

Important Announcement to members of the following pension schemes (“the Schemes”)

Ironstream Retirement Benefits Scheme Chappell Crest Retirement Benefits Scheme Herman and Peters Retirement Benefits Scheme Grey Peak Retirement Benefits Scheme

This is our fourth Announcement and is being circulated to provide an update to members.

You may recall that Dalriada Trustees Limited (Dalriada) is a professional independent trustee who was appointed by the Pensions Regulator (tPR) to take over the running of the Schemes on 8 May 2013. Dalriada is experienced in dealing with pension schemes that have complex issues and / or have unusual investments.

Because it is an independent trustee, Dalriada is not linked in any way with the original trustees of the Schemes. Dalriada effectively replaced the original trustees, Nidd Vale Trustees Limited, and was given exclusive powers to deal with the Schemes. The original trustees have had no involvement in running the Schemes since our appointment.

Dalriada was appointed because the Pensions Regulator (tPR) was concerned that the Schemes were being used for pension liberation.

What progress has been made in relation to the Scheme’s investments?

Dalriada has been working to gain control of the investments made by the original trustee. You will be aware from our previous Announcements that we considered these investments very high risk and unusual compared to those usually made by conventional pension schemes.

£8,000,000 was invested in Quantum Life which is based and regulated in Liechtenstein. Dalriada has had extensive correspondence with Quantum Life and a number of meetings with its representatives. Quantum Life’s position remains that the contract “wrapper” that it facilitated was and is valid and that the onus was on the then Trustees to ensure the investments were suitable.

Liechtenstein lawyers acting for Dalriada contacted the regulator in Liechtenstein, the Financial Market Authority, to bring to their attention what we believed were Quantum Life’s potential breaches of its license conditions and of the Pension Fund Act and the Insurance Supervision Act in

Liechtenstein. The Financial Market Authority has confirmed that having investigated the matter they will not be taking any action.

In relation to the underlying investments in the Quantum Life “wrapper”, these were made to overseas investments in Mauritius and Australia. Having liaised with the investment providers it would appear that the underlying investments themselves have little or no value.

Clearly the nature of these investments was inappropriate and Dalriada is currently considering whether there are any avenues open for seeking compensation for the Scheme in one form or another. We will update you again once a decision has been taken.

Separately, Dalriada have been liaising with the Financial Services Compensation Scheme regarding potential compensation claims in respect of these schemes (and others – see below). Discussions so far have identified that claims might be possible on the basis that advice was given either by Transglobe IFA (on the list of entities in respect of which compensation can be granted) or Transglobe Strategic Solutions (which was an appointed representative of either Transglobe IFA or Turnberry Wealth Management Limited at the time, both of which were authorised by the Financial Conduct Authority).

Although this is a route that Dalriada is exploring, you should note that at this stage there are no guarantees that the Scheme will be considered eligible for any compensation. The final decision will be determined by the relevant bodies. We will, of course, keep you fully up to date with regards to any progress.

What is the current position with HMRC on tax?

As previously advised there are potential tax charges involved where a scheme is suspected as being used as a vehicle for “pension liberation”. Payments made to members by way of pension liberation may be classed as “unauthorised payments” by HMRC.

“Unauthorised payments” are subject to tax charges.

As before, however, it will take some time before the tax position for the Schemes can be established and Dalriada can determine what impact, if any, this might have.

What is the latest position with regard to transfer values and member benefit calculations?

Until we can establish the current value of the investment, how and **IF** we can move forward with our compensation enquires and until we are aware of how HMRC will deal with the possible tax issues, we are unable to calculate the value of members’ benefits, including transfer values.

Dalriada understands members’ frustrations with the length of time being taken to resolve the issues but please be advised that we are doing all we can to get to a position of clarity as quickly as possible. As soon as we are at a point where we can calculate benefits, we will do so.

Current position

Please be assured that we continue to work closely and co-operatively with all relevant parties on your behalf and in the best interests of all members.

Dalriada have, as required by law, produced a Chairman’s Statement for each of the Schemes. These have been published on the members website mentioned below.

Finally, please be advised that we have set up a page on our website:
www.dalriadatrustees.co.uk/conder-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. In order to minimise costs it would be very helpful 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 Schemes or should you wish to provide us with further information, please contact us.

You can contact us as follows:

By Telephone: 028 9085 0935

By Post: Dalriada Trustees Limited
22 Great Victoria Street
Belfast
BT2 7BA

Via e-mail: conderadmin@dalriadatrustees.co.uk

Issued by Dalriada Trustees Limited

May 2017