

Northern Rock Shareholders Action Group

Newsletter No. 73

European Court of Human Rights - Non-Decision Issued: Disappointment and Stunned Amazement for Shareholders

Taking the words from Dennis Grainger, the case' Lead Plaintiff, "I am very sad to inform you that I have heard in the last few moments that our case in Europe has been ruled 'inadmissible', and that there is no right of Appeal available. Shocking stuff."

This summed up all of our thoughts when our Committee learned of an unbelievable 'decision' whereby the European Court of Human Rights (ECHR) has decided that the case made under Property Rights Law Article 1 of Protocol No 1 (A1P1) will not be heard in the European Court.

Angered by the announcement, Chris Hulme, Chairman of this group said today, "It is unacceptable that the very laws created to protect rights and ownership of property can be ignored in this way."

Since the outset of this crisis, 5 years ago, there have been several revelations of ineffective Tripartite financial management, confused Regulation and appalling Governance of the financial system. The Labour Chancellor acknowledged the damaging delay in giving deposit Guarantees during the (unnecessary) Run on Northern Rock. Hector Sants has confirmed that a golden opportunity to merge Northern Rock with Lloyds was blocked on moral hazard dogma by the Bank of England who then gave secret loans of £61 Billion to other banks.

Chris Hulme adds, "In light of the admissions of failings in the regulatory framework, immoral activities of Banking Directors, it stands to reason that a fresh look at the evidence surrounding the Nationalisation of Northern Rock could bring the UK courts to a more informed decision on how arbitrarily and unfairly the Compensation Order of February 2008 treats the former shareholders of Northern Rock compared with all other UK banks. The Labour rigged Valuation of zero compensation is simply not credible when compared with the 2012 UKFI assessment of a £11 Billion surplus over 15 years."

Given the £1.25 Trillion of GENERAL support provided to the UK Banks from April 2008 with facilities made available in the UK and the EU, supported by several years of near zero Central Bank Rates in Europe and the USA, it is clear that Northern Rock would have continued to thrive as a profitable going concern. There was no justification for Labour to rush through the Nationalisation at the very time that liquidity facilities were being finalised as GENERAL state aid to all UK banks. It is not surprising that last year the so called "Bad" bank (Northern Rock Asset Management) made a £1.3 Billion profit: in the first half of 2012 a profit of £481M has been reported!

In February 2008 the real risks to market financial stability came from poor Governance. - NOT Northern Rock.

Whilst some may expect a "we did our best" or "this looks like the end of the road", we can categorically say "Once again private investors, tax payers and Northern Rock

Employees have been badly let down by an uncaring Government not just at home, but in Europe."

Chris Hulme concludes "Had MP's and the Lords had all the latest information available to them at the time they voted in the legislation to nationalise Northern Rock and bias the valuation, I suspect the majority would have voted against. We need this legislation revisiting."

Whilst we are all shocked and saddened by this news, this is by no means the end of our battle. We are considering our further response and options and will announce our intentions in due course.