



Honourable Banking Blue Star Awards

15 August 2010

The Rt. Hon. Eric Pickles MP
Secretary of State for Communities and Local Government
Eland House
Bressenden Place
London SW1E 5DU

Honourable Banking
229 Wandsworth Bridge Road
London SW6 2TU
Telephone: +44 (0)207 731 3213
Website: www.honourablebanking.org

Re: Suggestion on policy development regarding home repossessions

Dear Mr Pickles,

In the spirit of the Government's big society plan, we are a consumer advocacy group with a particular interest in protecting vulnerable people from unethical credit practices. We've recently contacted the Office of Fair Trading (OFT) and the Department of Business Innovation and Skills (BIS) with suggestions to improve consumer law applicable to lenders. BIS recommended that we contact you regarding one of our recommendations on home repossessions:

'Where a lender repossesses a home as a last resort, we suggest that any families with children who live in the property would only be evicted after alternative, long-term accommodation has been fully arranged and made available. This would also apply to the homes of elderly people and any people considered to be 'vulnerable adults' under the Care Standards Act 2000, section 80(6). Bed and breakfasts and hotel rooms would obviously not suffice for alternative long-term accommodation.

The purpose of this initiative is to help lenders understand that they are dealing with real people and real families rather than just names and numbers on a report. This is particularly important for protecting children who face great upheaval and stress in their lives because of adult decisions and actions, which they have no power to influence. We also want lenders to recognise that even though it is the responsibility of local authorities to re-home families in financial hardship and vulnerable people, it is irresponsible to over-burden those local authorities unnecessarily. This is especially the case if local authorities are already struggling to cope with high demand from other vulnerable and needy people for their services. Lenders must not take local authorities and housing services for granted as this is clearly not in the interests of society.'

This recommendation takes on added importance when considering the obvious tendency of many boards and senior managers to base policy, plans and decisions on what they can get away with in terms of profit-maximising without breaking the letter of the law, rather than what's morally right or wrong.

To help remedy this situation we are keen to host an annual competition for retail banks and building societies to encourage them to compete with each other on ethical performance and social responsibility. To achieve this we would rate each bank and building society over the following categories:

- their performance in protecting vulnerable people
- the clarity and truthfulness of corporate and social responsibility statements as well as adherence to them



Honourable Banking Blue Star Awards

- the transparency and consumer-friendliness of products and supporting marketing information
- each bank's or building society's overall treatment of its employees
- their compliance with the spirit of the law as opposed to just the letter of the law
- the example set by senior management in terms of honourable behaviour (this will include the efforts of senior management to lead the way by personally withdrawing from unethical competition with their peers for ever bigger remuneration packages and bonuses)
- Social objectives achievements and ethical investment.

Every year we hope to present a prestigious award to the overall strongest performing bank or building society according to the above categories. We also hope to present a second award to the most successful and innovative social-objectives-maximiser to encourage banks and building societies to take greater pride in our society by actively competing with each other to improve it. With enough public support we would hope that those banks and building societies that do well would derive a competitive advantage as consumers become more aware of banks and building societies committed to earning society's trust and respect. Similarly, we would hope that poor performance in any of the above categories could potentially impact a bank's or building society's balance sheet, thus giving them plenty of incentive to improve. Please see our website www.honourablebanking.org for more information.

With all this in mind, we would be very grateful if you would formally consider our recommendation on home repossessions and its potential to improve consumer protection laws, which the OFT use to form their guidance and requirements for lenders in order to hold consumer credit licenses. We would also be keen to gain your department's official support and backing for our charitable endeavour to rebuild ethics back into banking. We suggest our proposal would especially benefit your department as it complements many of its existing stated policy aims and objectives. We've also contacted the new Financial Secretary of HM Treasury, Mr Mark Hoban MP giving additional recommendations and asking for his department's official support and backing.

If you need any further information or you have any queries please don't hesitate to contact me via my contact details on page one or below. I look forward to your kind reply.

Thanking you in advance.

Yours sincerely,

Paul Sinclair

Director

Honourable Banking

Email: paul.sinclair@honourablebanking.org

Phone: 07890651590

Honourable Banking is a not-for-profit company
registered in England: No. 6978449

Registered Office: 229 Wandsworth Bridge Road,
London SW6 2TU