

ALL Scheme Ltd

Joint Scheme Supervisors'
progress report for the period
1 July 2023 to 30 November 2023

January 2024



Table of contents

Abbreviations and definitions	3
Key messages	4
Overview of progress to date	4
Next steps	6

Abbreviations and definitions

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

Abbreviation or definition	Meaning
ALL	Amigo Loans Ltd.
AMSL	Amigo Management Services Ltd.
Effective Date	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.
Fallback Solution	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.
FCA	The Financial Conduct Authority, ALL's regulator.
First Funding Payment	A payment of £60 million.
FOS	The Financial Ombudsman Service.
Holdings PLC	Amigo Holdings PLC.
Loan	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.
Period	1 July 2023 to 30 November 2023.
Preferred Solution	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.
Redress Liability	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.
Scheme	The ALL scheme of arrangement, made in accordance with Part 26 of the Companies Act 2006.
SchemeCo	ALL Scheme Ltd.
Scheme Creditor	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.
Scheme Fund	The balance from time to time which stands to the credit of the Trust Account.
Second Funding Payment	A payment of £37 million.
Scheme Liability	A Redress Liability or an amount due to FOS in respect of outstanding fees.
Trust Account	The account in the name of SchemeCo the balance of which is held on trust by SchemeCo for the Scheme Creditors.

Key messages

This is our fifth update report as Joint Scheme Supervisors since the Scheme was approved by the High Court on 23 May 2022 and covers a five 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 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

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 17 October 2023, Holdings PLC announced that it was in exclusive talks regarding a potential transaction for new investors to take control of Holdings PLC. Unfortunately it has not been possible to conclude the transaction. This will not impact the estimated compensation of at least 17 pence in the pound being made to Scheme Creditors. We understand that Holdings PLC remains open to opportunities that will not adversely affect funds available for 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 will continue to be collected, is expected to last for a further 6 to 9 months.

From our interaction with ALL management it is clear that their priority is to progress the orderly wind down of the business and seek to maximise payments to redress 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 30 November the Scheme Fund was £69.4m. 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 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 currently estimates that Scheme Creditors will receive at least 17 pence in the pound compensation in the Fallback Solution. 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.

It will not be possible to provide the final pence in the pound compensation payable until the claims assessment process has been substantially completed. The process of issuing emails detailing the outcome of the claims' assessment continues. As at 30 November the assessment process has been completed so that 98,000 outcome statements have been issued to Scheme Creditors, which represents 47% 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 most outcome statements to be issued by 31 January 2024. However, a small number of customers 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 March 2024. We will continue to meet with ALL's management to monitor and support their efforts in achieving this target date.

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. 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 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.

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 issued.

Where the assessment has been completed borrowers and guarantors are able to log into the portal to accept or reject the decision. Where the decisions have been rejected, claims have started to be referred to the Scheme Adjudicator, and it is not expected that the adjudication process will be completed until the end of March 2024. We

therefore expect that an initial payment to customers will be made in the first half of 2024. Borrowers and guarantors are encouraged to review all of their personal details on the portal, www.amigoscheme.co.uk, in order to ensure that they receive timely communications and that payment details are correct.

Next steps

If you have any queries please contact Nigel Rackham using the email address: nigel.d.rackham@pwc.com. We expect to issue our next report as Scheme Supervisors in March 2024.

Yours faithfully



Joint Scheme Supervisors