

Lloyds has said…

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This is the [BBC statement to Panorama](#):

In response to claims made in Panorama: Banks Behaving Badly, Lloyds Banking Group issued the following statement:

Lloyds Banking Group aims to comply at all times with all its obligations under tax law, both within the UK and overseas. We treat very seriously our obligations to comply with all tax legislation and we believe that we do so.

Offshore subsidiaries

It is common practice for organisations such as ours with an international presence to have offshore subsidiaries, which can be used for a number of purposes, from providing expatriate banking services, to facilitating the administration and funding of international operations.

Transfer of funds between subsidiaries

The transfer of funds to and between subsidiaries is a normal business activity for large companies. We can confirm that the transfer mentioned to us by Panorama involved Cayman Island and British Virgin Island companies. Both of these jurisdictions provide a legal framework with regard to repatriation of capital that is more flexible than the legal framework for UK companies. The transfer involving the British Virgin Islands subsidiary was made based on guidance from the FSA on their new rules relating to the funding of non UK subsidiaries by banks. The FSA was notified of the transfer shortly after it took place. For the avoidance of doubt, the Group did not pay less tax as a result of this transfer, as the companies concerned are resident in the UK for tax purposes and consequently pay UK tax on their profits.

We strongly and categorically refute any allegation of involvement in systematic or deliberate tax evasion.

Providing advice to customers

The orderly and efficient management of an individual's tax affairs, within the law, is a legitimate exercise. Any advice or information we offer customers is made within the context of the robust anti money-laundering systems and processes we have in place. These processes are designed to ensure that colleagues are able to identify and report any suspicious activity on the part of our customers. Colleagues are provided with regular training as appropriate to ensure compliance with these systems.

Individual employees

We have been provided with information by Panorama which could suggest serious misconduct by a member of staff in one of our Jersey offices. We take these allegations by Panorama very seriously and a full and comprehensive investigation into this matter is already underway. The member of staff has been suspended pending the outcome of our investigation. If the investigation concludes that serious misconduct has occurred, then the company will take the appropriate disciplinary action.

The group has shared the main elements of its approach with HMRC and the appropriate regulatory authorities and will continue to do so.