



## Committee of Public Accounts

House of Commons, London SW1A 0AA

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William Wragg MP

Chair, Public Administration and Constitutional Affairs Committee

20 May 2021

Dear William,

Following Sir Tom Scholar's oral evidence to us on Thursday 22 April in relation to the Equitable Life scandal, the Committee of Public Accounts (PAC) would like to highlight our findings to the Public Administration and Constitutional Affairs Committee (PACAC) given its previous work into the government's document retention policy.

On 21 January 2021, the House of Commons passed a motion relating to errors in payments made to victims of the Equitable Life scandal. Proposed by Bob Blackman, MP for Harrow East, the [motion](#) expressed concern about the government's inaction with respect to the injustice suffered by Equitable Life policyholders and called on PAC and PACAC to investigate the accuracy of the payments made to victims via the Equitable Life Payment Scheme.

Established in 2010 by HM Treasury, the Scheme was set up to compensate Equitable Life policy holders for the relative loss they had suffered on their investments following government maladministration in the regulatory returns of the Equitable Life Assurance Society between 1992 and 2000. The Scheme included a complaints process where affected policy holders could contact the Scheme if they were dissatisfied with aspects of the compensation process and an Independent Review Panel to escalate those appeals where policy holders felt they were not offered an adequate solution.

At the time we held our evidence session, four years and five months had elapsed since HM Treasury published its final report on the Scheme in November 2016, and five years and one month had elapsed since the final deadline for complaints. However, some affected policy holders maintain that there were miscalculations in entitlements and subsequent payments and that HM Treasury has not been transparent and the methodology of calculations and would like for the Scheme to be reactivated.

Sir Tom Scholar reported that HM Treasury did not hold records related to the appeals process as they were not the authority responsible for managing appeals. Instead the data had been held by National Savings and Investments (NS&I), which provided administrative support to the Independent Review Panel. Unfortunately, NS&I has since deleted case data under data protection rules, arguing there was no longer a use for it given the Scheme had closed. HM Treasury officials

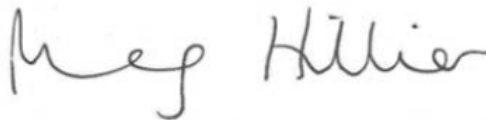
As the relevant data has now been destroyed, there appears to be no more that PAC can do in this circumstance. However, we would like to draw your Committee's attention to the issue, as it raises concerns about the conduct of public business and appropriateness of document retention actions and policies. We are aware that PACAC has previously conducted work into government's record management and may wish to consider some of the issues arising from the Equitable Life case in any future work it undertakes. If PACAC does so, you may wish to consider:

- I. Whether there is sufficient clarity regarding departmental policies for document retention, including the delegation of authority to Arms Length Bodies and other deliver partners;
- II. The standard time for document retention.
- III. What factors are relevant for deviating from a standard time period. For example, to formalise 'public records' in accordance with the Public Records Act 1958, or to lengthen or shorten the holding period; and
- IV. Whether government should formalise the adherence to document retention policy via the principles of 'comply or explain'.

You may also wish to refer to the [memorandum](#) produced by the NAO, outlining some of the issues leading up to the Payment Scheme being set up, its operation and eventual closure.

Should you or your Members have any further questions about our work on Equitable Life, please do not hesitate to contact our Committee Secretariat.

Yours Sincerely,

A handwritten signature in dark ink, reading "Meg Hillier". The signature is fluid and cursive, with the first name "Meg" and the surname "Hillier" clearly legible.

**MEG HILLIER MP**  
**CHAIR OF THE COMMITTEE OF PUBLIC ACCOUNTS**