



Department  
for Business  
Innovation & Skills

**Government response to the public  
consultation on the future of the  
Enemy Property Compensation  
scheme and Baltic States scheme**

JUNE 2015

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# Introduction

During the period of the Second World War the Government froze assets in British territory owned by residents of enemy countries including the former Nazi Germany, Italy and Japan and countries occupied by them under the Trading with the Enemy Act 1939. This was in order to prevent their use against the UK or its allies during the war. The UK Government's Enemy Property Payment Scheme and Baltic States Scheme were established in 1999 to compensate those who had their assets in the UK confiscated in this way. Claimants were either victims of Nazi persecution, or were only considered 'enemies' at the time because their countries were under occupation.

Both compensation schemes are administered by an independent Enemy Property Compensation Advisory Panel (EPCAP), whose role is to consider and make decisions on these claims. There is also an independent adjudicator, employed on an ad hoc basis, to review any appealed decisions reached by the panel.

Since 1999, the Schemes have considered over 1,300 claims, paying out over £23 million to 510 successful claimants. We are right to be proud of the achievements of these Schemes in ensuring that the rightful owners of the assets are properly compensated. However, in recent years the Schemes have experienced a marked decrease in the number of claims submitted, prompting BIS to consider their future and seek views from the public via this consultation.

## Conducting the consultation exercise

- The consultation ran for six weeks from 3rd February to 17th March 2015.
- BIS made the consultation publically available via its external website.
- In addition, BIS also sought responses directly from interested parties including:
  - Charities and stakeholder groups in the UK and abroad
  - Members of the Schemes' Assessment Panel
- A list of stakeholders directly contacted is provided in the original consultation document.

# Summary & analysis of consultation responses

Eight responses were received to the consultation with six in support of option 2. Not all responses were provided in the supplied questionnaire and therefore provided general response to the consultation rather than specific responses to each question it posed.

The consultation set out 4 substantive questions and a further general question seeking generic comments on the consultation. A summary of views is as follows:

## Under Option 1 – retention of the Scheme:

### **“Q1. What are your arguments on retention of the Enemy Property and Baltic States Scheme on their current basis?”**

Responses focused on a responsibility of the Government to provide a means for impacted individuals to seek restitution for the loss of family assets during the Second World War and that there were still individuals across the world that would benefit from the Scheme’s continuation, and may not yet be aware of this way to apply for and receive compensation.

Some responses focused on the moral responsibility of the Government to allow a channel for compensation to be provided due to the extreme circumstances prevailing at that time; as well as highlighting the reputational impacts of closure. For example, should the Government not provide this channel it would undermine any future attempts to seek restitution for victims of other conflicts and wars, and as an “act of recognition” of the suffering of victims of the Holocaust and other Nazi persecution during the Second World War. Some responses pointed to the cost to BIS as not being relevant given these wider considerations.

Responses also questioned the value for money and efficiency of continuing strictly on the current basis and that reducing the frequency of the panels being an appropriate way to deal with this issue.

### **“Q2. Do the costs of running the Enemy Property and Baltic States Scheme justify its continued operation?”**

Arguments focused on the significant volume of compensation provided via the Scheme, which could not otherwise be provided and that the Scheme has historically and continues to provide more compensation than its running costs justifying its ongoing operation.

## Under Option 2 – operating Panel meetings annually or biannually:

### **“Q3. Is Option Two a reasonable and workable solution?”**

The positive responses to this question agreed that this would be a workable solution that balanced the changed demand on the Schemes and costs, against the need to continue to

provide a route for compensation for affected individuals who could be eligible for compensation.

A route for appeals is still required to ensure justice can be preserved for claimants.

**“Q4. Are you aware of any additional pros or cons to Option Two?”**

Responses commented that Option 2 would not allow BIS to resolve the long-term future of the Scheme in light of observed reduction in demand. It was suggested that annual meetings could be too infrequent as they would not offer sufficiently speedy resolution of claims for more elderly claimants.

In practice, in recent years, the Panel has not consistently been meeting on a quarterly basis due to the number of claims received.

**Generic question:**

**“Q5. Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.”**

The remaining cases are the most difficult and time-consuming to resolve, however changes in the nature of and way information can be accessed in recent years have made previously unviable cases soluble. Continuation of the Schemes provides an opportunity for these cases to be resolved.

A number of responses highlighted the possibility that potential claimants remain unaware of the existence of the Schemes, and that some kind of communication or awareness campaign should be mounted to ensure eligible claimants are able to access the Schemes.

Some responses also highlighted the risks to sustainability of the Schemes should demand reduce further and individuals involved in the Scheme are no longer able to participate.

No comments were provided on the layout of the consultation.

# Government response to the consultation

Based on the responses received, the Government's response to the consultation is as follows:

- The Government recognises that there is still a clear case for retention of the Schemes, as eligible claimants continue to come forward and successfully claim compensation, and that the Schemes have provided an effective route for individuals to seek compensation since their inception.
- There is an argument for changes to the timing and frequency of Panel meetings to reflect the current state of demand of claims, balancing this consideration appropriately against the need to maintain an effective, timely system for compensation of eligible claimants. Annual meetings would not satisfy the latter condition and are therefore not appropriate at this time.

These arguments support adoption of a change to timing to biannual meetings, consistent with option two.

**Therefore, BIS will implement option two and make changes to Panel meeting timing to biannual meetings.**

In addition, further conclusions that can be drawn from the responses are:

- No argument has been made to change or reform the terms of eligibility of the Schemes and these will not be changed in any way.
- Awareness of the Schemes may not currently be comprehensively developed to ensure eligible individuals are able to access the Scheme; the Government will therefore consider appropriate communications activity to deal with this issue in due course.
- It would be helpful to claimants and those working on their behalf to if BIS were to clearly publicise and communicate Panel meeting timings to give certainty to stakeholders.

## Next Steps

- BIS will agree biannual meeting dates with Panel members and communicate these to stakeholders.
- BIS will consider what external communication activity would increase awareness of the Schemes.



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