



Equitable Members Action Group Ltd

Press release - Issued 15 March 2010 **Embargoed until 00:01 16/3/10**

EMAG withdraws from Treasury “charade” over Equitable Life

Equitable Life policyholder campaign group EMAG is withdrawing from working with the Treasury’s “Chadwick process” after the latest interim report from the retired judge has led the group to conclude that his work is just a front for a “Treasury stitch up which seeks to negate four years of genuinely independent work by the Parliamentary Ombudsman.”

“The latest interim report from Sir John Chadwick shows that the Treasury is attempting to retry the case, using actuarial sophistry to distort the figures, instead of accepting the recommendations of compensation found by the Parliamentary Ombudsman and upheld by the High Court”, said EMAG’s General Secretary Paul Braithwaite. “The logical conclusion of this sham process is that the government will deny all obligation to compensate policyholders for the damage done by serial maladministration and only paltry discretionary payments will be made on the basis of charity, not justice.”

EMAG accuses the Treasury, one of the parties found guilty by the Parliamentary Ombudsman, of orchestrating a cover up by choosing the actuaries (Towers Watson) to advise Sir John Chadwick and then in turn allowing those advisors to select their own peer review panel to endorse their calculations. Despite calls for greater transparency, EMAG and Equitable Life have been refused sight of the actuarial workings. “The consequence of a series of dubious assumptions piled one on another is leading Sir John Chadwick towards, surprise surprise, a conclusion that nothing was wrong in the 1990s after all. It would be farcical if it wasn’t so dangerous to the well-being of the victims of this scandal” said Braithwaite.

The group further claims that Chadwick’s latest interim report appears to be attempting to neutralise or reverse the effect of EMAG’s successful High Court challenge last year which found the Treasury’s brief to Sir John Chadwick unlawful and forced the remit to cover all investments back to 1991 rather than 1999.

“While the High Court judges were clear about the need to treat the Ombudsman’s report as a whole, the Treasury-hired actuaries are choosing only the bits they want and justice is going out of the window” said Braithwaite. “We contributed extensively and in good faith to Sir John Chadwick but it’s apparent that he only has ears for the Treasury’s submissions. Yet again, actuaries are being used to obfuscate and deny the real losses their colleagues presided over. The sooner the general election sweeps away this mockery of a process, the better.”

This afternoon (Tuesday 16 March) sees a Conservative Opposition day debate in Parliament on “The Government’s handling of Equitable Life.”

More information on EMAG’s campaign can be found at www.emag.org.uk

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