Paul Routledge

Keighley on anti-fascist frontline

JUST as there are dog men and cat men, and whisky men and gin and tonic men (I'm dog n'gin), so there are Skipton men and Keighley men. The towns are equidistant from my eyrie in the Pennines. Skipton – sheep-town to the Anglo-Saxons – is a tourist magnet with a castle, a magnificent High Street and many twee shops. Keighley is, or certainly was, an industrial and textile town, with a strong union presence, particularly the engineering workers. It follows that Skipton is dyed in the wool Tory, and Keighley is more Labour territory. So, I feel more at home i'Keighley, in pubs like the one-room Boltmakers' Arms.

Dismaying, then, that Keighley has become the cockpit of the struggle against the British National Party. Nick Griffin, the odious leader of the BNP, seeks to oust the current Labour MP, Ann Cryer, the feisty widow of Left-winger Bob Cryer, who represented the constituency in the 1980s. Keighley has a substantial Asian minority, and Mrs Cryer has a good record of standing up for Asian women against reactionary Muslim men.

But her majority is only 4,000, and a BBC undercover documentary which last year exposed the grooming of white girls for sex by some Asian men has fuelled a racial backlash in the town. Griffin, currently on police bail on charges of inciting racial hatred at a meeting in Keighley, freely admits deliberately targeting the constituency as a result of the television programme. The BNP polled 5,000 votes here in the last Bradford metropolitan council elections, electing two councillors. One of them won a seat on the town council immediately after the BBC film was shown.

As I write, comes the news that the BNP is also putting up a candidate in Pendle, just over the Lancashire border from Keighley. This used to be Nelson and Colne, also textile and manufacturing towns, now in reduced circumstances and the home of many Asian Britons. Free-spirit Labour MP Gordon Prentice is also defending a majority of just over 4,000.

Keighley and Pendle were once "weather-vane" seats. The party winning here won the election. I wonder how much effort the Labour Party will put into the fight against the BNP in these key constituencies. These are the places that Tony Blair neither knows nor cares about. And I wonder how the BBC will cover events in Keighley.

THE Balderdash Broadcasting Corporation, also know as Sir Bernard Ingham, got it wrong about weapons of natural destruction. Five days after the Asian tsunami, Margaret Thatcher's former spin-doctor (how he hates to be called that) claimed in his *Yorkshire Post* column that Friends of the Earth and Greenpeace were milking the tragedy for the sake of publicity.

Oops! The paper later published a grovelling apology, admitting that quotes from Friends of the Earth chief Tony Juniper and Stephen Tindale of Greenpeace UK had been lifted unchecked from another newspaper, had been made before the tidal wave and related to a different issue. Neither outfit had ever claimed that earthquakes could be caused by climate change, and everybody at the YP is very sorry for the allegations which "had no basis in truth." To be fair, Bernard never said he was a scientist.

My sympathy is reserved for veteran Labour MP Austin Mitchell, who has for the last year or so graced the same features page as Ingham. The paper is contemplating the end of his column on grounds of economy. Tory MP David Curry (Skipton and Ripon) who writes chiefly about himself, is to be retained. Scandalous! The loss of Austin's cheeky but wise column would be far greater than that of Bernard's beetroot face.

RECORDS released under the Freedom of Information Act. disclose that one Graham Smith, a miner at Markham Main colliery, Doncaster, who went back to work during the 1984 strike complained bitterly to his manager, George Longmate, that he wasn't getting enough protection from vandalism and threatening calls. Longmate wrote to his superiors that he was obliged to spend "the major part of my life nursing Smith and other workers and attending to their every need." He added: "Smith is completely dominated by his wife."

This revelation had south Yorkshire in tears of laughter. But strangely, Longmate, regarded as "a bit of a character" with more sympathy for the men than might have been imagined, was approached after the strike by local officials of he National Union of Mineworkers. They wanted him to manage the colliery as a buy-out from Budge's privatised British Coal. The initiative failed, but his correspondence from the strike survived to entertain the lads.

GREMLINS attacked my last column, which should not have contained the XXXXX-word. I meant to say that my ignorance of some Yorkshire dialect words made me look a caufhead. A dunderknowle, even. The meaning may be deduced from the context. Sorry.

There are 18 firms that have agreed to the FSA's compensation fund.

Aberdeen Asset Managers Ltd: The firm reported a pre-tax loss of £87.6 million for 2004 and has agreed to cough up £74 million. Its biggest shareholder, American insurer Phoenix, sold its 16.1% stake in the company in mid January.

ABN Amro Equities Ltd: The Financial Services Authority (FSA) fined it £900,000 in April 2003 for market misconduct and serious compliance failures. The Authority also fined Michael Ackers, AAE's then joint head of the UK equity trading desk, £70,000 for market misconduct.

Brewin Dolphin Securities Ltd: In the notes to its latest set of accounts, BDS states that an exceptional provision of £2.5 million was set aside in 2002 to deal with claims arising from split cap trusts. This figure was revised to £1.8 million in September 2003, with the benefit of believing that insurance would cover any excess.

Britannic Investment Managers Ltd: The firm is one of the principal trading companies of Britannic Asset Management. Its sales and marketing director, Jonathan Polin, was formerly managing director of UK sales from 1995 to 2002 at Aberdeen Asset Management – the firm paying the lion's share of the FSA's splits compensation fund (£78 million).

Collins Stewart Ltd: Rolly Crawford, head of investment trusts at the stockbroker, has emerged as one of the key figures still under investigation by the FSA for his alleged role in the split capital trusts scandal. In October, the High Court dismissed Collins Stewart's £230 million libel action against the *Financial Times* for printing an article on a sacked analyst's employment tribunal where he alleged that his former employers had been involved in insider trading. He dropped his allegations as part of a settlement agreement.

Edinburgh Fund Managers Plc: This is now owned by Aberdeen Asset Managers, one of the worst offenders in the fiasco.

F&C Asset Management Plc: (formerly ISIS Asset Management Plc): Last August, the Consumer Association complained about the FSA's approval to allow CitiSolutions to sell Isis investment products. The CitiSolutions business model, launched in 2003, sends agents out selling on the road rather than from an office. They join on a self-employed basis and can recruit agents by passing details on to the people to whom they sell.

Framlington Investment Management Ltd: At the beginning of July last year, Framlington's board opted to wind up one of its split cap funds after estimating that expenses would exceed income by £200,000 a year.

Gartmore Investment Ltd: In May 2004, Gartmore had its shares suspended marking the end of a protracted effort by the board to sell its holdings of other split trusts in an orderly fashion so that it could fulfil at least some of its promises to shareholders. One of Gartmore's former bosses is Paul Myners, who now gives the Government advice on pensions.

Govett Investment Management Ltd (now called AIB Investment Managers Ltd): In December the Irish Financial Services Regulatory Authority (IFSRA) issued a report stating that AIB Investment Managers allocated

Splits decision on funds fiasco

Neil Hodge reports on the compensation deal that has seen thousands of people lose millions

ON CHRISTMAS Eve, Britain's financial regulator in charge of consumer protection – the Financial Services Authority – brokered a deal with 18 financial services firms that saw £155 million in compensation being slashed from the pockets of thousands of ordinary investors.

Around 50,000 people lost an estimated £600 million minimum in split capital investment trusts which the FSA termed "relatively secure" and "low risk". Total losses for all shares is estimated to be around £6 billion. The deal, brokered on a day that was unlikely to get much press attention, is set to be criticised by the Treasury Select Committee's annual meeting with the FSA in March.

Split capital trusts – known as "splits" – are financial vehicles designed to divide investment income into different share classes (capital shares, income shares, and zero dividend preference shares) aimed at providing a predetermined rate of return. However, investors were told that splits were low risk and were largely uninformed that the shares could be valueless at the end of the trust's life.

The FSA and 18 of the 22 firms involved in yet another mis-selling scandal have agreed a package of £194 million for certain private investors. The settlement is up by £23 million from the figure the 22 firms involved in selling splits said they were prepared to pay, but down from the £350 million that the regulator deemed an "acceptable amount" last May.

The deal also means that none of the 18 firms will accept any admission of wrongdoing: nor will the FSA pursue any regulatory breaches or impose any extra penalties. With the exception of a couple of token individuals that the regulator wants to make examples of, other fund and investment managers involved in the fiasco are only likely to be issued "private warnings".

But investors in the four firms under investigation that did not sign up to the deal – Teather & Greenwood, BC Asset Management, Exeter and BFS – are not covered by the FSA's compensation fund. And those who bought into ordinary or income shares – shares that reap the income from the trusts' underlying investments – are also excluded.

While the FSA says it will continue to investigate these firms in order to determine whether it can take action, the period of alleged abuses straddles the introduction of the Financial Services Act, which gave the regulator its full powers. This means that, for victims of market abuse that occurred before the passage of the act, the regulator is powerless to set compensation.

money from its own funds to a number of clients and dressed the transactions up as artificial deals. The allocations were carried out to improve the appearance of the accounts of clients whom the company wanted to impress.

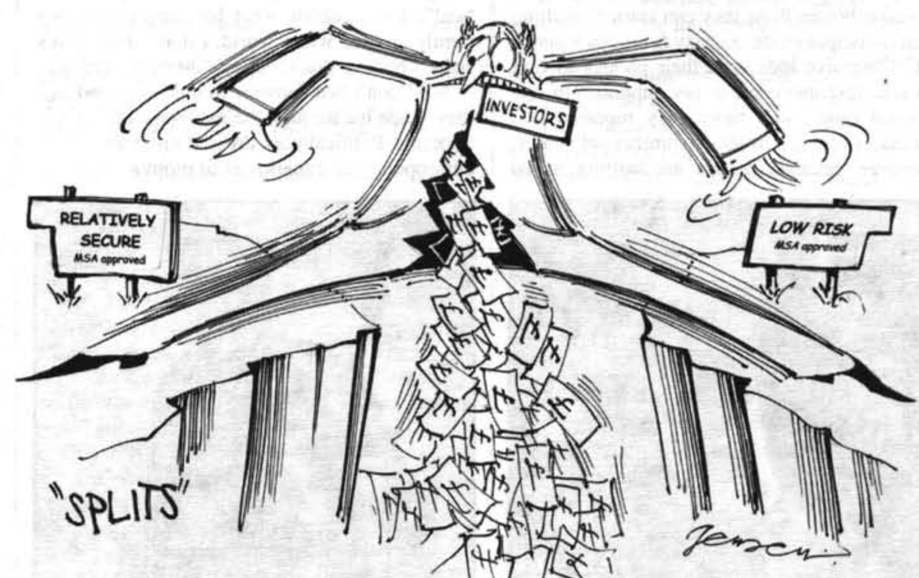
HSBC Investment Residuary Ltd (formerly HSBC Investment Bank Plc): Last February, HSBC called in auditor KPMG to investigate its investment management operation after complaints from clients about poor performance and administration.

Jupiter Asset Management Ltd: Despite the splits fiasco and regulatory slap on the wrist, Jupiter launched three more splits funds just one month before the FSA brokered its deal.

Legg Mason Investments Ltd: Alan Kerr, the former head of investment trusts at the firm, has given an undertaking not to apply for approval from the FSA to perform a regulated function within the financial services industry for one year from December 22, 2004. However, he is already working in an unregulated capacity for Premier Asset Management, another of the 18 fund management groups named in the FSA settlement.

Morley Fund Management Ltd: A wholly-owned subsidiary of insurance giant Aviva, the fund manager has £118 billion of funds under management. Both companies stress their commitment to "socially responsible" and "ethical" investing.

New Star Asset Management Ltd: Last May, chairman John Duffield threatened to sue the FSA for defamation for comments made by its senior press officer in relation to the split-capital investment trust debacle. Duffield took exception to one remark in the press, which said all 21 of the firms being investigated by the FSA had "ripped off consumers".



Premier Fund Managers Ltd: In January 2000, PFM warned investors of the risks inherent in investment trusts – at least one year before the splits fiasco came to light – but continued to sell the products.

Royal London Asset Management Ltd: In January last year, David Hughson, RLAM's deputy chief executive officer criticised the FSA's stance that "consumers must take responsibility for their finances", arguing that consumers needed more help from independent financial advisors and the Government to boost confidence in investment products. An update on these views is conspicuous by its absence on the company's website.

UBS AG: One of the bank's directors is Sir Peter Davis, recently ousted as chief executive of supermarket chain, Sainsbury.