than negligence, is it not. I understand that the authorities (yourself included) want to keep confidence in the markets, but how can we have confidence when the next big scam is around the corner – or going on now. Do you know what misdeeds the FSA are keeping secret about at the moment? Yes – sorry, I have not been brief enough. Our mortgage was due to be finished years ago, I am not only angry about it but the stress is not good for me. Apologies that this letter is a bit slapdash – but I am trying to get it completed before the time limit runs out.

Sincerely,

Garry Anderson

[www.skilful.com](http://www.skilful.com)

[www.skilled.org](http://www.skilled.org)

[www.WoolwichSucks.co.uk](http://www.WoolwichSucks.co.uk)

All my considered and informed opinion – fraud has yet to be proven in a court of law.

Enc. Various – noted in text. In date order – please check reverse sides for printing.