

## BBC - Panorama - Tax inquiry into Lloyds off-shore

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More on tonight's Panorama.

*Other publicly funded banks are also continuing to do business off-shore in traditional tax havens.*

*Among them is Northern Rock - which was bailed out by the taxpayer with £27bn at the start of the banking crisis in 2008.*

*It has an offshore subsidiary in Guernsey and has seen deposits almost double to £2bn since the bank was nationalised.*

*A banker from Northern Rock in Guernsey told Panorama's undercover customer that he could avoid the EU tax rules by opening an account in the name of a non-trading company. The Northern Rock banker said the customer should inform the Inland Revenue.*

*But the bank itself keeps the details secret from the taxman.*

This one is staggering: Northern Rock will not open an account in Guernsey for a trading company, only for a shell company.

They offered this as a way round the European Union Savings Tax Directive.

They must know this allows evasion. The endorsement of a shell indicates to me that they know that.

I think this is staggering misconduct. Not evasion or fraud on their part, but staggering misconduct.

And there is one answer: Northern Rock Guernsey must be closed.

Note: as an adviser to the programme I have read the transcript of the conversation referred to in the BBC article.