



## THALES UK PENSION SCHEME

### Thales UK Pension Scheme

#### Announcement to Members with Equitable Life Fund Holdings

The Trustees of the Thales UK Pension Scheme are writing to update you on the situation with regard to Equitable Life following a recent announcement from the Government, and subsequent extensive press coverage.

On 15 January 2009 the Government announced its response to a report from the Parliamentary Ombudsman regarding the situation with Equitable Life.

In her report, the Ombudsman called for the Government to set up an independent compensation scheme for the benefit of Equitable Life policyholders who had suffered a financial loss as a result of the near-collapse of Equitable Life in 2000.

The response from the Government made several points worth noting:

- The Government agreed that there had been maladministration by the regulators, although it did not accept in full all of the findings of the Ombudsman
- The Government acknowledged that the maladministration necessitated Government action
- The Government does not believe that it is generally acceptable for the tax payer to pick up the cost of compensation
- Although the regulators are all exempt from liability for negligence, the Government acknowledged that this does not include maladministration. However they felt that the primary responsibility for the losses lies with Equitable Life
- The Government is prepared to set up an ex-gratia scheme to help those policyholders who have been "disproportionately affected" by the events at Equitable Life

Before the Government Scheme is set up, it is seeking advice on the scope of the compensation that should be paid, and to whom it should be paid, with a view to establishing which losses are attributable to the regulators maladministration.

The Government advisor has been asked to provide advice as quickly as possible, but the Government has warned that it is likely to take more than two years to implement the compensation scheme.

When asked for further guidance on the requirement to be "disproportionately affected", a Government spokesperson provided little clarity other than to say that policyholders who are young enough to make other arrangements could expect little help.

Naturally, the Government's statement has led to much speculation regarding who will be eligible for compensation. At this stage it is very unclear, however two things are certain, it will not be available for at least a couple of years, and will be far short of the £5 billion claimed by the member's action group.

The Trustee Board will keep members in touch with further developments as they arise, and continue to take legal advice.

In the meantime, please find below contact details for concerned members:

- Equitable Life Members Support Group – [www.equitablelifemembers.org.uk](http://www.equitablelifemembers.org.uk)
- Equitable Life Members Action Group (EMAG) – [www.emag.org.uk](http://www.emag.org.uk)
- Equitable Life dedicated phone line for queries regarding the Parliamentary Ombudsman's report – 0845 603 6771

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A handwritten signature in black ink, appearing to read 'Philip Cameron', written in a cursive style.

Philip Cameron  
Scheme Secretary

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