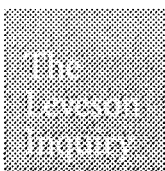


1<sup>st</sup> statement  
Exhibit AP1  
9 December 2011

IN THE LEVESON INQUIRY

.....  
EXHIBIT AP1  
.....

CMS CAMERON MCKENNA LLP  
MITRE HOUSE  
160 ALDERSGATE STREET  
LONDON  
EC1A 4DD  
Ref: WITR/TPH/OX9700.00019



culture, practices and ethics of the press

Royal Courts of Justice  
Strand, London  
WC2A 2LL

Solicitor to the Inquiry  
Tel: 020 7947 7361

[www.levesoninquiry.org.uk](http://www.levesoninquiry.org.uk)

Andy Pickford  
Head of Regional Fraud Risk for Europe

By email only: andypickford@[redacted]

18<sup>th</sup> November 2011

Dear Mr Pickford,

**Leveson Inquiry into the culture, practices and ethics of the press**

It may have come to your attention that an Inquiry has been set up under the Inquiries Act 2005, chaired by the Rt Hon Lord Justice Leveson, following the recent "phone hacking" public scandal. Under Part 1 the Inquiry will inquire into the culture, practices and ethics of the press. Its Terms of Reference are available on-line at <http://www.levesoninquiry.org.uk/terms-of-reference-for-judge-led-inquiry/>.

Lord Justice Leveson's expectation is that witnesses will be willing to assist his Inquiry by providing both a statement and documents voluntarily and in the public interest.

However, given the timescales within which he is has been asked to operate and the desirability of ensuring, with limited exceptions, consistency of approach to potential witnesses, he has decided to proceed in a formal manner using the powers conferred upon him by statute. No discourtesy is of course intended by this.

**Notice under section 21(2) of the Inquiries Act 2005**

Under section 21(2) of the Inquiries Act 2005<sup>1</sup>, read in conjunction with the Inquiry Rules 2006 (S.I. 2006 No 1838)<sup>2</sup>, Lord Justice Leveson, as Chairman of the Inquiry, has power to require a person, within such period as appears to him to be reasonable, to provide evidence to the Inquiry panel in the form of a written statement, and/or to provide any documents in his custody or under his control that relate to a matter in question at the Inquiry.

<sup>1</sup> <http://www.legislation.gov.uk/ukpga/2005/12/contents>

<sup>2</sup> <http://www.legislation.gov.uk/uksi/2006/1838/contents/made>

Lord Justice Leveson has determined that it is appropriate, in view of his Terms of Reference and his investigatory obligations, that you should at this stage be required to provide evidence to the Inquiry Panel in the form of a witness statement and to provide any documents in your custody or under your control as more specified below.

Your witness statement should cover at least the following matters or issues:-

- (1) Who you are and a brief summary of your career history.
- (2) Whether your financial institution is or has been targeted by persons seeking to "blag" confidential data from your organisation? For the purposes of this request please go back at least 10 years.
- (3) If so, please give an indication of the scale of the problem, the types and sophistication of "blagging" attempts that are made, the types of data that are sought, who by, who for and any other particulars that will assist the Inquiry to assess the nature and scale of the problem.
- (4) What measures does your organisation presently take in order to prevent "blaggers" from obtaining confidential data?
- (5) Have any of your staff (i.e. your staff whether casual or permanent) in the last 10 years been caught and/or disciplined for disclosing confidential data to third parties? if so, please provide particulars. This request is particularly directed at third parties who directly, or indirectly, have sought to corrupt your staff in order to obtain confidential data for any manifestation of the media.

The documents you should provide to the Inquiry Panel should relate to the following matters or issues:

- (a) Any document concerning attempts (whether or not successful) to blag information from your organisation in the last 10 years.
- (b) Any document setting out your organisation's present measures to prevent "blaggers" from obtaining unauthorised access to confidential data.
- (c) Any document relevant to the uncovering of, investigation of, or disciplining of staff for unauthorised disclosure of confidential data to third parties.

The terms of this formal notice should not necessarily delimit the evidence, including documentary evidence, which you provide to the Inquiry. It may well be that you can give important additional evidence beyond the four corners of the statutory requirements being imposed on you by this notice: if you can, you are encouraged to do so in line with the general invitation extended by Lord Justice Leveson during the course of his opening remarks on 26<sup>th</sup> July 2011.

Lord Justice Leveson is required under his Terms of Reference to complete his report on the matters or issues under Part 1 of the Inquiry within 12 months. With this in mind, and having regard also to the scale and scope of his foregoing requirements of you, he has determined for the purposes of section 21(2) of the Inquiries Act 2005 that you should comply with this notice by 4pm on Friday 9<sup>th</sup> December 2011.

Lord Justice Leveson is also directed by law to explain to you the consequences of failing to comply with this notice. He therefore draws to your attention the provisions of section 35(1) of the Inquiries Act 2005 which make it a criminal offence to fail without reasonable excuse to do anything which is required by a notice under section 21. He wishes to make it clear that all recipients of section 21 notices are having their attention drawn to this provision, since it is a formal legal requirement.

He is also directed by law to indicate to you what you should do if you wish to make a claim under sub-section (4) of section 21, namely a claim that you are either unable to comply with this notice at all, or cannot reasonably comply with this notice within the period specified or otherwise. You are invited to consider the full text of section 21, including for these purposes sub-sections (3)-(5), if necessary with the benefit of legal advice. Lord Justice Leveson invites you to make any such claim in writing and as soon as possible, addressed to the Solicitor to the Leveson Inquiry into the Culture, Practices and Ethics of the Press, c/o Royal Courts of Justice, Strand, London, WC2A 2LL.

Furthermore, Lord Justice Leveson has power under section 19(2)(b) of the Act to impose restrictions in relation, amongst other things, to the disclosure or publication of any evidence of documents given, produced or provided to the Inquiry, including evidence produced under section 21. Lord Justice Leveson will be considering the exercise of his powers under section 19 in any event, but if you seek to invite him to exercise those powers in respect of your evidence, including documentary evidence, or any part of it, you should set out your position in writing as soon as possible.

Finally, Lord Justice Leveson draws to your attention the provisions of section 22 of the Act which state that you may not under section 21 be required to give, produce or provide any evidence or document if you could not be required to do so if the proceedings of the Inquiry were civil proceedings in a court in the relevant part of the United Kingdom, or the requirement would be incompatible with a Community obligation. No doubt you will take legal advice as to the effect of this provision, but, in the spirit of openness and with the wish to ensure that all possible aspects of his Terms of Reference are fully considered, he invites you nonetheless to waive privilege in relation to any such document or evidence. Please therefore state in your response to this notice whether you are prepared to do so.

For the avoidance of doubt, this notice only covers one aspect of the Terms of Reference and, as the Inquiry moves into other areas, it may well prove appropriate to serve further section 21 notices.

If you wish to discuss any of the above, please do not hesitate to contact me.

Yours sincerely,



**James Court**  
**Assistant to the Inquiry**

# C/M/S/ Cameron McKenna

Solicitor to the Inquiry  
Royal Courts of Justice  
Strand, London  
WC2A 2LL

CMS Cameron McKenna LLP

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London EC1A 4DD

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Fax: +44(0)20 7367 2000  
www.cms-cmk.com  
DX 135316 BARBICAN 2

Direct:

For the attention of James Court

Our Ref: SCB/MIT/0X9700.00119

2 December 2011  
By Email and Post

Dear Sirs

Leveson Inquiry into the culture, practices and ethics of the press (the "Inquiry")

We act for HSBC Bank plc and have been consulted by our client in respect of the above.

On behalf of HSBC, we acknowledge receipt of your section 21 notice addressed to Andy Pickford of our client, dated 18 November 2011. Our client is, of course, willing to assist the Inquiry in connection with the culture, practices and ethics of the press in the UK. However, having reviewed the details of the section 21 notice mentioned above, our client would be grateful for clarification as to the information in which the Inquiry is specifically interested. In this respect, our client has three particular concerns as to the information that appears to be sought.

1. Our client's experience and concern in relation to social engineering is not connected to the culture, practices and ethics of the press in the UK, which is being reviewed by the Inquiry. In the light of our client's business, those instances of social engineering of which it has experience are primarily, if not exclusively, attempts to obtain information for the purposes of fraudulently obtaining money, and our client has no evidence to suggest a connection with the press in the UK.
2. Our client is also concerned that the wide wording of the notice would require it to disclose highly confidential and commercially sensitive information about the systems and measures it has in place to counteract fraud. Our client is particularly concerned about any possible risk that such information could become public, or, indeed, even any aspect of it becoming known to third parties, and the consequential impact this would have on the security of our client's business.
3. Additionally, the wide-ranging nature of the documents identified within the section 21 notice means that our client would be unable to provide the Inquiry with the very significant amount of information that appears to have been requested within the timeframe specified.

UK - 71293085.3

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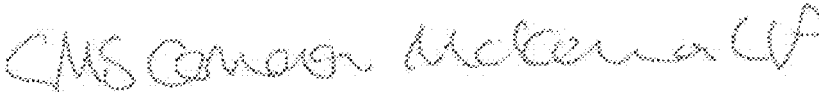
## C/M/S/ Cameron McKenna

Accordingly, our client would be pleased to provide the Inquiry with information regarding the different elements of social engineering, and examples of types of fraudulent incidents experienced by our client in that context, insofar as such information will be of assistance and relevance to the Inquiry, by 9 December 2011. We would therefore respectfully request that the section 21 notice served on our client be varied under section 21(4) of the Inquiries Act 2005, to reflect the information that our client is able to provide as set out above.

We would also suggest that a trade body may be better placed to provide the relevant evidence, as our client's experience is, of course, specific to HSBC. Such trade body, such as the British Bankers' Association, would be more representative of the banking industry's practices generally in respect of social engineering, and thereby may be more appropriate as a provider of information to the Inquiry.

We would welcome the opportunity to discuss this in more detail with you, over the telephone or in person, if more convenient.

Yours faithfully



CMS Cameron McKenna LLP

Khoury, Nadia

---

From: BARTY, Susan  
Sent: 05 December 2011 15:42  
To: Khoury, Nadia  
Subject: FW: FAO James Court - Leveson Inquiry into the culture, practices and ethics of the press [CMCK-UK.FID1578528]

-----Original Message-----

From: Leveson Inquiry Solicitors Team [mailto:Solicitors.Team@levesoninquiry.gsi.gov.uk]  
Sent: 05 December 2011 13:20  
To: BARTY, Susan; Leveson Inquiry Solicitors Team  
Subject: RE: FAO James Court - Leveson Inquiry into the culture, practices and ethics of the press [CMCK-UK.FID1578528]

Dear Ms Barty

Thank you for your e-mail and attached letter. I trust this email is an acceptable way of communicating given the time pressures.

The notice should be interpreted with regard to the Inquiry's Terms of Reference. Our interest is in attempts by the media, or those acting on behalf, or at the instruction of, the media to obtain confidential personal financial data from them. Whether or not this is perceived to be a problem at all is of relevance to the Inquiry. We are not concerned with attempts by fraudsters to steal money.

As to highly confidential security measures, the Inquiry is content for your client to respond in general terms and not to include (either in the statement or accompanying documents) sensitive details of such measures. What we would like is to understand in general terms whether measures are taken, and without going into detail, their general nature.

In the light of this clarification I would hope that it is possible for your client to comply with the notice in the near future. We are content to extend the time for compliance by a few days if this assists.

I note your comments regarding the trade body, however, we would wish to see your response first before considering whether any further enquiries are necessary.

Kind regards

Sharon Hiles  
Senior Assistant Solicitor to the Inquiry

-----Original Message-----

From: BARTY, Susan [mailto:Susan.BARTY@ ]  
Sent: 02 December 2011 14:00  
To: Leveson Inquiry Solicitors Team  
Subject: FAO James Court - Leveson Inquiry into the culture, practices and ethics of the press [CMCK-UK.FID1578528]

Dear Sirs

Please see attached. A hard copy is following in the post.



Yours faithfully

CMS Cameron McKenna LLP  
Mitre House  
160 Aldersgate Street  
EC1A 4DD

-----Original Message-----

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From: |  
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|Leveson Inquiry Solicitors Team  
<Solicitors.Team@ [redacted]>  
|

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To: |  
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|Andy W PICKFORD/HBNU/HSBC@HSBC  
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Dear Mr Vickford,

Please find attached a section 21 notice on behalf of the Leveson Inquiry for your attention.

Kind regards,

James Court  
Assistant to the Inquiry

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\*\*\*\*\*

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