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Court Pauses Suit Between Clydesdale Bank, Property Co.



By *William Shaw*

Law360, London (March 22, 2019, 3:04 PM GMT) -- The High Court in London has stayed a lawsuit, in which a small property investment company has accused Clydesdale Bank of threatening to withdraw more than £5 million (\$6.6 million) of loans, to allow both sides to attempt to settle out of court.

Judge Sara Cockerill halted the proceedings until April 8 after Milton Ashbury Ltd., based in the southern county of Kent, accused the bank of tricking and pressuring it into taking out fixed rate loans between 2008 and 2011.

The warring sides now have the chance to negotiate "with a view to settling the claim or, at least, narrowing the issues between them," Judge Cockerill said in an order dated Wednesday. The trial had been **scheduled to begin** in June 2020.

The case began when Milton Ashbury sued Clydesdale in April 2018. The company, which buys and sells real estate, claims the bank made **negligent and fraudulent representations** and threatened to withdraw loans worth approximately £5.1 million in an attempt to make its client borrow more money.

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Clydesdale rejected the allegation in August and countersued, accusing Milton Ashbury of owing the bank nearly £425,000 in debts.

The delay in the case came a day after Clydesdale Bank faced pressure in the [House of Commons](#) over its alleged treatment of small and mid-sized businesses. Scottish National Party lawmaker Angela Crawley said on Tuesday that a constituent, identified in news reports as John Guidi, had been on hunger strike over the way the bank had allegedly treated his company.

"This tragic case brings to attention the vulnerability of U.K. businesses to the abusive treatment by lenders and vulture funds and the inadequacy of the current regulation in preventing it," Crawley told the Commons, according to a statement on the parliamentary website.

A spokeswoman for CYBG PLC, Clydesdale's parent company, said it had offered Guidi a meeting with its chief executive.

Guidi has previously raised complaints with the bank, the spokeswoman said. "We are confident these historic complaints have been properly reviewed, including the fact our decisions have been subject to external and independent review."



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Milton Ashbury is represented by David McIlroy of Forum Chambers, instructed by Charles Russell Speechlys LLP.

Clydesdale Bank is represented by Ian Wilson QC of 3 Verulam Buildings. Full counsel information was not available.

The case is Milton Ashbury Ltd. v. Clydesdale Bank PLC, case number CL-2018-000227, in the Commercial Court, Queen's Bench Division of the High Court of Justice of England and Wales.

--Additional reporting by Paige Long and Richard Crump. Editing by Ed Harris.

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