

**ALL Scheme Ltd**

**Scheme Supervisors'  
progress report for the period  
26 May 2022 to 31 August 2022**

September 2022

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# Abbreviations and definitions

The following table shows the abbreviations and terms that may be used in this report.

Abbreviation or definition	Meaning
<b>Administration</b>	Administration is an insolvency process by which a company is placed under the control of an insolvency practitioner to enable the insolvency practitioner to achieve objectives laid down by statute.
<b>ALL</b>	Amigo Loans Ltd.
<b>AMSL</b>	Amigo Management Services Ltd.
<b>Ascertained Scheme Claim</b>	A Redress Liability (including amounts due to the FOS) which will be due to receive a Scheme Payment following the application of the Scheme Payment Percentage.
<b>Effective Date</b>	26 May 2022 being the date on which the Order sanctioning the Scheme was delivered to the Registrar of Companies in England and Wales for registration.
<b>FCA</b>	The Financial Conduct Authority, ALL's regulator.
<b>First Funding Payment</b>	A payment of £60 million.
<b>FOS</b>	The Financial Ombudsman Service.
<b>Holdings PLC</b>	Amigo Holdings PLC.
<b>Joint Scheme Supervisors</b>	Dan Schwarzmann and Nigel Rackham.
<b>Loan</b>	A loan made by ALL to any person (whether resident in the United Kingdom or elsewhere) after 28 January 2005 and before 21 December 2020, which was administered by ALL or AMSL.
<b>Preferred Solution</b>	The method of implementing the Scheme which is the primary objective of the Scheme. It envisages ALL starting to lend again and raise new money. ALL believes the Preferred Solution will provide more compensation than the alternative outcomes.
<b>Redress Liability</b>	An amount owed by SchemeCo to a person whether resident in the United Kingdom or elsewhere (including borrowers, former borrowers, guarantors and former guarantors), arising out of or in relation to the provision or administration of a Loan, but excluding: (a) any amounts owed between any of ALL, AMSL, Holdings PLC and/or SchemeCo; and (b) certain excluded liabilities.
<b>Scheme</b>	The scheme of arrangement, made in accordance with Part 26 of the Companies Act 2006.
<b>SchemeCo</b>	ALL Scheme Ltd.
<b>Scheme Fund</b>	The balance from time to time which stands to the credit of the Trust Account held on trust by SchemeCo.
<b>Scheme Creditor</b>	A person who is or claims to be a creditor (this means somebody that is owed compensation) of SchemeCo in respect of a Scheme Liability.
<b>Scheme Liability</b>	A Redress Liability or an amount due to the FOS in respect of outstanding fees.
<b>Scheme Payment</b>	An Initial Scheme Payment or an Additional Scheme Payment made in accordance with the Scheme.
<b>Scheme Payment Percentage</b>	The percentage of each Ascertained Scheme Claim payable by SchemeCo.

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<b>Second Funding Payment</b>	A payment of £37million.
<b>Trust Account</b>	The account in the name of SchemeCo the balance of which is held on trust by SchemeCo for the Scheme Creditors.

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## Key messages

This is our first report as Scheme Supervisors since the Scheme was approved by the High Court on 23 May 2022. We are writing to update you on the progress of the Scheme for the period since the Effective Date, 26 May 2022, to 31 August 2022 (the "Period").

### What you need to do

If you have not already done so, you can submit a claim into the Scheme if:

- You were a borrower and the Loan(s) was not affordable to you;
- You were a guarantor who made payments towards a Loan(s), or are still liable for a Loan(s), that was not affordable either for you or the borrower; or
- If you have any other claim in relation to a Loan(s).

**All claims need to be submitted by the deadline of 26 November 2022.** If you miss this deadline, you will **not** be able to submit a claim in the Scheme (even where you did not think you had a claim before the deadline had passed). Importantly, if you miss the deadline, you also will not be able to benefit from any future balance reduction in a loan(s) in respect of a claim you could have submitted in the Scheme.

If you are a past or present customer of ALL who thinks they have a claim, you can submit your details online via the Amigo Scheme website: [www.amigoscheme.co.uk](http://www.amigoscheme.co.uk)

Otherwise this report is for your information and you do not need to do anything.

This report has been prepared by Dan Schwarzmann and Nigel Rackham as Scheme Supervisors of the ALL Scheme, solely to provide an update on the progress of the Scheme to Scheme Creditors, and for no other purpose. It is not suitable to be relied upon by Scheme Creditors, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in Holdings PLC, ALL or SchemeCo.

Any person choosing to rely on this report for any purpose or in any context other than for assessing the progress of the Scheme does so at their own risk. To the fullest extent permitted by law, the Scheme Supervisors do not assume any liability in respect of this report to any person.

Dan Schwarzmann and Nigel Rackham have been appointed as Scheme Supervisors and act as agents of SchemeCo without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Scheme Supervisors are bound by the Insolvency Code of Ethics which can be found at: [www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics](http://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics)

## Overview of progress to date

As Scheme Supervisors we are required to act in good faith with reasonable skill and care in the interests of the Scheme Creditors as a whole and exercise our powers and functions under the Scheme with a view to ensuring that the Scheme is implemented in accordance with its terms.

Following the Effective Date we have continued to meet with ALL's and SchemeCo's representatives to discuss and assess the activities that have been undertaken in respect of the Scheme. We provide updates on the key developments below.

## First Funding Payment

A Trust Account was set up to hold money on trust for the benefit of Scheme Creditors (the Scheme Fund). Unless ALL enters administration, this money will **only** be used to pay Ascertained Scheme Claims (these are claims submitted by Scheme Creditors that have been assessed as being valid in accordance with the Scheme claims methodology).

On 1 June 2022 the First Funding Payment of £60m was paid by ALL into the Scheme Fund. Following the First Funding Payment, all Scheme Liabilities have been released and discharged against SchemeCo, ALL, AMSL or Holdings PLC, except as against SchemeCo to the extent that they become Ascertained Scheme Claims in accordance with the terms of the Scheme. 'Release' refers to a company being released from a legal obligation. This means that the Amigo companies (SchemeCo, ALL, AMSL and Holdings PLC) are released from claims by Scheme Creditors in return for the compensation provided under the Scheme and the companies will no longer be legally required to pay: (a) compensation to any person in relation to making or administering a Loan; and (b) FOS fees. Instead, SchemeCo will be required to make Scheme Payments in respect of Ascertained Scheme Claims in accordance with the terms of the Scheme.

The Second Funding Payment, £37 million, is due for payment by ALL into the Scheme Fund no later than 9 months after the Effective Date i.e. before 26 February 2023.

## Notice of the Scheme Effective Date

During the Period SchemeCo has given notice of the Scheme Effective Date (including an invitation to Scheme Creditors to consult Amigo's Scheme website ([www.amigoscheme.co.uk](http://www.amigoscheme.co.uk)) and, if appropriate, to submit details of their claim there) in the following ways:

- by email and / or SMS to each person who SchemeCo believed may be a Scheme Creditor and for whom SchemeCo has an email address and / or mobile phone number;
- by notice on the Amigo website ([www.amigoscheme.co.uk](http://www.amigoscheme.co.uk));
- by advertisement in the Daily Mirror and the Daily Mail (including the Northern Irish and Scottish equivalents); and
- Posting on SchemeCo's social media.

## Claims submissions

Customers have started to submit their claims via the Amigo Scheme website and the volumes of claims received in the Period are within SchemeCo's expectations.

During the Period an experienced third party claims handling firm has been onboarded and started to review the claims that have been received, assessing these in accordance with the Scheme methodology. The Scheme Adjudicator has also been onboarded and is ready to start receiving referrals.

## New Business Conditions

ALL believes that the Preferred Solution will provide the best outcome for Scheme Creditors. For the Scheme's Preferred Solution to be implemented there are two conditions which must be met. These are as follows:

- (a) Within 9 months of the Effective Date (26 May 2022) ALL starts lending again; and
- (b) Within 12 months of the Effective Date (26 May 2022), Holdings PLC will issue at least 19 ordinary shares for every ordinary share in issue ("Share Issue").

If these conditions are not met the Scheme will revert to the "fallback" solution which is an orderly wind-down of the ALL business and which is expected to provide a reduced level of compensation for Scheme Creditors. We provide an update on progress against each of these conditions below.

## New lending

ALL will only start relending if the FCA agrees. ALL continues to discuss this with the FCA and believes that it can run a responsible and compliant lending business. Scheme Creditors should be aware that if the FCA does not agree that ALL can restart lending it will mean that ALL will not succeed in implementing the Preferred Solution.

Engagement with the FCA continues to be positive with ALL's new platform, processes and procedures being assessed to satisfy the FCA that all conditions are being met to enable a return to lending. ALL has made significant progress in preparing to return to lend. It is expected that ALL will initiate lending with a limited pilot, building to a maximum of £35m of net originations until the Share Issue has been completed. This initial £35m of planned new lending will be funded by existing resources within ALL.

## Share issue

Holdings PLC expects that the proposed Share Issue will require shareholder approval and that the proceeds will be used to fund both the minimum £15m Scheme contribution into the Trust Account and to support ALL's future lending. While the quantum is yet to be determined, Holdings PLC is currently working with advisers to determine the overall structure of the Share Issue in a way that seeks to ensure the success of the Share Issue for the purposes of, and in the timeframe required under, the Scheme

## FCA investigation

The FCA investigation, initiated in 2020 and extended in 2021, into ALL's creditworthiness assessment and complaints handling respectively, is ongoing. ALL recognises the importance of a resolution to the investigation prior to the Share Issue and is working towards obtaining this as soon as possible.

## Next steps

We would further remind potential Scheme Creditors that **all claims need to be submitted by the deadline of 26 November 2022**. We expect to issue our next report as Scheme Supervisors after the deadline for the submission of claims has passed in December 2022.

Yours faithfully

A handwritten signature in black ink, appearing to be 'ALL', with a horizontal line underneath it.

Joint Scheme Supervisors