

19

MR. P. H. HILLSON

CHANGE EMPLOY: 18,605.18
 BALANCE OUTSTANDING: 23,219.13
 ARREARS R/FWD: 5,605.59
 ARREARS OUTSTANDING: 11,230.08
 CAPITAL FOR INTL. REPAYMENT:

DATE	TYPE	AMOUNT	DATE	TYPE	AMOUNT	DATE	TYPE
01/05	08	165.14	01/10	08	173.49	30/11	08
10/01	08	206.01	08/02	08	213.28	14/03	08
04/04	08	232.53	03/05	08	242.52	07/06	08
11/07	08	273.50					

Beginning of year arrears — £ 6605.59
 Total subscriptions due — £ 2004.00
 Fees — £ 2620.49
 Total repayments — 0.00
 True arrears position — £ 11 230.08

Prop that arrears
 considered prior
 to merger.
 (To KNR 12/10/88)

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HERSEYSTE VTRB SUBJECT

NAME AND ADDRESS: MRS A P DICKSON, DARBYSHIRE FARM HOUSE, SCHOOL LANE, WESTHEAD, MR DANIELLE LAMCS

DATE: 01/08/80

AMOUNT: 12,000

BUILT: 1780

PREMIUM: 100.51

ADDITIONAL: 0.00

MONTH DUE: 1

FREQUENCY/TYPER: S

EXCESS CODE: 0

COMPANY CODE: 01

SUM INSURED: 686,840

ORIGINAL TERM: 20 YEARS

REMAINING TERM: 20 YEARS 07 MONTHS

REMAINING LEASE: 000 YEARS

RENT/BENT: 0.00

HEAVY CODE: 1

HIREAS FLAG: C

TRANSFERRED ACC NO: 000

CALENDAR: 1,200.91

FISCAL YEAR: 2,200.09

FISCAL GROSS: 3,402.61

ARREARS DATED: 0.00

ARREARS OUTSTANDING: 1,520.00

REPAYMENT: 2,119.93

287.00

TYPE: AMOUNT

DATE: TYPE: AMOUNT

TYPE	AMOUNT	DATE	TYPE	AMOUNT	DATE	TYPE	AMOUNT
1	167.00	01/03	16	130.44			

beginning of year arrears: 0.11330-08

beginning of year arrears: 0.000 therefore 0.11330-08

Appendix 8

Attachments

- 1 Document 60 page 44 computer printout of account to March 31 1985
- 2 Document 59 page 45 computer printout of arrears from 1 Aug 1983 to 31 July 1984.

1 Evidence outlined earlier in this report indicates that no account record existed post 1982. This evidence combined with the anomalies listed below point overwhelmingly to fraud.

2 Document 1 is purported to be a copy of a genuine MBS end of period printout up to 31 March 1985 if authentic the capital for interest would have been £23,239.11 and not the closing balance of £25,149.93. It is obvious that the interest calculated from the closing balance (fiscal gross £4,212.61) cannot be applicable to this period.

3 Mrs Dickson's account with MBS started on Aug 1st 1980 with a term of 20 years the first repayment due on Aug 24th 1980.

This document is not formally dated however as it carries the exact alleged balance of £25,149.93. It is evident that B&B purports it to be from Aug 1st 1984 to March 31st 1985.

This being the case the remaining term of Mrs. Dickson's account would have been 15 years and 4 months at that point in time.

However this document states the remaining term to be 20 years and 7 months.

6. No claim has ever been made that the term of this account had been extended. If B&B were to make such a claim it would mean this mortgage was for a period of 25 years and 3 months.

7. The arrears outstanding are recorded as £1,520.00 which is incompatible with a repayment figure of £264.00 per month.

At March 31st 1985 the arrears outstanding on this financial statement, assuming no payments had been made in the period commencing Aug 1st 1984, would have been £2,112.00 (8 payments @ £264.00).

As there are no originals available it is for B&B to show them to be reliable. From an accounting point of view I consider this impossible.

Both attachments 1 and 2 need to be considered in the following context:
MBS computerised their accounts from 1 August 1982 (therefore there should be three account summaries, and three arrears summaries. The fact that we have two copies from two different periods implies that at least one copy of each printout was produced at the end of each financial period by MBS which suggests a total of twelve documents supposedly existed on 31 May 1985.

B&B's current position on this matter is that after transferring the data computer to computer MBS destroyed their records. By MBS they are inferring that Mr. Laurie destroyed the records being the only full time employee and the secretary of the society. However they also claim that he has no particular recollection of this event.

MBS had over 600 live files at the time of the transfer which suggests that over 1200 original and copies safely filed away in their respective client files. The same number of documents in relation to attachment 2 must also have been within those files.

For the final period to 31 March 1985 it is implied that the same routine was followed. Mr. Laurie after producing the printouts photocopied them and proceeded to destroy all the originals, but only after transferring all the data onto B&B's computer system. Their evidence also implies that he then extracted all the originals and copies from their respective files and destroyed them also.

This mass destruction, it seems, did not involve any accounts records that were not computerised. Fortunately for B&B Mr. Laurie overlooked the two copies attached. On the balance of probabilities and the weight of evidence contained in this report I suggest that the following theory of this case is the most probable.

Following a dispute over a further advance being paid to Mrs. Dickson's solicitor, and Mr. Laurie's involvement with that solicitor, Mr. Laurie found himself in no position to take any action against Mrs. Dickson. This would account for Mrs. Dickson being able to not make any repayments to that society with impunity.

In June 1982 the solicitor Mr Capper was imprisoned thereby worsening Mr. Laurie's position.

From July 1982 MBS was to computerise their accounts I believe that Mr Laurie simply did not load Mrs. Dickson's file into the computer. This would account for there being no authentic printouts.

B&B did not discover that they did not have a file for this account until compiling their end of year accounts and went to get Mrs. Dickson's version of events. This would account for there being no letters from B&B informing her that she had an account with them at the time of the transfer, and no letters regarding any arrears for the nine months she had supposedly had an account with them.

In this context a fair estimate of Mrs. Dickson's indebtedness to the society does not seem to me to be unreasonable had she accepted it. When the amount was questioned a set of figures showing how the debt had got to the said amount would not have seemed a bridge too far, assuming it was accepted.

Mrs. Dickson could not have known exactly what had happened and argued that her solicitor had not paid her what was due to her. B&B were happy for her to continue with that defence and time and litigation rolled on, for ten years.

In 1996 Mrs. Dickson's then solicitor began to question the lack of documents, however he did not have sufficient knowledge of the complex issues within the account documents B&B had disclosed. A barrister's opinion was obtained which was negative and Mrs. Dickson's legal aid was withdrawn. She continued as best she could but B&B applied to strike out her defence claiming it to be vexatious. It was no more vexatious in 1996 than it was in 1987. To date she has been denied a trial.

HERVEYSTON WINN SOCIETY

NAME AND ADDRESS
 MRS A PADICKSON
 DARRYSHIRE FARM HOUSE
 SCHOO LANE
 WESTHEAD
 MR DORLING LAMBS

MORTGAGE: 01/08/20 17,000 1780
 VA/GA/TON: 00/000 0
 POLICY: 0
 0 FIVE ADVANCES 00/000 0

PREMIUM 130.71
 ADDITIONAL 0.00
 MONTH DUE 3
 FREQUENCY/CYCLE 5
 EXCESS CODE 0
 COMPANY CODE 01
 SUM INSURED: 606,960

ORIGINAL TERM: 20 YEARS
 REMAINING TERM: 20 YEARS 07 MONTHS
 REMAINING LEASE: 000 YEARS
 GROUND RENT: 0.00
 MIRAS CODE 1
 MIRAS FLAG C
 TRANSFERRED ACC NO. 000

DATE TYPE AMOUNT
 23,130.11
 28,147.93

FISCAL GROSS 5,117.51

CALENDAR 14780.41
 FISCAL NETT 2,458.89

ARREARS PAID 0.00
 ARREARS OUTSTANDING 1,520.00

STANDING: 28,147.93

DATE TYPE AMOUNT

TYPE	AMOUNT	DATE	TYPE	AMOUNT
20	167.00	2	01/03	16
				130.71

21/1/08

beginning of year interest 21/03-08
 therefore 0-00

19

Mrs J. J. J. J. J.

APPEARANCE R/FRO: 5,605.59
 APPEARANCE OUTSTANDING: 11,230.08
 APPEARANCE R/FRO: 18,606.18
 APPEARANCE OUTSTANDING: 25,839.11

DATE	TYPE	AMOUNT	DATE	TYPE	AMOUNT	DATE	TYPE	AMOUNT	DATE	TYPE
01/08	08	165.14	01/10	08	113.49	30/11	08	186.13	20/12	08
10/01	08	204.01	08/02	08	213.28	14/03	08	222.75	01/03	15
04/04	08	232.53	10/03/05	08	242.52	07/06	08	248.59	13/07	08
11/07	08	273.50								

Beginning of year arrears — £ 6605.59.
 Total subscriptions arrears — £ 2004.00
 Fines — £ 2620.19
 Total repayments — 0.00
 True arrears posttax — £ 11 230.08

Proof that arrears
 cancelled prior
 to merge.
 (To KNR 12/6/06)

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Appendix 9

Attachments

1. Document 47, page 47, B&B computer printout for year end Dec 1985.
2. Document 66, page 48 1985 mortgage statement.
3. Document 42, page 49 end of year statement Dec 1985.
4. Document 43, page 50 end of year statement Dec 1985 computerized.

Attachment 1 is a printout of two separate accounts which are purported to have been transferred from MBS at the same time in March 1985. The accounts are in the name of Mrs Dickson and Mrs Brown respectively.

This document shows, by comparison, that Mrs Dickson's account has significant irregularities. It appears to have been manipulated in order to arrive at a previously set objective, whereas Mrs Brown's account conforms to a logical format.

The irregularities to Mrs Dickson's account are;

- On the same day, 31 March 1985, Mrs Dickson is overdrawn (ODR) £25,149.93, then credited with a repayment (REP) £25,149.93 and then finally advanced (ADV) £25,149.93. These transactions are not present on Mrs. Brown's account.
- As of December 31 1985, Mrs. Dickson's arrears account is recorded to be in advance (ADV) £23,367.53. This would mean that she would not be required to make any payments for approximately 19 years before falling into arrears. Clearly an error that would need to be rectified.

The arrears advance figure is caused directly by the sinister entries made on 31 March 1985. It is my conclusion that the entries made on that date were an attempt to incorporate an advance of £25,149.93 into the B&B accounts system when in reality no advance was made and no balance transferred.

Attachments 2, 3, and 4 are included to illustrate further the irregularities in the documental evidence relating to these transactions. Each document uses a different terminology for the same entry;

Attachment 2 - Overdrawn

Attachment 3 - Brought forward

Attachment 4 - Miscellaneous debit

1290.63 000

49

097 R 662243F
 MRS W JACKSON
 DARBENHILL FARM HOUSE
 SCHOOL LANE
 HESTHEAD
 NR. WORTKINGTON, LEICS.
 LEICESTER
 LE12 2ER

097 R 662266M
 THOMAS C ADAMS &
 9, CHORLTONHOLL STREET
 CHESTER
 CH1 2BJ

097 R 662266M
 THOMAS C ADAMS &
 9, CHORLTONHOLL STREET
 CHESTER
 CH1 2BJ

097 R 662243F
 MRS W JACKSON
 DARBENHILL FARM HOUSE
 SCHOOL LANE
 HESTHEAD
 NR. WORTKINGTON, LEICS.
 LEICESTER
 LE12 2ER

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 SCHOOL LANE
 HESTHEAD
 NR. WORTKINGTON, LEICS.
 LEICESTER
 LE12 2ER

097 R 662243F
 MRS W JACKSON
 DARBENHILL FARM HOUSE
 SCHOOL LANE
 HESTHEAD
 NR. WORTKINGTON, LEICS.
 LEICESTER
 LE12 2ER

097 R 662243F
 MRS W JACKSON
 DARBENHILL FARM HOUSE
 SCHOOL LANE
 HESTHEAD
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 LEICESTER
 LE12 2ER

097 R 662243F
 MRS W JACKSON
 DARBENHILL FARM HOUSE
 SCHOOL LANE
 HESTHEAD
 NR. WORTKINGTON, LEICS.
 LEICESTER
 LE12 2ER

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& BINGLEY
BUILDING SOCIETY

13.05.31

Mrs A P Dickson
Darbyshire Farm House
School Lane
Westhead
Nr. Ormskirk
Lancs

Your Reference
In reply please quote

1985 MORTGAGE STATEMENT

ACCOUNT NUMBER 097A 662243F

DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
01 Apr	Advance	£0.00		
01 Apr	Interest	£0.00		
31 Mar	Overdrawn	£25149.93		
31 Mar	Repayment		£25149.93	
31 Mar	Advance	£25149.93		
31 Mar	Interest	£2221.73		
01 Sep	Interest Rate Credit		£205.39	£27166.27

INTEREST RATE

01 Jan	16.75%
01 Apr	11.725%
01 Sep	9.275%

Bingley Operations Centre, P.O. Box 2, Bingley, West Yorkshire BD16 2LW
Telephone: 01274 555555 Fax: 01274 569116 DX: 11898 Bingley 1

Chief Executive: G.R. Lister C.B.E., F.C.A., F.C.I.B., C.I.M.
Incorporated under the Companies Act 1985 and registered in England No. 11898 Bingley 1

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001

MORTGAGE STATEMENT FOR YEAR ENDED 31st DECEMBER 1985

Mrs. A. P. Dickson
 Darbyshire Farm House
 School Lane
 West Head, Nr. Ormskirk
 Lancs
 L40 6HW

Where you have more than one mortgage account a separate statement has been issued in respect of each account so that full details can be shown.

Please refer to notes overleaf.

DATE AND DETAILS		DEBITS	CREDITS	BALANCE
97A.662243F				
31 Mar	Brought forward			25149.98
	Interest	2221.73		
01 Sep	Interest Rate Change			
31 Dec	Balance carried forward		205.39	27166.27

INTEREST RATES CHARGED		GROSS %	NET %

IMPORTANT - MONTHLY PAYMENT	

B171

BB491

10

100 BOXES 99 BINGLEY, WEST YORKSHIRE HD16 2LX. TELEPHONE 0174 661111.
 04 CREDIT ADVISORY UNIT

MORTGAGE STATEMENT FOR YEAR ENDED 31st DECEMBER 1985

MR S A P DICKSON
 DARBYSHIRE FARM HOUSE
 SCHOOL LANE
 WESTHEAD
 NR. OPMSKIRK, LANCS.

Where you have more than one mortgage account a separate statement has been issued in respect of each account so that full details can be shown.

Please refer to notes overleaf.

DATE AND DETAILS	DEBITS	CREDITS	BALANCE
ACCOUNT NO. 097 A 662243F			
31 MAR MISCELLANEOUS DEBIT	£25149.93		
31 MAR REPAYMENT		£25149.93	
31 MAR ADVANCE			
31 MAR INTEREST ADJUSTMENT	£25149.93		
01 SEP INTEREST RATE CHANGE	£2221.73		
31 DEC CARRIED FORWARD		£205.39	£27166.27

MRS DINDSALL

INTEREST RATES CHARGED	GROSS %	NET %	
01 APRIL 85	16.75000	11.72500	MIRAS
01 SEPTEMBER 85	13.25000	9.27500	MIRAS

IMPORTANT - MONTHLY PAYMENT

NEW MINIMUM PAYMENT REQUIRED FROM FEBRUARY 1986 IS £257.00

REMAINING TERM OF REPAYMENT BALANCE 19 YEARS 01 MONTHS.

B
 499
 852 4

Please amend any Standing Order as necessary

Appendix 10

Attachments

1. Document 47 (2) page 53, B&B end of year computer printout Dec 1986.
2. Document 50 (2) page 54, B&B statement of mortgage arrears to May 31st 1986.
3. Document 65 page 55, List of fines for both society's.

The irregular transactions dated March 31st 1985 (see appendix 9) inadvertently created a situation where the account had an arrears advance of £23,367.53 as at 31-December 1986.

Clearly this state of affairs had to be rectified and B&B applied a series of arrears increases dated April 2nd 1985. Evidence of this false accounting is obvious:

- If this account had had an arrears balance of £23,367.53 in advance as stated in attachment 1 then B&B would not have questioned the account with Mrs. Dickson in Dec 1985.
- The arrears in advance of £23,367.53 as of Jan 1st 1986 conflict massively with the attachment 2 statement of arrears figure of £1,782.40 produce by the B&B
- The arrears increases applied on April 2nd 1986 totaled £23,376.93. In fact the arrears in advance which they sought to rectify was £23,367.53, the 6 & 7 being reversed thereby producing an error of £9.40 and so on June 5th 1986 there was a further adjustment to the arrears of £9.40. A basic error but importantly, a human and not a computer error, which reinforces the evidence of manipulation.
- The most alarming error of all is that the arrears increases only address the arrears in advance caused at the creation of this false account. It does not recognize that arrears would have been growing for the period between April and December 1985. A clear indication of false accounting.
- On 20 June 1987 in attachment 1 are a further two unusual entries; firstly in the debit column a transfer of £1,250 out of the account. This was monies paid into the account in 1981, which were removed simply because Mrs. Dickson said she had not made these repayments. It has been suggested that these repayments were made by Mr. Capper to Mr. Laurie in order to contain the perusing problem.
- Removing this sum would of course directly affect the arrears balance and so a further arrears reduction of the same amount was applied. Of course, it is of no concern who made those payments, or why they were made, B&B had no right to remove them from the account.

- There are two further most unusual entries to be considered. On 10 Oct 1987, £19997.80 has been credited to the account and the same figure applied as an arrears increase so as not to alter the arrears balance. It is claimed that this credit was fines recredited to the account that had been charged by MBS between 1982 and 1984.
- Attachment 3 is a list of fines produced by B&B in order to offer some explanation for the above credit. A list of fines B&B claim that MBS had charged to the account and a list of fines that they themselves would have charged had they had control of this account at that time. Why B&B should feel obliged to credit the account with this amount is a matter of conjecture, more interesting is the fact that although the figures to the right are substantially less than those to the left they have been calculated in the same way.
- These figures need to be contemplated carefully. The figures to the top left up to 9.7.81 are not contested and there is a MBS record of these. It is notable that the 74.75 applied for the period 14 Feb 81 to 5 May 81 is greater than the 63.74 for the period 5 March 81 to 9 July 81 this is due to the fact that the first period is for 80 days and the second period is only for 64 days notwithstanding the fact that the arrears figure was greater. MBS and Mr. Laurie in particular charged no more fines after 9 July 1981.
- From 1 Aug 1983 to 31 July 1984 the list of fines simply grows progressively regardless of the amount of days in the period this is most notable in the final two entries with a period of only 18 days in which the arrears would not have grown but a further fine of £273.90 has been applied. B&B cannot deny that the figures to the right are their own calculations but offer no explanation as to how they were arrived at but they follow the same illogical format and the same formula has been applied as to those on the left. It would be difficult for B&B to demonstrate that nearly all of the figures in this document are of their making.

STATEMENT OF MORTGAGE ARREARS

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Form 27

Account No. 97A 632243F

Name of Borrower Mrs. A.P. Dickson

Date	Details of Payments Due	Amount of Payments Due		Amount of Payments Received	
		£	p	£	p
April/Dec. 1965	Account placed 2 subscriptions in advance at merger			528	00
	Total subscriptions due	2310	40		
1966		2319	40		
		528	00		
	Arrears as at 31.12.65	1782	40		
	Total subscriptions due	1275	50		
	Repayments			0	00
	Arrears as at 31.5.66	3058	00		

55

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ACCOUNT NUMBER 97A.662243.F - DICKSON

	<u>Merseyside</u>	<u>BBBs</u>
	£	£
<u>1980/81</u>		
24.10.80	28.50	5.60
14.2.81	50.87	30.05
5.5.81	74.75	29.85
9.7.81	63.74	25.45
	<u>£217.86</u>	<u>£90.95</u>
<u>1981/82</u>	No fines	
<u>1982/83</u>		
29.3.83	708.68	318.55
29.4.83	141.95	46.40
12.7.83	306.60	154.85
	<u>£1,157.23</u>	<u>£519.80</u>
<u>1983/84</u>		
1.8.83	165.14	66.05
1.10.83	173.49	137.10
30.11.83	186.13	143.80
20.12.83	194.96	-
10.1.84	204.01	74.40
8.2.84	213.28	76.05
14.3.84	222.79	77.70
9.4.84	232.53	79.40
3.5.84	242.52	81.05
7.6.84	248.59	82.75
13.7.84	263.15	84.40
31.7.84	273.90	86.05
	<u>£2,620.49</u>	<u>£988.75</u>
<u>1984/85</u>	No fines	

Total Merseyside Fines - £3,995.58

Total BBbs Fines - £1,599.50

8849

16/12/84

Doc 4
BTS