



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

13 November 2008

The Rt Hon John McFall MP
Treasury Select Committee
House of Commons
7 Millbank
London
SW1P 3JA

Dear John

Compensation of Bradford & Bingley Shareholders

In advance of the Treasury Select Committee's meeting with the former Chairman and current Chief Executive of Bradford & Bingley plc on 18 November, I am writing to inform the Committee of recent decisions with respect to Bradford & Bingley shareholder compensation.

As you are aware, on 29 September Bradford & Bingley plc was taken into public ownership by order made under the Banking (Special Provisions) Act 2008 (the Bradford & Bingley plc Transfer of Securities and Property Order 2008). Its retail deposit business along with its branch network was immediately transferred to Abbey National plc. The Banking (Special Provisions) Act 2008 requires that a compensation order to determine the amount of any compensation payable to former shareholders of Bradford & Bingley be made within 3 months of that date.

To this end, I have decided that a draft compensation order will be laid before Parliament for its approval providing that an independent valuer should be appointed to determine the amount of any compensation payable to former shareholders of Bradford & Bingley. The independent valuer will determine the value of Bradford & Bingley shares had the state not stepped in to provide public support.

A draft compensation order to this effect will be laid before Parliament for its approval together with the usual supporting documentation shortly.

I am placing a copy of this letter in the house library.


ALISTAIR DARLING

