
**Cranborne Star Pension Scheme
Grosvenor Parade Pension Scheme
Tallton Place Pension Scheme
The Lancaster Pension Scheme
The Portman Pension Scheme
Woodcroft House Pension Scheme
("the Schemes")**



Dalriada. A better way

Fraud Compensation Fund (FCF)

By this Announcement, Dalriada is updating members on the FCF process and the claims it is making on behalf of the Ark Schemes and is also looking to address comments made to some members by a third party with regard to members making individual claims.

FCF Claims Process

Since our last Announcement we have been working with the FCF team on claims for the Schemes. We have submitted applications on behalf of four of the Schemes and will submit claims for the remaining two once the criteria for submitting a valid claim have been met. These claims have been submitted at different times due to a technical requirement to meet deadlines set out within the FCF legislation. The FCF is aware that we will be submitting a claim for each of the Schemes and we are in discussions with them about claims for **all** of the Schemes.

We have been made aware of an e-mail about the FCF claims process and related matters that has been received by some Ark members from a third party. It contains a number of misconceptions and errors which this Announcement addresses.

Do I need to submit a claim to the FCF?

No. Dalriada (as trustee of the relevant Schemes) has already submitted claims in respect of a number of schemes and will submit the remaining claims once the relevant schemes have satisfied the technical criteria for a claim to be made. However, it is important to note that submission of a claim in itself does not mean that a claim will be successful in whole or in part.

Whilst members can submit an individual application the FCF has confirmed that where there is already a claim in progress, or where they have been notified by the trustees that they intend to make a claim (as is the case for all the Ark Schemes), the FCF will direct any member back to the trustees. The same applies to individuals or organisations working on behalf of members who are not the trustees of the Scheme(s).

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Do I need to appoint a third party to help process my FCF claim?

There is no need for members of the above named Schemes, or any third party on behalf of members, to make separate applications to the FCF, and there is no need for members to pay any other third party to make such applications.

Given this, we are concerned that the third party who issued the communication referred to above is purportedly preparing to make claims on the FCF when this is unnecessary and will add nothing to the process. Indeed, given some of the technical requirements of making an FCF claim for an occupational pension scheme we would question whether any third party could construct a valid claim.

In what circumstances can the FCF pay compensation?

The FCF can only pay compensation for losses incurred as the result of dishonesty.

It is not certain that the FCF will find that dishonesty has occurred, even in situations where members might consider that they have been scammed. This is because the FCF will specifically be looking for signs of dishonesty, rather than a pension scheme simply having been run badly. This means we cannot provide any assurances that a claim will be successful, but we will put forward as comprehensive and compelling a case as we can based on all the evidence we have.

The FCF will independently assess that evidence and decide whether the losses incurred by a scheme are attributable to dishonesty.

Until the FCF has independently reached its conclusions no one can comment with certainty as to whether or not compensation will be paid in a particular case, and any claims to the contrary amount to speculation and should be discounted.

How much compensation might I receive?

In the event of a successful claim, the FCF will determine the value of any compensation payable based on figures prepared by a reporting accountant appointed by Dalriada.

The formula for FCF compensation is set out in legislation and can be subject to a number of adjustments. As noted above, the FCF can only pay compensation for losses incurred as the result of dishonesty.

Investment losses, Scheme Sanction Charges and the trustee's costs in dealing with the consequences of dishonesty can all form part of the compensation paid. However, and it must be emphasised again, only if those losses are clearly attributable to dishonesty.

It is possible that the FCF could conclude that all, part, or none of the losses incurred by the Schemes are attributable to dishonesty.

Costs which the FCF consider business as usual for a scheme, for example producing accounts or the annual chair's statement, will not be compensatable as these are costs which must be borne by all pension schemes.

Assessing the value of compensation to be paid is a complex matter and until the FCF has determined the level of compensation to be paid no one can comment with certainty as to the likely amount, and, again, any statements to the contrary amount to speculation and should be discounted.

How will any compensation be paid?

In the event of a successful claim, FCF compensation is paid directly to the relevant scheme, rather than directly to members.

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The FCF can also attach conditions to the compensation payment which trustees may need to address before distributing the compensation to members.

The intention would be that once the scheme has received the compensation, and any of the conditions which the FCF might impose on the trustees in relation to that compensation have been dealt with, Dalriada will wind up the scheme and transfer a member's share of any distributable compensation to a default approved pension arrangement. Dalriada is currently taking advice on the most appropriate arrangement for securing members benefits once compensation is paid. Members will then be able to exercise the usual options available to members from an approved pension arrangement.

This approach is designed to minimise the costs associated with winding up the schemes as the FCF has confirmed that these costs will not be compensatable and will therefore be borne by the members. Full details of the default arrangement and member options will be provided once we are in a position to actually wind up the Schemes.

When will any compensation be paid?

At the present time it is difficult to provide clarity as to when the schemes will be fully wound up and any compensation paid to members in the event of a successful claim.

As we have outlined above, there is a formal claims process to be followed and worked through with the FCF for each of the Schemes.

It should also be noted that the FCF is a claim of last resort which means that the FCF will need to be satisfied that no further recoveries can be made, or else, that the costs and/or time likely to be incurred pursuing any recovery would outweigh any potential return. We will also need to know the impact of any potential scheme sanction charge to provide a final measure of loss.

We will aim to keep members informed at each stage of the claims process.

What is the latest position with regard to the repayment of the MPVAs?

We are aware that the third party correspondence referred to above which has been received by some members suggests that *"It looks like Dalriada may write off the rest of the outstanding loans."*

There are no grounds to support that assertion. At this time, we have pursued repayment as directed by the Beddoe judge in 2017 and the majority of members remain subject to 'standstill agreements' as regards their obligation to repay their MPVAs.

No decision has been made yet as to whether or not to pursue repayment of the MPVAs. Members will be notified of any decision at the earliest opportunity.

Further Information about the FCF?

We have added a Frequently Asked Questions document on the Schemes' website here -

<https://www.dalriadatrustees.co.uk/wp-content/uploads/2022/05/FCF-FAQ.pdf>

You can also visit the FCF's website for more information at - www.fraudcompensationfund.co.uk.

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What should I do if I have any further questions?

Should you have any queries in relation to this Announcement or your membership of the Scheme, please contact us.

You can contact us as follows:

By Telephone: 028 9041 2756

By Post: Dalriada Trustees Limited
Linen Loft
27-37 Adelaide Street
Belfast
BT2 8FE

By Email: ArkAdmin@dalriadatrustees.co.uk

Other Useful contact details

If you have a complaint or dispute concerning your workplace or personal pension arrangements you should contact:

The Pensions Ombudsman Telephone: 0800 917 4487

Website: www.pensions-ombudsman.org.uk

If you have general requests for information or guidance concerning your pension arrangements contact the Money and Pension Service (MaPS).

Previously pensions guidance has been provided across the three consumer facing brands of MaPS: Pension Wise (PW), The Pensions Advisory Service (TPAS) and the Money Advice Service (MAS).

MaPS has now launched **MoneyHelper** where all retirement and pensions guidance has been brought together under one brand and one website: moneyhelper.org.uk.

Consumers can request an appointment by following the links, emailing virtual.appointments@maps.org.uk or by calling our the pensions helpline on 0800 011 3797.

These appointments are free and impartial.

The email address to the pensions guidance team for general pensions queries is pensions.enquiries@moneyhelper.org.uk

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