

**PRESS RELEASE ISSUED BY PAUL MOORE RELATING TO HIS EVIDENCE TO  
THE TREASURY SELECT COMMITTEE'S INQUIRY INTO THE BANKING CRISIS**

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I sent my first evidence to the Treasury Select Committee on 6th February.

On Tuesday 10<sup>th</sup> February Lord Stevenson (ex Chairman) and Andy Hornby (ex CEO) of HBOS were cross examined by the Committee about my evidence and denied my allegations.

On 11<sup>th</sup> February Sir James Crosby resigned as Deputy Chairman of the FSA. He said about my allegations - "These were independently and extensively investigated on behalf of the Board, the results of which they shared with the FSA. That investigation concluded that Mr Moore's allegations had no merit. .... I am totally confident that there is no substance to any of the allegations.."

On the same day Gordon Brown said "The allegations that were brought before the Treasury Select Committee were investigated by the independent KPMG in 2005. The allegations made by Mr Moore were found not to be substantiated. That was an independent review that was done by KPMG and reported to the Financial Services Authority. However, it is right that when serious allegations are made, they are properly investigated. No doubt the Treasury Select Committee will want to look at them and no doubt the Conservative Party will want to wait to see how that investigation takes place."

The FSA also issued a statement saying "Having examined carefully the files relating to this issue, the FSA can confirm that specific allegations made by Paul Moore in December 2004 regarding the regulatory risk function at HBOS were fully investigated by KPMG and the FSA, which concluded that the changes made by HBOS were appropriate.....In conclusion, the FSA confirms that the allegations made by Mr Moore were taken seriously, and were properly and professionally investigated."

Following these denials, I issued a press release and stated on numerous occasions "I have a significant body of detailed additional evidence which will corroborate what I said. I am confident that the "independent report" to which Sir James has referred will not bear up to any proper independent scrutiny."

I have now provided my detailed resume of additional evidence which proves overwhelmingly the veracity of my original allegations and deals conclusively with the KPMG report. No-one now believes that this report was independent and my additional evidence demonstrates that it cannot be relied on in any way.

Despite the apparently confident denials of all the parties, no further evidence other than the KPMG report has been received by the Committee. Therefore, the Committee should now accept my allegations and pay due regard to them and my policy recommendations in writing its report. As my evidence demonstrates potential wrongdoing by the parties (breach of fiduciary duties as company directors and breach of The Principles for Approved Persons), the Committee should recommend in its report that such matters should be dealt with in the appropriate tribunals and by the appropriate authorities.

I also strongly believe that the Committee should recommend a thorough investigation into the actions of the executive and non-executive in the banks and the actions / inactions of the FSA. In this regard, proper attention should be paid to what the Parliamentary Ombudsman said in relation to the Equitable saga:-

"The failure at the outset to establish a single inquiry which was not hampered by terms of reference or a statutory jurisdiction which limited the issues that could be addressed and resolved has resulted in such an extended and long drawn out process.

The adage 'justice delayed is justice denied' has rarely been far from my thoughts as publication of this report has drawn nearer. And the continual uncertainty that this has caused for many individuals - and also for the Society itself - must have been difficult to bear.

Ensuring that inquiries or other means of explaining events and of resolving complaints, claims, and disputes are fit for purpose is critical to their success and to public confidence in them. "