

ALL Scheme Ltd

Joint Scheme Supervisors'
progress report for the period
1 July 2024 to 30 September
2024

October 2024



Strictly Private and Confidential



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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
ALL	Amigo Loans Ltd.
AMSL	Amigo Management Services Ltd.
Ascertained Redress Scheme Claim	A claim relating to any Redress Liability (a) less any Cross-Claim; (b) less any amounts due to the Scheme Creditor under the trust agreement entered into by ALL on 24 December 2021; (c) plus Interest at 8% to the Effective Date, after both the claim and Cross-Claim have been determined by SchemeCo or adjudicated by the Scheme Adjudicator.
Ascertained Redress Scheme Creditor	A Scheme Creditor who has an Ascertained Redress Scheme Claim.
CMC	A claims management company.
Cross-Claim	Any amount owed to SchemeCo, ALL, AMSL or Holdings PLC by a Scheme Creditor.
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.
FOS	The Financial Ombudsman Service.
Holdings PLC	Amigo Holdings PLC.
Initial Scheme Payment	A payment to be made by SchemeCo to each Scheme Creditor in respect of each Ascertained Redress Scheme Claim. The Initial Scheme Payment is calculated by multiplying the amount of the Ascertained Redress Scheme Claim by the initial Scheme Payment Percentage.
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.
Outstanding Redress Claim	A claim made against ALL in respect of a Redress Liability where: (a) the claim was submitted to ALL before 21 December 2020 (and receipt of that claim has been acknowledged by ALL), but ALL had not accepted or rejected the claim before 21 December 2020; or (b) the FOS had issued an opinion in respect of the claim which ALL had not accepted before 21 December 2020; or (c) the claim was submitted after 21 December 2020 and ALL has acknowledged receipt of the claim and confirmed the claim will be included in the Scheme; or (d) settlement offer has been made by ALL to the Scheme Creditor, which was dated between 21 December 2019 and 20 June 2020, and which had not been accepted by such Scheme Creditor or had been rejected by such Scheme Creditor.
Period	1 July 2024 to 30 September 2024.

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.
Representative	A person whom a Scheme Creditor has authorised to act on the Scheme Creditor's behalf and: <ul style="list-style-type: none"> (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.
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.
Scheme Payment Percentage	The percentage of each Ascertained Redress Scheme Claim payable by SchemeCo to each Ascertained Redress Scheme Creditor, as determined in accordance with the Scheme.
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 eighth update report as Joint Scheme Supervisors since the Scheme was approved by the High Court on 23 May 2022 and covers a three-month period.

Introduction

As previously reported, the deadline of 26 November 2022 for submitting claims under the Scheme has 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 Schwarzmenn 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 any other person, 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 Schwarzmenn 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.

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. In summary, our role as Scheme Supervisors includes:

- (a) Monitoring SchemeCo's compliance with the terms of the Scheme;
- (b) Confirming that costs incurred by SchemeCo have been properly incurred;
- (c) Setting the Scheme Payment Percentage;
- (d) Preparing a quarterly report for Scheme Creditors providing an update on the progress of the Scheme which is published on the Website; and
- (e) Confirming completion of the Scheme.

During the Period we have continued to meet on a frequent basis with ALL's and SchemeCo's management to discuss and assess the activities that have been undertaken in respect of the Scheme. We provide updates on the key developments below.

Overview of progress to date

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 Holdings PLC 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. Holdings PLC also raised new equity of c.£235,000 (before expenses) to pay some of its ongoing costs. If the reverse takeover is successful, it is now expected to provide some overall cost savings for ALL but not at a level which will impact the estimated compensation of at least 17 pence in the pound being made to Scheme Creditors. The board consultant joined the board of Holdings PLC on 1 September 2024 as a non-executive director.

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 to be transferred to Scheme Creditors. The Scheme claims agreement 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 two to three 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 to complete all further sales in the next two 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.

Scheme Fund

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 detailed in the table below as at 30 September 2024 the Scheme Fund was £13.4m.

	£'m
Payment of first and second funding payments by ALL to SchemeCo	97.0
Fallback Transfer from SchemeCo to ALL	-50.7
Net additional collections paid by ALL to SchemeCo	37.4
Initial Scheme Payments (12.5%) made by SchemeCo	-71.7
Interest earned by SchemeCo	1.4
Scheme Fund as at 30 September 2024	13.4

Any surplus cash after the wind-down held by ALL will also be transferred to the Scheme Fund for the benefit of Scheme Creditors. It is expected that, following the transfer of the surplus held by ALL, the total Scheme Fund distributed as Scheme Payments will ultimately exceed £97m.

Claims submissions and outcome for Scheme Creditors

The deadline of 26 November 2022 for submitting claims has now passed.

As at 30 September 2024 209,858 outcome statements have been issued to Scheme Creditors. All outcome statements have been issued where the claim was received before 26 November 2022 except the CMC cases referred to below. Where an outcome statement has been issued 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. The small number of remaining Scheme claims which have been referred to the Scheme Adjudicator are expected to be completed by the end of 2024.

In accordance with the Scheme, customers with Outstanding Redress Claims were not required to submit their claims because they were automatically assessed under the Scheme. Amigo has recently identified that certain CMCs were provided with lists of individuals indicating that they had Outstanding Redress Claims when in fact that was not the case (for example the claim had previously been closed). As a result, these individuals may have been informed by the CMC that they had a Scheme claim. Recognising the oversight, Amigo proposed an approach to the CMCs that provides these individuals with financial redress for this error. This will not materially impact the estimated compensation of at least 17 pence in the pound being made to Scheme Creditors. Where the financial redress is not accepted by a customer their claim is being assessed within the Scheme and it is expected that they will receive an outcome statement by the end of 2024. As at the date of this report 432 claims are being assessed within the Scheme out of a total 2,786 claims where a redress offer has been made by Amigo. If the Scheme claims assessment for these cases is referred to the Scheme Adjudicator they may not be completed until February 2025.

ALL has also processed credit records for upheld claims and will continue to process adjustments where a claim has been upheld following a referral to the Scheme Adjudicator. These updates have been sent and will continue to be sent to the credit bureaux. 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.

Initial Scheme Payment Percentage

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 which will be a percentage of the amount of the Scheme Liability because it has been determined that it will not be possible to pay Scheme Liabilities in full. This cash compensation payment is also known as the Initial Scheme Payment. An Initial Scheme Payment Percentage of 12.5% was set on 28 May 2024. As at 30 September 2024 £71.7m of Initial Scheme Payments have been issued, which represents c.95% of the expected Initial Scheme Payment amount. There are some 7,000 Ascertained Scheme Creditors who are eligible for the Initial Scheme Payment or a refund payment who have not provided appropriate bank account details to enable the payment to be made.

Scheme Creditors 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. 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 their Representative.

As the Initial Scheme Payment was made before all Scheme Claims have been determined and/or adjudicated, any further Scheme Payments will first be made to Scheme Creditors whose Scheme Claims are determined and/or adjudicated after the Initial Scheme Payment.

The timing of any increase to the Scheme Payment Percentage and the additional Scheme Payments is currently uncertain.

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 was greater than expected, the funds held under 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 in the region of £1.1m, 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, is concluding. As at 30 September 2024, c.£84.3m of refund payments have been issued to c.35,000 Scheme Creditors.

Next steps

If you have any queries please contact us using the email address: 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. We expect to issue our next report as Scheme Supervisors in January 2025.

Yours faithfully



Joint Scheme Supervisors