

I'm Paul Braithwaite, general secretary of EMAG, and I'll be chairing this Rally.

Welcome to all of you EMAG members who have come here today, many from a long way away, to protest – and to express anger to your MPs about the “Decade of Regulatory Failure” – as the Parliamentary Ombudsman's Report describes the 1990s - which has, deplorably, been followed since the turn of the Millennium by “A Decade of Cover Up”.

Welcome to our six MP speakers*, who I hasten to add are amongst the good-guy MPs who are on our side. I will introduce them individually before they each address us for five minutes.

Welcome too, to our honoured guest – Honor Blackman – a fellow EMAG member and an Equitable Life victim.

First I'm going to give a ten minute condensed history. Then we'll hear from the MPs, who will probably want to be away to Prime Minister's Question time across the road.

* Vince Cable, Daniel Kawczynski, Fabian Hamilton, David Davis, Tony Wright, Mark Hoban.

Our political problems began, I'm convinced, back in 1998 when Gordon Brown was Chancellor of the Exchequer and the Treasury itself was the financial regulator. The policy of denial and delay was set then and we've been being batted away into the long grass by Sir Humphrey Appelby ever since.

By July 2001 everyone up to and **including** Gordon Brown was fully aware of the depth of Equitable's scandal – it's described in detail in the chronology of the PO's Report. THAT's when it should have been addressed – and at THAT time Britain was not broke.

Which is why this is a debt of honour which shouldn't be discounted for our current financial straight-jacket.

What's £4bn or £5bn when compared with the billions that have been wasted, even more this week, to prop up the banks? It would be pocket money well spent if it went towards restoring faith in pensions and our historically hopeless and incompetent FSA regulators, and their predecessors, who have so consistently served their City chums and not us savers.

As Judy Garland sang in “The Wizard of Oz”: **“We’ve come such a long way already...”**

First, years back, we got the Lib Dem’s fully aboard.

Then, after the PO’s Report was published, the Tories committed unequivocally to honouring the PO’s recommendations, albeit within the bounds of the public purse.

On 20th October – a great victory - the Government capitulated and hugely expanded eligibility for its scheme to what it says is potentially one million policyholders. I have no doubt whatsoever that without EMAG’s judicial review what would by now have become set in stone is Yvette Cooper’s paltry, contemptuous scheme.

So, after nine years of struggling by EMAG’s board of nine directors – eight of whom are here today – we finally have ALL parties supporting a scheme of some sort.

The battle for justice against this shabby government is now about - **for whom, and how much.**

It’s NOT just about the 50,000 remaining with-profits annuitants, who are the most visible and the most deserving: The PO proposed compensation eligibility for ALL pension savers who were victim of the cumulative failure of the regulators back through the 1990s. We must insist that the estates of the bereaved, who are never mentioned, are included - as well as the late-joiners, the transferees in, European citizens etc.

You belong to a remarkably successful action group. I’d venture to say, one of a kind. I’ll give you five reasons why:

1. In 2001 we caused the Penrose Inquiry, which was so shabbily misrepresented to Parliament by Ruth Kelly in 2004. Although it has been used and abused by a string of Treasury ministers parroting “the Society was architect of its own downfall.....”, that was only part of a balanced paragraph and a 950-page report that evidenced extensive regulatory failures.

2. The European Parliament, at EMAG's instigation, conducted a very thorough study over 18 months and with a dozen evidence sessions. The so-called EQUI report with 46 recommendations was overwhelmingly accepted by over 700 MEPs in Strasbourg in June 2007. 19 months later it was dismissed by the Treasury in one sentence: "Its content has been noted". That report demanded that the PO's Report should be implemented promptly and in full.

3. THE PO's Report, which took four years, was the most rigorous study the office has ever undertaken. The *raison d'être* of why anyone including EMAG ever goes to the PO is for compensation. The Report recommended compensation for the cumulative maladministrations over a decade.

4. The Public Administration Select Committee, under Dr Tony Wright, subsequently looked thoroughly at the PO's work and submitted two hard-hitting Reports that criticised the Government's response, saying it was shabby.

5. And now, our ultimate victory, the Courts have found in our favour and shamed this Government over its response to the PO.

Time after time, EMAG's claims of injustice have been vindicated.

And STILL this Government resists. But this time David IS going to defeat Goliath!

The Government's response to the PO's Report, when it finally came from Yvette Cooper on the 15th January, dismissed the PO's key recommendation of an Independent Tribunal and substituted a scheme devised by the Treasury – one of the parties found guilty by the PO.
Acting as Judge in its own cause.

It accepted only a small proportion of the injustices that the PO had found that warranted real compensation.

It proscribed a charity ex-gratia scheme of payments only to those "disproportionately impacted", to be further reduced for responsibility attributable to accountants, actuaries and the Society. All this was given a veneer of legal respectability by the appointment of the Treasury's chosen placeman, Sir John Chadwick, to advise on a very narrow remit.

Well, we know from this week how this Government treats advisors who don't deliver the desired result!

What a travesty of a response! Reluctantly, we had to challenge this in the only way left open to us, through a Judicial Review.

And on 15th October Lord Justice Carnwath described EMAG as the substantial victors. The judgement insists the Government must start scheme eligibility several years earlier and consider all payments made after July 1991. And it must lodge with the Court a revised scheme by tomorrow night.

On 5th May Vince Cable tabled Early Day Motion 1423, which EMAG had helped draft. To date it has been signed by 350 MPs, 115 of whom are Labour. This exceeds the second most supported EDM in this Parliamentary session by a margin of 66 MPs.

Generously, at the suggestion of the All-Party Group of MPs for Justice for Equitable Life, the Lib Dems devoted one of their opposition day debates to the exact same wording of that Early Day Motion on 21st October. I sat through that three-hour debate and was heartened as MPs from all sides of the House made supportive speeches. Perhaps the most eloquent was by Dr Tony Wright, who deplored that the debate was not subject to a free vote. Predictably, after the division bell at 4.00pm, 569 MPs trooped through the lobbies – more than 500 of whom had certainly heard not one word of the debate - and the Government defeated Vince Cable's motion by 25 MPs.

The heart of that Lib Dem motion was:

“the Government should accept the recommendations of the Ombudsman on compensating policyholders who have suffered loss...”

The Government's amendment removed that and substituted:

*“..recognises the Government's determination to introduce an ex-gratia scheme that is administratively **quicker and simpler** to deliver than that envisaged by the Ombudsman: further welcomes the Government's decision to widen the scheme to include trapped annuitants who took out policies after July 1991; urges Sir John Chadwick to report as quickly as possible”*

How disingenuous! What brass neck to claim it will be quicker, whilst instructing Sir John to design a scheme by next Spring! That knocks any resolution of the Equitable into the in-tray of the next Parliament.

But this revised wording also gave Labour backbenchers the comfort they needed to obey the three-line-whip and subsequently send self-serving cookie-cutter letters to furious constituents to claim that they'd voted for faster payments – fully 15 months after the PO Report had been published! And the letters make no mention of having ditched the concept of compensation in 1423 and substituted payments only to those disproportionately impacted.

And MPs wonder why we have lost faith!

What is EMAG's strategy?

1. Campaign for proper Compensation, not Charity.
2. Campaign for a Tribunal. Realistically, to take over from Sir John Chadwick on a change of Government, which will necessitate us pressing the Tory Party hard.
3. Participate with Sir John Chadwick. Although EMAG continues to deplore the Chadwick Process's remit, its team needs to be properly informed to be able to perform the technical analysis that is the prerequisite of any scheme and EMAG will, additionally, clearly lay out our criteria and principles.

The next six months of politics will determine the FINAL scheme. EMAG has a well-organised, resilient regional team to see this through to winning our long fight for justice.

And, for meeting MPs this afternoon?

What might you want to get across to them, beyond your anger that our injustice remains unresolved?

Too often our MPs aren't representing our views to Parliament, but exactly the opposite.

The PO is Parliament's officer: She and we look to our MPs to support her and resist the Treasury usurping the design and supervision of the scheme she proposed.

We don't trust the Government, we don't trust the Treasury and we don't trust the Government's appointee, Sir John Chadwick.

Here's some suggestions:

We want Justice, because it's the right thing to do. And it should not be discounted at all because of the delays by this shoddy Government.

We want proper COMPENSATION for the Injustices the PO found - NOT, as currently proposed, ex-gratia charity payments to those "disproportionately impacted" and arbitrarily salami-sliced for other bodies not even within the PO's remit.

We want the independent Tribunal to administer the scheme, with EMAG involved to ensure fairness.

We want incumbents and those aspiring to be our MPs to make us personal commitments to fight for justice for proper compensation for Equitable's sufferers.

We seek firm manifesto commitments.

Paul Braithwaite

3rd November, 2009