

Banking victims 'should be treated alike'

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By Joel de Woolfson

Ruling angers Landsbanki Action Group

SAVERS who lost money with Landsbanki Guernsey should have been treated the same as other British victims of the Icelandic banking collapse, the depositors' pressure group has said.

A spokesman for the Landsbanki Guernsey Depositors' Action Group described creditors' frustration after a legal challenge by the failed bank's liquidators - attempting to give local savers priority status for any payouts — proved unsuccessful.

Iceland's Supreme Court backed the decision of the winding-up board of Landsbanki Islands hf (head office) to give priority to sovereign governments and local authorities.

LGDAG spokesman Matthew Dorman said the decision was disappointing.

'Guernsey is part of the British Isles and, as such, there should be an onus to ensure all British citizens and dependents are treated equally,' he said.

'This, in addition to the various statements made by Chief Minister Lyndon Trott, where he asserted that he had assurances from HM Government that Landsbanki Guernsey depositors would receive "fair and equal" treatment, indicates that someone has been misled in the three years since the bank was placed in administration.'

Following the decision of the Supreme Court It is likely that the Landsbanki Island hf winding-up board will make a distribution to priority claimants in a matter of weeks, the Supreme Court judgment decisions further indicate that the guarantee provided by Landsbanki Islands hf, and which was widely used in Landsbanki Guernsey's promotional literature and within the Guernsey Financial Services Commission, is expected to be valueless on the basis that there will be no assets available to pay out under the guarantee once all preferential creditors have been paid,' Mr Dorman said-

'Was this court decision a political solution to allow Iceland's application into the EU to proceed at the expense of Britain's own citizens? Will we ever know?'

A Policy Council spokesman said: 'The recovery of depositors' monies rests with the Royal Court-appointed joint liquidators.'