

**ALL Scheme Ltd**

**Scheme Supervisors’  
progress report for the period  
1 December 2022 to 31 March 2023**

May 2023



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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>ALL</b>	Amigo Loans Ltd.
<b>AMSL</b>	Amigo Management Services Ltd.
<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>Fallback Solution</b>	The method of implementing this Scheme which is the secondary and alternate objective of the Scheme. In this situation ALL stops lending and is placed into an orderly wind-down, with the result that all surplus assets at the end of the wind-down are available for Scheme Creditors.
<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>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>Period</b>	1 December 2022 to 31 March 2023.
<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 raising 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, and excluding: (a) any amounts owed between any of ALL, AMSL, Holdings PLC and/or SchemeCo; and (b) certain excluded liabilities.
<b>Scheme</b>	The ALL scheme of arrangement, made in accordance with Part 26 of the Companies Act 2006.
<b>SchemeCo</b>	ALL Scheme Ltd.
<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 Fund</b>	The balance from time to time which stands to the credit of the Trust Account.
<b>Second Funding Payment</b>	A payment of £37 million.
<b>Scheme Liability</b>	A Redress Liability or an amount due to FOS in respect of outstanding fees.

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**Trust Account**

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 third 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 during the Period. This third report covers a four month period given the material events which have taken place recently regarding the Scheme.

### What you need to do

The deadline of 26 November 2022 for submitting claims has now passed and it is no longer possible to submit claims in the Scheme.

If you have submitted a claim into the Scheme you will be sent a notification via the ALL Scheme website: [www.amigoscheme.co.uk](http://www.amigoscheme.co.uk) when the assessment of the claim has been completed.

This report is for your information only and has been prepared by Dan Schwarzmann and Nigel Rackham as Joint 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. This report 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 or tax decision in relation to any debt of, or any financial investment in, Holdings PLC, ALL, AMSL 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 Joint 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 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.

During the Period 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.

### Funding payments

It was previously reported that a Trust Account was set up to hold money on trust for the benefit of Scheme Creditors and that the First Funding Payment of £60m was paid by ALL into the Scheme Fund.

The Second Funding Payment, £37 million, was paid by ALL into the Scheme Fund on 21 February 2023.

## **New business conditions**

The Preferred Solution was conditional on the completion by Holdings PLC of a capital raise whereby Holdings PLC issued at least 19 ordinary shares for every ordinary share in issue ("Share Issue") by 26 May 2023. This Share Issue would contribute a minimum £15m payment to the Scheme Fund.

Unfortunately, Holdings PLC has not received sufficient indications of interest from potential investors to cover the investment and Share Issue required by the business. Therefore, as a result on 23 March 2023, ALL announced that it had taken the decision to switch the Scheme from the Preferred Solution to the Fallback Solution outlined in the Scheme.

## **The Fallback solution**

On 23 March 2023 ALL informed the Scheme Supervisors that they did not expect the new business conditions to be satisfied and the Fallback Solution would be implemented.

The Fallback Solution requires that ALL stops lending with immediate effect and is placed into an orderly wind-down, with the result that all surplus assets after the wind-down are transferred to Scheme Creditors. The Scheme claims process is unaffected.

No value will be attributed to the ordinary shares of Holdings PLC in the Fallback Solution. The wind-down of the business, during which the existing loan book will continue to be collected, will last for approximately 12 months.

In accordance with the Scheme and the requirements for the Fallback Solution, ALL certified to the Scheme Supervisors the amount that it considered necessary to meet the accrued costs, liabilities, forecast future costs and expenses required to manage the wind-down of ALL's business. This amount was transferred from the Trust Account to ALL. The Scheme also requires ALL to make a payment every month into the Trust Account of an amount equal to any additional collections made from the existing loan book during that period, less additional amounts required to pay costs of the wind-down. Any surplus assets after the wind-down will be transferred back to the Trust Account for the benefit of Scheme Creditors.

## **Claims submissions and outcome for Scheme Creditors**

As reported in our Second Scheme Supervisors' Report, the deadline of 26 November 2022 for submitting claims has now passed. The total number of unique claims received from both borrowers and guarantors is c.210,000.

Furthermore, the level of compensation previously detailed for the Preferred Solution will not be achieved in the Fallback Solution. As previously reported, given the higher than forecast claims received, ALL now estimates that Scheme Creditors will receive 17 pence in the pound compensation with the Fallback Solution. This compares to the 33 to 37 pence in the pound originally estimated for the Fallback Solution and detailed within the Scheme's Explanatory Statement. However, it is too early to be able to say what the actual pence in the pound compensation payable to Scheme Creditors will be because this depends on how many claims are upheld and the average claim value.

It will not be possible to provide an updated estimated outcome statement until the claims assessment process has been substantially completed. The process of issuing emails detailing the outcome of the claims assessment process has commenced. Where the assessment has been completed borrowers and guarantors are able to log into the portal to accept or reject the decision. Claims have started to be referred to the Scheme Adjudicator but it is not expected that the assessment and adjudication process will be completed until towards the end of the third quarter of 2023.

## **FCA investigation**

The FCA investigation into ALL's creditworthiness assessment and complaints handling respectively has now concluded. The final notice issued by the FCA details that it would have imposed a penalty of £72.9m. However, ALL will not be required to pay a financial penalty given it would threaten ALL's ability to meet its commitments to Scheme Creditors outlined in the Scheme.

# Next steps

If you have any queries please contact Nigel Rackham using the following email address - [nigel.d.rackham@pwc.com](mailto:nigel.d.rackham@pwc.com). We expect to issue our next report as Scheme Supervisors in August 2023.

Yours faithfully

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

Joint Scheme Supervisors