

**OPPOSITION PRESS RELEASE 151/2008**  
**DEBENTURE ISSUE NOT PROPERLY EXPLAINED**

THE OPPOSITION HAS BEEN RECEIVING COMPLAINTS FROM PENSIONERS WHO ARE INCREASINGLY CONCERNED AND CONFUSED ABOUT THE GOVERNMENT'S ANNOUNCEMENT OF CHANGES TO THE ISSUE OF DEBENTURES.

FOR REASONS WHICH HAVE YET TO BE EXPLAINED, THE GOVERNMENT HAS DECIDED TO OFFER HOLDERS OF GIBRALTAR SAVINGS BANK DEBENTURES A LOWER RATE OF INTEREST THAN HOLDERS OF GIBRALTAR GOVERNMENT DEBENTURES, IN SOME CASES WITH THE DIFFERENCE BEING AS MUCH AS 1.5%.

IT NOW ALSO APPEARS THAT THE SPECIAL PENSIONER DEBENTURE WHICH WAS LAUNCHED BARELY FOUR WEEKS AGO WILL NOW PAY THE SAME MINIMUM INTEREST RATE AS THE NORMAL MONTHLY INCOME PENSIONER DEBENTURE. THIS MAKES A NONSENSE OF THE TRANSFERS MADE BY PENSIONERS FROM DEBENTURES TO THE OTHER WITH THE CONSEQUENT HEAVY WORKLOAD ON TREASURY STAFF IN HAVING TO ATTEND TO LARGE QUEUES OF PENSIONERS WHICH ACCUMULATED.

ALL THIS COULD HAVE BEEN AVOIDED IF GOVERNMENT HAD SIMPLY DECIDED TO APPLY THE IMPROVED INTEREST RATE AUTOMATICALLY TO PENSIONERS HOLDING EXISTING DEBENTURES.

AT THE SAME TIME, PENSIONERS HAVE BEEN COMPLAINING THAT THEY ARE HAVING TO WAIT IN LENGTHY QUEUES IN ORDER TO OBTAIN APPLICATION FORMS FOR DEBENTURES WHEN THESE COULD SIMPLY HAVE BEEN MADE AVAILABLE AT THE ENTRANCE TO THE TREASURY BUILDING OR MADE AVAILABLE TO BE DOWNLOADED ON THE GOVERNMENT'S WEBSITE. SOME PENSIONERS HAVE BEEN QUEUEING TO OBTAIN THE APPLICATION FORM FOR THE NEW FIXED INTEREST DEBENTURE ONLY TO BE TOLD WHEN REACHING THE COUNTER THAT THE FORMS ARE NOT AVAILABLE. THIS COULD EASILY BE AVOIDED BY PUBLISHING A GOVERNMENT NOTICE.

OF EVEN GREATER CONCERN IS THE COMMENT THAT SOME PENSIONERS WHO ARE EITHER HOUSEBOUND, NOT TUNED IN TO THE NEWS MEDIA OR WHO ARE NOT WELL APPRAISED OF WHAT THE CHANGES TO DEBENTURE ISSUES ACTUALLY MEAN AND MAY NOT APPRECIATE THAT THEY CAN TAKE ADVANTAGE OF THE CHANGES INTRODUCED. COMMENTING ON THESE MATTERS, SHADOW MINISTER FOR FINANCIAL SERVICES, FABIAN PICARDO, SAID:

“IT IS INCUMBENT ON THE GOVERNMENT TO WRITE TO EACH AND EVERY DEBENTURE HOLDER INFORMING THEM OF THE CHANGES. THIS IS ALL THE MORE IMPORTANT IN VIEW OF THE DIFFERENT INTEREST RATES WHICH WILL NOW APPLY AS BETWEEN GIBRALTAR SAVINGS BANK AND GOVERNMENT DEBENTURES. UNLESS EVERYONE IS PROPERLY INFORMED, THERE IS A REAL RISK THAT SOME PENSIONERS MAY ACTUALLY LOSE

INCOME WHICH IS THE VERY OPPOSITE OF WHAT THE GOVERNMENT CLAIMS IT IS DOING.

IT IS ASTONISHING THAT THE GOVERNMENT HAS FAILED TO ANTICIPATE OR ADDRESS ANY OF THESE BASIC, SIMPLE, ADMINISTRATIVE ISSUES, PARTICULARLY AS IT MAINLY AFFECTS ELDERLY PEOPLE. ONCE AGAIN, IT PROVES THAT THE GOVERNMENT'S APPROACH TO, AND UNDERSTANDING OF, FINANCIAL MATTERS IS WEAK, ILL JUDGED AND POORLY MANAGED. WE ARE TALKING HERE OF PENSIONER DEBENTURES WHICH ACCORDING TO GOVERNMENT ACCOUNTS REPRESENT A VALUE OF AROUND £60 MILLION. I SHUDDER AT THE THOUGHT THAT GOVERNMENT SHOULD BE SO DEFICIENT IN LOOKING AFTER SUCH LARGE SUMS OF MONEY BELONGING MAINLY TO THE ELDERLY IN GIBRALTAR. I VERY MUCH HOPE THAT GOVERNMENT WILL TAKE URGENT STEPS TO ADDRESS THE CONCERNS BEING VOICED BY PENSIONERS."

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