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# Lending money without checking the status of the borrower is asking for trouble

It is high time that those lending money returned to the more conservative practices of the past

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SIR – What a lot of nonsense Ray Boulger, a mortgage broker, talks when he says "it is just too costly for lenders to call in every borrower and sit them down for an interview" (report, October 19).

Interviews always used to be the norm and arrangement of a loan was free. Now lenders charge exorbitant "arrangement fees" – and for what? If they lend without checking the financial status of the borrower, then they are asking for trouble.

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## Duncan Rayner

Sunningdale, Berkshire

SIR – What a pity Gordon Brown wasn't required to give information about his spending habits before borrowing a trillion pounds from the taxpayer.

## Cynthia Harrod-Eagles

Northwood, Middlesex

SIR – If Goldman Sachs does pay £2.5 billion in British taxes this year (report, October 16), that will be more than the amount the Treasury expects to raise from the new 50 per cent top tax rate.

This shows just how dangerous the 50 per cent rate is. If just this one company, or one like it, leaves Britain to find lower taxes and better regulation elsewhere, the Treasury will lose more tax than it gains.

Spreading the pain sounds good, but there is no point if the main beneficiary is going to be Switzerland.

## Richard Teather

Senior Lecturer in Tax Law

Bournemouth University

SIR – Familiar calls emerge from the Labour Party for that old short-term solution to banking profitability: the windfall tax. This is a solution applied to the effect and not the cause and would punish small shareholders and pension funds – neither of them are culpable.

The profitability of investment banking lies in pricing, and the culprits are punitive spreads on financial products, as well as the

application of percentage charges to considerations in advisory or facilitating work. Costs would tumble if the use of percentages were expressly prohibited. Estate agents, mortgagors, fund managers, headhunters, credit-card issuers, architects, valuers, auctioneers and financial advisers – to mention but a few – all profit disproportionately as the consideration rises in value.

Let us appoint instead a commission to examine financial sector fee structures and charges.

**John Murray**

Seillans, Provence, France

SIR – Why does the Government not make the banks pay a dividend to shareholders? This would have the benefit of returning money to the Government, which seems to have forgotten it is a shareholder. The Government might also be able to sell its shareholding at a profit, assuming, of course, it can bring itself to give up its stranglehold on the banks.

**George Gooden**

Woodbridge, Suffolk

**State-approved childhood**

SIR – Following the publication of the final report from the Cambridge Primary Review (report, October 16), it is important to point out that the distinction between traditional learning and what has been proposed is false.

We understand the picture people have when they think of traditional learning, but in our schools that means planned and organised activities for young people, taught by well-trained staff.

Play does not mean ungoverned busyness. It takes place in an environment planned for learning, where children are able to move between activities as their interests and ideas flow.

What concerns our members most of all is that the imposition of the Early Years Foundation Stage on independent schools means that all young children are subjected to a curriculum dictated by the Government.

Parents who opt out of the assessment-laden state system for a more individual approach in the independent sector now have that choice taken away from them. That is the real disgrace.

**David Hanson**

Chief Executive

Independent Association of Prep Schools

Leamington Spa, Warwickshire

SIR – Philip Johnston (Comment, October 19) writes that home-schooled children “are better taught and have a wider education than those in the classroom”, and that Ed Balls should not give the state access to the home to check up on them.

I was a home-schooled teenager in the 1970s. My first job interview in 1981 was for the position of trainee RAF pilot. I asked the selectors if they minded my lack of formal schooling and they replied: “It is not held against you in any way.”

The RAF were sharper than Mr Balls. They appreciated the independence and sense of responsibility that come with being educated outside the system.

It is this independence of spirit that Labour so detests.

**Tristram Llewellyn Jones**

Ramsey, Isle of Man

**Scrabbling for meaning**

SIR – Surely Scrabble (Features, October 16) should be about the joy and understanding of words. In our house, knowing the meaning of the word is required before one plays the tiles.

**Peter Riley**

Fleetwood, Lancashire

**Paying for poppies**

SIR – Colin Parker (Letters, October 17) asks: “When ministers appear on television wearing poppies, who pays for the poppy?”

Whether the MP pays out of his salary or from his expense allowance, or the BBC provides it for the sake of propriety, the answer is still the same, is it not?

**John Penfold**

Hurstwood, East Sussex

**Bog-standard shopping**

SIR – While recognising the laudable objective of Tesco’s change to “buy one, get one free later” (report, October 17), I suspect that its marketing department will want to improve on the acronym – bogofl – before its pronunciation becomes established as “bog awful”.

**Lorne Campbell**

West Tytherley, Hampshire

SIR – Am I being cynical in thinking that this is simply a way of ensuring the customer returns to the store?

**Tony Hill**

Stratford upon Avon, Warwickshire

**Pensioner freeloading**

SIR – Reading your report (October 17) about the possibility of libraries and swimming pools having to close in order to fund free bus passes for the elderly, I felt ashamed that my generation of baby boomers could cause this to happen.

We over-sixties behave like spoilt children, expecting free bus travel just because of our age. When I raise this with fellow OAP passengers, the usual retort is: “I’ve paid taxes all my life and I deserve this.” Perhaps so, but it is the younger generation that is funding our freeloading.

I believe that there is a fundamental error in the understanding of poverty among the elderly. It is assumed that it is an all-encompassing problem.

Although not all retired people are equally rich, more importantly, we are not equally poor – certainly not too poor to fork out 20p for a bus journey.

**Carolyn Whitehead**

Yatton, Somerset

**Soak the rich tea**

SIR – Gordon Brown says that he likes chocolate biscuits. I always had him down as a jammy dodger.

**Peter East**

Tilehurst, Berkshire

**When nature calls**

SIR – John Harvey (Letters, October 17) says that he hardly knows where to go when nature calls in London.

There is, however, relief at hand. Make for the nearest hotel. With an air of assurance, a relaxed smile to hovering staff and an assumed familiarity with the hotel’s reception area, it is easy enough to spot the washroom signs.

The alternative is the nearest public house. A similar display of confidence and familiarity will achieve the same result.

There is, however, a drawback. One may feel conscience-bound to take a quick drink at the bar before departing. Shortly after leaving the establishment this usually results in a further call of nature, when the whole process starts all over again.

**John V. Sanders**

Stourbridge, Worcestershire

SIR – The Government has privatised public lavatories. The provider is a company called McDonald’s. They are a friendly bunch of

people with clean facilities in all major cities, and most towns. They also sell burgers.

### **Ted Shorter**

Hildenborough, Kent

### **Poor equipment is not the main killer in Afghanistan**

SIR – The design of armoured vehicles entails a compromise between armour, mobility and lethality. Heavily armoured vehicles are restricted in manoeuvrability and more vulnerable to roadside bombs.

The role of equipment in protecting our troops has been overestimated. Tactics and intelligence play at least an equally important role, particularly with regard to the threat from roadside bombs. The emphasis needs to be on preventing bomb strikes, rather than surviving them.

### **Henry Jordan**

Oxford

SIR – On the BBC's Today programme recently, I heard it said that the funds received by the Taliban from drug barons in Afghanistan exceeded the total amount that is allocated by the British Government for arms and equipment to our own troops.

Will those who use drugs wake up and be conscious of the fact that they are indirectly financing the death of not only British soldiers, but innocent civilians, too?

### **Lord Clifford of Chudleigh**

Chudleigh, Devon

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