

Equitable's 10,000 get fresh hope

By **JEFF PRESTRIDGE**

ABOUT 10,000 with-profits annuitants of Equitable Life have been given hope that they may after all be included in a proposed £1.5 billion Government compensation package passing through Parliament.

Fabian Hamilton, Labour MP for Leeds North East and a long-standing backer of compensation for victims of the insurer, has tabled an amendment to the Equitable Life (Payments) Bill, proposing that all with-profits annuitants should get compensation. He is hoping to speak on the matter this Wednesday in the Commons and get cross-party support.

Under the present proposals, 37,000 annuitants who converted their pensions into lifetime income after September 1992 will get compensation to cover the losses they suffered as a result of Government failure to regulate the mutual in the Nineties.

But 10,000 others who bought earlier are excluded. The Government argues that 'maladministration' of the insurer did not take place until late 1992, so only later annuitants were misled into thinking that Equitable's health was robust.

Over the past 18 months, Hamilton has been a vociferous supporter of compensation for all Equitable victims.

He says: 'All with-profits annuitants have suffered from the consequences of



Fury as 10,000 Equitable Life pensioners miss out

CAMPAIGN:
Labour MP
Fabian Hamilton
and, left,
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catastrophic regulatory failure irrespective of when they took them out. There is an injustice in the Government's compensation arrangements and it needs to be corrected.'

Hamilton says it will cost the Government an extra £200 million to compensate early with-profits annuitants.

He proposes that half of this sum could come from simply bringing forward compensation that had been earmarked for payment in the next Parliament.

Tony Fisk, 79, an early with-profits annuitant who currently stands to get no compensation, welcomes Hamilton's stand.

The former businessman from Southend-on-Sea, Essex, says: 'All annuitants have suffered the financial

consequences of regulatory failure, so we should all receive prompt compensation. Many of us are elderly and don't have time on our side.'

But the Treasury is sticking to its guns. It says: 'Even if maladministration had not occurred, no Equitable policyholder would have had information that would have led them to make a different investment decision before the latter part of 1992.'

'This is because there would have been no change in the company's regulatory returns until the end of June 1992.'

'The returns would not have come to investors' attention earlier than around the beginning of September 1992.'

'Therefore the investment decisions of those that invested before this date were not affected by Government maladministration.'