

**ALL Scheme Ltd**

Joint Scheme Supervisors'  
progress report for the period  
1 December 2023 to 31 March 2024

April 2024



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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>CMC</b>	A claims management company.
<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>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 2023 to 31 March 2024.
<b>Preferred Solution</b>	The method of implementing the Scheme which was the primary objective of the Scheme. It envisaged ALL starting to lend again and raising new money. ALL believed the Preferred Solution would 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>Representative</b>	A person whom a Scheme Creditor has authorised to act on the Scheme Creditor's behalf and: (a) the Scheme Creditor has notified SchemeCo in writing of that authorisation; or (b) the person so authorised has notified SchemeCo in writing of their authority to act on the Scheme Creditor's behalf and provided evidence of that authority to SchemeCo's reasonable satisfaction.
<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>Scheme Liability</b>	A Redress Liability or an amount due to FOS in respect of outstanding fees.

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# Key messages

This is our sixth update report as Joint Scheme Supervisors since the Scheme was approved by the High Court on 23 May 2022 and covers a four month period.

## Introduction

As previously reported, the deadline of 26 November 2022 for submitting claims under the Scheme has now passed and any further submissions will no longer be considered.

If you have submitted a claim under the Scheme you will be sent a notification via the 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 Scheme solely to provide an update on its progress 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 Joint 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.

## New business conditions

As detailed in our previous reports, unfortunately Holdings PLC was unable to obtain sufficient interest from potential investors to cover the investment and the share issue required by the business. 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.

On 28 March 2024, Holdings PLC announced that it had engaged a board consultant to assist with identifying potential strategic opportunities for Amigo to continue as a listed company by way of a reverse takeover. A reverse takeover is the acquisition of a public company by a private company so that the private company does not have to go through the lengthy and complex process of a public offering. If the reverse takeover is successful it is expected to provide some small cost savings for ALL but will not impact the estimated compensation of at least 17 pence in the pound being made to Scheme Creditors.

## **The Fallback Solution**

The Fallback Solution required ALL to stop lending with immediate effect and be placed into an orderly wind-down, and all surplus cash after the wind-down is to be transferred to Scheme Creditors. The Scheme claims process is unaffected.

The wind-down of the business, during which the existing loan book has continued to be collected, is expected to last for a further five to nine months. Significant progress has been made winding-down the ALL business with components of the loan book being sold to third parties and the proceeds of such sales being transferred to the Scheme Fund. ALL expects further sales to be completed in the next two to three months with the remaining aspects of the wind-down taking a further three to six months.

From our interaction with ALL management it is clear that their priority is to progress the orderly wind down of the business and to seek to maximise payments to Scheme Creditors.

## **Funding payments**

It was previously reported that £97m was paid by ALL into the Scheme Fund.

Following ALL's announcement on 23 March 2023 that it was pursuing the Fallback Solution, the Scheme Supervisors, in accordance with the Scheme, agreed with ALL the amount of funding required to manage the orderly wind-down of ALL. Accordingly, the amount of £51m was transferred from the Scheme Fund to ALL (the "Fallback Transfer").

Following the implementation of the Fallback Solution and the payment of the Fallback Transfer, the Scheme also requires ALL to make a monthly payment into the Scheme Fund of an amount equal to any additional collections made from ALL's existing loan book during that period less any additional amounts required (if any) to provide for any further costs, liabilities and expenses. As at 31 March 2024 the Scheme Fund was £74.5m. Any surplus cash after the wind-down will also be transferred to the Scheme Fund for the benefit of Scheme Creditors. It is expected that the Scheme Fund will ultimately exceed the initial £97m.

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

As detailed earlier, 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.

As previously reported, ALL estimates that Scheme Creditors will receive at least 17 pence in the pound compensation. If borrowers have a Scheme Liability and have made payments to ALL that add up to more than the amount borrowed initially, or a guarantor has a Scheme Liability and has made payments in respect of a loan, then they will receive a cash compensation payment.

The process of issuing emails detailing the outcome of the claims' assessment continues. As at 31 March 2024 196,600 outcome statements have been issued to Scheme Creditors, which represents c.94% of the total to be finalised. Due to receiving more claims than anticipated and the associated complexity for some of the redress calculations, there have been delays in completing the claims' assessment, but ALL now expects 98% of the outcome statements to be issued by 30 April 2024. However, a small number of Scheme Creditors may receive their outcome statements after this date due to the level of complexity of their claim. It is ALL's intention to ensure all outcome statements are issued by the end of May 2024. We will continue to meet with ALL's management to monitor and support their efforts in achieving this revised target date.

Where the assessment has been completed Scheme Creditors are able to log into the portal to accept or reject the decision. Where the decisions have been rejected, claims are referred to the Scheme Adjudicator. For the small number of Scheme Creditors who are issued outcome statements in May, if there are any adjudications, they are not expected to be completed until the end of June 2024.

It will not be possible to provide the final pence in the pound compensation payable until the claims assessment process has been substantially completed. However, we believe that it may be possible to set an initial Scheme payment percentage in May 2024 which will also provide a reasonable reserve for any claims assessments not yet finalised. Cash compensation payments are expected to be made within 30 days of the initial Scheme payment percentage being announced.

Scheme Creditors are encouraged to review all of their personal details on the portal, [www.amigoscheme.co.uk](http://www.amigoscheme.co.uk), in order to ensure that they receive timely communications and that payment details are correct. It is important to note that correct and complete payment details need to be provided on the portal to avoid payments being delayed or not made at all. Where Scheme Creditors have appointed a Representative, such as a CMC, they should ensure that the correct payment details have been included on the portal by themselves or the Representative.

ALL has also processed adjustments to credit records for upheld claims. These updates have been sent to the credit bureaux. We understand that customers may notice a positive change to their credit file before receiving their outcome statement. This will likely be due to the claim being either fully or partially upheld whilst the outcome statement is in the process of being calculated and issue

## Refund payments

A trust agreement was entered into by ALL on 24 December 2021 whereby ALL agreed to hold certain amounts on trust to enable the refund of certain payments made by customers up to the Effective Date where the customer had an open outstanding complaint which had been submitted prior to the Effective Date and was later upheld by the Scheme (the "Trust Agreement"). ALL estimated the amounts required to be held for the Trust Agreement but given the number of claims upheld were greater than expected the funds held by the Trust Agreement are insufficient to enable a full refund of payments to be made. However, following discussion with the Scheme Supervisors ALL has agreed that the shortfall, which is expected to be in the region of £0.25m, will be met from surplus cash generated by the wind-down of ALL This slightly reduces the amount of surplus being transferred to the Scheme Fund although there are compensating cost efficiencies.

The process to make payments in accordance with the Trust Agreement and for eligible Loan payments, which were made by Scheme Creditors after the Effective Date, has commenced. As at 31 March 2014, c.£33.2m of refund payments have been issued to c.15,000 Scheme Creditors, who did not have an open loan and who had received an outcome statement on or before 1 February 2024.

For Scheme Creditors with an open Loan with ALL where the assessment has not been referred for adjudication, the process to issue refund payments is due to commence in April. For assessments that have not been referred for adjudication it is expected that all refund payments will be made by the end of May 2024.

## Next steps

If you have any queries please contact us using the email address: [uk\\_amigo\\_loans\\_scheme\\_supervisor@pwc.com](mailto:uk_amigo_loans_scheme_supervisor@pwc.com). We cannot deal with enquiries regarding individuals' personal positions and Scheme Creditors should consult the website at <https://www.amigoscheme.co.uk/> for regular updates or contact [amigoscheme@amigoloans.co.uk](mailto:amigoscheme@amigoloans.co.uk). We expect to issue our next report as Scheme Supervisors in July 2024.

Yours faithfully



Joint Scheme Supervisors