

Nigel Henderson: Founder Member of SME Alliance

Having started our business from humble beginnings in 1973, my wife and I were in the financial position, twelve years later, of buying a 59 bedroom hotel, Park Hotel, Montrose, selling our house in Aberdeen to move to Montrose and operate the business there as hands on proprietors. We reinvested the profits and developed the business which been starved of investment over the previous five years and managed to secure the status of the hotel as the premium hotel in the area for accommodation, functions and meals. During this time I was appointed to the Angus Tourist Board, becoming chairman of this Board in 1995 and overseeing the amalgamation two years later with Dundee Tourist Board.

By 1997 we looked to expand our business and bought a second hotel, Portree Hotel, Isle of Skye. It was at this time that it was decided to transfer our banking requirements to Royal Bank of Scotland. Fifteen months later, we received an unsolicited, but extremely generous offer for the Park Hotel that we reluctantly accepted following professional advice. I approached RBS and stated that I wished to make full repayment of the loans on the Portree Hotel out of the substantial cash deposit now placed with the bank. It became very evident that we had been induced to enter the loan agreements for the Portree Hotel under false pretences, as RBS demanded we hand over £240,000 as a penalty to exit the loan agreements early. Having been assured at the time of entering our banking relationship with RBS that we could exit the loans with an early redemption penalty of three months interest, we could not accede to this demand; thereafter the bank immediately forced us to sign a Letter of Pledge over the cash deposit and refused to honour my written instruction to use the cash to repay the loans. Within a very short time thereafter, our business accounts were put under the control of Specialised Lending Services, now known as Global Restructuring Group. This division immediately became very aggressive and refused to assist our financial position by using the cash deposit to secure our financial future. Instead it ensured that the cash was to be used for the benefit of the bank by continuing the loans and drove us down the route to bankruptcy when it petitioned for our bankruptcy two years later.

We had retirement enforced on us at the age of fifty four and are now living on a state pension and a meagre private pension which the bank could not take from us.

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