

Interim Payments for Customers who remain in the Re-Review

This guidance applies to Customers who have been concluded to be victims of the IAR Fraud and have received a Victim Status Decision to that effect, who do not accept the Fixed Sum Award, but remain in the Re-Review.

This purpose of this guidance is to assist Customers to understand their position regarding interim payments in all potential scenarios. Customers or their advisers raising queries concerning interim payments will be referred to its contents.

The various scenarios are as follows:

1. Following the issue of the Victim Status Decision, the Customer decides to remain in the Re-Review or is treated as having done so (LINK):

LBG will make an interim payment of £250,000 (which is net of any tax payable). This interim payment is not refundable by the Customer. However, the payment will be set off against any higher sum awarded in the Final Decision.

2. Following the issue of a 'Minded to' Decision ("MTD") in which the Panel make a provisional financial award:

(a) If there is no challenge to the MTD by either LBG or the Customer -

LBG will pay the full sum stated in the MTD. The provisional award will become the final award so there is no need for an interim payment.

(b) If LBG does not challenge the Panel's provisional award, but the Customer does challenge it -

Where 40% of the provisional award in the MTD is less than £250,000, LBG will not make an interim payment.

Where 40% of the provisional award in the MTD is greater than £250,000, LBG will make an interim payment of the difference between 40% of the provisional award and £250,000.

(c) If LBG accepts that some award is payable but challenges the amount of the Panel's provisional award and the Customer either does or does not challenge it -

Where 40% of the provisional award in the MTD is less than £250,000, LBG will not make an interim payment.

Where 40% of the provisional award in the MTD is greater than £250,000, LBG will make an interim payment of the difference between 40% of the provisional award and £250,000.

(d) If LBG challenges the award of any compensation and the Customer either does or does not challenge the award -

LBG does not make an interim payment unless and until the Panel reach a decision that the Final Award will exceed 40% of the provisional award in the MTD.

If that arises, the Panel will issue a notification to this effect and LBG will make a payment of the difference between 40% of the provisional award and £250,000 (if higher).

The Panel will only take this course when they have reached a sufficiently advanced stage in their consideration of the various matters put forward by the Customer and LBG by way of challenge to the MTD to be able to give this indication.

The Panel will give the indication of their own initiative and not in response to requests by the Customer or the Customer's advisers.

3. Following the issue of a MTD in which the Panel conclude the Customer is not a victim of the IAR Fraud:

LBG does not make an interim payment.

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