



Ruth worked seven days a week for more than 20 years running a seaside pub to put aside the cash in a Derbyshire Building Society account. The 87-year-old widow, who has lost almost her entire life savings, is likely to spend the rest of her days in a care home. Her nest-egg will virtually disappear because the Derbyshire's offshore accounts were taken over in November 2007 by KSFIOM. She said: 'I can't believe this is happening. I've worked hard all my life and never asked anyone for a penny. I put my money in a building society I thought was safe.'

Kaupthing Singer & Friedlander (Isle of Man)

A story of unfairness that needs to be put right.

Thousands of people like Ruth are facing financial disaster and distress through no fault of their own.

They had money in the Isle of Man branch of Kaupthing Singer & Friedlander bank. When the UK government used legislation to put the UK branch of KSF into administration because of the Icelandic banking collapse, £580m – over 50% of the Isle of Man branch's assets – was on deposit in the UK. Why such a large sum was moved to the UK, against normal UK banking standards, is a story in itself. The effect, though, brought the Isle of Man branch to its knees and could see nearly £1 billion of savers' money disappear into a black hole.

The UK government, to its credit, quickly guaranteed 100% refunds for depositors with the UK branch. All major EU countries with affected depositors have done the same.

Those with accounts in the Isle of Man, though, have had no such guarantee, either from the Isle of Man or UK governments. We think they should.

These are not wealthy tax dodgers. They are ordinary people who saved and paid tax on their deposits.

Most depositors were unaware that their accounts were even part of an Icelandic bank as a result of the takeover of Derbyshire Building Society. Others depositing funds direct or via household name life companies were sold on the benefits of the old established British bank Singer & Friedlander and were not aware of the changed corporate structure which meant that it no longer had any direct relationship with the UK branch. Of those that did know, many were locked in because of the products involved. UK nationals working or living overseas had little option but to bank offshore because UK high street banks wouldn't let them open accounts on the mainland. This is a tragic story of unfairness arising from a series of government actions and regulatory failures both in the UK and Isle of Man.

We are calling on the UK Government to work with the Government of the Isle of Man to deliver the only fair result – the same protection savers in UK banks have enjoyed.

The UK government should find a way to return the £580m still held in the UK and work with the Government of the Isle of Man to pay back 100% of funds to KSFIOM's depositors.

We need your help to make this happen. Ruth and all the other ordinary people affected need your help. Please do what you can to put pressure on both the UK and Isle of Man governments to do the right thing.

If you'd like to talk to us about how you could help, please e-mail: KSFIOMPolitical@googlemail.com
To find out more background, visit our website: <http://www.ksfiomdepositors.org>



Kaupthing Singer & Friedlander Isle of Man
KSFIOM Depositors Action Group

Real people, responsible people, afraid and in need of help



Ron and his wife, Jean, are British citizens aged 82 and 80. Ron retired early on a reduced pension from his job in 1986 due to ill health and moved to Spain. They have been living off the interest from their life savings of over £200,000 which was with the Derbyshire Building Society. Now they must manage on a small pension and their cashed-in premium bonds.



“Two lifetimes of teaching and, suddenly, nothing to show for it! My wife and I have £279,000 at stake. We are just ordinary teachers in international schools and thought we were two years from retirement - We have saved all our lives - no flash cars, no flash clothes, always careful. An entire product of two working lives; stolen. Easy looking in the rear view mirror saying; “you put it all in one bank!!” I have to spend the rest of my life looking at my wife knowing that is what she is thinking. I go through periods when I feel physically sick with worry and sink into a depression. I call my wife in England and she is in tears and distraught...”



Angela – who did not want to give her second name – is originally from Essex. She left school at 17 and worked hard holding down several jobs and renovating flats in her spare time. Eventually selling everything, she moved to Los Angeles to fulfil her dream of studying drama. “Stupidly enough I put absolutely every penny I had in the world into Kaupthing, I don't have any other source of income. We are weeks away from being declared bankrupt and losing our home, I am numb and shaking. I am totally disabled by fear.”



“I am a UK resident and taxpayer. I deposited a considerable sum of money (well over £50,000) to generate interest to pay the fees for my 92 year old mother's residential care home. My mother has no idea of this situation, thank goodness but I can only continue to pay the bills for a while longer. I am terrified at the possibility that this money will never be returned and don't allow myself to think about it.”



Simon, who does not want to be identified for fear it would jeopardize his company further, owns a small business with 9 employees in the Midlands. He re-mortgaged his house to invest in expanding the business and, along with his savings and tax money, deposited all his funds with KSF IoM; a sum in excess of £400,000. He therefore has a large mortgage to re-pay with no funds to show for it and a business that, to date, has been successful but now has had all its funds removed from it. As for the future, it's fairly bleak. The survival of the business, his family's livelihood and that of 9 other families as well rests on these funds being returned.



“Our son is dyslexic and at just 7 years old was utterly miserable following years of neglect and ridicule in mainstream education. He used to wake up every night screaming at the top of his voice that he was the stupidest boy in his school and that he wanted to die. We decided to sell our house to raise funds to send him to a specialist school where he would receive the education and encouragement he needs. I placed a large part of these funds with KSF IOM in September - thinking we were getting the best return on our deposit in a safe, reliable bank. We are now living in rented accommodation. The whole package was intended to give our son reassurance and confidence in his future - he has been doing so well at his new school. I feel sick with anger and frustration. I don't even have the luxury of showing my worries as that would undo all the good achieved so far. Brave face on every morning, I have to find the way through.”



A timeline of travesty

Date	Event
24.09.03	Memorandum of Understanding between the IoM Financial Supervision Commission (FSC) and the UK Financial Services Authority (FSA).
Mid 2005	Kaupthing hf acquires Singer & Friedlander banking group.
17.09.07	Kaupthing hf issues parental guarantee for KSF IoM.
20.11.07	Kaupthing hf acquires Derbyshire Offshore.
07.05.08	FSC requires KSFIOM to reduce exposure to Iceland May-Jun 08 KSF IoM deposits moved to UK following discussions between FSC & FSA, going against banking standards that not more than 25% of funds should be put in any one place.
08.10.08	Alistair Darling tells BBC Radio "The Icelandic government, believe it or not, have told me yesterday they have no intention of honouring their obligations here." Transcripts of the conversation (published 24.10.08) later prove this incorrect.
08.10.08	UK Government makes The Kaupthing Singer & Friedlander Limited Transfer of Certain Rights and Liabilities Order 2008. Para. 27 of the Order requires KSF UK to have HM Treasury approval for any payments to other parties. Ernst & Young appointed as KSF UK administrators and, unusually, court papers are sealed.
08.10.08	ING announces deal with UK treasury to take over Kaupthing Edge accounts.
08.10.08	KSF IoM board decision made to apply for winding up.
09.10.08	Isle of Man Financial Services Commission (FSC) suspends KSF IoM banking licence.
10.10.08	IoM Chief Minister requests UK government to press Iceland to honour parental guarantee.
10.10.08	British delegation travels to Iceland.
13.10.08	Iceland's government says British authorities have brought Iceland's largest bank to its knees and will consider legal action against the UK.
16.10.08	Kaupthing hf announces plan to sue British government over Kaupthing UK action.
16.10.08	Donald Gelling, former Chief Minister & Non-Exec Director of KSF IoM, blames UK for picking war with Iceland.
23.10.08	IoM Chief Minister, Tony Brown, holds British Government responsible for KSF IoM collapse.
24.10.08	IoM delegation meets with UK Treasury and FSA in London.
01.12.08	UK authorities (in the form of the UK Financial Services Compensation Scheme) do not vote for the Liquidator Provisionally of KS&F(IOM) to join the Creditors Committee – despite the fact that he represents the interests of over 10,000 depositors who banked with the group with indicative claim of £600 million KSF – the second largest creditor.
10.12.08	Lord Bach tells the Justice Select Committee he is satisfied that depositors in the IoM are safeguarded in so far as any depositors interests are safe guarded in the United Kingdom. This is clearly not the case for KSF depositors.
03.02.09	Former Chief Executive of Singer & Friedlander Tony Shearer highlights FSA failures of regulation to Treasury Committee.
03.02.09	IoM Government evidence to Treasury Committee says there was a breakdown of regulatory co-operation between the two jurisdictions before KSF was placed into administration by the UK Government.
15.03.09	The Observer reports that Dave Whelan, founder of JJB & owner of Wigan Athletic FC, is to get back £60m of funds that were in KSF as a direct result of HM Treasury intervention.

