

## **Tynwald took my Umbrella**

It's raining cats and dogs in the financial world. So Tynwald removed the umbrella of depositor protection from a whole range of people. They did it on a day a Manx bank collapsed. Some good people will have been hurt – some will have lost everything. Is it right to treat people like that?

On Thursday morning, Manx bank deposits in family trusts, clients' accounts, partnerships and companies had £ 15,000 depositor protection. By Thursday afternoon that protection was nothing. As a consequence, there must be Kaupthing Singer & Friedlander depositors who will lose everything. They deserve our concern, sympathy and help. They will think they have been mugged twice: once by Kaupthing and a second time by Tynwald.

The good news is that individuals can now get up to £50,000 compensation in a bank failure – unless Tynwald change the rules again without notice. Having done it once, it could happen again.

Why did Tynwald discriminate against children's trust funds, small business and individuals with money in my clients' account? I think we should be told. More importantly, we should ring our MHKs and complain loudly.

If you have lost out, you do have friends in Tynwald. In the debate, Steve Rodan, Claire Christian and David Cannan led the charge to get you protection. There was a proposal that the Treasury Minister, Alan Bell, bring back in the afternoon an amended set of Regulations which increased the protection for individuals to £ 50,000, but preserved the £ 15,000 for everyone else – but no luck! Tynwald may do this at their next meeting on 21 October, but in the meantime we have uncertainty just when we don't need it.

Whilst thinking about this, we need to spare a thought for the 33 banks and building societies left standing that will have to foot the bill. The building societies are included for the first time. All these institutions employ 3,500 people locally and make the biggest tax contribution to the Island. They are a vital part of our economy.

The Tynwald debate suggested the banks have not been fully consulted about all this. This is all extra cost for the banks. Some have multiple licences and have to make multiple payments if a bank fails. Should we make them responsible for paying for others' failure before properly consulting them? We need to consult them properly and understand their interests – we want them to stay, we need their jobs and tax payments. Their agreement should have been sought in advance. When the next round of consultation starts, a 'sorry' might be a good start!

It all seems a bit of a mess to me. If you have been hurt by all this, it will seem like the end of the world.