



LOCKED-UP INVESTMENT HOLDERS FORUM

"Working to protect our investments"

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25th March 2024

PRESS STATEMENT

1. Locked-up Investment Holders Forum is a forum set up for the protection of investments of persons who have funds invested with Finance Houses and Savings & Loans Companies (FHSLs) licensed by the Bank of Ghana (BOG) and who cannot access their investments. The forum serves as the mouthpiece of the thousands of individuals and institutions who have their investments locked up in FHSLs.
2. On 2nd May 2023, we petitioned the BOG to intervene to enable us access our funds from some FHSLs licensed by the BOG and had been unable to meet the interest and principal payment demands of their customers for about three (3) years at the time. We pointed out to the BOG that according to these FHSLs, their inability to meet the demands of their customers has been due mainly to the following,
 - Lack of patronage of their services arising from the loss of confidence in the banking and financial services sector following the banking clean-up exercise.
 - Unprecedented withdrawals they experienced at the beginning of the clean-up exercise virtually creating a run on their operations.
 - The inability of their loan customers to service their loan facilities due to the general deterioration of the macro-economic environment in the country and the effects of COVID 19 on their businesses.
 - Undue delays in the judicial processes they continue to encounter from the courts that frustrate their loan recovery efforts.
 - The refusal of Receivers of the collapsed financial institutions to make payments against their validated claims.

- Their inability to receive liquidity support from the BOG, which according to the BOG, is due to the existing industry laws, which they (FHSLs) consider discriminatory.
 - The government’s inability to make payments against loans granted to government contractors against their Interim Payment Certificates.
3. We pointed out to BOG that a good number of pensioners and sick persons, who prior to the financial sector clean-up exercise, received periodic interest on their investments from these FHSLs, and used same to purchase medicines, and cover their daily livelihoods have not been able to access their investments to meet these crucial needs. We stated that it was sad to note that some of these pensioners and sick persons have died, not having access to their investments to take care of their health needs. The families of some of the deceased investors, having obtained Letters of Administration or Probate have been trying to receive the locked-up funds to finance their burials/funerals without success. We also indicated to BOG that others who invested their funds with specific goals in mind, for example, for the payment of school fees, rent, medical bill, utilities, and the acquisition of some needed assets have also not been able to access their investments to meet their goals. We pointed out that this situation discourages people from investing in the Ghanaian financial market.
 4. We indicated in our petition that when customers of some Banks, Microfinance Institutions and FHSLs faced similar challenges in 2017-2018, the BOG stepped in to settle the deposits and investments of customers of the affected institutions, and we believe that we are entitled to, and should be given the same treatment. We therefore requested BOG to take immediate steps to work to secure us our ‘locked-up’ investments with the affected FHSLs for us to be able to access our funds.
 5. We sent copies of our petition to the following institutions to seek their support and intervention for our cause.

H.E The President

The Speaker of Parliament

The Hon. Minister of Finance

The Chairman, Council of State

The President, National House of Chiefs

The Chairman, Christian Council of Ghana

The President, Catholic Bishops' Conference

The Chairman, Pentecostal & Charismatic Council

The National Chief Imam, Muslim Council

The Chairman, National Peace Council

All Press Houses

6. Very disappointing of BOG, it refused to even acknowledge our petition, let alone begin to act on it forcing us to send a reminder letter on 15th June 2023. We noted in our reminder letter that one of the key objectives of the IMF Programme is Financial Stability, and advised that the IMF and BOG should note that there cannot be stability in the Ghanaian financial market when investors' funds are locked-up in the market.
7. In our reminder letter, we made the following suggestions to the BOG for the resolution of the locked-up funds problem:
 - a) That BOG must provide liquidity support to the affected FHSs to enable them meet withdrawal demands of their customers.
 - b) That BOG must engage the Ministry of Finance and the relevant development partners to use part of the Financial Stability Fund to provide liquidity support to the affected FHSs.
8. BOG responded to our reminder letter and had a meeting with us on 26th July 2023 to discuss our concerns. At the meeting BOG assured the Forum that it was considering our petition, and preferred to deal with the issues in a more holistic manner such that, all affected customers including members of the Forum would be equitably catered for. BOG also indicated that per the law the liquidity support is administered to institutions which have not exhibited solvency challenges, however the BOG with the support of Government will do the needful to expeditiously address the situation. BOG assured us that it will provide us with information regularly to keep us abreast with progress being made.
9. On 2nd October 2023, having waited for over three (3) months after our meeting with BOG without hearing anything from the BOG as was promised, we wrote to the BOG expressing our worry about what we saw as a lack of urgency on the part of BOG to work to get us our locked-up funds.

10. On 31st October 2023, BOG responded to our letter of 2nd October 2023 and informed us that it continues to assess the relevant institutions and will update the Forum on appropriate actions. BOG further assured us that it was seriously working on the issues we have raised and will appropriately revert to the Forum on the understanding it has reached with the Ministry of Finance regarding possible funding arrangements.
11. On 16th November 2023 we submitted a proposal to BOG captioned **“Proposals to Resolve the Current Challenges Facing Distressed Finance Houses and Savings & Loans Companies to Pay their Depositors”** for the Bank’s consideration. Our proposed approach was based on our belief that one of the following will be adopted for the resolution of the challenges of the distressed FHSLs.
- i. Provision of liquidity support to the distressed FHSLs and restructuring them.
 - ii. Revoking the licenses of the distressed FHSLs and paying investors their deposits.

We provided detailed suggestions for the implementation of the two (2) proposed approaches.

12. Very disappointing once again of BOG, after three (3) months of the submission of our proposal, it had not even acknowledged receipt of the proposals, let alone begin to act on it forcing us to send a reminder letter on 16th February 2024, which had also, as at now not been acknowledged.
13. We have come to realise sadly that BOG is not showing any concern about what is happening to investors in the distressed FHSLs. We note with regret that BOG has neglected its regulatory responsibilities owed to investors in these affected FHSLs, allowing us to suffer undue financial hardships, with some of our members, especially pensioners and the sick ones dying as a result of not having access to their investments to take care of their health needs. We are gradually losing confidence in the BOG as an institution capable of regulating the FHSLs sector of the financial market and protecting investors in the sector. The behaviour of BOG suggests to us that BOG does not realize that we cannot have a financial market in the country if there are no investors in the country.

15. We have always maintained that we shall do all things legitimate to ensure that BOG works to get us back our 'locked-up' investments. Since BOG has refused to act to get us back our 'locked-up' investments, we are going to embark on public protests to further press home our demand.
16. The public protests will begin on Wednesday, 27th March 2024 and be held every two (2) weeks up to the end of November 2024. We will always march to the BOG to meet the Governor and demand that he takes immediate steps to work on the proposals we have submitted to the BOG. We will also march to the Ministry of Finance to meet the Minister and demand that he advises and ensures that BOG takes immediate steps to work on the proposals.
17. We count on the support of the press to get the public informed of our planned protests, cover the protests, and give the protests wide publicity.

Thank you.

SIGNED

DR. ADU A. ANTWI, FCA, ESQ.

CONVENER

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