

Equitable Members Action Group Ltd

Press release - Issued 16 May 2011 for immediate publication

EMAG reaction to government scheme announcement:

- **Outrage at payment delays in the Treasury's Equitable Life scheme**
- **EMAG says a million victims will be in the dark for yet another year**
- The compensation promised to Equitable pensioners for their losses is NOT going to be paid out in one cheque this summer: The back-payment for their losses to 2009 is to be spread out over five years in annual installments. That means they won't get the last of what is already due for past losses until 2016, if they live that long. Many more annuitants will die before they receive the compensation they are due.
- 10,000 of the oldest surviving pensioners, many of whom think they are due for compensation, won't even get a letter telling them they are getting nothing at all. The government has refused EMAG's repeated compassionate requests that the Treasury write to those who have been callously excluded from compensation. EMAG knows that there is huge confusion in this group of pensioners, mostly in their mid-eighties who have no idea that they are not eligible. The Chancellor made no reference to the exclusion of any of the With Profits Annuitants in his announcement speech on 20 October, 2010*. [*See editors notes.](#)
- The compensation letters that are to go to victims will be spread out over 12 months - so many people will not know what's happening for at least a year. And some will not receive their compensation until 2014.
- EMAG believes most of the 950,000 non-pensioner victims will be utterly stunned when they see just how low the Treasury has calculated their losses to be, and then further outraged when they see that figure is slashed by about 80%. This cut is totally disproportionate to other public spending cuts of just 19%.

EMAG's general secretary, Paul Braithwaite, said: *"It's taken the Government 10 months to come out with a penny-pinching payment scheme to be eked out over the next five years – Why can't the victims who've already waited a decade, be paid out their due this year?"*

"It's utterly shameful that the government will not even bother to inform 10,000 pensioners that - contrary to the Chancellor's statement in the Commons - they are to receive absolutely no compensation whatsoever.

"We were promised a scheme that would be fair, swift and transparent. Today's announcement is proof that the Treasury mandarins have managed to subvert the Coalition Agreement and the pledges of a majority of MPs. We will continue to press for the excluded annuitants to be included and for proper compensation for a million other policyholders."

Ends

Editors notes

Hansard 20 October, 2010:

Column 960

Rt Hon George Osborne

“Those who had with-profits annuities were particularly hard hit, as they were retired and were unable to move their savings elsewhere. As a result, the Government will cover the cost of the total relative loss suffered by those deserving people. The scheme will start making payments next year.”

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101020/debtext/101020-0001.htm#10102049000003>