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**Tyson Sanford Retirement Benefits Scheme  
Asara Retirement Benefits Scheme  
Hi-Line Motors Pension Scheme  
("the Schemes")**

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Dalriada. A better way

## **Important announcement to members of the Schemes**

The purpose of this Announcement is to serve as a reminder of the actions being taken by Dalriada Trustees Limited ("Dalriada") to recover members' funds, and to provide an update to members on the situation regarding the Fraud Compensation Fund ("the FCF"). If members have any specific queries in relation to this Announcement or their membership of the Schemes in general, please contact us. Our details are on the final page of this Announcement.

As advised in our earlier Announcements, Dalriada is a professional independent trustee, experienced in dealing with pension schemes that have complex issues and/or have unusual investments. We were appointed by The Pensions Regulator ("TPR") to take over the running of the Schemes on 15 May 2018, due to concerns as to how the original trustees were administering the Schemes and to protect the members interests.

Dalriada is an independent trustee and is not linked in any way with the original trustees of the Schemes. The original trustees (Lorenna Limited) have not been involved in running the Schemes since our appointment.

## **What action has been taken so far?**

Dalriada's role as trustee of the Schemes is to act in the best interest of members. We are focused on achieving the best possible outcome for members, by attempting to maximise the recovery of the Schemes' funds. We investigate and gather information on how the Schemes operated historically, what actions the previous trustees took, and importantly what value, if any, the alleged investments now hold.

Ultimately, where we have exhausted all other avenues of recovering the Schemes' funds, our objective is to apply for compensation from the FCF. The FCF is a fund of "last resort", which means a formal compensation application can only be made when no further recoveries are likely, or the burden on costs would outweigh the potential return. More information on the FCF follows overleaf.

# Member Announcement

We also continue to deal with the Schemes' legal and governance obligations wherever possible, including submitting scheme returns to TPR and preparing the annual Chair Statements. Where there are any governance breaches due to the specific circumstances of the Schemes, we have explained why these breaches have taken place and will continue to report them to TPR. Copies of Chair Statements and other key documents are published on the member website (detailed below).

## Investments

The Schemes' funds were invested in a number of overseas entities, which Dalriada considers to be very high risk and unusual when compared to those normally made by conventional pension schemes. The investments made by the former trustees have made substantial losses and it has only been possible to recover a small proportion to the Schemes.

In a previous Announcement to members, Dalriada outlined the purported investments made by the former trustees. Despite our best efforts, we have been unable to recover the majority of funds that we understand received funds from the Schemes. In May 2023 we were able to recover £14,771.16 in respect of the Quantum Leben investment, which represented a very small proportion of the original investment made by the former trustees (of approximately £1.5 million).

It is Dalriada's view that no further recoveries are likely and that the burden on costs in pursuing any potential recovery would now outweigh the potential return to the Schemes.

## The Fraud Compensation Fund ("FCF")

Given the low chance of making any recoveries from the investments, we are of the view that the Schemes are at "last resort" and the best chance of recovering any value for members is an application for compensation from the FCF.

As outlined in our November 2020 Announcement, Dalriada participated in a legal case with the Pension Protection Fund ("PPF") which sought clarification on certain legislative issues in relation to the FCF. Whilst the FCF is open to claims by occupational pension schemes that have suffered a loss as a result of an act (or acts) of dishonesty, the purpose of the legal case was to provide certainty around the wording of the legislation that brought about the FCF and the rules governing eligibility for compensation. The PPF needed to be certain, before paying out any compensation, that there was proper legal entitlement to that compensation.

In short, it was determined that a claim could be submitted to the FCF for compensation in relation to these potentially fraudulent pension schemes, such as the Schemes. The judgment also made it clear that trustee and advisor fees related to the act of dishonesty can be included in FCF claims. This means that, in the event of a successful claim, the impact of trustee fees on members' benefits should be somewhat mitigated.

As previously noted, the judgment does not mean that the Schemes, or any other schemes of this nature, will automatically be successful in their claims. For any claim to be successful there must be evidence that a scheme has suffered a financial loss that can be attributed to an 'offence involving dishonesty'. We cannot be certain that the FCF will find that 'offences involving dishonesty' took place in relation to any scheme, even if members might consider that they have been scammed.

Dalriada is now working with the FCF with regard to the information and evidence they require to determine if the Schemes are eligible for compensation and, if so, how much that compensation will be.

A formal application has not yet been submitted on behalf of the Schemes, as the FCF's pre-conditions for eligibility have not yet been met. However, Dalriada has submitted initial documentation in support of a future claim for the FCF's consideration and review. Should the conditions for eligibility be satisfied, Dalriada will look to make a formal application on behalf of all members of the Schemes collectively, which will comply with the appropriate regulations and timescales for submitting a claim.

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## Further information on the FCF

We have added a Frequently Asked Questions document on the Schemes' website which provides further information on the FCF. You can find a copy by accessing the link below or by visiting the FCF's website at [www.fraudcompensationfund.co.uk](http://www.fraudcompensationfund.co.uk). Please contact Dalriada directly with any queries and not the FCF.

FAQ Document: [https://www.dalriadatrustees.co.uk/wp-content/uploads/2019/12/FCF\\_FAQ\\_Members.pdf](https://www.dalriadatrustees.co.uk/wp-content/uploads/2019/12/FCF_FAQ_Members.pdf)

## What is the current position regarding transfer values and member benefit calculations?

Until we know to what extent the Schemes may be compensated by the FCF, it is not currently possible to provide transfer values, make any benefit payments from the Schemes, or indicate what level of benefits might be payable to members in the future.

## Scheme Costs

Members should be aware that the Schemes have inevitably incurred, and will continue to incur, significantly higher costs than would be the case for similarly sized conventional schemes. This is typical when dealing with schemes of this nature that have been mismanaged by previous trustees, and where TPR has seen fit to intervene and appoint a professional trustee to take appropriate, necessary actions.

Dalriada has and will continue to report on costs accrued in its annual Chair Statements. Copies of the relevant documents can be accessed via the Scheme's website:

<https://www.dalriadatrustees.co.uk/scheme/tyson-sanford-asara-and-hi-line-motors/>

As the majority of the costs incurred by both Dalriada and our legal advisers are attributable to dealing with the fraud and/or dishonesty offences involved, these costs will form part of the compensation claims on the FCF, if those claims are ultimately successful.

# Member Announcement

## Member website

Dalriada has a dedicated member website for the Schemes, which includes copies of all Announcements, alongside any relevant governance documents. A link to the Schemes' website can be found below:

<https://www.dalriadatrustees.co.uk/scheme/tyson-sanford-asara-and-hi-line-motors/>

## 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 2097

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

By Email: [tahadmin@dalriadatrustees.co.uk](mailto:tahadmin@dalriadatrustees.co.uk)

**Issued by Dalriada Trustees Limited**

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