London

Open Access Finance Limited

trading as Unbolted

19 October 2018

Dear Sirs

COMPLAINT

This is a formal complaint under your Complaints Procedure.

At about the start of December 2017 I telephoned you and spoke to Rito Haldar. I explained that I had a large quantity of pictures and other antiques which were shortly being returned to me from secure storage and storage was a big issue for me because the items would take up a lot of space. I enquired about you storing them and making a small loan and what terms in terms of interest rates you could offer. He said OK "we can store them for you". He reviewed my account and then said he could offer me a personal loan rate of 1.75% per month and this would become my personal rate for all future dealings and renewals. I continued to negotiate and suggested 1.5% per month and eventually he agreed to 1.5% per month. In reliance on this, I made arrangements and eventually all the items were delivered to you. After I had relied on this agreement to charge 1.5% per month, you then failed to honour it and the loans made against these items, which were returned to me from secure storage, and subsequent renewals of other loans were not done at 1.5% per month as agreed but instead at rates which were as high as 3% per month.

I have been extremely shocked by this and have also been overcharged by you by enormous sums of money. There also seems to be some sort of assumption on your part that I am completely stupid (what in common parlance would be referred to as a "retard") and would not "notice" I am being charged double. Madeleine

recently pointed out that a clock which had come back from storage had been found by an auctioneer you sought a valuation from to have a significant part of the movement which was not original and so was only worth £3,000. I instructed solicitors and they immediately sent a formal letter before action to the dealer I bought it from, who had claimed the clock was an original eighteenth century clock, and before the expiry of the 7 day period before the issue of Court proceedings, I was able to forward an E Mail from the dealer to me to Madeleine stating that he had refunded to my bank account £56,760 being the difference between the money I had expended on the clock and the £3,000 value established by Madeleine and so I have effectively purchased the clock from the dealer for an amended price of £3,000. Your assessment of me as a "retard" who would not notice that you have overcharged me by enormous sums of money is simply wrong and extremely naïve.

I have been extremely shocked that you have charged me double and I have been overcharged an enormous sum of money. I have sought legal advice from a firm of solicitors specialising in consumer law claims who were heavily involved in destroying Wonga, who went into Administration on 31 August 2018, and also destroying Borro Group Holdings Limited who went into Administration on 15 November 2017 with a complete loss of all the capital they had raised from private equity companies and from the public from crowdfunding websites of £17 million. Borro Group Holdings Limited has been renamed BGH Realisations (2017) Limited (Company Number 06573695) and you can visit the Companies House website and read the Administrators reports which have been filed there.

The solicitors explained that they are interested in "mass processing" claims in this sort of situation in which they act for a lead customer who has been swindled out of an enormous sum of money, such as myself, and then issue Court proceedings and then publicise the fact that a lawsuit is being pursued for compensation and that other customers should contact them for a free assessment of their claims and how much money they can sue for. They explained that they also work very closely with over 10 Claims Management companies who will advertise your name widely on the internet and elsewhere to get all your past and present customers to contact them, for a free assessment of how much compensation they will get. Anyone googling your name will get pages of the Claims Management companies adverts requesting any customers you have ever had to contact them to get their compensation payment. The Claims Management companies will then make formal complaints such as the 22 Complaints below under your complaints procedure to you and also make further complaints to the Financial Ombudsman Service (who immediately charge you £550 for every complaint they receive). The Claims Management companies do this automatically for every past or present customer who contacts them at their call centres. In the failure of Wonga one Claims Management company was reported in the press as having made over 8,000 complaints under Wonga's Complaints Procedure and then subsequently to the Financial Ombudsman Service costing Wonga over £4 million in the £550 charges made by the Financial Ombudsman Service. The solicitors said that what they referred to as the "Unbolted Fraud" will be a "godsend" to the Claims Management companies after the Wonga Administration has left them with a lot of spare capacity at their call centres. The solicitors explained that the claims management companies also refer all the people who contact them to the solicitors who then start Court proceedings which they "mass process" using my first test case against you as a "template" for all future claims against you.

I spent two days in the solicitors offices so they could take my statement and also assess if they can use my case as a "template" for "mass processing" claims for all your other victims. They went through every contract I have ever had with you and I was absolutely astounded to be told they had found over 70 types of breaches by you in your dealings with me of :-

1 The Consumer Credit Act

2 The regulations made under the Consumer Credit Act ("the Regulations")

3 The Consumer Credit Sourcebook section of the FCA Handbook ("CONC")

They said many of the over 70 types of breaches were repeated in every contract I have ever had with you and in total the individual breaches by you in the contracts I have had with you are over 1,000 which they said is some sort of world record for non-compliance with a lenders obligations for regulated consumer credit agreements. I have chosen 22 examples which I make formal complaints about below so that you understand the issues which arise just from a very small sample of your defaults.

You should be aware that the Consumer Credit Act specifies various formalities in relation to loan agreements and if they are not complied with the Consumer Credit Act specifies that the loan agreement is unenforceable, meaning that you cannot charge interest or sell the goods held as security unless you obtain an Enforcement Order from the Court which is only available in certain limited circumstances and very expensive to obtain. Enforcement Orders are only available to cover "slip-ups" when you have accidentally slipped up with one of the formalities for an occasional loan agreement. In your case every loan agreement is invalid and unenforceable under the Consumer Credit Act and these are all systematic matters which would apply to all your customers. For example, every renewal agreement you have ever issued is unenforceable for many different reasons, for one example, see Complaint 6 below.

Every agreement in your loan book is unenforceable under the Consumer Credit Act because you failed to comply with the formalities specified under the Consumer Credit Act in relation to every loan agreement. This means you can only charge interest or sell the goods held as security if you obtain an Enforcement Order. Also, the fact the loans are unenforceable entitles borrowers to have all interest and set up fees repaid and also to have the goods held as security returned to them without any payment.

The solicitors found that every contract I have ever had with you is unenforceable under the Consumer Credit Act without an Enforcement Order from the Court which you would not be able to obtain for the reasons set out below. In any event, due to the costs involved in such Court proceedings for an Enforcement Order it would not be worth even trying for any loan under £10,000. It is very likely that every contract your company has ever issued to any customer is also unenforceable. The solicitors said that every customer you have ever had is likely to have some sort of compensation claim against you. They said every customer who Claims Management companies are able to contact through advertising on the internet and other means is worth at least £100 to the Claims Management company. I had not realised what an enormous industry pursuing victims' claims is. There are solicitors and Claims Management companies who are just looking for a situation such as the Unbolted Fraud so they can earn large sums of money. The solicitors said that your company will be put into Administration at a very early stage in the dispute. They said the contractual structure you have created means that every Lender has unlimited liability in relation to every contract they have contributed to which is joint and several with every other Lender on that contract. They said it is going to end up costing £20-30 million to sort everything out after your company is put into Administration but luckily many of the thousands of Lenders you have signed up will own their homes and be able to sell them to pay their joint and several share of the damages and expenses. Indeed, some of your directors or

employees or their families may be Lenders so they will get to experience this first hand. Some of your Lenders may even be specialised investment funds who actually have £20-£30 million under management which would obviously be very convenient given what is about to happen. The solicitors said that the fact there are thousands of Lenders who are jointly and severally liable under each contract they have subscribed to will obviously vastly encourage litigation as borrowers seek compensation on many grounds of which a few examples are set out below. The thousands of claims against Wonga, which were eventually made due to publicity by Claims Management companies, by virtually every customer Wonga had ever had, stopped as soon as Wonga went into Administration. That will not be the case with your company because every Lender has unlimited liability in relation to every contract they have contributed to which is joint and several with every other Lender on that contract. Litigation against Lenders by borrowers for compensation under unenforceable loan agreements will still be going on many years after your company has entered Administration.

My complaints below and the Court proceedings to be issued by the solicitors on a no-win no-fee basis are effectively a test case on behalf of all your customers in relation to your innumerable breaches of your legal and regulatory obligations and also the numerous criminal offences you and your directors and Compliance Officer have committed under criminal law.

You have an absolute obligation under The Dispute Resolution : Complaints (DISP) section of the FCA Handbook to consider each of the other customers affected by each complaint of the 22 complaints and immediately set up a remediation exercise to compensate every affected customer. Generally, the complaints will affect every customer that you have ever had. You also need to provide a full report to the Financial Conduct Authority. If you do not set up a remediation exercise, the Financial Conduct Authority will appoint an outside inspector, known as a skilled person, typically a large firm of accountants who will come in and carry out the exercise and charge you and the Lenders for their work and well as the compensation payments they make.

You will quickly realise that you are <u>already</u> completely insolvent.

Your business model has been that you put all the Lenders money into unenforceable agreements which you would not be able to get enforcement orders for and in the case of loans under £10,000 it would not be economic because of the legal costs. You also behaved in a way, by breaking every conceivable legal obligation, that would give borrowers claims for damages against your company and the Lenders. Somehow you managed to do all this simultaneously to Wonga and Borro Group Holdings Limited going into Administration on 31 August 2018 and 15 November 2017 respectively so interest in the claims management industry was focused on what would be the next similar company to be exposed as suitable for them to advertise for all their customers to contact Claim Management firms so they could make claims for them. The solicitors explained that Wonga was estimated to have only broken about 3% of the Consumer Credit legal and regulatory rules and Borro about 5%, and that led to them both ending up completely insolvent and in Administration, but on their forensic examination of all my dealings with you, and every loan agreement, you would appear to have broken 100% and your breaches are systematic which will apply to every customer. You have carried out a copycat fraud based on failing to comply with the Consumer Credit Act just like Wonga and Borro Group Holdings Limited but you have gone much further with non-compliance than they both did. The solicitors constantly referred to the Unbolted Fraud as a “copycat fraud”

comparing it to the failures to comply with the Consumer Credit Act by Wonga and Borro Group Holdings Limited which led to them both going into Administration.

The solicitors also advised that the behaviour of your company and your directors fulfils the legal definition of fraud.

The solicitors expressed great surprise that you have not been caught already and also said that whoever drafted your loan documentation and advised you on the legal structure you have adopted with your Lenders and partners such as Forum Auctions knew absolutely nothing about the Consumer Credit Act. The solicitors actually doubted that you had ever had any legal advice on these issues and wondered if you have just retyped and adapted another company's loan agreement without any legal advice at all.

The solicitors said you do not have the slightest idea how to comply with the Consumer Credit Act and all the associated legislation relating to consumer credit and it is absolutely incredible that you have not already been caught and banned from the industry by having the personal authorisations of the directors revoked and your business deluged with complaints and demands for refunds by anyone who has ever been your customer and put into Administration. The solicitors said you had run your business with no compliance function whatsoever.

The solicitors also said it was inevitable that you would "go bust" and shortly end up in Administration because you stole money from so many customers and your entire loan book is unenforceable and many millions of pounds would have to be written off. The solicitors also said your Lenders would inevitably sue the directors personally for fraud. They also said the legal structure you created of giving the Lenders unlimited personal liability would lead to Lenders being sued personally by borrowers for damages for many years to come.

My complaints and claim will quickly become insignificant in relation to your overall problems. Indeed, the only significance is the fact that I acted as the whistle blower in this matter which will shortly lead to you being placed in Administration like Wonga and Borro Group Holdings Limited. I would remind you in relation to the matters below that I have the legally protected status of a whistle blower in connection with the "Unbolted Fraud", as the solicitors call it.

Please ensure that you put all the matters right in my complaints below by 5 pm on 25 October 2018. If you do not, I shall be signing the solicitors no-win no-fee retainer documentation and they will then frankly completely ruin your company and each of your directors personally and your unlicenced credit broker "partners" such as Forum Auctions and each of their directors personally. You have made a complete fool of me by overcharging me enormous sums of money and I must have this money refunded to me immediately. If you do not put all the matters right in my complaints below by 5 pm on 25 October 2018, I shall also make a formal complaint to the Financial Conduct Authority and send a copy to my Member of Parliament and ask them to write to the Financial Conduct Authority asking them what they are going to do about my complaint and also put down a formal written question in Parliament asking the Minister responsible for the Financial Conduct Authority what action will be taken on my complaint. This will no doubt lead to my

complaint being examined particularly urgently and thoroughly by the Financial Conduct Authority. I will send a copy of this letter and also make clear the advice that I have had from solicitors that your company and directors have committed the largest and most blatant consumer credit fraud in history with thousands of innocent victims such as myself and that you used the Wonga and Borro Group Holdings Limited insolvencies as some sort of model for your behaviour in a "copycat fraud".

COMPLAINT 1 – THE CONTRACTS DID NOT MATCH THE PRE-CONTRACTUAL INFORMATION

You engaged in systematic fraud by issuing binding pre-contractual information to customers which specified terms including items to be held as security and then subsequently issued contracts on completely different terms. Like other customers, I only ever read the pre-contractual information carefully and I am now shocked to see that the contracts are on very different terms. Generally, the way the scam worked is that in the contracts you specified far more items should be held as security than the offer which you had made in the pre-contractual information.

This gives rise to a number of extremely serious consequences:-

First, you have an absolute legal obligation under the Consumer Credit Act and the Regulations for the contract to match the pre-contractual terms, failing which the contract is unenforceable without you applying for and obtaining an Enforcement Order from the Court which you would not get for the reasons set out below.

Secondly, you have numerous regulatory obligations which you are in breach of including your obligation to treat your customers fairly.

Thirdly, you commit a criminal offence under the Consumer Protection from Unfair Trading Regulations 2008. When you engage in misleading actions (Reg 5) or misleading omissions (Reg 6) this is a criminal offence (Reg 9 and 10). These offences are committed by the company but similar offences are also committed by the directors. Under Reg 15 the directors commit an offence where an offence is committed by the company with the consent or connivance or neglect of the directors. I have spoken to Trading Standards at length and they have asked me to make an appointment to give a statement with a view to them prosecuting both the company and the directors. The solicitors identified over 700 breaches of the Consumer Protection from Unfair Trading Regulations 2008 in your dealings with me. All the breaches are systematic and would apply to all your customers which means you and your directors have committed hundreds of thousands of criminal offences. Trading Standards said that in relation to the over 700 offences which you have committed in your dealings with me, they would charge each matter as a single offence and would also definitely prosecute the directors as well as the company. They said the maximum penalty for the directors is 2 years in prison and they said they would be very surprised if each of your directors did not get the maximum penalty. They said directors in this sort of large scale fraud always get separate representation and then blame each other to try to avoid prison but it never actually helps them. They can charge you with the offences you committed from as soon as you started trading several years ago because they said the statute of limitations is one year from discovery, which was last week. They also said that the company and directors would each typically be fined at least £5,000 for each offence which, given that you have

committed over 700 offences in your dealings with my account alone, would suggest over £3.5 million in fines which would be jointly payable by the company and each director just in relation to criminal charges arising from the enormous sum you have overcharged me. The solicitors explained that Trading Standards would investigate to find out how many other customers were affected and your company and directors would be charged with criminal charges relating to swindling all your other customers as well.

Trading Standards said that the company and the directors had also committed other offences in connection with consumer protection and also theft and fraud. They said they would ask the Court to make compensation orders in favour of your victims.

Quite separately you have breached CONC 4.2.5R (1) and (6) by not giving correct pre-contractual explanations. The solicitors have explained that section 138D of the Financial Services and Markets Act 2000 gives the right to sue for damages for all breaches of CONC. They said they always include, in the claims in consumer credit litigation which they bring, such damages claims.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 1

1 You cannot enforce eg collect interest or give notice to sell items held as security or actually sell items held as security without an Enforcement Order from the Court

2 You have an absolute obligation under The Dispute Resolution : Complaints (DISP) Section of the FCA Handbook to start a remediation exercise and tell every customer affected, ie every customer you have ever had, and explain what will happen namely that you will return their items held as security and refund interest and set up fees. Under the remediation exercise you are required to apologise to customers and under FCA rules pay them compensation for inconvenience and distress which would be at least £500 per customer for smaller contracts and £1,000 for larger contracts for each aspect of your default

3 Address the fact your company is completely insolvent because all your security is unenforceable and it will cost millions of pounds to put right

4 Report Matters to the FCA-you have an absolute duty under FCA rules to immediately provide them with a copy of this complaint and explain how many other customers are affected (ie all your customers) and what you are doing to put matters right. The FCA requires authorised firms to remain solvent at all times and it would cost millions of pounds to put matters right so you would have to provide the FCA with a detailed estimate of how much it would cost to put matters right and immediately inject that money into the company

5 Advise your investors and Lenders that you have lost all their money on unenforceable loan agreements because you have zero compliance function and have operated in breach of innumerable obligations on you under the Consumer Credit Act and the regulations made under the Consumer Credit Act and CONC

6 You should publicly apologise to me and all your affected customers and Lenders.

COMPLAINT 2 – ALL CONTRACTS WERE BACKDATED AND INTEREST CHARGED BEFORE THE CONTRACT BEGAN

On every contract the date of the contract is wrong because you have deliberately back-dated it so you can charge interest before the contract starts. I had not previously realised that you have charged me thousands of pounds of interest before any money has been advanced and any loan has started.

I would give as an example contract 2DFDC4A5F which I executed on 18 April 2018 but which states that I am being charged interest from 17 April 2018.

The solicitors explained that this is fraud both under civil law and criminal law and also means that you owe an enormous sum in refunds. They explained that this meant that I had needed to borrow vastly more than I needed to in order to pay this fraud of charging interest before a contract has begun and given that you are charging me as much as 3% per month on the additional money I have needed to borrow as a result I am also entitled to be refunded interest on these overcharged sums at 3% per month from the dates when you overcharged me up to the dates of repayment by you of the enormous sum of money you have overcharged me.

They also explained that under the terms of the Consumer Credit Act your failure to give the correct date in the contract means that it is unenforceable, meaning you cannot charge interest or sell the goods held as security without an Enforcement Order from the Court, which you would not get for the reasons set out below.

You have overcharged me and also led to me having to borrow more than I would otherwise have needed to at rates of up to 3% per month with a combined total of a minimum of £4,000 and this money must be refunded to me immediately.

Trading Standards said that this also constitutes a criminal offence under the Consumer Protection from Unfair Trading Regulations 2008 and they have often successfully prosecuted traders for stating in loan documentation that interest is payable before the loan even starts and funds are even advanced. This appears to have been your normal procedure and you will have committed this offence in relation to thousands of contracts and many other customers will have been affected.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 2

1 You cannot enforce eg collect interest or give notice to sell items held as security or actually sell items held as security without an Enforcement Order from the Court

2 You have an absolute obligation under The Dispute Resolution : Complaints (DISP) Section of the FCA Handbook to start a remediation exercise and tell every customer affected, ie every customer you have ever had, and explain what will happen namely that you will return their items held as security and refund interest and set up fees. Under the remediation exercise you are required to apologise to customers and under FCA

rules pay them compensation for inconvenience and distress which would be at least £500 per customer for smaller contracts and £1,000 for larger contracts for each aspect of your default

3 Address the fact your company is completely insolvent because all your security is unenforceable and it will cost millions of pounds to put right

4 Report Matters to the FCA-you have an absolute duty under FCA rules to immediately provide them with a copy of this complaint and explain how many other customers are affected (ie all your customers) and what you are doing to put matters right. The FCA requires authorised firms to remain solvent at all times and it would cost millions of pounds to put matters right so you would have to provide the FCA with a detailed estimate of how much it would cost to put matters right and immediately inject that money into the company

5 Advise your investors and Lenders that you have lost all their money on unenforceable loan agreements because you have zero compliance function and have operated in breach of innumerable obligations on you under the Consumer Credit Act and the regulations made under the Consumer Credit Act and CONC

6 You should publicly apologise to me and all your affected customers and Lenders

7 Pay me immediately £4,000 as set out above

COMPLAINT 3 – UNAUTHORISED DEDUCTIONS

You deducted thousands of pounds from loan proceeds paid to me which were not authorised by the contracts and not mentioned in the pre-contractual information you provided. You claimed some of the deductions were for valuations or transport but these are simply unauthorised deductions and the solicitors advise that it is a criminal offence for you to have deducted sums not provided for in the pre-contractual information or the contracts. The solicitors also advise it is contrary to various Consumer Credit and regulatory provisions and I am entitled to sue for a refund plus interest at 3% per month because I have had to borrow much more from you than I would otherwise have done and you have charged me as much as 3% per month. The total due to be refunded to me is £12,648.

Trading Standards said that this also constitutes a criminal offence under the Consumer Protection from Unfair Trading Regulations 2008 and they have often successfully prosecuted traders for unauthorised deductions not provided for in loan agreements. This appears to have been your normal procedure and you will have committed this offence in relation to thousands of contracts and many other customers will have been affected.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 3

Immediately pay me £12,648 as set out above.

COMPLAINT 4 – RENEWAL AGREEMENTS ALWAYS BACKDATED WITH FALSE DATE

When a contract is renewed the solicitors found that the renewal is never executed on the date you put in it and is backdated by you. The solicitors explained that you are not entitled to charge interest until the date on

which the renewal agreement is actually executed but you continually backdate the agreements to show an earlier date from the date on which the agreement is executed.

I have paid thousands of pounds of interest which was never legally due in relation to renewals due to your illegal backdating

By back dating you have failed to comply with the formalities required by the Consumer Credit Act and so all the renewal agreements are unenforceable which means you cannot charge interest or sell the goods held as security without an Enforcement Order from the Court, which you would not get for the reasons set out below.

I have been overcharged and also had to borrow more than I needed to at rates of up to 3% per month by a combined total of at least £7,000 and this sum must be refunded to me immediately.

Your scam fulfils the legal definition of the criminal offence of fraud and you have committed fraud on thousands of occasions against your customers.

Trading Standards said that backdating these agreements to dates before they were executed also constitutes a criminal offence under the Consumer Protection from Unfair Trading Regulations 2008 and they have often successfully prosecuted traders for exactly this type of fraud.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 4

1 You cannot enforce eg collect interest or give notice to sell items held as security or actually sell items held as security without an Enforcement Order from the Court

2 You have an absolute obligation under The Dispute Resolution : Complaints (DISP) Section of the FCA Handbook to start a remediation exercise and tell every customer affected, ie every customer you have ever had, and explain what will happen namely that you will return their items held as security and refund interest and set up fees. Under the remediation exercise you are required to apologise to customers and under FCA rules pay them compensation for inconvenience and distress which would be at least £500 per customer for smaller contracts and £1,000 for larger contracts for each aspect of your default

3 Address the fact your company is completely insolvent because all your security is unenforceable and it will cost millions of pounds to put right

4 Report Matters to the FCA-you have an absolute duty under FCA rules to immediately provide them with a copy of this complaint and explain how many other customers are affected (ie all your customers) and what you are doing to put matters right. The FCA requires authorised firms to remain solvent at all times and it would cost millions of pounds to put matters right so you would have to provide the FCA with a detailed estimate of how much it would cost to put matters right and immediately inject that money into the company

5 Advise your investors and Lenders that you have lost all their money on unenforceable loan agreements because you have zero compliance function and have operated in breach of innumerable obligations on you under the Consumer Credit Act and the regulations made under the Consumer Credit Act and CONC

6 You should publicly apologise to me and all your affected customers and Lenders

7 Immediately pay me £7,000 as set out above.

COMPLAINT 5 – USUALLY NO REWEWAL AGREEMENTS ARE ISSUED

Usually, you do not even issue any renewal agreements. I only know this because of the forensic examination the solicitors did of E Mails you have sent me demanding payment of interest which show many agreement numbers which I have never been sent or executed. You send me E Mails demanding that I pay huge sums in interest in respect of agreements which I have never executed and threatening to sell the goods held as security if I do not pay. All these agreements are non-existent and it would never have been possible for you to get Enforcement Orders in respect of them for the reasons set out below.

Separately, demanding payment of interest when there is no written loan agreement is a criminal offence. Trading Standards said that this also constitutes a criminal offence under the Consumer Protection from Unfair Trading Regulations 2008 and they have often successfully prosecuted traders for demanding interest when there is no written agreement. They said it is definitely a crime and also one of the hallmarks of loan sharking in which there is no written loan agreement but lots of demands for enormous sums in respect of interest and threats to sell the items held as security.

I have paid you at least £20,000 in respect of interest due to the threatening E Mails you have sent me, when there were never any agreements, and I must insist you return £20,000 to my bank account by 5 pm on 25 October 2018 failing which I shall not only instruct solicitors but will also report you to Trading Standards for the prosecution of your company and all of your directors.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 5

1 You cannot enforce eg collect interest or give notice to sell items held as security or actually sell items held as security without an Enforcement Order from the Court

2 You have an absolute obligation under The Dispute Resolution : Complaints (DISP) Section of the FCA Handbook to start a remediation exercise and tell every customer affected, ie every customer you have ever had, and explain what will happen namely that you will return their items held as security and refund interest and set up fees. Under the remediation exercise you are required to apologise to customers and under FCA rules pay them compensation for inconvenience and distress which would be at least £500 per customer for smaller contracts and £1,000 for larger contracts for each aspect of your default

3 Address the fact your company is completely insolvent because all your security is unenforceable and it will cost millions of pounds to put right

4 Report Matters to the FCA-you have an absolute duty under FCA rules to immediately provide them with a copy of this complaint and explain how many other customers are affected (ie all your customers) and what you are doing to put matters right. The FCA requires authorised firms to remain solvent at all times and it would cost millions of pounds to put matters right so you would have to provide the FCA with a detailed estimate of how much it would cost to put matters right and immediately inject that money into the company

5 Advise your investors and Lenders that you have lost all their money on unenforceable loan agreements because you have zero compliance function and have operated in breach of innumerable obligations on you under the Consumer Credit Act and the regulations made under the Consumer Credit Act and CONC

6 You should publicly apologise to me and all your affected customers and Lenders

7 Immediately pay me £20,000 as set out above.

COMPLAINT 6 – YOU HAVE FAILED TO COMPLY WITH YOUR OBLIGATIONS UNDER THE RENEWAL AGREEMENTS AT CLAUSE 2.3 TO PAY THE LOAN INTO THE CUSTOMER'S "NOMINATED ACCOUNT"

When you have issued renewal agreements you have failed to comply with their terms. Every renewal agreement states at Clause 2.3 that you will pay the loan referred to in the agreement into the customer's bank account. You will be aware that it is a requirement of the Consumer Credit Act that all material terms must be included in a regulated credit agreement or it is unenforceable. Clause 2.3 specifies in the clearest terms what is to happen to the credit. You are not allowed to use it to pay off the previous agreement which will inevitably have been an agreement which is unenforceable under the Consumer Credit Act because that is not what is specified in the regulated credit agreement. Accordingly, each loan amount under each renewal agreement should have been paid into my bank account in accordance with Clause 2.3 and this has not been done. I have paid at least £20,000 in interest for renewal agreements which required you to pay the funds into my bank account and this has not been done.

I call upon you to pay all the capital sums advanced in each loan agreement into my bank account today. You owe me a substantial six figure sum. In this situation, I feel very relieved that the hundreds of Lenders under these agreements all have unlimited personal liability which is joint and several for each loan they contributed to. Without all those Lenders with their homes, which will have to be sold, I would never get my capital paid or indeed all the costs which the solicitors are going to run up under their no-win no-fee retainer agreement. Please note that if you do not pay these sums into my bank account the solicitors will be suing you for payment of these capital sums and also the return of the interest of at least £20,000 which I have paid under these agreements which you have failed to comply with Clause 2.3 of.

The solicitors advise me that in 2005 the Court of Appeal has considered an identical case in which the first credit agreement was unenforceable (as all your credit agreements are) and then there were repeated charges for renewal agreements in which promises were made to keep advancing more capital which was not actually paid.

The case is called Wilson v Howard Pawnbrokers [2005] EWCA Civ 147. The solicitors have sent me a copy and the Court of Appeal's judgment makes very interesting reading. The first regulated agreement was

unenforceable (as all your credit agreements are) and then there were repeated charges for renewals in which promises were made to keep advancing more capital which was not actually paid, which is exactly what you have done. The Court of Appeal found that the advances of further capital on the several renewals could not be applied to the first invalid agreement and ordered that all these several capital sums be paid to the borrower.

The solicitors said the facts of your case are actually much stronger in my favour because you specifically specify in Clause 2.3 that the capital sums on renewals be paid to my bank account, which you have not done, and there was no such express clause like Clause 2.3 in the case before the Court of Appeal.

To give a specific example, if you have made a loan to me of £20,000 under an unenforceable contract and I have then paid you huge sums in interest to renew it four times on the terms of your agreement which includes Clause 2.3, based on the Court of Appeal case, I am now entitled to judgment against you for £80,000 (being the four renewal payments you agreed in Clause 2.3 to pay into my bank account but have not done so) plus the return of all my interest on the four renewals.

In that case, in the Court of Appeal, the Lord Justices stated in the Judgment of the Court of Appeal:-

"The moral for a pawnbroker such as Mr Howard is that if he wants the rewards of his trade he must operate strictly by the book, and that the result of failing to do so may be not merely to unravel agreements, but to reverse the indebtedness that they have purportedly created."

These words from the Court of Appeal Judgment in 2005 sum up very accurately the situation your company and its directors is in.

If it was not for the Lenders, I am sure your directors would just be planning to vanish at this point but luckily they set up a structure in which every Lender has unlimited liability and so eventually every penny of the £20-30 million which it is going to cost to sort out the mess they have made will be paid, even though your company will go into Administration at an early stage, although the solicitors eagerly told me it will take many years and millions of pounds of their fees eventually acting for every borrower you have ever had to collect every penny from the Lenders.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 6

Comply with the judgment of the Court of Appeal and the express terms of Clause 2.3 of your "renewal" agreements and make payment of every capital sum contained in every renewal agreement which is about £300,000 to my bank account and also refund my interest paid for all renewal agreements which is at least £20,000.

COMPLAINT 7 – BREACHES OF CONC IN RELATION TO RENEWALS

In breach of CONC 6.7.18 R you continually encouraged me to renew the agreements in circumstances when such renewals were not sustainable due to the very high interest and the fact there was no proper documentation for any of the loans and they were all unenforceable under the terms of the Consumer Credit Act in any event.

In breach of CONC 6.7.19 R you continually encouraged me to renew the agreements without believing it was in my best interests to do so in circumstances when such renewals were not sustainable due to the very high interest and the fact there was no proper documentation for any of the loans and they were all unenforceable under the terms of the Consumer Credit Act in any event.

This is a breach of the Regulations and CONC which has very serious consequences. For example, the solicitors have explained that section 138D of the Financial Services and Markets Act 2000 gives the right to sue for damages for all breaches of CONC. The solicitors have explained that they always include in the claim in consumer credit litigation which they bring such damages claims for breaches of the two provisions of CONC above. My damages are the amount of any interest that I have paid for renewals and interest on these sums at 3% per month till repayment.

The solicitors explained that Claims Management companies always complain on behalf of every customer who registers with them about the breaches of CONC above whenever there has been a renewal and you will face such a claim from every customer you have ever renewed a contract for.

Pay me damages equal to all interest paid on renewals.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 7

Pay me damages equal to all interest paid on renewals.

COMPLAINT 8 – I DID NOT RECEIVE THE RATE OF 1.5% PER MONTH AGEEED WITH RITO HALDAR

I did not receive the agreed rate of 1.5% per month agreed with Rito Haldar as set out on page 1 of this letter.

As a result, I have had to pay vastly more interest than was agreed and also borrow vastly more at 3% per month to pay the interest. I have spent a minimum sum of £15,000 more than I should have done and this money must be returned to my bank account today.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 8

Pay me £15,000 as set out above.

COMPLAINT 9 – AS A RESULT OF THE MATTERS IN THESE COMPLAINTS ALL THE FIGURES FOR APR IN ALL YOUR AGREEMENTS ARE WRONG

As a result of these 22 complaints the APR quoted in every contract is wrong.

This is a breach of the Regulations and CONC which has very serious consequences. For example, the solicitors have explained that section 138D of the Financial Services and Markets Act 2000 gives the right to sue for damages for all breaches of CONC. The solicitors have explained that they always include in the claim in consumer credit litigation which they bring such damages claims.

Trading Standards said that this also constitutes a criminal offence under the Consumer Protection from Unfair Trading Regulations 2008 and they have often successfully prosecuted traders for quoting the wrong APR in loan documentation and would definitely do so in your case particularly when in the case of a single customer you have always quoted the wrong APR and charged many thousands of pounds interest more than the APR you have given on numerous occasions which would suggest this is your normal procedure and many other customers will have been affected. Trading Standards say that this sort of prosecution for persistently stating the wrong APR is a very common prosecution that they bring in connection with loan agreements.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 9

Refund the difference to all customers and pay them £500 each for distress and inconvenience.

COMPLAINT 10 – FAILING TO ENSURE YOUR "PARTNERS" WERE REGISTERED WITH THE FINANCIAL CONDUCT AUTHORITY AS LICENCED CREDIT BROKERS

Not content with ripping off all the borrowers and creating a structure of unlimited personal liability for the Lenders, you and your directors have also ripped off all your "partners" as well. At the solicitors request, I provided them with one example of your dealings with your "partners", namely the introduction page to you on Forum Auctions website. I had it turned into a pdf and will be keeping it as evidence because I have no doubt the page will disappear from Forum Auctions website a few minutes after you receive this letter.

The solicitors fell off their chairs laughing when they saw the pdf because they stated as follows:-

The regulated activity of "credit brokerage" is defined in Article 36A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ("the RAO"). That definition includes the following:

"effecting an introduction of an individual or relevant recipient of credit who wishes to enter into a credit agreement to a person ("P") with a view to P entering into by way of business as lender a regulated credit agreement (or an agreement which would be a regulated credit agreement but for any of the relevant provisions)".

By displaying the page on their website introducing you, Forum Auctions are carrying out "credit brokerage" within the meaning of Article 60B(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ("the RAO"), and were not authorised to do so by the Financial Conduct Authority. Forum Auctions is therefore in breach of the General Prohibition in Section 19 of the Financial Services and Markets Act, and pursuant to subs.26(2)(1) of the Financial Services and Markets Act any loan agreement you enter into as a result of an introduction by Forum Auctions is unenforceable against the borrower and, pursuant to subs.26(2) of the Financial Services and Markets Act, the borrower is entitled to the return of any property held as security and sums that they have paid under the agreement including interest and set up fees, together with compensation.

Compensation is to be assessed by the Financial Conduct Authority in accordance with the sections of the

Financial Services and Markets Act 2000 below which appear at Page 81 of the accompanying copy of the statute:-

[28A Credit-related agreements made unenforceable by section 26, 26A or 27

(1) This section applies to an agreement that— (a) is entered into in the course of carrying on a credit-related regulated activity, and (b) is unenforceable because of section 26, 26A or 27.

(2) The amount of compensation recoverable as a result of that section is— (a) the amount agreed by the parties, or (b) on the application of either party, the amount specified in a written notice given by the FCA to the applicant.

The solicitors explained that after the Claims Management companies advertise compensation is available and are contacted by every borrower who has ever been introduced to you by one of your "partners" and has obtained a loan from you they will then send in a standard letter they have to the Financial Conduct Authority which constitutes the "application" asking them to assess the compensation payable to the borrower in a "written notice". They said typically the borrower would get substantial compensation of £5,000 to £10,000 per loan agreement which is not based on economic loss because this provision was added by Parliament as a way of stamping out and severely punishing unauthorised credit broking, which is exactly what Forum Auctions have been doing, by giving the Financial Conduct Authority the power to make large compensation awards to deter this sort of behaviour. It is extremely likely that the awards will dramatically exceed Forum Auctions net worth. The awards of compensation will be made against Forum Auctions and your company jointly and so, long after you have gone into Administration, Forum Auctions

will be trying to pay several hundred notices from the Financial Conduct Authority ordering them to pay compensation. No doubt, Forum Auctions will blame the directors of your company personally.

The solicitors were pleased to note that your website claims you have several "partners" and gives their names so this should prove extremely lucrative for the Claims Management companies and the solicitors.

The solicitors also pointed out that there is no time limit for such letters to ask the Financial Conduct Authority to determine the compensation Forum Auctions and you should pay so even a borrower who repaid a loan, made as a result of an introduction through Forum Auctions website, 5 years ago can still apply for compensation. The solicitors said that literally everyone who was ever introduced by one of your "partners", even if they paid back their loan many years ago, can still get their compensation assessed by the FCA. The solicitors said they have been very successful in the past doing this work and it is extremely profitable for them. They also said that the FCA do not charge any fees (apparently they fine you to get their money back for all their time spent dealing with the applications) and the application is just a standard letter which the solicitors have so they are already to submit it for every customer who was ever introduced to you by one of your partners.

You were apparently not happy in ripping off all your borrowers with unenforceable loan agreements and landing your Lenders with joint and several unlimited personal liability but you also had to completely ruin your "partners" as well.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 10

You should immediately return all goods held as security and interest and set-up fees charged under every loan agreement introduced to you by any "partner" which is not registered with the Financial Conduct Authority for credit brokerage activities. You should tell all your partners that they will be getting notices from the Financial Conduct Authority informing them how much compensation they must pay to each of your victims. You should also pay every customer affected £1,000 for distress and inconvenience.

COMPLAINT 11 – FAILURE TO CHARGE 1.9% PER MONTH AS PROMISED IN FIRST EVER CONTRACT

Annabel stated that I would be charged 1.9% per month on the first contract with you but I was charged 2 %.

This has had the effect that I have had to borrow more than I needed to and with the subsequent effect of time and the effect of interest on interest I have now paid at least £200 more than I should have done if I had been charged at 1.9% per month.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 11

Refund £200 to me and pay me £500 for distress and inconvenience.

COMPLAINT 12 – HOLDING OF 1 BOX OF SILVER NOT HELD AS SECURITY

On one of the first agreements the last storage box of silver was not included in the pre-contractual documentation nor on the inventory for the loan and so is not held as security.

I require the return of this box of silver not held as security forthwith.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 12

Return the box and pay me £500 for distress and inconvenience.

COMPLAINT 13 - LOAN 2DFDC40EC

It now appears that you renewed 2DFDC40EC with a much greater loan when I had not requested this.

Please pay me the difference between the original loan I wanted to renew and the renewed loan as compensation.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 13

Pay the difference as requested above and apologise to me in writing and pay me £500 for distress and inconvenience.

COMPLAINT 14 - DIFFERENT PRE-CONTRACTUAL INFORMATION

Sometimes you did send pre-contractual information and as soon as I accepted you sent further pre-contractual information with a different higher interest rate in it to take advantage of me.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 14

Repay £5,000 and apologise to me in writing and pay me £500 for distress and inconvenience.

COMPLAINT 15 - FAILURE TO PROVIDE ANNUAL STATEMENTS

Whenever lending lasts more than one year the Consumer Credit Act provides that you must provide an Annual Statement. The consequences of not doing so are set out in the Consumer Credit Act, namely that no further interest is then payable until this breach is rectified and an Annual Statement is provided. The solicitors explained that the specialist credit industry tries to get round this obligation by having a series of separate loan agreements of six months each. You are not doing this. At the outset, I was promised that I would always have the right to "renew" the initial agreement and I have been sent a series of E Mails offering me the right to "renew" the initial agreement. This term offering me the right to renew should have been incorporated in all the contracts and they are all unenforceable because the Consumer Credit Act specifies they must include all the key terms to be enforceable. When you issue a renewal contract you do not charge "set-up fees" which also suggests that it is a "renewal" as you have always claimed it to be. Crucially, you also never issue pre-contractual information for what you call a "renewal" which suggests that the contracts are "renewals" of the original contract and so the lending has lasted more than one year and you should have provided annual statements.

If you want to claim that the renewals are not renewals of the original lending, the fact that you have failed to provide pre-contractual information means that every contract is unenforceable under the terms of the Consumer Credit Act. I would point out that a very clear picture is emerging that every single contract you have ever issued is actually unenforceable under the Consumer Credit Act which means that you cannot charge interest or sell the items held as security without first obtaining an Enforcement Order from the Court, which you would not get for the reasons set out below. You also have a regulatory obligation to inform all customers whose contracts are or have been, in the case of contracts which have now ended, unenforceable and address this fact with a remediation exercise for all affected customers.

You will also need to inform your investors that your entire loan book is unenforceable under the terms of the Consumer Credit Act and would cost millions of pounds to put right, though in many cases this will not be possible and the money they entrusted to you will never be recovered.

If you do not deliver annual statements no interest is payable from 30 days after the first annual statement was due and you will have to refund any payments received.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 15

Refund all interest you have charged after 1 year and 30 days of any loan relationship lasting longer than this period and also publicly apologise and pay £1,000 for distress and inconvenience.

COMPLAINT 16 – THERE IS NO POSSIBILITY OF YOU GETTING ENFORCEMENT ORDERS UNDER THE CONSUMER CREDIT ACT FOR YOUR UNENFORCEABLE LOAN AGREEMENTS

Every agreement in your loan book is unenforceable under the Consumer Credit Act because you failed to comply with the formalities under the Consumer Credit Act in relation to every loan agreement. This means you can only charge interest or sell the goods held as security if you obtain an Enforcement Order. Also, the fact the loans are unenforceable entitles borrowers to have all interest and set up fees repaid and also to have the goods held as security returned to them without any repayment of capital.

The solicitors are experts in dealing with applications for Enforcement Orders and have explained to me that Enforcement Orders are meant for when there has been a "slip up". For example, you are executing 1,000 consumer credit agreements a year but you have "slipped up" in relation to 10 of them in respect of not complying with one particular formality specified in the Consumer Credit Act. In your case, every loan agreement in your entire loan book is unenforceable, many due to numerous multiple reasons and so this is not a "slip up" situation, it is simply the way you have done business because you are completely dishonest, and have also committed numerous criminal offences including the criminal offence of fraud on thousands of occasions, and also completely incompetent. In order to try to maximise your profits you had absolutely no compliance function. You are also completely insolvent and will be in Administration long before you get anywhere near having your first trial of your first application for an Enforcement Order.

The Court will also not grant an Enforcement Order when there has been any prejudice to a borrower and the solicitors advise me that in relation to your dealings with me I have suffered enormous prejudice due to the Unfair Relationship you have had with me within the meaning of Section 140A of the Consumer Credit Act, and also the matters set out in these 22 complaints, so you would not be able to get any Enforcement Orders in my case and that will apply to many other borrowers.

The solicitors advise me there is authority that the Court will never grant an Enforcement Order when the pre-contractual information is wrong because it constitutes prejudice to the customer and the Court will never grant an Enforcement Order when there is prejudice to the customer. In your case the pre-contractual information is wrong for every customer.

Even if you manage to get Enforcement Orders for a few borrowers the solicitors advise that because a borrower must never be prejudiced by the procedure, because it has only arisen by the lender's failure to comply with the Consumer Credit Act, the Court always orders that the lender must pay the borrower's legal costs and that they cannot recover their legal costs from the borrower. The solicitors advise me that when they have acted for borrowers, even if the lender has eventually been awarded an Enforcement Order, they have still been ordered to pay the borrower's legal costs which have ranged from £5,000-£15,000. You will also have to pay your own legal costs of trying to get an Enforcement Order in any event and so it will never even be economic to try to get an Enforcement Order for any loan of less than £10,000.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 16

Apologise to all your customers and inform them that all their loan agreements are unenforceable because you failed to comply with the formalities specified in the Consumer Credit Act and refund all set up fees and interest paid by them and return their goods held as security and pay them a sum for distress and inconvenience of £500 for smaller agreements and £1,000 for larger agreements.

COMPLAINT 17 – UNFAIR RELATIONSHIP UNDER SECTION 140A OF THE CONSUMER CREDIT ACT

In respect of every transaction with your company as a result of the matters in these 22 Complaints the relationship has been unfair within the meaning of Section 140A of the Consumer Credit Act. The defaults identified in these 22 Complaints are systematic breaches and would apply to all the agreements which you have ever entered into.

As a consequence of the unfair relationship I am entitled to the remedies set out Section 140B of the Consumer Credit Act, namely the immediate discharge of all liability to your company and the refund of all interest paid and the return of the goods held as security without the repayment of capital.

The solicitors say they are experts at getting unfair relationship orders with the consequences above, but, in any event, you will be in Administration shortly so the claim cannot fail because the Administrators would not continue to contest such litigation.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 17

Immediately provide me with the remedies set out above under Section 140B of the Consumer Credit Act, namely the immediate discharge of all liability to your company and the refund of all interest paid and the return of the goods held as security without the repayment of capital.

COMPLAINT 18 – IN ORDER TO COMPLY WITH THE CONSUMER CREDIT ACT THE LENDERS NAMES AND ADDRESSES SHOULD BE SET OUT IN EACH AGREEMENT

The contracts you have issued state at 2.1 "**the terms of this Agreement create a direct and separate contractual relationship between you as Borrower and each Lender"**. In order to fulfil the terms of the Consumer Credit Act the name and address of the lender must be included in the Agreement and if it is not the consequence is that every agreement is unenforceable without an Order of the Court.

It is also crucial information for a borrower to be provided with in circumstances that your company is completely insolvent and will soon be in Administration and litigation for compensation will need to proceed against the Lenders.

Under the terms of your standard loan agreement every Lender has unlimited personal liability in relation to every contract they have subscribed any funds for because they are jointly and severely liable for any losses and expenses such as:-

1. Sums awarded to borrowers by the Financial Conduct Authority under a Remediation Exercise carried out by a skilled person, likely to be a large firm of accountants, appointed by the Financial Conduct Authority
2. Compensation for inconvenience and distress payable in such circumstances as provided by The Dispute Resolution : Complaints (DISP) section of the FCA Handbook
3. Sums awarded in Court proceedings as damages
4. Costs of the Court proceedings.

Lender 75BE594 under the contract with me 2DFDC4A5F is a good example. That lender has subscribed £5.42. That contract is unenforceable under the Consumer Credit Act because it was executed on 18 April 2018 but is dated 17 April 2018 and so does not have the right date. I have numerous claims in relation to that contract including one of Unfair Relationship under Section 140A of the Consumer Credit Act, please see Complaint 16 above. If you do not resolve all my complaints by 5 pm on Thursday, 25 October 2018, I shall sign the no-fee no win retainer documentation for the solicitors. You have sent an E Mail stating that interest under the contract must be paid within 14 days of the contract ending or else you will sell the items held as security within 14 days. Accordingly, the solicitors have stated that they will apply for an injunction to prevent sale pending trial of my claims including Unfair Relationship by close of business on Monday, 29 October 2018. The solicitors have advised that the injunction will inevitably be granted because the agreement is unenforceable without an Enforcement Order in any event and a trial would be needed on that issue anyway before any enforcement such as the charging of interest or the sale of the goods held as security could take place in any event.

The solicitors also say they are anxious to get matters before a Court immediately because the fact a Judge has granted an injunction in such circumstances shows something is very badly wrong with your entire loan book. The solicitors are also going to ask the Judge to order that the name and addresses and E Mail addresses of all Lenders for contract 2DFDC4A5F are disclosed by you forthwith so that the solicitors can serve copies of the injunction on them and also name each of them as Defendants in the Court proceedings because you will shortly be in Administration and will vanish from the picture just like Wonga and Borro Group Holdings Limited.

After the trial, the costs of the injunction and trial could easily be over £100,000 and your company will have disappeared into Administration at a very early stage and so only the Lenders would be left to pay this sum and Lender 75BE594 who is probably a retired civil servant with a nice little house somewhere will find a Order for costs of over £100,000 being enforced against him and his home at which moment Rito Haldar and Ashwin Parameswaran are going to become quite famous for having completely wrecked the entire peer to peer lending industry and the Unbolted Fraud will no doubt lead to them each being recognised as the Bernie Madoff of peer to peer lending.

I require the names and addresses and E Mail addresses of every Lender on every contract that I have ever taken out with your company because I am entitled to have that information and also so that the solicitors can send them letters of claim in relation to all the sums due to me.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 18

Provide the name and address and E Mail address of every Lender on every contract by return.

COMPLAINT 19 – YOU SHOULD HAVE TOLD THE LENDERS THEY HAD JOINT AND SEVERAL UNLIMITED LIABILITY IN RESPECT OF EVERY CONTRACT THEY SUBSCRIBED TO

You should have told the Lenders the truth, namely that they had unlimited liability in relation to every contract they subscribed to and also that their liability is joint and several so that Lender 75BE594 who subscribed £5.42 to loan 2DFDC4A5F faces losing his home in respect of a costs order for over £100,000 and will also have to pay me damages and the sums mentioned above.

Once your company has vanished into Administration, Lender 75BE594 is also going to have to incur some very substantial legal fees if he wishes to contest the trial of my claims which will result in him losing his home due to a costs order for over £100,000.

Trading Standards said that this also constitutes a criminal offence under Regulation 6 of the Consumer Protection from Unfair Trading Regulations 2008 because it constitutes a "misleading omission". Trading Standards say that you should have warned every Lender in writing that you were arranging under your brilliant loan structure for them to have joint and several unlimited personal liability and were then planning that every loan you put their money into would be unenforceable under the Consumer Credit Act which would lead to enormous claims by borrowers against the Lenders with an estimated total cost of £20-£30 million to sort matters out. Trading Standards say that unlimited personal liability is an extremely serious matter and they could not think of a clearer breach of Regulation 6. They also said that they had successfully prosecuted traders for imposing unlimited liability on customers in relation to pyramid selling schemes. They said taking thousands of people's money and using it on unenforceable loans to create a £20-30 million insolvency was even more serious than pyramid selling and you and your directors will definitely be prosecuted for this misleading omission of failing to warn all Lenders in writing and get their written consent to the fact they were taking on joint and several unlimited personal liability in respect of the unenforceable loan agreements you were executing as their agent.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 19

Tell the Lenders the truth and explain the implications of what you have done and publicly apologise to them in writing and offer them all the directors personal assets as a first step in trying to compensate them for their total loss.

COMPLAINT 20 – YOUR ENTIRE BUSINESS IS ONE BIG FRAUD

Your entire business is one big fraud, you put all the Lenders money into unenforceable loan agreements which you would not be able to get enforcement orders for and in the case of loans under £10,000 it would not even be economic to even try because of the costs. Quite separately, you also broke every concieveable legal obligation in making and documenting loans on behalf of your Lenders that would give borrowers claims for substantial damages against your company and the Lenders.

The Lenders money has long since been completely lost on unenforceable loans and they now face enormous damages claims from borrowers. They will have to deal with the damages claims without you because your company is already completely insolvent and will shortly be in Administration.

Somehow, you managed to do all this simultaneously to Wonga and Borro Group Holdings going into Administration so interest in the claims management industry was focused on what would be the next similar company to be exposed as suitable for them to advertise for all their customers to contact Claim Management firms so they could make claims for them. The solicitors told me that Wonga was estimated to have only broken less than 3% of the rules in the Consumer Credit Act and the Regulations and CONC and they were completely destroyed by the numbers of claims made by Claims Management companies putting in complaints for everyone who contacted them and then making further complaints to the Financial Ombudsman Service who charge £550 for each complaint and also referring everyone who contacted them to solicitors who then took action against Wonga on a no-fee no-fee basis.

The solicitors told me that is what happened to a company who failed to comply with less than 3% of the rules. You have failed to comply with 100% of the rules and you also arranged for thousands of Lenders to have unlimited personal liability so the solicitors told me recovery litigation against the Lenders will still be going on in many years time.

Your accounts are also completely false and misleading because they do not tell the truth, namely that all your loans are unenforceable under the Consumer Credit Act and it would cost millions of pounds to put matters right and you are completely insolvent. You have also, no doubt, given false reports to your investors in which you have mysteriously failed to disclose these matters. You have also misled all the Lenders as to the true position namely that you spent all their money on unenforceable loans which have given the borrowers substantial damages claims which the Lenders have unlimited personal liability for.

The Lenders are going to be extremely angry and will no doubt sue your directors personally for fraud. Your directors may think that the company going into Administration will be the end of matters for them, but I would draw your attention to the latest Administrators report in relation to Borro Group Holdings Limited. It can be viewed as a filed document on the Companies House website filed on 7 June 2018.

On page 6 under the heading "**Investigations**" it states "**We are looking into a number of matters which could potentially result in recoveries for creditors**…" The solicitors explained to me that this refers to claims against the founder of the company and other directors who had run that company into the ground and the Administrators are now looking into how they can recover the £17 million which has been lost. Your company's fraud is a copycat fraud in terms of not complying with the Consumer Credit Act and will no doubt have the same outcome.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 20

Tell the customers and Lenders the truth and explain the implications of what you have done and publicly apologise to them in writing and offer them all the directors personal assets as a first step in trying to compensate them for their total loss. According to the solicitors, the Administrators of Borro Group Holdings Limited are going to pursue the former directors to the full extent of their personal assets so this is the normal thing for your directors to do.

COMPLAINT 21

The Consumer Protection from Unfair Trading Regulations 2008 specifically provides for the payment of damages to a victim and I am also entitled to damages.

These damages can cover alarm, distress, physical inconvenience or discomfort as well as economic losses suffered as a result of the prohibited practice.

I have been caused enormous "**alarm, distress, physical inconvenience or discomfort"**.

I knew you have completely ripped me off over your promise that I would have a personal rate of 1.5% but all the other matters which the solicitors have found have been astonishing and it also makes me feel extremely foolish. I could have gone to solicitors a long time ago and just handed matters over to them on a no-win no-fee basis and never paid you any interest on all the unenforceable contracts and also had all the items held as security returned to me without repayment of capital because I have an overwhelming claim on several different grounds and also the solicitors have advised me that, once you are in Administration, the Administrators would not contest any Court proceedings because they are just winding matters up and selling any saleable assets and would definitely return all items to me provided that I have issued Court proceedings before the date of the Administration Order.

All the revelations have been extremely shocking to me and I have been left feeling as though I have been made a complete fool of. I have also had to waste enormous amounts of time on this. It is also obvious to me that I have paid you extremely large sums of money which you were never entitled to legally.

I have definitely suffered "**alarm, distress, physical inconvenience or discomfort**" and am entitled to compensation for this. I would invite you to pay me £25,000.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 21

Pay me £25,000 as requested.

COMPLAINT 22 – YOU OWE ME A REFUND IN THE MINIMUM SUM OF £58,848

You have overcharged me in the minimum sum of £58,848. This is money which I have paid you which you have never been entitled to and is due for immediate repayment to me. I ask you to repay this money to me by paying it to my bank account today.

This figure is made up as follows:-

1 Complaint 11 : £200

2 Complaint 3 : £12,648

3 Complaint 2 : £4,000

4 Complaint 4 : £7,000

5 Compliant 8 : £15,000

6 Complaint 5 : £20,000

You owe me this sum as a refund of money I have paid you and this sum is due for immediate repayment to me.

I am extremely concerned that you will go into Administration before refunding my money to me.

I have sought advice from a barrister I know and he said (exactly like the solicitors and Trading Standards) that it is extraordinary that no one has noticed what you and your directors have been doing and you have not been caught and exposed as fraudsters already. He also said that it was inevitable that you would go bust like Wonga and Borro Group Holdings Limited and are already completely insolvent. He also told me that I should telephone the Financial Conduct Authority's whistleblower's hot line on 020 7066 9200 and they

would immediately send a team to your offices and carry out a full inspection of all your records and also take action against each of your partners for unauthorised credit broking.

I asked him how I can be sure to get my refund of £58,848 back in my bank account before you go into Administration. The barrister explained that if you do not pay my refund into my bank account on receipt of this letter I can simply issue a winding up petition seeking that Open Access Finance Limited be placed in liquidation for failing to pay its debts as they fall due. He said that when a company has ceased to pay its debts as they fall due no other formalities are needed.

Accordingly, I must insist that you pay my refund of £58,848 into my bank account by 5 pm on Thursday, 25 October 2018, failing which I shall issue a winding up petition in respect of this debt seeking that Open Access Finance Limited be placed in liquidation for failing to pay its debts as they fall due.

The barrister has drafted a winding up petition and I have the Court address where it must be issued and the issue fee paid and if I do not receive my refund money in my bank account by 5 pm on Thursday, 25 October 2018 the winding up petition will be issued on 26 October 2018 without any further warning. The barrister explained that the hearing date will be several weeks in the future and, in any event, your company will be in Administration by then. The barrister explained that some aspects do take effect immediately and he told me to send a copy by E Mail with the Court seal on to your bankers on 26 October 2018 after it is issued. I am aware who your bankers are from the payments which have been made. The barrister explained that it is standard banking procedure for every bank to freeze the bank accounts of any customer immediately when a winding up petition is issued and the bank becomes aware of it when a copy is sent to them. They will only unfreeze your bank accounts if the petition is dismissed at the hearing in several weeks time or voluntarily withdrawn before the hearing. Accordingly, if you do not pay my refund money by 5 pm on Thursday, 25 October 2018 you will lose the use of your bank account on 26 October 2018 and your business will effectively come to an end on that day.

There will also be official notices saying a Winding Up Petition has been issued against your company for failing to pay their debts as they fall due arising from you overcharging customers which will no doubt be reported in the press and quickly lead to complete panic by your Lenders even before they get letters of claim through the post from the solicitors for damages from which it will dawn on them that you created a structure in which they would each have joint and several unlimited personal liability for every loan they participated in.

The barrister explained that if you want to dispute the winding up petition you will have to serve sworn evidence addressing my 22 formal complaints in this letter under your Complaints Procedure which he said would make “very interesting reading” and no doubt get you into even more trouble as your behaviour in having carried out this massive fraud simultaneously on borrowers and Lenders and then passing the bill to the Lenders under their unlimited personal liability is extraordinary. Your company is completely insolvent and will be in Administration within a few weeks anyway but I am determined to get my refund money before that happens.

ACTION REQUIRED BY YOU IN RELATION TO COMPLAINT 22

Ensure you pay my refund money of £58,848 back to my bank account by 5 pm on 25 October 2018.

Summary

It is clear that all the agreements are unenforceable and there is no prospect of you getting Enforcement Orders and also that I have been overcharged by many thousands of pounds and also that you have committed numerous criminal offences and also that there has been an unfair relationship within the meaning of Section 140A of the Consumer Credit Act which entitles me to be released from all loan agreements and the return of all security without repayment of capital and the return of all interest and set up fees paid.

It is also clear that your entire loan book is unenforceable and your company is completely insolvent and will shortly be in Administration.

Anyone who has ever been your customer is likely to be owed a refund or some sort of compensation.

I had not realised what an industry pursuing victims claims is. There are solicitors and Claims Management companies who are just looking for a situation such as the Unbolted Fraud so then can earn large sums of money.

The solicitors are experts at getting compensation in such circumstances and doing mass processing of many claims for compensation for victims. Because your Lenders have unlimited personal liability there is likely to be continuous litigation against them for many years.

I do have to say that I think you have been very foolish to get yourselves into a situation in which anyone who has ever been a customer of Unbolted is owed a refund.

The solicitors said you do not have the slightest idea how to comply with the Consumer Credit Act and all the associated legislation relating to consumer credit and it is absolutely incredible that you have not already been caught and banned from the industry by having the personal authorisations of the directors revoked and your business deluged with demands for refunds by anyone who has ever been your customer and put into Administration.

You have simultaneously swindled all your borrowers and also all your Lenders because you invested all their money in unenforceable loans and promised them returns they will never receive when all that will happen is that your company will be put into Administration with a total loss of all Lenders money. Lenders

will also have to pay the borrowers compensation and there will be litigation to extract this money from the Lenders which will last many years. The solicitors said that the Lenders will inevitably accuse you and your directors of fraud and will also make accusations against the Financial Conduct Authority for failing to regulate you properly so all this could happen.

Conclusion

Please confirm safe receipt of this letter and that it has been registered under your Complaints Procedure and send me a copy of your Complaints Procedure.

Do not telephone me about any of these matters because all communications must now be in writing.

Finally, I would remind you that I am the whistle blower in relation to the £30-20 million Unbolted Fraud and I have certain substantial legal protections by statute as a whistle blower. I would also remind you that I am the person who discovered it, with the help of the solicitors, and I own the intellectual property in the discovery of the Unbolted Fraud and should be given credit in all future communications, including communications with third parties, as the person who discovered it.

Yours faithfully

ANDREW J MILNE