

Witness Name: Susan Daniels

Statement No.: WITN3598001

Exhibits: WITN3598002

Dated: January 2021

## INFECTED BLOOD INQUIRY

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### WRITTEN STATEMENT OF SUSAN DANIELS

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I provide this statement in response to a request under Rule 9 of the Inquiry Rules 2006 dated 15 October 2020.

I, Susan Daniels, will say as follows: -

#### Section 1: Introduction

1. Susan Daniels, [GRO-C] [GRO-C] 1962. FPC, CMAP, Equity Release Specialist.
2. John Lamb Group from 1984, I joined the John Lamb Group, a London financial services company involved in all aspects of financial planning. I left in 1992 and set up my own business, as an Independent Financial Adviser ("IFA").
3. In 1990 I was contacted by Tudur Williams of the MacFarlane/Eileen Trusts ("MFT"/"ET") explaining the problems of the registrants in obtaining mortgages and life assurance. I was able to, over a period of 6 months, set up a scheme with the Nationwide Building Society to enable registrants to obtain mortgages. This was the start of my work with the MacFarlane Trust, acting as an IFA.

During the next few years, I attended numerous meetings with the Administrators and Trustees of the MacFarlane Trust as an IFA. In the mid 1990s I became a "Case Worker" with a specific responsibility to help registrants who had debt problems. Whilst I was working for the MacFarlane Trust I was the Case Worker with the Eileen Trust. In the mid 1990s I resigned from the MacFarlane Trust and I was paid a retainer by the Eileen Trust to act as Case Worker until I became employed in 2007. I had no association with the Caxton Foundation or the Skipton Fund.

4. There are none.
5. I appeared as an Expert Witness in the High Court (Queens Bench Division) and I enclose a copy of my report dated 23/4/2001 (**WITN3598002**).

## **Section 2: Nature of your role**

6. Referring to Ann Hithersay's letter of September 1998 (**MACF0000005\_187**), my duties are clearly outlined as that of an IFA on financial matters to the registrants but always via the MacFarlane Trust (please see paragraph 2 of that letter). Before that it was an informal arrangement.
7. It was difficult for them to obtain loans, mortgages and financial products due to their HIV status and the fact that many of the registrants were unable to work and were in receipt of benefits.
8. I was able to set up a Mortgage arrangement with Nationwide Building Society, a well respected building society. Life assurance was unavailable to the registrants and that fact did not change over time.
9. My duties as an IFA were the same to the MFT and ET and the registrants, that is to provide independent financial advice of good quality to the registrants.

10. The letter from Ms Cohen dated 26th October is somewhat confusing in content as I had been working for the Trust for more than 10 years, perfectly amicably, until Ms Cohen joined the organisation. She explains in her letter that "she was new in post" and appeared confused by what had been a perfectly reasonable working arrangement. At this late stage I have no recollection, and cannot locate a reply to her letter of 26th October, 2004.

To my memory, Ann Hithersay left in about 2005 when Martin Harvey was in post as Chief Executive. The draft letter was the terms on which I operated for the early part of my work with MacFarlane Trust.

11. An introduction to the objectives by Tudur Williams when I first started to work with MFT/ET.

12. As cases came up on an irregular basis it would be near impossible to answer this question. Time would vary with the case load in any particular month or year.

13. See paragraph 12.

14. Frequently. I always did my best to help.

15. Case reports to both the Macfarlane Trust and the Eileen Trust. I have no knowledge of other consultants arrangements.

16. To report on cases. I attended the meetings to report on the cases. I did not make decisions. I solely made recommendations.

17. Cases were always referred to me by MFT/ET. Once it became known to the registrants that I worked for Macfarlane/Eileen Trust on financial matters, naturally a number of people approached me directly. I carried out no work without the approval of the trust(s). The terminology in the Minutes is that of whoever wrote the Minutes. The registrants and the Trusts always had the option to use other IFAs, if they choose.

18. The MFT/ET had its own rules about support. If a beneficiary was referred to me they had the option to accept or not accept, as they choose. There were no specific conditions for obtaining financial support, it was always a matter of approval for MFT/ET.
19. I have already confirmed that prior approval from MFT was needed. I have no idea if the Trust(s) always gave approval or on what basis they would refuse it.
20. In most cases the requirement was for a mortgage, in which case they would have had full documentation from myself and the mortgage company. The registrants made no payments to me, as any fee was agreed by the MFT/ET. The email dated 20 January 2006 (**EILN0000046\_049**) refers to a time when I was employed as a Case Worker by the Eileen Trust and was asked to contact the registrants by the Trustees.
21. The two documents referred to span a period of 2 years, it was during that time I transferred from being an independent contractor (see **EILN0000003\_159**) to an employee of the Eileen Trust, specifically in the role of Case Worker, whilst retaining my role as an IFA separately.
22. Yes. The paper was submitted and I continued on an informal basis.
23. All categories of beneficiaries at the MFT/ET.
24. Because I received no support from The Chief Executive. This is now some 14 years ago and it is difficult to recall the precise situation, but Martin Harvey and myself had different management styles and this became a problem. I did my utmost to ensure that the services I provided to the registrants were the same as always. It is too long ago to remember exactly when I resigned but I agree it was in 2006.
25. I continued to work for the ET for a number of years. Doing occasional work for the MFT as requested. I was paid against an invoice for work done.

26. I took on the honorary role, because the Chief Executive/Secretary of the ET no longer wished to carry it out. I do not recall it affecting my other role, in any way.
27. This was a report on the unhappiness of the registrant, at what seemed to him, to be unreasonable behaviour by the MFT. I saw it as my duty to report this to the Trust, as fairly as possible. This was a specific case where I thought it was important to report to the Trust that the registrant was unhappy with the decision he received. Bearing in mind the financial constraints of MFT/ET I think they tried to do the best they could for the beneficiary community.
28. As above I reported to the Trust, where the registrant was unhappy. It was not part of my remit to advise the Trust on working practices.

### **Section 3: Advice on payments, grants and eligibility criteria**

29. I had no influence on regular payments for the MFT/ET, which were approved by the Trustees. The Winter Fuel payment was a suggestion made on the basis of visits/conversations made to the registrants.
- 30.
- a. In essence, the registrant had died leaving them widowed, they had often only had very low level jobs with poor pay and had often been unable to work for many years, thus they could be reasonably described as deprived families. The two reports that you mention in your question give very complete details on this question.
  - b. Please see the above documents.
  - c. The Trustees response was that there was insufficient funds to compensate widows in any significant way.
  - d. It was not my position to consider the responses of the trustees.
  - e. I refer to my report where I suggested that the Trustees should seek to have more contact with the registrants
  - f. Please see the two reports mentioned in this question.
31. I did not advise the MFT/ET on funding bids for the DoH.

32. This was a matter for the Trustees.
33. My role was advisory and based on individual cases. I had no authority to approve the grants recommended.
34. My memory is I attended few of the meetings of the National Support Services Committee ("NSSC"). I was not consulted on eligibility criteria or payment levels.
35. Matters would be judged on an individual case basis. The NSSC would approve or not approve the loan.
36. I had no role, I simply made recommendations. In this instance I reported on a weekend meeting of registrants held in Glasgow. I am unable to exactly remember the MFT/ET response.
37. They considered my recommendations as Trustees and made a decision.
38. I reported on a case by case basis as perceived necessary. It was then a matter for the MFT/ET Trustees to make a decision. In the main these recommendations were accepted.
39. It was an uncommon request, any conditions regarding the period of time would have been agreed by the Trustees. I was not aware that there were other typical conditions.
40. There were a number of such payments, usually where people had been unaware of the Trusts existence or were not aware of their diagnosis for many years. The Trustees would look at each case individually. I would assess the case and give my recommendations to the Trustees who would make the decision.

41. The correspondence quoted in your question is a typical example of "an exceptional circumstance". It would normally be a case of extreme difficulty and urgency.
42. Only in extreme circumstances, where it was causing financial hardship. The comment that you quote was made to me by a registrant and is in quotation marks to illustrate the point. I felt sometimes that the Trust was not always giving the best service to some of its registrants. I resigned from the MFT in 2006 and it is impossible at this distance of time to remember exact details.
43. At this time I was working only for the ET. Most registrants faced financial hardship on an ongoing basis. The ET trustees generally did their best within the ET budget.
44. A "bad debt case" would have been a registrant with large outstanding debts to various loan and credit card companies. There was no debt to the ET, as such. This was a comment, not a specific category. Often increased help was given, authorised by the Trustees.
45. It was not in my remit. I was simply pointing to the increase of everyday items.
46. From my memory of 13 years ago, this was a very sad case, which was not picked up in time to avert disaster, whether this was an administrative issue, I do not know. He only presented to me at the time I dealt with his case. As previously stated, some potential registrants did not know of the two Trusts' existence.
- a. Clearly my comments implied that the ET could probably have done a better job in publicising their services to some registrants
  - b. See above
  - c. Obviously the reports that you have cited
  - d. The Trustees made me a Case Worker on the Eileen Trust with the specific remit to establish contact with as many registrants as possible.
47. When I became the Case Worker for ET I scheduled visits to all registrants on a regular basis.

48. I worked for the Trust at their direction and reported to them on cases that I was asked to review, therefore I felt it reasonable to provide information to my "Principal" on the reviews I had conducted. The registrants were fully aware that the purpose of my visit was to provide a report to the Trustees.
49. Yes, at all times. Consent was obtained. Clearly they were asking for financial assistance from the Trusts, they expected to provide personal information and that it would go to the Trustees for consideration.
50. This was in the early days of my working for the Eileen Trust and I was in the process of gathering information in order to carry out an effective role, as Case Worker. Reasonable information was made available to me. By this time I was no longer involved with MFT.
51. They provided the information willingly and recognised it would give the Trusts a good understanding of their situation.

#### **Section 4: Secured loans on beneficiary property**

52. As far as I remember, MFT granted a number of loans against property, starting in around 2002. I was only involved in specific cases where it was deemed necessary.
53. The Trust would only enter into this type of arrangement where the registrant had significant financial difficulties and could find no other financing mechanism. The system would usually be a part ownership on a percentage basis between the MET/ET. It was a simple equity share financed by the Trust.
54. According to the letter (**MACF0000223\_017**) it was clearly recommended that the registrant take "independent legal advice before completing any documents". In paragraph 7 of that same letter, it was clearly stated that signing the agreement letter "does not bind you to anything". The statement continued that the registrant would only be bound after signing legal documents. You request



information about a protocol, as can be seen from your bundle (EILN0000011\_055) a considerable amount of investigation was carried out and correspondence exchanged between Susan Daniels and the Trust before any agreement was considered.

55. The registrants had a clear understanding of their position explained by the Trust(s) and Susan Daniels, where I was involved. They would further have had independent legal advice, otherwise the arrangement would not have proceeded. At this late stage, I have no recollection of how the Trust paid for legal advice, however I am aware that the Trust often paid for legal advice for registrants. There was no impact on their liquidity or credit rating.
56. The matter of the choice of how the loan was secured was entirely the decision of the Trustees.
57. The loan system, originated by MFT/ET was only used in extreme cases, usually it was the only way of keeping the registrant in their home. Decisions of this nature were entirely those of the Trustees but questions of fairness to all registrants were discussed on several occasions. This issue was raised by a number of registrants.
58. A poor credit rating means that the registrant would have been unable to obtain a conventional mortgage. In all cases that I recall, there was positive equity in the property. The Trust attempted to keep the registrant(s) in their home.
59. Equity sharing arrangements were exceptional and only used in unusual circumstances, where there was no other option.
60. It was a step to be considered before taking a charge on a registrant's property. It was a cost effective solution and did not result in a poor credit rating for the registrant. There were no other types of credit which would have been available at a reasonable cost.
61. To the best of my knowledge no registrant ever refused a secured loan proposal.

Loans were granted, exclusively at the discretion of the Trustees, in exceptional circumstances without taking security. For example, if someone was going to lose their home or had no other means of raising finance. In some cases, where mortgages were reasonable, help was given to make the mortgage payments. I have no knowledge of any difference between MFT and ET.

62. The documents you refer to are strong advice and are conditional. The objective is to avoid registrant's getting into further debt and risking the loss of their home. Some registrant's were particularly prone to overspending on credit cards and other credit arrangements. Clearly in any form of equity the Trust could not afford to benefit one registrant above the other, by making continuous loans.

63. The objective of the IFA was, in many cases, to find a way to enable registrants to retain their home or deal with excessive debt. In all cases of Equity Share loans, the registrant was always advised to obtain independent legal advice. No loan would proceed without them taking such advice.

a. Clearly the secured loan process benefitted the Registrant, in that they retained their home. The Trust had a clear responsibility to ensure that it had funds for the future. Any decision on the type of loan to be given would have been decided by the Trustees.

b. The document you refer to (**MACF000011\_055**), was an internal communication between Susan Daniels and the Trust. It was reasonable for the financial adviser to point out the ramifications of loans in financial terms to the Trust

64. I am not aware of any circumstances in which MFT/ET pursued recovery on a secured loan against the family or after death.

#### **Section 5: Managing wider potential conflicts of interest**

65. As both an IFA and a Case Worker/adviser it was always my intention to provide the best solution for the registrant.

66. I was aware that this matter had been discussed by the Trustees but I saw no difficulty in the dual role. The Case Worker role was largely pastoral (and

required no financial qualifications) whereas my activities as a qualified IFA were of a financial nature. The dual role provided me with no difficulties.

### **Section 6: Working relationship with MFT/ET and lenders**

67. I had a good working relationship with Peter Stevens and Ann Hithersay, with both of whom I am still in touch. I found Martin Harvey less cooperative. I had been involved with both MFT and ET for many years and knew the registrants personally. Martin Harvey came from a different background and took some time to understand the needs of the registrants.

68. The proposal that you suggest (**MACF000001\_07**) was presented after the Head of Support Services left the MFT (Jude Cohen), you will note from the proposal that very little work was allocated to Susan Daniels, during J. Cohen's tenure. This led to a backlog in communications as Susan Daniels had been the major contact for most registrants.

69. The only one of the three you quote that provided mortgages was Nationwide, I obtained a small commission on each mortgage, which was known to the MFT/ET and the registrants. The arrangements with RBS, Lloyds and TSB were largely to have credit cards written off, for which I received no payment.

### **Section 7: Benefits and Department of Work and Pensions ("DWP")**

70. No it was not part of my role to provide updates on the benefits system.

71. See 70. I was never responsible for providing benefits updates. There were two benefit advisers.

72. I am aware that discussions took place between the DWP and the MFT/ET with regard to benefits but I was not involved.

73. I never attended any meetings between DWP/MFT/ET staff.

74. As the above answers, I was not involved with benefits or DWP.

### **Section 8: Other**

75. HIV was a dreadful disease with a social element, unsurprisingly a number of people wished to keep the information private. I would say it was very common for people to not wish to declare their infection with HIV.

76. If a financial institution wanted a reason bearing on the situation that required me to declare HIV status, I would only do it with the express permission of the registrant.

77. The Trust was careful with funds throughout the year as they were unaware what DoH funds they would get in the subsequent year.

78. I believe a meeting took place, I cannot remember any details. The Archer Enquiry seemed to have no effect on the MFT/ET.

79. I was occasionally contacted by the Haemophilia Society (HS) on specific cases, mostly life assurance. I was not aware of any specific difficulties between the HS and the MFT/ET.

80. The registrants would have preferred to receive a lump sum or living allocation rather than the small amounts, for which they had to apply, from the MFT/ET (see comments below).

81.

- a. As in 1981, the registrants would probably have been better served by a lump sum compensation payment (as in Ireland and other places) without the necessity to constantly apply for funds, often on a trivial basis.

- b. Dealing with the registrants, in their extreme difficulties, was obviously an emotional event. In all cases, I saw my duty as doing my best for the registrants.
- c. I was always aware that MFT/ET did not have the finances that were needed to deal with the overall situation.
- d. I am still in contact with a large number of the registrants. It was the most rewarding job that I ever had.

**Statement of Truth**

I believe that the facts stated in this witness statement are true.

Signed GRO-C

Dated 1/2/2021

Date	Notes/ Description	Exhibit number
23/4/2001	Expert Witness report in the High Court (Queens Bench Division)	WITN3598002