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and

ALL Scheme Limited

By Email

8 April 2022

Dear Gary

Amigo Loans Limited (the "Firm") – Proposed Schemes of Arrangement pursuant to Part 26 of the Companies Act 2006 proposed by ALL Scheme Ltd ("SchemeCo") (the "Schemes")

1. We refer to SchemeCo's application to the High Court of Justice of England and Wales for an order sanctioning the Schemes.
2. I am writing to confirm to the Firm the FCA's position in respect of the Schemes.

FCA's attendance at the sanction hearings

3. The FCA has assessed the Schemes by reference to the FCA's statutory objectives and has concluded, in light of its assessment of the Schemes, that it does not consider it necessary to appear at the sanction hearings either to oppose the Schemes or to present any evidence of its own concerning the Schemes.
4. The FCA has continued to engage with the Firm regarding the Schemes and notes that there has been a significant improvement in the fairness of the Schemes compared with Amigo's first scheme considered by the court on 19 May 2021, which the FCA had argued and the court had accepted to be unfair.
5. Partly as a result of these subsequent improvements, the FCA believes from the information it has been provided that the Schemes taken as a whole appear to be appropriate in the circumstances and we are conscious that in an insolvency process redress creditors would likely receive less.

Further comments of the court at the convening hearing

6. We refer to the comments of Lord Justice Snowden at the convening hearing that the assistance which can be offered by the FCA to the Court at hearings in relation to financial services schemes of this type is to be welcomed and encouraged.
7. The FCA welcomes the comments of Lord Justice Snowden and after careful consideration has decided that it does not intend to appear in Court at the sanction hearing unless the court requests or otherwise requires assistance from it. On this occasion, on balance, appearing at court does not further the FCA's objectives or represent the most efficient use of the FCA's resources.
8. The FCA nonetheless expects that, as a regulated entity, the Firm will keep the FCA informed of all relevant matters relating to the progress of the Schemes, including the relevant details of

any subsequent court hearings. We also expect to be kept apprised of any material and/or potential developments in relation to the Schemes or their terms, any objections raised by consumers, and any modifications or changes the Firm proposes to make as a result.

The FCA's engagement

9. The FCA engaged with the Firm from November 2020 in relation to SchemeCo's previous scheme. It has continued to engage with the Firm in connection with the Schemes in order to set out the FCA's expectations and to assess the Schemes given the key concerns set out by the FCA and the Court in relation to SchemeCo's previous scheme.
10. In summary, this has included:
 - (a) engagement with the Firm following the judgment of Miles J on the first Amigo scheme;
 - (b) engagement between the FCA and the Firm following the conclusion of the process of negotiation between the customers' committee and the Firm on the options presented and some FCA engagement with the chairman of the Committee, Jamie Drummond Smith;
 - (c) engagement with the Firm on the terms of the Schemes, having provided details of the deficiencies and missing analysis identified by the FCA on 30 December 2021, 28 January 2022 and 24 February 2022, which, when taken as a whole, do not lead the FCA to decide to oppose the Schemes or present any evidence of its own concerning the Schemes.
11. The FCA will continue to engage closely with the Firm taking into account the outcome of the sanction hearings.

Reservation of Rights

12. Notwithstanding the above, the FCA reserves its position in respect of the Schemes and its right to intervene, including to engage with the Court process or to take regulatory action against the Firm at any point, if the FCA considers that facts or circumstances have sufficiently changed.

Yours sincerely

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