



Meg Hillier MP
Chair of the Public Accounts Committee
House of Commons
London
SW1A 0AA

18 May 2021

Dear Ms Hillier,

We are writing following the appearance of HM Treasury officials Sir Tom Scholar and Mike Williams before the Committee on Thursday 22 April, where a short part of the session was dedicated to Equitable Life.

On behalf of the Equitable Members Action Group (EMAG) we want to express our disappointment that this session failed to probe some of the most significant issues for our members, and failed to push Treasury officials on their established position, which as we set out in our letter dated 19 April, does not accurately represent the facts of the case.

In particular, we did not feel that the witnesses were sufficiently challenged on their claims that any inconsistencies in payments to Equitable Life victims were due to errors in the input data from Equitable Life, rather than the calculation itself. As we highlighted in our letter of 19 April, EMAG has provided evidence to show that the errors in the three examples it provided were made in the calculations, not the input data. Moreover, the Equitable Life Payment Scheme (ELPS) accepted that errors had been made, by issuing corrective payments to the individuals concerned. We believe that the recent evidence session was a missed opportunity to ask officials to respond to this, acknowledge that the discrepancies in the three examples we gave are of a very significant magnitude, and answer as to whether they accept that the corrected payments made in these cases were not the result of problems with input data.

We believe there is a reason, other than commercial confidentiality, why HM Treasury is not prepared to be fully transparent over the calculation of payments. We again respectfully ask the Committee to look into the contractual terms between HM Treasury and Willis Towers Watson and whether the Treasury has ever asked Willis Towers Watson to waive any confidentiality clauses. We also request the Committee writes to Willis Towers Watson asking it to disclose the underlying calculation steps, so Equitable Life victims can have confidence that the partial compensation they have received so far was correct.

We were deeply concerned by the assertion made during the PAC session that it is only the “regulatory element” of victims’ losses that are covered by the scheme, not the total losses. The government has never made this distinction, so it was surprising and disappointing to us that a member of the committee stated it as fact while questioning the witnesses from HM Treasury.

We also contest the witnesses’ claim that the only data held at the time was held by the Independent Review Panel. We do not see how this can be the case, because NS&I/Atos had to have held the data in order to deliver the payments. I know also, in my capacity as Chair of EMAG, that when I queried various cases with the Treasury in the past they had ready access to the data on individual cases. Furthermore, whenever the Independent Review Panel investigated a claim they



had to go to the Treasury to get the figures, which leads us to conclude that the Treasury at the very least had access to the data.

Finally, we wish to raise our serious concerns about the retention of records and data that were apparently destroyed. This is very concerning, especially as in 2019 the Economic Secretary to the Treasury stated in Parliament - and the Treasury re-stated later that year in correspondence with EMAG's lawyers and with the Equitable APPG - that records were "currently retained" and the Treasury had no plans to destroy them.

Given the importance of retaining all records that would be needed to extend full compensation to victims quickly and easily- as MPs from across the House continue to campaign for - it is essential that full clarity on the retention of records is provided as a matter of urgency. Either the Treasury has destroyed the records, or it has not. The contradictory accounts given to the House and to the PAC cannot both be true and so raise significant concerns about whether either has been misled.

We note that at the end of the evidence session you committed to write to the Public Administration and Constitutional Affairs Committee to formally request that they carry out an inquiry into the issues around data retention that emerged during the questioning of officials. While we agree that this is essential, we would urge the PAC to follow up the recent short session on Equitable Life with a full inquiry, in order to address some of the serious concerns outlined above and which remain unresolved.

We were disappointed to note that NAO's memorandum to PAC resulted solely from dialogue with the Treasury and none with EMAG, where previously we have been very happy to work with NAO to assist their research.

In the interests of transparency, I would be very grateful if you could arrange for this and my previous letter of 19 April to be published on the Committee's website.

Please note that we have copied Bob Blackman MP and Fabian Hamilton MP into the email to which this letter is attached, in their capacity as Co-Chairs of the APPG for Justice for Equitable Life Policyholders.

Yours sincerely,

Paul Weir
Chair, Equitable Members Action Group