

Important Announcement to members of the London Quantum Retirement Benefit Scheme (also known as the London Quantum Occupational Pension Scheme) (“the Scheme”)

This is the tenth Announcement to members.

As you will recall our appointment was ordered by the Determinations Panel of The Pensions Regulator (the Regulator) under the statutory powers it holds. Our appointment gave us exclusive control over the Scheme. Since our appointment the previous Trustee, Dorrixo Alliance (UK) Limited, and the sponsoring employer, Quantum Investment Management Solutions LLP, have been dissolved.

The purpose of this announcement is to further update members on matters relating to Gerard Associates Limited.

Gerard Associates Limited

In our ninth announcement we provided an update to members to advise that a number of members of the Scheme had submitted complaints to the Financial Services Ombudsman (FOS). These complaints largely addressed concerns in relation to the promotion of unregulated investment funds to members by a firm called Gerards Associates Limited (Gerards). A number of members were successful and the FOS found in favour of the members. As a result FOS instructed Gerards to pay compensation. As advised in our last announcement the compensation was not paid out by Gerards. On 5 December 2018 Gerards went into voluntary liquidation.

Given the uncertainty surrounding the liquidation of Gerards we also set out details in relation to the Financial Service Compensation Scheme (FSCS). In brief we had advised members that as Gerards is a firm regulated by the Financial Conduct Authority, a claim to the FSCS may be possible. This was due to the fact that members may have lost money as a result of the actions of Gerards.

While Dalriada Trustees Limited (Dalriada), as Trustees of the Scheme, are not in a position to provide any advice on the merits of any individual claim, we highlighted this information given our knowledge that the circumstances of the members who complained to FOS were likely to be identical to the majority of members in the Scheme.

We also advised that Dalriada had been in contact with the FSCS regarding potential claims by or on behalf of the members. At the time of our last announcement we confirmed that while the FSCS were monitoring the position with Gerards no formal decision had been taken to declare Gerards in default, which was required in order to allow for compensation claims to be considered by the FSCS.

We want to highlight to members that a decision has recently been made and Gerards are formally declared to be in default. This means that Gerards have been found unable to or unlikely to be able pay claims made against it and that they have therefore "failed". As a result, FSCS have advised that they will now be considering individual claims for compensation.

We would therefore wish to formally notify members of this decision and highlight that members may be eligible to make claims to the FSCS.

Members are therefore advised to now consider making a claim to the FSCS. To assist with this we have set out below a link to the FSCS website claim form.

<https://www.fscs.org.uk/your-claim/>

We would however also re emphasise and ask that members consider the following points:

1. Claims management firms (CMC)- If you are being approached by or are considering using a CMC, we would encourage you to be very cautious and think carefully whether you really need assistance from such a CMC. Please bear in mind that the claims process is designed to be straight forward and to allow for individuals to make their own claims. Please be aware that a CMC is likely to request a substantial fee from any compensation which you may be awarded.
2. Please note that while you are able to make a claim, there is no guarantee that the FSCS will determine applications to it favourably. Each application will turn on its own facts and will need to be considered individually. It may also take some time for claims to be considered and for decisions to be reached.
3. If compensation is paid, it will be capped. We can confirm that the cap will be £85,000 per member. This will only impact on those members whose transfers into the Scheme were greater than that amount. Many members transferred in less than that sum and might be eligible for the full amount of compensation.
4. To the extent compensation is ultimately paid to members, the FSCS is likely to require that any benefits eventually payable from the Scheme should be paid first to the FSCS. However, if the benefits payable from the Scheme exceed the FSCS's compensation award, then the excess amount would be paid to the member. The FSCS will provide all of the guidance required in relation to this if compensation is eventually paid.
5. Members will need to consider taking independent financial advice to the extent compensation is payable to them directly. This is because members stand potentially to recover directly sums that were previously held in pension schemes and subject to tax relief. Neither Dalriada nor the FSCS can give advice themselves to members regarding receipt of such compensation but there may well be benefits in members taking proper financial advice given the possible tax implications from receiving compensation as well as the need to consider appropriate retirement planning, for example considering placing compensation into another pension scheme.

What should I do if I have any further questions?

Dalriada cannot give any advice in relation to claims to the FSCS. As we have said above this body exists to make it easy for individuals to make contact with it. The FSCS website can be found via this link.

FSCS

<https://www.fscs.org.uk/>

Should you have any queries in relation to this Announcement or your membership of the Scheme, please contact us. As above, please also supply copies of all correspondence or other communications which you may have received in relation to your membership of the Scheme.

There is a website set up for members at

www.dalriadatrustees.co.uk/london-quantum

We have included Frequently Asked Questions (FAQs) on this page and will update the website when further information becomes available. We will also upload all Announcements to this page. You will also find links to the Chair's Statement and the Report and Accounts.

As you will be aware, the costs of answering queries have to be met from the assets of the Scheme. In order to minimise these costs it would be appreciated if you could, in the first instance, check the FAQs to see if your question is answered there.

Should you, however, have any specific personal queries in relation to this Announcement, your membership of the Scheme or should you wish to provide us with further information, please contact us. You can contact us as follows (please note the change in the postal address):

By Telephone: 028 9041 2009

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