



Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
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COB

23 July 1986

CONFIDENTIAL

David Norgrove Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Prime Minister
There is briefing in
your folder about this.

Dear David,

DLW
23/7.

MINET HOLDINGS PLC

Minet Holdings plc is one of two major Lloyd's companies under investigation by DTI inspectors. The Prime Minister may wish to be aware that my Secretary of State will tomorrow be publishing an interim report of the investigation into Minet Holdings plc and WMD Underwriting Agencies Ltd (a connected company).

The report demonstrates how substantial sums in sterling and US and Canadian dollars derived from reinsurance business of two Lloyd's syndicates were diverted to Unimar Panama, a Panama company beneficially owned by Mr John Nash (a non-executive director of S G Warburg & Co Ltd) and his family. The payments were made under arrangements between Mr Nash, Mr Peter Cameron-Webb, former chairman of PCW Underwriting Agencies Ltd (a Minet subsidiary now called Richard Beckett Underwriting Agencies Ltd), and Mr David d'Ambrumenil, a Lloyd's broker, then chairman of Seascope Insurance Services Ltd which is now a subsidiary of Henry Ansbacher Holdings plc. The inspectors are highly critical of these arrangements which were made without reference to Exchange Control Act requirements and Lloyd's Rules. They accuse Mr Cameron-Webb, Mr d'Ambrumenil and Mr Peter Dixon, a former Minet director, of dishonesty in relation to the use to which some of this money was put.

This affair was the subject of a private enquiry in late 1982 by Sir Peter Green, then chairman of Lloyd's, followed in 1983 by another Lloyd's enquiry conducted by Mr Simon Tuckey, QC. The

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inspectors criticise Sir Peter's findings and handling of the matter but firmly reject any suggestion of a "cover up" by Sir Peter which has been the principal allegation by critics of his enquiry who include Mr Brian Sedgemoor MP.

The most likely question that publication will raise is whether there will be a prosecution. This is a matter for the Director of Public Prosecutions who has been given a copy of the report. We understand, however, that the Director has concluded that the prospects of a successful prosecution resulting from further investigation by the police of what is, in fact, a subsidiary matter are not such as to justify diversion from the effort now being made to bring the main Minet investigation to a satisfactory conclusion.

Publication may also raise questions about Lloyd's competence and willingness to regulate itself and its proposed exemption under the Financial Services Bill. As you know, the Neill Committee is looking into this aspect. The committee have a copy of the report.

Copies of this letter go to Tony Kuczys (Treasury), Henry Steel (Law Officers Department), and John Footman (Bank of England).

*Yours ever,
Michael*

MICHAEL GILBERTSON
Private Secretary

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