

# The Daily Telegraph

## Honor Blackman in Equitable plea

### Actress Honor Blackman has called on the Government to make interim payments to 44,000 Equitable Life pensioners

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Actress Honor Blackman has called on the Government to make interim payments to 44,000 Equitable Life pensioners whose incomes have more than halved due to the problems at the society.

The former Avengers star and Bond girl accused the Government of "dragging its feet" for failing to pay out a single penny, 19 months after the Parliamentary Ombudsman first called on it to compensate policyholders.

She joined the Equitable Members Action Group (Emag) in calling on the Treasury to pay out £214 million to with-profits annuitants, whose policies were recently transferred to Prudential.

Emag said the money, which is the equivalent to two years' worth of annuitants' pensions and would average around £4,400 per policyholder, could then be deducted from any final compensation payments the Government made.

It said the average age of these policyholders was 79, and thousands had already died without receiving any redress.

The group also wants the Government to make interim payments to the surviving partners and families of the estimated 10,000 annuitants who have already died.

The Telegraph has frequently highlighted the plight of Equitable investors.

Ms Blackman said: "The Treasury has been dragging its feet at every turn. It is now 19 months since the Parliamentary Ombudsman's report was put before Parliament and yet we are still waiting for a single penny to be paid.

"Everybody who has a policy with Equitable Life has been badly affected, but for the annuitants time is running out.

"Many have seen their pensions fall by more than 50% with the prospect of further falls to come."

Parliamentary Ombudsman Ann Abraham called on the Government to set up an independent tribunal to calculate compensation for policyholders after finding 10 instances

of maladministration by regulators and Whitehall officials in relation to Equitable in the period leading up to December 2001.

The Government rejected some of her findings of maladministration, but Emag later won a High Court victory when it was ruled that the Treasury had been wrong to reject certain specific findings by the Parliamentary Ombudsman.

Equitable Life was brought to its knees in 2000 when it lost a legal battle in the House of Lords over the rights of its policyholders, forcing it to close to new business.

Worth £26 billion in its prime, it now has around 200,000 with-profits policyholders and a £5.5 billion with-profits fund.

## Lead editorial:

# Equitable Life savers get callous treatment

**The Government seems determined to leave the Equitable Life debacle to be cleared up by its successor.**

By [Telegraph View](#)

Published: 8:42PM GMT 18 Feb 2010



Honor Blackman protests with pensioners outside Parliament Photo: EPA

The Government's regulatory incompetence in the Equitable Life debacle has now given way to callous cynicism. It is 19 months since Ann Abraham, the Parliamentary Ombudsman, identified 10 instances of maladministration between 1998 and 2001 at the Department of Trade and Industry, the Government Actuary Department and the Financial Services Authority (a creation of the then Chancellor, Gordon Brown), all of which contributed to the insurance company's collapse. Her report meant that the Government could no longer maintain its decade-long refusal to accept responsibility for a scandal that saw the pensions and savings of over a million policyholders more than halved.

Yet it was another six months before Yvette Cooper, then Chief Secretary to the Treasury, conceded that the policyholders had suffered an “injustice” and promised ex gratia payments to the hardest hit “as swiftly as possible”. Since then, nothing. A review under Sir John Chadwick was established to identify the most deserving cases, but he will not report until after the general election – more than 18 months after Miss Cooper promised to act “swiftly”.

Why the tardiness? Could it have anything to do with the fact that the claimants whose need is the most pressing – those on devalued annuities – have an average age of 79? As David Cameron has pointed out, the Government is simply waiting for them to die. The Equitable Members Action Group estimates that since the company closed its book to new business, the number of policyholders has dwindled by more than 40,000; on average, 15 more are dying each day. The longer the Government can delay a settlement, the lower the cost.

Mr Cameron has described this strategy as “sick”, and he is right. Miss Cooper and her successor, Liam Byrne, have behaved shamefully. Last October,

Mr Byrne was asked in the Commons when payments would start. His reply? “That, I know, is the million-dollar question, which I cannot answer this afternoon.” It is worth contrasting this with the compensation awarded to miners a decade ago for illnesses incurred in the pits, when 90,000 claims worth more than £4 billion were settled in short order. But then, the victims of the Equitable Life collapse are not natural Labour supporters.

At a protest meeting yesterday, the actress Honor Blackman, an indefatigable campaigner on the issue, called for interim payments to be made to the 44,000 most elderly victims, ahead of Sir John’s full report. If the Government had any sense of decency, it would accept the proposal – though we fear it is determined to leave the mess to be cleared up by its successor.

## **David Cameron: Labour 'waiting for Equitable Life victims to die'**

**David Cameron has accused Labour ministers of waiting for Equitable Life victims to die in order to avoid paying them proper compensation.**

By [James Kirkup](#), Political Correspondent

Published: 10:00PM GMT 17 Feb 2010

The Tory leader attacked Labour's "sick" approach to Equitable Life as policyholders in the collapsed company grow increasingly angry about delays in compensation payments promised by ministers.

More than a million customers lost up to 50 per cent of their pensions and savings when Equitable came close to collapse in 2000, opening one of the largest financial scandals in British history.

Ann Abraham, the Parliamentary Ombudsman, in July 2008 ruled that the collapse of Equitable Life followed a "decade of regulatory failure" by ministers and officials.

The inquiry said that the public had been misled and that the Government should apologise and pay compensation to policyholders of the insurer.

After years of refusal, the Government last January promised ex-gratia payments to people who had been "disproportionately affected" as "swiftly as possible". No such payments have yet been made.

The Equitable Members Action Group estimates that more than 40,000 policyholders have died since the company closed its books to new business. The group says that 15 more policyholders die every day.

In a "Cameron Direct" meeting with voters in Romsey, Mr Cameron promised that a Tory government would resolve the issue quickly, and attacked Labour over its delays.

He said: "The Government has put it off and put it off and in a very sick way, I think, they're waiting for people to die."

He added: "If we win the election, we're going to sort out Equitable Life very early on."

There is wide support in the House of Commons for the Equitable victims, and last year, more than 350 MPs of all parties signed a Commons motion calling for full Government compensation.

That could cost as much as £4.5 billion, and Mr Cameron stopped short of saying exactly how he would "sort out" Equitable Life in power.

Yvette Cooper, then the Chief Secretary to the Treasury, told the House of Commons last January that the Government accepted that policyholders had suffered "injustice". She promised that ex-gratia payments would be made to people who had been "disproportionately affected" as "swiftly as possible".

The Treasury then asked Sir John Chadwick, a retired judge, to review the impact of the firm's collapse on its policyholders. Those he identifies as most deserving will get "ex gratia" payments from the Government.

However, Equitable campaigners say they are increasingly exasperated with the time Sir John is taking. He is not expected to produce his final report or any details of a possible repayment scheme until after the general election in the spring.

Paul Weir from the Equitable Members Action Group said: "The Treasury is taking as long as possible to do very little. While the Government sits on his hands, the increasingly aged victims of this scandal are dying off in greater and greater numbers – no doubt exactly what the Treasury is hoping."

# Equitable Life: 'my pension was cut in half'

**John London was looking forward to a comfortable retirement after investing his life savings in the seemingly “rock-solid” Equitable Life in 1988, at the age of 60.**

By Heidi Blake

Published: 7:30AM GMT 18 Feb 2010

But his dreams of foreign holidays and expensive meals have vanished since his monthly pension payments were cut in half by the near-collapse of the company in 2000.

The former GP and his 78-year-old wife Shirley are now forced to ration their food and heating after seeing the value of the annuities from Equitable dwindle to 45 per cent of their original value.

The couple fear they will be driven to sell the three bedroom detached house in Leicester where they have lived for 10 years if the payments fall any further.

Mr London, 81, deposited £200,000 in his pension fund in 1988, which originally yielded monthly payments of £1,666. He now receives just £750 a month.

“My wife and I saved extremely hard for our old age and it’s a bitter blow to us not to have the relaxed retirement we hoped for after a lifetime of hard work,” he said.

“We hoped to travel and visit family and go out for meals, but now almost all our income goes on our living expenses and we struggle to make ends meet. We use the car as little as possible and we watch the heating and the food we eat very carefully.

“I’m absolutely furious with the Government and I think we have been treated disgracefully. How can Gordon Brown say he has fairness in his DNA when he has treated a group of loyal, law-abiding, hard working citizens with such gross injustice?”

Mr London said he agreed with David Cameron’s accusation that the Government was waiting for Equitable Life pensioners to die to avoid having to pay them fair compensation.

“I think Cameron is absolutely right. The Government is just playing for time,” he said. “There are already precious few of us left and most are extremely frail and ill. People have just given up.”

## **Equitable Life: Compensation is already too late for my husband**

**For Jane Telfer, no amount of Government compensation will make up for the loss of her husband John, whose death**

## **she blames on the stress of fighting for justice in the Equitable Life fiasco.**

By Gordon Rayner, Chief Reporter  
Published: 10:30PM GMT 14 Jan 2009

Mr Telfer, 73, had looked forward to spending his retirement travelling to new countries after saving for his pension from the age of 16, when he started work.

But after making the fateful decision to buy an Equitable Life annuity shortly before it went bust, he lost around £60,000 and saw his retirement income halved.

The management consultant, who had never had health problems until then, suffered a minor stroke within a month of the company's collapse, and his widow watched his health steadily deteriorate until he died last year.

Mrs Telfer, 64, of Burnham, near Slough, Berks., said: "My husband always felt that he had been robbed, that they had stolen his money. He was a meticulous man and looked into Equitable Life very thoroughly before putting his money there, and he was assured there were no problems.

"When Equitable Life collapsed the payments from the annuity were halved. We had been planning to travel and maybe move house, but all of a sudden we couldn't. We had to draw in our horns.

"I'm still feeling the effects financially. I get half of John's pension as a widow, and I have to miss out on lots of things I would like to do. Even if I want to go to the cinema with friends I have to think twice.

"John campaigned for compensation for the victims and his health went downhill. I'm absolutely convinced it contributed to his death.

"He would have been very, very happy to know that it was going to be sorted out, but it's too late for him now. How many more people will die in the next two years before this is dealt with?"

## Pay Equitable Life pensioners now, says Honor Blackman

Honor Blackman has called for government make immediate tax-free payments to some of the oldest former Equitable Life customers

- [guardian.co.uk](http://guardian.co.uk), Thursday 18 February 2010 15.45 GMT



Your word is your Bond ... Honor Blackman, the champion of Equitable Life's older customers. Photograph: Eamonn McCabe

The actor Honor Blackman today called on the government to make immediate payments to more than 40,000 [Equitable Life](#) pensioners, who have yet to receive any money from the proposed official compensation scheme.

Blackman was promoting a new proposal from the main Equitable Life action group that the government should, as a "compassionate gesture," make tax-free payments averaging £4,400 to some of the oldest victims of the debacle, and to some of the families of those who had already died.

[Emag, the Equitable Members Action Group](#), said these interim payments would cost the government £214m, which it described as a "tiny percentage" of the true losses that the scandal-hit insurer's policyholders have sustained.

This money would then be deducted from the final compensation they receive, and would mean that the estimated 2,500 pensioners likely to die within the next year "will at least have something to help them enjoy their last few months on earth," said Blackman, 84, a former Avengers star and Bond girl, who is also an Equitable pensioner.

Emag is focusing its attention on the 44,000 remaining Equitable Life with-profits annuity holders, and the surviving partners and families of a further 10,000 who have died during the past decade.

The insurer shut its doors to new customers in 2000, and later repeatedly slashed the value of policyholders' [investments](#) after it lost a legal battle. While many investors jumped ship, those holding with-profits annuities had to stay put.

They were transferred to the Prudential in 2007, but the way these policies work means that many have seen their [pensions](#) plummet by more than 50%, with the prospect of further falls to come, said the action group.

"The average age of the pensioners is now 79, and it is estimated thousands have already died without seeing any compensation for the serial failures in regulation that the government has admitted," added a spokesman.

In July 2008 it looked as if the government would have to pay billions of pounds after the parliamentary ombudsman, Ann Abraham, found evidence of "[serial regulatory failure](#)".

The Treasury apologised for the "maladministration" that contributed to the insurer's problems, but rejected recommendations that it should compensate all Equitable policyholders. Instead a retired judge, Sir John Chadwick, was appointed to work out which policyholders had been hardest hit and what proportion of their losses could be attributed to maladministration.

Hundreds of thousands more victims [could now be entitled to compensation following a court ruling last October](#) – but, 19 months on from the ombudsman's report, not a penny has yet been paid out.

Sir John is due to submit his final report in the spring of this year, and his office said the government was "committed to establishing a payment scheme that is fair to both policyholders and taxpayers as quickly as possible, and will announce details of a payment scheme to follow, also in spring 2010".

Emag has proposed that all with-profits annuity holders should be sent a tax-free cheque equivalent to two years of their current pension, as a payment on account pending the distribution of proper compensation. Payments to the surviving spouses and families would be calculated on a sliding scale, depending on the year of death.

The group said the aim of its proposal was not to pre-empt or confuse Sir John's task. "The modest level of payment on account has been deliberately set to minimise the possibility of individuals being overpaid."

Blackman has already revealed that [half of her Equitable pension "went down the drain" as a result of the insurer's near-collapse](#).

"It is reducing month after month. I reckon maybe I've got two or three years before it has disappeared," she said today.



## Calls to pay Equitable Life OAPs



- Honor Blackman has criticised the Government for failing to compensate 44,000 Equitable Life policyholders. Picture: Fiona Hanson/PA

Herald scotland staff Published on 18 Feb 2010

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She said: “Everybody who has a policy with Equitable Life has been badly affected, but for the annuitants time is running out.

“Many have seen their pensions fall by more than 50% with the prospect of further falls to come.”

## **COMMENT by JEFF PRESTRIDGE: Battered savers must wait for a miracle or new tenant in No 10**

No set of savers has suffered under Labour more grotesquely than Equitable Life's one million policyholders.

For the past ten years these savers, many of them now elderly, have waited patiently in the hope of receiving some compensation for the money they lost when Equitable teetered on the verge of collapse in 2000. And, sadly, some have long passed away.

Only radical financial surgery by the insurer's management in the wake of the crisis saved Equitable from administration, but the price paid by policyholders in the form of cuts to their investments was heavy.



*Former Bond girl Honor Blackman, who fell victim to Equitable, is leading a protest calling for Government pay-outs*

Unfortunately, and scandalously, calls for compensation have been ignored. Despite numerous reports from parliamentary committees, MEPs and Parliamentary Ombudsman Ann Abraham - all recommending compensation in light of the failure of regulators and various government agencies to spot the problems at Equitable in the run-up to 2000 - not a penny has so far been paid.

The Government has simply sat on its hands and stalled all efforts to bring compensation any closer. Yet, frustratingly as far as frugal Labour is concerned, the Equitable issue will not go away.

Tory leader David Cameron last week put pressure on Labour when he said he would resolve the issue 'very early on' - if a Conservative government comes to power at the next General Election.

On compensation, he said: 'The Government has put it off and put it off and in a very sick way, I think, they're waiting for people to die.'

According to the formidable Equitable Life Members' Group (Emag), 15 Equitable investors are dying every day while waiting for justice.

Emag, aided by actress Honor Blackman, an Equitable victim, has now called on the Government to make payments on account to those worst hit by the fallout from Equitable - namely 44,000 with-profits annuitants, all in their 70s and 80s, who have seen their retirement income halved since 2000.

Emag wants the Government to pay the equivalent of two years of pension - equating to an average £4,400 each – in advance to these annuitants set against any future compensation.

It is a smart idea that is likely to be picked up at Wednesday's meeting of the All-Party Parliamentary Group for Justice for Equitable Life policyholders.

Emag's proposal should be seized on by a Government with more than one eye on an impending election. But given Labour's lamentable treatment of Equitable policyholders, it will no doubt be ignored.