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**STRICTLY PRIVATE AND CONFIDENTIAL**

Mr Errol Bland  
The Coin Group Limited  
12 Treadaway Business Centre  
Treadaway Hill  
Loudwater  
Buckinghamshire  
HP10 9RS



27 September 2012

Our reference: COINGROUPL

**IMPORTANT INFORMATION – PLEASE READ CAREFULLY**

Dear Mr Bland,

**Review of Sales of Interest Rate Derivative Products**

At the beginning of July we wrote to you in relation to the review by Lloyds Banking Group into the sales of interest rate derivative products sold to small and medium businesses from 1 December 2001 onwards (the "Review").

We have now undertaken a preliminary assessment of your file and we have concluded that you will qualify to progress to a full review of the structured collar products sold to you; to assist you with this review process I have been appointed as your Case Handler.

This Review will consider the sale to you of structured collar product:

- Enhanced Collar (Trade ID 2665481LN/2665482LN/119654) sold to you on 24 July 2007.

The aim is to determine whether any redress is appropriate in relation to that sale and, if so, what form any redress should take. Redress could include a mixture of cancelling or replacing existing products with alternative products, and partial or full refunds of the costs of those products. Redress, if relevant, will be provided on the basis of what is fair and reasonable in the circumstances. The Review will be overseen by an Independent Third Party (the "ITP") as prescribed by the FSA.

In addition to carrying out the redress determination in relation to this structured collar product as detailed above, we will also include within the scope of this review the sales of the following products:

- Callable Swap (Trade ID IS07007024) sold to you on 24 July 2007; and
- Callable Swap (Trade ID IS08015081) sold to you on 1 December 2008.



## Providing us with Further Information

To assist us with the Review of your cases, and to make sure we have all the necessary details to enable us (in conjunction with the ITP) to determine the appropriate outcome, we would like to offer you the opportunity to present your version of events and provide any additional information pertinent to the sale of the products. If you would like to do so, please either:

- (1) complete the enclosed 'Request to Provide Additional Information' form and return it to me in the pre-paid envelope provided; and/or
- (2) contact me to arrange a convenient time for us to have a telephone call or face-to-face meeting to discuss your case. Please also let me know if you would like the ITP to be present on any calls or at any meetings we have with you.

The role of the ITP within any meeting or call is to act as an impartial observer and ensure that the process is fair and that customers are not disadvantaged.

If we do not hear from you within 28 days of the date of this letter, we will proceed with the Review on the basis of the information that we hold in our files only.

If you would like us to review any other LBG interest rate derivative product sales with which you are associated as part of this Review please also detail these in your feedback.

Please note that, while you can be assured that we will progress the Review as quickly as possible, we may not be in a position to communicate the outcome to you for several weeks.

In the meantime, please do contact me if you have any queries in relation to this Review.

You might also find our dedicated page ([www.lloydsbankwholesale.com/News-and-Announcements/fsa/](http://www.lloydsbankwholesale.com/News-and-Announcements/fsa/)) helpful and/or the updates provided by the FSA which includes a fact sheet which explains the next steps of the review process. Please see the links below:  
[www.fsa.gov.uk/static/pubs/other/interest-rate-hedging-products.pdf](http://www.fsa.gov.uk/static/pubs/other/interest-rate-hedging-products.pdf) or  
[www.fsa.gov.uk/library/other\\_publications/interest-rate-swaps](http://www.fsa.gov.uk/library/other_publications/interest-rate-swaps)

Yours faithfully

Tim Vogel

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### Enclosures:

Request to provide additional information  
Pre-paid envelope



## REQUEST TO PROVIDE ADDITIONAL INFORMATION

**Customer Name:**

**Date:**

I would/would not like to provide additional information to assist you in determining an appropriate outcome and (Please tick as appropriate):

- have submitted additional relevant information along with this form\*
- will send this information under separate cover
- would like to request a phone call/meeting to present additional information\*
- would like to request an ITP to attend the phone call/meeting

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

On behalf of: The Coin Group Limited

Telephone: \_\_\_\_\_

Dated: \_\_\_\_\_

**\*Guidance for customer wishing to submit additional information:**

To assist us to determine the appropriate outcome for your cases we have outlined a number of areas where additional relevant information would assist the assessment:

- Could you please detail why you took out these products
- Could you please provide details of any advice you were provided with during the sales process and from whom
- Could you please detail why you felt you needed these products at the time and how they matched or did not match your needs
- Could you please detail your understanding of any conditions you felt were associated with the sale of these products at the time
- Whether you have any specific concerns in relation to original sales process supported, If possible, with any evidence that these were raised before/at the point of sale
- Could you please identify any losses or costs you believe have been incurred as a result of purchasing an interest rate hedging product, for example where, as a result of the Interest Rate Hedging Product (IRHP) you have entered with LBG, this has had a negative impact on your financial arrangements such as:



1. You have been prevented from repayment of your debt facilities due to the existence of the IRHP and this has resulted in the requirement to pay ongoing facility costs – e.g. annual renewal fees. Exit costs or penalty charges incurred as a result of having to restructure your finances to close out a fixed rate deposit product early
2. Where you have paid additional costs to remove specific features of an IRHP
3. where you have incurred other related costs as a consequence of not being able to pay for the removal of specific features of an Interest Rate Hedging Product

Where possible please provide copies of any additional evidence that would support your case.

This guidance is intended to assist you in identifying information that you may wish to provide and is not intended to limit your submission in any way. Your submission should be signed and include your confirmation that the facts stated therein are true to the best of your knowledge and belief.