



Name: Nigel Henderson (Founder Member)

Sector: Hospitality

Issue: RBS – GRG

Location: Scotland

Business Background

In 1973 I started a business along with my wife, trading in property in Aberdeen. We bought, refurbished and sold private houses. This operation continued until 1988.

In 1974 we also started a car rental business firstly with three cars and developed this over successive years up to 1982 when we had 32 vehicles. As a consequence of concentrating on the commercial side of this business we were approached by Avis and eventually sold the business to them in 1984.

From the profits generated by the property trading business, in 1978 we invested in a nine bedroom hotel in Aberdeen. This was sold in 1982 and we concentrated on the car rental business until its sale.

In 1986 we bought a 59 bedroom hotel, Park Hotel, Montrose and sold our house in Aberdeen to move to Montrose and operate the business there as hands on proprietors. The business had been starved of investment over the previous five years and we developed and refurbished the hotel over the following ten years to position it 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.

In 1997 the business bought a second hotel, Portree Hotel, Isle of Skye and it was at this time that it was decided to transfer our banking requirements to Royal Bank of Scotland. Having discussed at great length our banking requirements for the future, RBS assured us that we could obtain 100% funding for the purchase of Portree Hotel on a residential mortgage type loan with a maximum penalty of three months interest in the event of early redemption. I specifically stated that it was foreseen that early redemption would be undertaken within approximately five/seven years.

Fifteen months after being induced to enter the loan agreements, October 1998, 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. We could not accede to this demand and 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 which, with the financial support of the significant income from the Park Hotel, now sold, were unsustainable. 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 when it ensured that with our operating as a partnership and by making us bankrupt, it would benefit from a share of all the personal assets we owned including our house which was free of any encumbrance.

Having started from humble beginnings in business and building up a successful hotel operation, we refuse to accept this criminal conduct by RBS and have fought over the past twelve years to obtain exoneration and restitution.