

# Financial Services Authority

**From Carol Sergeant**  
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Sir Archy Kirkwood MP  
House of Commons  
London  
SW1A 0AA

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Our Ref: Case No: 030826B

*Dear Sir Archy,*

Thank you for your letter of 22 August, addressed to John Tiner, on behalf of your constituent Mr Graham Milne of Edrington House, Nether Mordington, Berwick upon Tweed, TD15 1UF. I am replying in John's absence and apologise for the delay.

As you are aware, we have corresponded with Mr Milne on these issues on a number of occasions since he contacted our whistleblowing helpline last December. We take allegations such as those made by Mr Milne very seriously, and we are grateful to him for drawing them to our attention.

The position is not quite as set out in Mr Milne's e-mail to you of 12 August. As my colleague Colin Tanner explained to him in his e-mail on 23 July, the FSA had previously considered the Scottish Widows demutualisation scheme. In our view at the time the prospectus generally made clear that there was potential contingency on the Additional Account for GAR liabilities, depending on the outcome of the Equitable case.

We have reviewed the additional information recently provided by Mr Milne and have concluded that it does not give us cause to reopen this matter. We have said to Mr Milne that if he becomes aware of other relevant information, he should forward it to us and we will consider it.

I hope that this is helpful.

*Yours sincerely*  
*Carol Sergeant*

**Carol Sergeant**  
Managing Director