



Compensation bid over Equitable

A group representing people who lost money in Equitable Life is taking legal action against the government over its failure to offer full compensation.

The Equitable Members Action Group says the Treasury failed to act on recommendations for payouts from the Parliamentary ombudsman.

Thousands of people lost savings after the firm's near-collapse in 2000.

The Treasury, which is planning limited discretionary payments, says it has to be fair to policyholders and taxpayers.

Equitable Life, one of the UK's largest private pension providers, came close to collapse nine years ago after being ordered by the High Court to fulfil financial promises which it could not afford.

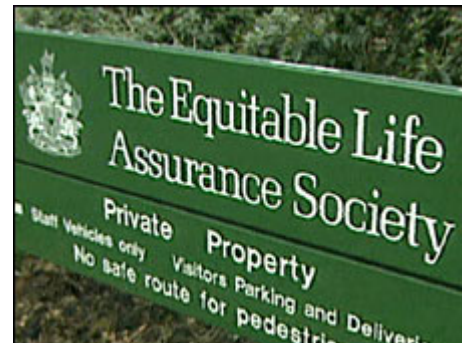
The subsequent saga saw more than a million policyholders suffer large cuts to the value of either their prospective or current pensions as the society struggled to stay solvent.

'Continued intransigence'

The Parliamentary Ombudsman, Ann Abraham, investigated the events leading up to the society's troubles and last year ruled that various government departments had been guilty of maladministration.

She also called for the establishment of a compensation scheme for more than a million policyholders.

However, the government continues to deny some of her findings, and is going only part of the way to carrying out her recommendation for compensation.



The Equitable was once the UK's biggest private pension companies

A former Appeal Court judge, Sir John Chadwick, has been asked by ministers to design a scheme that will give voluntary payments to the "hardest hit" of Equitable's investors.

Paul Braithwaite, general secretary of the Equitable Members Action Group (EMAG), said: "The government's continued intransigence has forced us to take legal action.

"The proposed hardship scheme is totally inadequate, will take years to implement and looks like leaving 90% of victims out in the cold."

'Fairest way'

EMAG's lawyers say they have found flaws in the government's response to the ombudsman's Equitable Life report.

They claim the main legal challenge will be over what they say are the "lack of cogent reasons" the Treasury has given for its refusal to accept some of the ombudsman's findings.

The group is also challenging the narrow remit given to Sir John.

Stephen Grosz, head of public law at Bindmans, said: "We are asking the court to quash the response, forcing ministers to think again."

A Treasury spokesman said: "The government carefully considered the ombudsman's report and has agreed to set up a payment scheme that is practical and fair to both policyholders and taxpayers, and which can pay out as swiftly as possible.

"We have asked former Lord Justice of the Court of Appeal, the Rt Hon Sir John Chadwick, to advise on the fairest way to proceed."

EMAG wants the High Court to set an early date for the hearing, as it says that each day there are about 15 deaths among the people who lost money because of the problems at Equitable.

<http://news.bbc.co.uk/1/hi/business/7999326.stm>

Equitable Life policyholders take Treasury to court over compensation

The Treasury is being taken to court following its failure to carry out all the recommendations of its Parliamentary Ombudsman in relation to Equitable Life.

By Yvette Essen, Insurance Correspondent
Last Updated: 8:10AM BST 15 Apr 2009

A policyholders' action group is seeking a judicial review after the Government refused to pay compensation to those who lost up to half of their savings with the insurance mutual. Equitable was forced to close to new business in 2000 after being unable to pay guaranteed annuities.

The Equitable Members Action Group (EMAG) on Tuesday launched a High Court challenge against the Treasury for its failure to implement all the recommendations of Ann Abraham, the Parliamentary Ombudsman.

Last summer, she found the Government guilty of "a decade of regulatory failure" prior to Equitable's near demise. However, the Government has rejected some of her central findings, and instead of setting up a compensation scheme as she recommended, said it will consider making ex-gratia payments.

Paul Braithwaite, general secretary of EMAG, said its legal action aimed to force the Government to implement her proposals.

"The Government's continued intransigence has forced us to take legal action," he said. "The proposed hardship scheme is totally inadequate, will take years to implement and looks like leaving 90pc of victims out in the cold.

"MPs have to realise that the Equitable Life festering fiasco will become an election issue. Our members are truly outraged at this Government's shabby response in continuing to treat us with contempt."

EMAG has appointed solicitors Bindmans to handle the case and has retained Dinah Rose as barrister. Stephen Grosz, head of public law at Bindmans, said: "We have identified serious flaws in the Government's response to the Ombudsman's Equitable report. We are asking the court to quash the response, forcing ministers to think again."

<http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/insurance/5154463/Equitable-Life-policyholders-take-Treasury-to-court-over-compensation.html>



Government faces Equitable battle

Last Modified: 15 Apr 2009 Source: PA News

An Equitable Life policyholder action group has announced it was taking legal action against the Government over its failure to compensate members of the society.

Equitable Members Action Group (EMAG) said it was launching a High Court challenge against the Treasury after it declined to follow the recommendations for compensation made by the Parliamentary Ombudsman.

The Parliamentary Ombudsman Ann Abraham had called on the Government to apologise to policyholders and set up an independent tribunal to calculate compensation for them, after finding 10 instances of maladministration by regulators and Whitehall officials in the period leading up to December 2001.

But the Government rejected some of her findings of maladministration and her recommendations for compensation, instead saying it would make ex-gratia payments to policyholders "disproportionately affected" by the problems at the society.

Paul Braithwaite, general secretary of EMAG, said: "The Government's continued intransigence has forced us to take legal action.

"The proposed hardship scheme is totally inadequate, will take years to implement and looks like leaving 90% of victims out in the cold."

Public law solicitors Bindmans are handling the case for EMAG, who have also retained Dinah Rose QC. Both Bindmans and Ms Rose were successful in helping to secure £8 billion in Government compensation for people who lost their occupational pension when their company went bankrupt.

Stephen Grosz, head of public law at Bindmans, said: "We have identified serious flaws in the Government's response to the Ombudsman's Equitable Life report. We are asking the court to quash the response, forcing ministers to think again."

EMAG said its main challenge related to the "lack of cogent reasons" the Treasury had given for its refusal to accept several of the Ombudsman's findings.

The group is asking the court to set an early date for the hearing, as around 15 people who lost money through the problems at Equitable are dying every day.

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http://www.channel4.com/news/articles/business_money/government+faces+equitable+battle/3088382

Equitable Life action group takes Treasury to high court



Photograph: Fiona Hanson/PA

An action group representing [Equitable Life](#) policyholders has launched a high court challenge against the government over its failure to implement in full the compensation recommendations made by a parliamentary watchdog.

Paul Braithwaite, general secretary of the Equitable Members Action Group (Emag), said the government's "continued intransigence" had forced it to take action.

Last year it looked as if the government would have to pay out billions of pounds to a million investors after the ombudsman, Ann Abraham, found evidence of "serial regulatory failure".

Treasury minister Yvette Cooper apologised for the "maladministration" that led to the insurer's near collapse but rejected recommendations that the government compensate all Equitable members. A retired judge was appointed to work out which policyholders had been hardest hit and what proportion of their losses could be attributed to maladministration.

Last month MPs on the Commons public administration committee attacked the "shabby" response and said the proposed payment scheme was "inadequate as a remedy for injustice".

Emag has raised a "healthy" six-figure fighting fund from its 20,000-plus members. Bindmans is handling the case and Dinah Rose QC has been retained.

"The proposed hardship scheme is totally inadequate, will take years to implement and looks like leaving 90% of victims out in the cold," Braithwaite said. "Both Bindmans and Rose have a proven track record with cases of holding the government to account involving the parliamentary ombudsman."

Emag said its main challenges concerned the Treasury's lack of "cogent reasons" for its refusal to accept several of the ombudsman's findings. The group has appealed to the court for an early hearing, arguing that 15 victims of the scandal are dying each day without seeing

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<http://www.guardian.co.uk/money/2009/apr/15/equitable-life-treasury-high-court>

Daily Mail

ALEX BRUMMER: Credit crunch beats a retreat

By [Alex Brummer](#) Last updated at 9:52 PM on 14th April 2009

Equitable grief

The contrast between the way in which the government has splashed money out on supporting bad banks and building societies and has ignored the claims of Equitable Life pensioners is stark.

The decision by the policyholders' action group to challenge the government's decision *not* to implement the Parliamentary Ombudsman's report is a disgrace and another setback for a million or so aging pensioners who have seen their retirement ruined.

We wish the petitioners well in their claim.

<http://www.dailymail.co.uk/money/article-1170020/ALEX-BRUMMER-Credit-crunch-beats-retreat.html>

Equitable Life savers launch legal campaign

By David Prosser, Deputy Business Editor

Wednesday, 15 April 2009

Policyholders who lost out when the insurer Equitable Life collapsed nine years ago yesterday launched a High Court challenge to the Government's plans to offer them only limited compensation. The Equitable Members Action Group (Emag) is seeking a judicial review of the Government's proposed compensation scheme.

The legal action is the latest stage in Equitable policyholders' nine-year battle for redress. After the insurer collapsed in 2000, the Government repeatedly refused to compensate victims despite a series of reports from the Parliamentary Ombudsman accusing it of at least 10 instances of maladministration in the way Equitable was supervised. Finally, in January, the Treasury announced it would compensate some of the victims. It has appointed Sir John Chadwick to advise ministers on how a scheme should operate, but said payouts will be discretionary and offered only to those "disproportionately affected".

The limited scope of the scheme enraged Equitable campaigners. "The continued intransigence has forced us to take legal action," said Paul Braithwaite of Emag. "The proposed scheme is totally inadequate, will take years to implement and looks like leaving 90 per cent of victims out in the cold."

The legal challenge is likely to win the support of many MPs. Last month, the cross-party Public Accounts Committee launched a withering attack on the Government's plans. "This may be a legally valid position but we think most people would consider it to be a morally unacceptable one," they said.

<http://www.independent.co.uk/news/business/news/equitable-life-savers-launch-legal-campaign-1668878.html>

From The Times

April 15, 2009

Equitable Life victims go to court over Government's 'shabby' response to claims

Mark Bridge

The Government faces a High Court challenge over its failure to compensate more than 1 million policyholders who lost about £4 billion when Equitable Life nearly collapsed in 2000.

The Equitable Members Action Group lodged a claim for a judicial review after the Treasury's "depressingly predictable" failure to take action on the Parliamentary Ombudsman's call for a scheme that would assess all claims within two years. Instead, it promised discretionary payouts for those "disproportionately affected".

Paul Braithwaite, of the action group, said: "The proposed hardship scheme is totally inadequate, will take years to implement and looks like leaving 90 per cent of victims in the cold."

The 21,000 members of the group raised "hundreds of thousands of pounds" to retain Bindmans, the solicitors, and Dinah Rose, QC, who have together secured £8 billion in

Stephen Grosz, of Bindmans, said: "We have identified serious flaws in the Government's response to the Ombudsman's report and are asking the court to quash it, forcing ministers to think again."

In a report published last July, Ann Abraham, the Ombudsman, accused regulators and three government departments of maladministration, listing ten examples from a "decade of regulatory failure" before Equitable Life was forced to close for new business with liabilities of £1.5 billion.

Ms Abraham called on the Government to apologise to policyholders and set up an independent tribunal to calculate compensation.

In response, Yvette Cooper, Chief Secretary to the Treasury, apologised before Parliament, but said that the Government would pay out only to those policyholders

“who suffered a disproportionate impact”. She added that it was not generally appropriate for the taxpayer to pay compensation, even where regulators had failed.

The Commons Public Administration Select Committee said last month that it was “deeply disappointed” with the Government’s decision, which it branded “shabby, constitutionally dubious and procedurally improper”.

In a highly unusual step, Ms Abraham then wrote to MPs, saying: “It is clear . . . that, whatever the outcome of the work to be done by Sir John Chadwick [to advise on discretionary compensation], a full remedy will not be forthcoming for the injustice resulting from the maladministration I found had occurred in the prudential regulation of Equitable Life.”

Sir Robert Atkins, the Tory MP who initiated an inquiry by the European Parliament into Equitable two years ago, was among others who accused the Treasury of “doing too little, too late”. He criticised the Government for failing to value those who were trying to make provision for their retirement.

Mr Braithwaite said that the action group has asked the court to expedite the case and set an early hearing because of “the extreme delays since the scandal came to light, and the fact that an estimated 15 victims are dying each day without seeing redress”. Several policyholders committed suicide in the wake of the crisis.

He added that the group’s principal challenge concerned the Treasury’s lack of “cogent reasons” for its refusal to accept several of the Ombudsman’s findings.

He said: “Our members are truly outraged that this Government’s shabby response is continuing to treat us with contempt.

“We are bewildered at the hypocrisy of its latest £1.6 billion bailout [for the Dunfermline Building Society], while we have been left to twist in the wind.”

http://business.timesonline.co.uk/tol/business/industry_sectors/banking_and_finance/article6094519.ece

Campaigners raise £100,000 for Equitable Life battle

[SIMON BAIN](#)

April 15 2009

The campaign group representing more than 20,000 Equitable Life policyholders has raised over £100,000 to take the government to court over its refusal to set up a compensation scheme.

Equitable Members' Action Group (Emag) has launched the High Court challenge to the Treasury over its failure to implement the key recommendation of Parliamentary Ombudsman Ann Abraham.

The action group is seeking to enforce the findings of the ombudsman's four-year 2800-page report through a full judicial review of the Treasury's long-delayed response to Abraham in January, when Chief Secretary Yvette Cooper announced a limited scheme for policyholders suffering a "disproportionate" impact.

Although she "apologised" to policyholders for nine years of delay, the details of the proposals which emerged hours later revealed that 90% of policyholders will be excluded from the scheme, according to Emag.

Treasury Minister Ian Pearson has said he does "not recognise the figure", but has refused to rebut it in detail.

The Public Administration Select Committee in a report last month attacked the government's response as "shabby, constitutionally dubious and procedurally improper" and said what was effectively an ex-gratia payment scheme was "inadequate as a remedy for injustice".

Emag is using the same legal team which last year won a successful judicial review of the government's treatment of victims of occupational pension schemes which failed before 2005, resulting in an £8bn pay-out.

"The government's continued intransigence has forced us to take legal action," said Paul Braithwaite, general secretary of Emag.

"The proposed hardship scheme is totally inadequate, will take years to implement and looks like leaving 90% of the victims out in the cold."

He added that leading public law solicitors Bindmans and Dinah Rose QC "have a proven track record with cases of holding the government to account involving the parliamentary ombudsman".

Bindmans' head of public law Stephen Grosz, said: "We are asking the court to quash the response, forcing ministers to think again."

Emag's is challenging the Treasury's lack of the required "cogent reasons" for its response, and both the narrow remit and lawfulness of the terms of reference given to Sir John Chadwick, the retired judge who has been asked to advise the Treasury and, ironically, the judge who devised the "cogent reasons" formula.

Emag is asking the court to set an early hearing, because of the "extreme delays since the Equitable scandal came to light in 2001".

The group claims that "an estimated 15 victims are dying each day without ever seeing redress".

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http://www.theherald.co.uk/business/news/display.var.2502026.0.Campaigners_raise_100_000_for_Equitable_Life_battle.php

Government faces Equitable battle

An Equitable Life policyholder action group has announced it was taking legal action against the Government over its failure to compensate members of the society.

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Stephen Grosz, head of public law at Bindmans, said: "We have identified serious flaws in the Government's response to the Ombudsman's Equitable Life report. We are asking the court to quash the response, forcing ministers to think again."

EMAG said its main challenge related to the "lack of cogent reasons" the Treasury had given for its refusal to accept several of the Ombudsman's findings.

The group is asking the court to set an early date for the hearing, as around 15 people who lost money through the problems at Equitable are dying every day.

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Equitable members to take action against UK govt

Tue Apr 14, 2009 7:01pm EDT By Frank Prenesti

LONDON, April 15 (Reuters) - Policyholders of British insurer Equitable Life are taking the government to court over its failure to provide full compensation to them after the company's near collapse in 2000, they said on Wednesday.

The Equitable Members Action Group (EMAG) said it was challenging the government's decision in January to award only discretionary payouts to policyholders. [ID:nLF741414]

Equitable Life [EQL.UL], Britain's oldest insurer with 1.5 million policyholders at its peak, almost collapsed after being forced to honour unsustainable guarantees stretching back 30 years.

It eventually closed to new business in one of Britain's biggest financial scandals, affecting more than a million people who had each invested thousands of pounds for their retirement.

"The government's continued intransigence has forced us to take legal action," said EMAG General Secretary Paul Braithwaite in a statement.

"The proposed hardship scheme is totally inadequate, will take years to implement and looks like leaving 90 percent of victims out in the cold," Braithwaite said.

An investigation by Parliamentary Ombudsman Ann Abraham in 2008 found evidence of maladministration by regulators and the government between 1988 and 2001.

She said the government should set up an independent tribunal to calculate compensation for all policyholders, but this was rejected by the Treasury.

Payouts under the proposed government scheme could cost the public purse hundreds of millions of pounds, well short of the 5 billion pounds (\$7.4 billion) called for by policyholders.

EMAG's lawyers said they had found serious flaws in the government's response to the Ombudsman's Equitable Life report.

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EMAG said its main challenge related to a "lack of cogent reasons" the Treasury had given for its refusal to accept several of the ombudsman's findings.

The group is also challenging the narrow remit and the lawfulness of the terms given to Sir John Chadwick, who is advising the government on what payments should be made.

The group wants the High Court to set an early date for the hearing, as it says around 15 people who lost money through the problems at Equitable are dying every day. (Editing by David Holmes)

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<http://www.reuters.com/article/rbssFinancialServicesAndRealEstateNews/idUSLE45724520090414>

Equitable Life group to sue Treasury

[Apr 15 2009](#) by [Robin Turner](#), Western Mail

AN Equitable Life policyholder action group is taking the UK Government to court over its failure to compensate members of the society.

Three thousand policyholders across Wales suffered big reductions in pension payouts after Equitable Life collapsed.

Among them was Les Crouch, of Wentloog, Cardiff, a 78-year-old former executive in the transport industry.

He is the Welsh representative of the Equitable Members' Action Group (Emag) which announced yesterday it was launching a High Court challenge against the Treasury after it declined to follow the recommendations for compensation made by the Parliamentary Ombudsman.

Ann Abraham had called on the Government to apologise to policyholders and set up an independent tribunal to calculate compensation for them after finding 10 instances of maladministration by regulators and Whitehall officials in the period leading up to December 2001.

But the Government rejected some of her findings of maladministration and her recommendations for compensation, saying it would make ex-gratia payments to policyholders "disproportionately affected" by the problems at the society.

Mr Crouch said: "We faithfully made our monthly payments but have not had the pensions Equitable promised us.

"The Government has shown it can shower billions on the banks and building societies when they get into trouble.

"So why can't hard-working pension fund members who lose their money be helped out too?

Estimates for the cost of fully compensating Equitable's victims across the UK range from £4.5bn to £14bn.

Paul Braithwaite, general secretary of Emag, said yesterday: "The Government's continued intransigence has forced us to take legal action."

<http://www.walesonline.co.uk/news/wales-news/2009/04/15/equitable-life-group-to-sue-treasury-91466-23387544/>

Equitable members to take action against UK govt

04.14.09, 08:16 PM EDT



By Frank Prenesti

LONDON, April 15 (Reuters) - Policyholders of British insurer Equitable Life are taking the government to court over its failure to provide full compensation to them after the company's near collapse in 2000, they said on Wednesday.

The Equitable Members Action Group (EMAG) said it was challenging the government's decision in January to award only discretionary payouts to policyholders.

Equitable Life, Britain's oldest insurer with 1.5 million policyholders at its peak, almost collapsed after being forced to honour unsustainable guarantees stretching back 30 years.

It eventually closed to new business in one of Britain's biggest financial scandals, affecting more than a million people who had each invested thousands of pounds for their retirement.

'The government's continued intransigence has forced us to take legal action,' said EMAG General Secretary Paul Braithwaite in a statement.

'The proposed hardship scheme is totally inadequate, will take years to implement and looks like leaving 90 percent of victims out in the cold,' Braithwaite said.

An investigation by Parliamentary Ombudsman Ann Abraham in 2008 found evidence of maladministration by regulators and the government between 1988 and 2001.

She said the government should set up an independent tribunal to calculate compensation for all policyholders, but this was rejected by the Treasury.

Payouts under the proposed government scheme could cost the public purse hundreds of millions of pounds, well short of the 5 billion pounds (\$7.4 billion) called for by policyholders.

EMAG's lawyers said they had found serious flaws in the government's response to the Ombudsman's Equitable Life report.

'We are asking the court to quash the response, forcing ministers to think again,' said Stephen Grosz, head of public law at solicitors Bindman.

EMAG said its main challenge related to a 'lack of cogent reasons' the Treasury had given for its refusal to accept several of the ombudsman's findings.

The group is also challenging the narrow remit and the lawfulness of the terms given to Sir John Chadwick, who is advising the government on what payments should be made.

The group wants the High Court to set an early date for the hearing, as it says around 15 people who lost money through the problems at Equitable are dying every day.

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<http://www.forbes.com/feeds/afx/2009/04/14/afx6291050.html>

Equitable Life Policyholders go to Court on Claims, Times Says

By Howard Mustoe

April 15 (Bloomberg) -- The British Government faces a legal challenge over its failure to compensate policyholders who lost about 4 billion pounds (\$6 billion) with the near-collapse of Equitable Life Assurance Society in 2000, the London-based [Times](#) said.

The Equitable Members Action Group lodged a claim for a judicial review over the government's failure to follow the Parliamentary Ombudsman [Ann Abraham](#)'s call for a plan to assess all claims in two years, the newspaper said.

To contact the reporter on this story: [Howard Mustoe](#) in London at hmustoe@bloomberg.net.

Last Updated: April 14, 2009 21:28 EDT

<http://www.bloomberg.com/apps/news?pid=20601102&sid=ayomoISGzTfw&refer=uk>

Equitable policyholders to go to court



REUTERS

April 15 2009

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(Editing by David Holmes)

<http://money.uk.msn.com/investing/articles/morecommentary/article.aspx?cp-documentid=16075300>



Pensioners who lost savings raise legal action

Published Date: 15 April 2009
By Nicky BurrIDGE

AN EQUITABLE Life policyholder action group today announced it was taking legal action against the government over its failure to compensate members of the society.

Equitable Members Action Group (EMAG) said it was launching a High Court challenge against the Treasury after it declined to follow the recommendations for compensation made by the Parliamentary Ombudsman, Ann Abraham.

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But the government rejected some of her findings of maladministration and her recommendations for compensation, saying it would make ex-gratia payments to policyholders.

EMAG general secretary Paul Braithwaite said: "The government's continued intransigence has forced us to take legal action."

The full article contains 146 words and appears in The Scotsman newspaper.

Last Updated: 14 April 2009 9:20 PM

- **Source:** The Scotsman
- **Location:** Edinburgh

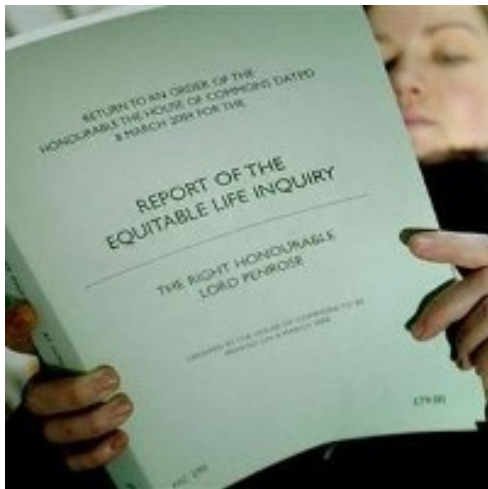
<http://news.scotsman.com/uk/Pensioners-who-lost-savings-raise.5169887.jp>



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14 April 2009 23:04 PM



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(Editing by David Holmes)

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