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**From:** Paula Vennells; [REDACTED] GRO  
**Sent:** Thur 15/01/2015 5:21:30 PM (UTC)  
**To:** Mark R Davies; [REDACTED] GRO; Alisdair Cameron; [REDACTED] GRO  
**Cc:** Gavin Lambert; [REDACTED] GRO; Alwen Lyons; [REDACTED] GRO  
**Subject:** Re: Sparrow - An idea at pace!

Mark, I'm really sorry but my brain isn't working properly - [REDACTED] GRO  
[REDACTED] GRO

So my powers of analysis are underpowered at present! Could you bounce off Al, Alwen, Gavin - you'll get a better quality input.

Let me know where you get to.  
Thanks, Paula

Sent from my iPhone

> On 15 Jan 2015, at 15:19, Mark R Davies; [REDACTED] GRO wrote:  
>  
> Hi Paula  
>  
> Al's comments sparked an idea which I think we should get worked up (Patrick had a similar thought and contributes the key element below).  
>  
> Essentially we have a position where no-one is happy with the Mediation Scheme. MPs have withdrawn support. The JFSA did not contribute yday and is meeting on Sunday to consider its position.  
>  
> Our people is that if we close the scheme down we will be accused of bad faith either way. But what if at the same time we offered applicants a payment - say £5,000 - only to be used to mount a case in the courts.  
>  
> The narrative would be a strong one: we have all faith in our system but as a responsible business, having taken a lot of very reasonable steps which have not satisfied anyone, we are now prepared to offer applicants funding to take legal advice.  
>  
> We could give them an option if this is not what they want - to continue with the investigation process with mediation if appropriate.  
>  
> We could in this scenario remove Second Sight but suggest they are used by applicants to prepare their case.  
>  
> If 100 applicants opted for this it would cost £0.5m. The scheme as it stands will cost at least a further £3m.  
>  
> Clearly this needs to be worked up properly - but I do think it is worth considering, including legal risk, quickly.  
>  
> If you are content I will ask the team to do so.  
>  
> Mark  
>  
>  
> Mark Davies  
> Communications and Corporate Affairs Director  
> Mobile: [REDACTED] GRO  
>  
> Sent from my iPhone