

Dear sirs

Firstly, apologies for the impersonal addressing on this mail, but you failed to provide a name in your correspondence to me.

May I thank you for this communication, which I assume was sent out in error, as my name is not Customer(s), but is in fact Mr Paul Brown. Also, upon careful reading of your mail, it is clear that it isn't a response to my complaint, as most of the letter is irrelevant and doesn't, in fact, address any of the points in my initial contact with yourselves. I'm sure this is an error, and that you haven't just sent a bulk letter out without actually reading the contents of my mail to yourselves, as this would be no way to treat any complaint or enquiry.

I will, however, respond to a few of the points you made in your letter, before reiterating some of the points that were in my correspondence, just in case you mistakenly 'archived' it before actually reading.

1. You state *"Persimmon does not accept that you were misled in relation to the purchase of your leasehold home. We ensure that our customers are informed of the nature of a property's title from the outset of our Sales Process. During the Reservation process the nature of the leasehold title would have been confirmed, to you"*

This is, in fact, not true. In your brochures for Bluebell Meadow Phase One, no mention was made of the fact that properties are leasehold, or the implications of this.

I also have a copy of a document which is on your headed paper, used by your sales staff when describing what a lease with Persimmon is. Below are some excerpts from this document, along with my comments:

- *"999 Year Lease - firstly our leases are for 999 years, which essentially means the purchaser owns the land under the lease for the best part of a thousand years!"* - This is factually incorrect. It does not mean that the purchaser owns anything. If this was the case, there would be no lease and no rent would be due. - MIS-SELLING.
 - *"Virtual Freehold - Leases of 999 years are also known in law as 'Virtual Freeholds' this is due to their length."* - This is not correct. There is no such status in law. There is simply either Freehold or Leasehold. Usage of this phrase stating that it is known in law is blatantly deceptive. Virtual freehold officially has the following description - **"Virtual Freehold** is a **generic** term not a **legal** term and is used to describe a lease where the length of lease is far longer than the norm (which is typically 99 to 199 years). The length in a 'virtual freehold' will normally be 999 years and **crucially** the ground rent would be a 'peppercorn'." - MIS-SELLING.
 - *"Option to purchase the lease after 2 years."* - This is incorrect, you do not purchase a lease, but the freehold. A house purchaser does not have to wait for 2 years in law to purchase a freehold. The 2 year ruling only becomes relevant when talking about enfranchisement where under the Leasehold Reform Act 1967, a tenant of a long leasehold house and any attendant premises who has owned the property for at least two years has a **statutory right** to acquire the freehold (and any intermediate interests). Please note that your use of the word **option** does not translate to **statutory right**. - MIS-SELLING
 - *"999 year lease"* - At no time was any purchaser advised that the lease period started at the point that the development started, so once houses were built and purchased, the lease had less than 999 years to run. As houses were purchased 2 to 3 years after the timer commenced, they were not sold with 999 years left on the lease. MIS-SELLING.
2. You state *"In addition, the legal papers submitted to your independent legal advisor would have made it quite clear that you were acquiring a leasehold home. All legal advisors have had a duty to act in your best interests and in doing so, would be expected to explain the nature of the transaction you were entering into including explaining the nature of the title you were acquiring and the terms and content of the lease (for example the length of it and the ground rent)."*

I am sure that all papers were submitted to my legal advisor. However, I'm not positive that the term 'Independent' is relevant in this place. We were advised to use your own solicitors for the purchase as, and I quote, "it will be easier, and faster to do this". Also, incentives were offered to persuade the use of the solicitor of your choosing in the way of legal fees being covered by your company, along with free flooring in the property. Your advisors were trusted, which may not be in the best interest of the purchaser. During the expensive transaction of purchasing a house, any contribution to the costs is always going to be welcomed. I'm sure the solicitor did nothing wrong, but I'm also sure that some aspects may have been glossed over slightly without the full disclosure. I was advised upon speaking about the leasehold nature, that it was normal and that I can buy the freehold after a couple of years for a few hundred pounds. No mention was made of whether covenants, etc continue to be in place. Although I agree with some covenants to ensure the enjoyment of inhabitation, fee charging covenants are just being used by yourselves to increase profits, and not for the aesthetics of the estate.

I would now like to bring to your attention the points within my correspondence which you have failed to acknowledge in your generic template response. For your benefit, below are the two excerpts:

1. *"It is widely accepted that our homes should never have been Leasehold in the first place, you unnecessarily created a second asset on our homes by creating a lease. Nearly every resident who requested to buy the freehold at the point of sale were told the freehold could only be bought after 2 years, with your recommended solicitors advising that it was 'virtual freehold' and not to think of it as leasehold. This is not acceptable. This is not an isolated case, almost everyone was told the same thing at the point of sale, this was systematic, and the responsibility is with you. As the CEO you have a duty to your customers to correct the mistake of the recent past and understand this was selling a product to your customers without being totally open, honest and transparent with them."*
2. *"Residents would not have proceeded with the purchase had you been open and transparent with your intentions. Crucial information was withheld from us at the point of sale which consequently prevented us from making an informed decision. Further phases were indeed sold as freehold, and if the purchasers of properties released as leasehold in the first phase of the development were aware that future phases would be freehold, then we would not have purchased as your staff's statements were that all phases would be leasehold."*

For excerpt 1, I would like to bring your attention back to the point number 1, bullet 2 raised in my response to your letter. Freeholds can be purchased before 2 years upon agreement between the parties. You have not responded to this point, along with an explanation why representatives of your company were making these claims to purchasers making one of the biggest financial decisions they will ever make.

For excerpt 2, I would appreciate a response. The advisors who are employed by your company, and as such, are official spokespeople for yourselves stated to all purchasers of phase 1 that the complete development is going to be leasehold, there will be no phases which are freehold. I'm sure that you are aware that any statement of fact made by staff employed by your company is made by the company as an entity, and as such, this statement was made dishonestly as only phase 1 of the development was sold as leasehold. The other current phases (2 and 3) are all freehold. This is in direct contradiction to the information given by your representatives. In my correspondence I stated that if the purchasers of properties had known that phases other than phase 1 were being sold as freehold, then the majority would not have purchased the properties as there was a financial disadvantage to being a purchaser of the first phase of the development. To the untrained eye, this is deliberate mis-selling and, if the agent of your company acted dishonestly either through their own decisions, or by honest belief that this was the case due to information supplied by superiors, this could be tantamount to a fraudulent statement by the definition "A fraud is an intentionally false representation made with the intent to mislead the listener, and that the listener relied on 'to her detriment.'"

You also state *"Persimmon has recently been engaged in discussions with some of our customers at one of our sites in South Wales and with Cardiff County Council. The matters discussed were issues that were specific to only that site and our decision to provide a goodwill gesture was not in any way connected to the leasehold nature of the properties sold. Indeed it was a separate issue that we referred to when we said 'we could have communicated more clearly'."* I am sure that you can see from my points raised above that your statement is not isolated to a single development in Wales, but also affects the estate on which I reside. On behalf of the residents of Bluebell Meadow, Bradwell, Norfolk I seek redress for the blatant shortcomings of the communications between your company and us upon the purchasing of our homes.

I am sure that you can see how your generic response does not answer the points set out above and would appreciate a response to my individual letter.

I have copied this correspondence to my member of parliament, Mr Brandon Lewis CBE, and to my councillor responsible for housing for their information. Should I not receive a specific, satisfactory response to my queries, I shall be seeking for their intervention along with that of Trading Standards.

Yours sincerely

Mr Paul Brown