

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT  
BY DEPUTY M.R. HIGGINS OF ST. HELIER**

**ANSWER TO BE TABLED ON TUESDAY 24TH FEBRUARY 2009**

**Question**

1. With regard to the failed Landsbanki Guernsey Bank would the Minister –
  - (a) state the number of Jersey residents the Minister or his predecessor has been notified of who had deposits with this Bank together with the sums they are owed;
  - (b) detail the letters, meetings and telephone conversations he personally (or his predecessor) has had on behalf of these depositors with the following organisations and individuals from the time of the bank's failure up to 16th February 2009 and outline the results of those communications –
 

Guernsey Chief Minister or Treasury Minister or their departments  
Guernsey Financial Services Commission  
H.M. Government  
Icelandic Government  
Landsbanki Guernsey Bank Administrators  
Any other body or individual involved with this affair;
  - (c) detail the letters, meetings and telephone conversations his staff or any other officers (such as the Jersey Financial Services Commission) have had at his instigation (or that of his predecessor) with the organisations listed in paragraph (b) above from the time of the bank failure up to 16th February 2009 and outline the results of these communications.
2. State what actions, if any, he is prepared to take to help these individuals recover their deposits with this failed bank?

**Answer**

1. (a), (b) and (c)

As a Guernsey entity, Landsbanki Guernsey is regulated by the Guernsey Financial Services Commission. As a consequence neither the States of Jersey nor the Jersey Financial Services Commission has any jurisdiction with respect to the failure of Landsbanki Guernsey.

However, following the collapse of Landsbanki Guernsey, the then Economic Development Minister, offered to provide any possible support, aggregate information from Jersey residents with deposits in Landsbanki Guernsey and forward the information to the Guernsey authorities.

In conjunction with this offer, the then Economic Development Minister, had numerous telephone and email contacts with individual depositors (53 residents notified the department and reported losses in excess of £2,000,000) and the organisers of the action group established by Jersey investors in Landsbanki Guernsey. This is unlikely to be the total number of people affected by the failure.

The then Economic Development Minister wrote to Mrs Carla McNulty Bower, Guernsey Minister for Commerce and Employment regarding the issue on 27th October 2008 and received a reply dated 3rd November 2008 which was received in the Minister's office on 7th November 2008. Copies of both letters are attached to this answer.

There has been no communication with either H.M. Government, the Icelandic Government or the Landsbanki Guernsey Bank Administrators on this matter.

The Jersey Financial Services Commission (JFSC) have confirmed that, to the best of their knowledge, their officers have, with one exception, had no contact with any of the organisations listed regarding Landsbanki Guernsey that has been at the instigation of the Minister or his predecessor. The only body mentioned in the question that the JFSC may have had contact with on the subject of Landsbanki Guernsey, and then only in general terms concerning their experience in handling a bank closure, would be the Guernsey Financial Services Commission. Any such contact would have been at the JFSC's own instigation and not that of the Minister or his predecessor.

Reference is made in the question to 'any other body or individual involved with this affair' In so much as this could include those Jersey residents who have telephoned the JFSC with general queries, none of these general contacts, which would have been referred to the Guernsey authorities, were at the Minister's instigation as far as the JFSC are aware.

2.

Wherever appropriate and possible, the Economic Development Minister and the Economic Development Department will continue to assist Jersey residents who have been affected by the collapse of Landsbanki Jersey. However, as Landsbanki Guernsey is a Guernsey entity, neither the States of Jersey nor the JFSC have any direct jurisdiction over matters related to the failure of the bank.

## **Economic Development**

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27 October 2008

Deputy Carla McNulty Bauer  
Minister  
Commerce & Employment

e-mail: [carla.mcnultybauer@commerce.gov.gg](mailto:carla.mcnultybauer@commerce.gov.gg)

Dear Carla

### **Landsbanki - Jersey depositors**

I have met recently, at their request, a group of Jersey residents who have deposits with Landsbanki in Guernsey. As no doubt is the case in Guernsey, there are amongst the Jersey depositor population, those for whom their deposits may represent the totality or a significant part of their life savings and who are in very real financial difficulties.

I recognise that any recourse for depositors is now in the hands of the Administrators from Deloitte & Touche LLP. However, the depositors here in Jersey feel disadvantaged as a result of not being Guernsey based whether as a simple result of being to some extent distant from events or otherwise, as matters unfold. As a result they are understandably desperate for any information that can be provided.

I would therefore appreciate any advice on how Jersey depositors can ensure that they are as well informed as

their Guernsey counterparts and how the plight of the Jersey depositors can best be brought to the Administrators' attention .

I look forward to hearing from you.

Kind regards

A handwritten signature in black ink, appearing to read "Philip Ozouf". The signature is stylized and written in a cursive-like font.

Senator Philip Ozouf  
Minister for Economic Development



# COMMERCE AND EMPLOYMENT

A STATES OF GUERNSEY GOVERNMENT DEPARTMENT

Department Economic

- 7 NOV 2008

Development

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Senator P Ozouf  
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3<sup>rd</sup> November 2008

Dear Philip

## LANDSBANKI – JERSEY DEPOSITORS

Thank you for your letter dated 27<sup>th</sup> October concerning Jersey depositors with Landsbanki Guernsey.

The meltdown of the Icelandic economy and its financial institutions has unfortunately had implications for depositors with Landsbanki Guernsey and this Department and the States of Guernsey can understand the financial difficulties these depositors are experiencing. However as you recognise in your letter any recourse for depositors now rests with the Administrators, Deloitte & Touche LLP. Rick Gerrard at Deloitte & Touche will be in direct contact with all depositors on a regular basis informing them of progress.

The States of Guernsey is providing additional information and updating the government website on a regular basis as developments occur.

I trust that this is helpful, but should you have any further queries please do not hesitate to contact me.

Yours sincerely

Carla McNulty Bauer  
Minister