BARCLAYS

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[redacted]

Alhaurin El Grande
CP 29120 Malaga
Spain

Our ref: [redacted]

26 April 2013

Dear Mr & Mrs [redacted]

Thank you for your letter of 10 April 2013. I am sorry for the delay in responding to you and I am grateful for your patience during my investigation.

It is very clear from your letter that you feel let down by Barclays with regards to your Spanish Property Investment Secured Loan ("SPISL") and that you feel more can be done to support you with the repayment of your loan. In addition to this, it is my understanding that you feel we have been the root cause of a lot of the issues you have experienced with your previous independent financial advisor, given that you believe we were not independent from them. Please be assured that we always aim to provide the best possible service and experience to our clients and I am sorry that on this occasion you have been made to feel this way.

You refer to '*A ruling in March this year by the Hacienda [that] states that the plan is illegal*'. I understand you to be referring to the equity release scheme of which the SPISL product was part and the Spanish inheritance tax position under that scheme. We have reviewed the ruling to which you refer and note that it relates to Spanish wealth tax only and does not deal with inheritance tax at all. Therefore, whatever the conclusions in that ruling, they are not relevant to the issue of inheritance tax. Furthermore, the Bank obtained legal advice for its own benefit in 2004 and more recently about the scheme. The Bank has satisfied itself that the scheme is not illegal. The Bank is not providing advice to you about your own position so you may wish to take your own independent advice, but I would hope that you take some comfort from the Bank's conclusion.

In your letter, you explain that you were originally introduced to Henry Woods Investment Management ("HWIM") by Gerry Gowans of our offices in Jersey, following a conversation regarding inheritance taxation. This being the case (which is not admitted), you do not feel that we were working independently of HWIM. I confirm that Barclays Bank PLC ("the Bank") does not offer any advice with regards to taxation and it is likely that Mr Gowans explained this to you at the time, requesting that you seek independent financial and tax advice from an independent IFA. HWIM would have needed to undertake a client review with you before providing you with any advice. I confirm that our records do not detail how you were introduced to HWIM and that they state only our interactions with you, regarding your request for the Bank to facilitate your loan.

Barclays offers banking, wealth and investment management products and services to its clients through Barclays Bank PLC and its subsidiaries.

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BWLX017 (03/12)

You frequently refer in your letter to the report which was provided by HWIM ("the report"), to the Bank prior to your application. I note that you believe that the report proves that the Bank was not independent from HWIM.

In the interest of clarity, I confirm that the report was drafted by HWIM and that the Bank had no input with regards its content.

Your letter also refers to the products which were made available to you by HWIM, and that this was restricted to products offered by the Bank. You feel that this supports your theory that HWIM was knot independent from the Bank. I confirm that HWIM was independent from Barclays. This being the case, I am unable to comment on the range of products and services provided by HWIM. Furthermore, it is the responsibility of the borrower to ensure that they have sought adequate independent advice as detailed in your application form which you have signed and declared to the Bank, being the lender, and you, being the borrower, that you have taken independent tax, legal and accountancy advice.

You state that HWIM was not regulated and suggest the Bank, in its role as lender, should not have been working with them. However, as stated above, the Bank's sole purpose was to facilitate a loan. I reiterate that HWIM were an independent company and borrowers had a responsibility to satisfy themselves as to the status of HWIM.

With regard to your statement suggesting the Bank were insistent on you investing with this specific company, I confirm that this is not correct. We have at no time provided investment advice or insisted that you must invest with a specific company. This was the role of your independent financial advisor, in this case HWIM. It is our understanding however that HWIM were working closely with Close Asset Management and were recommending 100% investment into the Close All Weather Fund. Based upon HWIM's independent advice to you to invest in Close, the Bank accepted the Close All Weather Fund as eligible Credit Collateral. The advice to invest in this product was not given by the Bank.

You also suggest that the Bank played a significant part in the promotion of the SPISL product, in that senior staff at the Bank attended various seminars relating to the promotion of this product. We do not deny that our staff were present at some of these events. However, I confirm that the remit of our staff was to represent the Bank and answer any questions relating to the loan facility in our sole role as a lender. It is important to state that Bank staff members were invited to attend these events with the intention of representing the Bank and were in no way involved with hosting or organising them.

In summary, we do not accept your view that the Bank provided you with advice relating to the SPISL product. The decision to invest was made by you following advice provided directly to you by HWIM. We also do not accept your view that HWIM and the Bank were not operating independently. Our role was simply to facilitate the loan which is what we did. In view of these findings we do not believe it is appropriate to uphold your complaint. We however continue to be committed to meeting with you to discuss your outstanding loan and finding a resolution that is agreeable to you

It is always disappointing when a customer is unhappy with our service and I'd like to thank you for bringing your concerns to our attention and for allowing us the opportunity to resolve the complaint for you. I was sincerely sorry to learn of the distress this matter has caused you and I hope this letter will answer the questions you have raised. Your Relationship Manager, Carrie Griffiths, will be visiting Spain in June 2013 and has advised she is more than happy to meet with you to discuss a way forward with regards to your loan. To arrange a meeting, please contact Carrie using the following details:

Tel +44 (0) 203 555 8869
Mobile +44 (0) 7500 890778
Email: carrie.griffiths@barclays.com

Barclays
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1 Churchill Place
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This letter details my final findings based on all the information I have relating to your complaint. However, should you have any additional details which you believe brings a different light on any aspect of your complaint then please do not hesitate to contact me.

You also have the right to refer your complaint to the Financial Ombudsman Service; you may contact them through their website at www.financial-ombudsman.org.uk or write to them at;

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

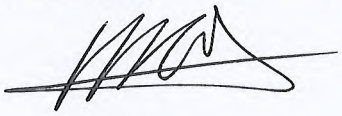
Telephone: 0800 023 4567
+44 (0) 20 7964 1000 (for calls from outside the UK)

Email: complaint.info@financial-ombudsman.org.uk

I enclose a copy of the Financial Ombudsman Service's explanatory leaflet 'Your complaint and the Ombudsman', along with our leaflet that explains how we manage complaints received from our clients. If you feel this is the next step for you, please remember you should contact the Financial Ombudsman Service within six months of the date of this letter; otherwise they may not review your case.

If you have any further comments or any questions, please contact me on +44 (0) 1624 684224* (Monday to Friday: 9am to 5pm UK Time) and I'll be happy to help. For any other enquiries, please contact our Client Service Centre on +44 (0) 1624 684444*.

Yours sincerely



Mark O'Grady
Senior Client Relations Advisor – Barclays Wealth International & Intermediaries
Global Client Experience

*Calls may be recorded so that we can monitor the quality of our service and for security purposes.