

To \_\_\_\_\_, M.P.

## **The Unequal Treatment of Bradford and Bingley Bondholders**

Dear

I am a holder of Bradford and Bingley subordinated bonds. Following the governments nationalisation of the bank I am in danger of losing my savings invested in these bonds. **The Bradford and Bingley subordinated bondholders are the only group of bondholders in the UK under threat of losing their capital because of Government action.**

In reviewing the treatment of other bondholders caught up this financial crisis not of our making the following is obvious.

- HBOS bondholders' investments have been moved to Lloyds Group.
- Northern Rock bondholders' investments are guaranteed by the Government which is positioned last in the settlement rankings as 100% shareholder.
- Bradford and Bingley short term bondholders have been moved to Santander owned Abbey National bank.
- Bradford and Bingley covered bondholders are guaranteed by the terms of the Government order for the Nationalisation of B&B and the Government has positioned itself in the settlement rankings below them.

Contrast this treatment with that of the Bradford and Bingley subordinated bondholders whose capital will be wiped out in the event of any shortfall in the total mortgage capital repayments or following a sale of the B&B loan book for less than the 18bn loaned to the bank by the Government.

By not guaranteeing the capital of the B&B subordinated bondholders and positioning itself ahead of them in the settlement rankings the Government is cynically using our investments as a cushion against its own losses.

**I wish to register a strong objection to this unequal treatment of B&B subordinated bondholders as equal treatment under the law was always part of the basis of the Government of the British people. This now seems to have been brushed aside with winners and losers created arbitrarily by the whim of the Government.**

**I request that the Government guarantee the subordinated bondholders' capital, as it has done for the covered bondholders in B&B, and moves the subordinated bondholders up the settlement rankings ahead of the Government (Treasury and FSCS) which is in reality the 100% shareholder and owner of the bank and should legally, therefore rank last in settlement.**

Please forward this letter to the Chancellor and Prime Minister and request a reply.

Yours sincerely