



The Rt Hon Andrew Tyrie MP  
Chair, Treasury Select Committee  
House of Commons  
London  
SW1A 0AA

Lloyds Banking Group plc  
25 Gresham Street  
London EC2V 7HN

15<sup>th</sup> July 2014

Dear Andrew,

Thank you for your letter of 8 July 2014.

I can confirm that qualified solicitors employed by Lloyds Banking Group have corresponded on debt collection matters under the name Sechiari Clark & Mitchell (later renamed SCM Solicitors) since the late 1980s.

In the 1980s, solicitors within Lloyds Bank formed a law firm, Sechiari Clark & Mitchell to conduct debt collection on behalf of the bank, changing its name to SCM Solicitors in 2009. Until 2011, it was registered as a law firm with the Solicitors' Regulation Authority. In July 2011 the partnership was dissolved. The name 'SCM Solicitors' was kept and its status as part of the in-house litigation team was disclosed on correspondence.

We believe that views on transparency and clarity have changed. Accordingly, we took the decision in March this year that the use of SCM Solicitors would cease as soon as the necessary changes could be made to IT systems.

In answer to your specific questions:

- These letters are sent to customers of the Retail and Asset Finance divisions of the bank, which could include both private individuals and SMEs.
- Such letters have been sent since the original formation of SCM in the late 1980s.
- No new claims are being issued in the name of SCM Solicitors and we expect the use of the SCM name to cease completely by the end of September. Thereafter all litigation-related correspondence will be sent

out on Lloyds Bank plc letterhead, under the name and SRA registration number of an employed solicitor.

- An important part of the rationale for the use of such letterheads was to address those customers in financial difficulty who have not responded to our previous attempts to engage with them because they do not read or respond to bank letter-head correspondence, exacerbating the problems they face. It is in both our and the customer's interests to engage and address the financial difficulty at the earliest moment. However, we recognise that transparency is now a priority and hence the changes we've introduced.

I should add, in the interests of completeness, that the Group previously used Internal Debt Collection Agencies. These were used at the earlier part of the debt recovery process. The rationale for their use and the subsequent decision to stop using these are the same as for SCM as mentioned above.

As you requested, I attach a typical and suitably anonymised SCM Solicitors letter.

I trust that the above is clear but please do not hesitate to contact me should you require any further explanation or clarification.

Best regards,

A handwritten signature in black ink, consisting of several stylized, overlapping strokes that form a cursive name.

# SCM

S O L I C I T O R S

Department CDR  
PO Box 499  
Second Floor  
Three City Park  
The Droveaway, Hove  
East Sussex, BN3 7AU  
Telephone: 0845 600 4583  
Fax Number: 01273 636484  
DX 36675 Brighton 2

Ref: CDR/PCR/2001402615/PCR1001

Date: 7th January 2014

000377/000002

**Opening Hours:**  
Monday to Friday 9.00am to 5.00 pm

Dear Sir/Madam

Re: Our Client: Lloyds Bank plc  
Account Number:  
Balance: £5,296.31

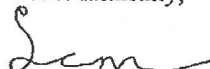
We are Solicitors for Lloyds Bank plc and act for them in relation to the above matter.

You are required to pay the balance of £5,296.31 in full within 14 (fourteen) days from the date of this letter to avoid Court proceedings being issued against you.

Telephone us today on **0845 600 4583** as we may be able to come to an amicable agreement for you to pay off this debt without the need to instigate legal proceedings. We are able to take details of debit or credit card payments on behalf of our Client. If you decide to make payment in this way 'Lloyds Bank PLC' will show on your credit or bank statement. Alternatively, payment can be made by standing order, cash, cheque or postal order.

Our dedicated team are waiting to receive your call.

Yours faithfully,



On behalf of Phillippa Simmons, Solicitor  
**SCM Solicitors**