

Dalriada. A better way

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

FIFTH ANNOUNCEMENT

BACKGROUND

As advised in our earlier Announcements to members, Dalriada Trustees Limited (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 8 May 2013.

Because it is an independent trustee, Dalriada is not linked in any way with the original trustees of the Schemes. Dalriada replaced the original trustees, Nidd Vale Trustees Limited, and was given exclusive powers to deal with the Schemes. The original trustees have not been involved in running the Schemes since our appointment.

CURRENT POSITION REGARDING SCHEME INVESTMENTS

Dalriada has been continuing to work to recover funds from the investments made by the original trustees. You will be aware from our previous Announcements that we considered these investments very high risk and unusual compared to those normally made by conventional pension schemes.

As a reminder, Scheme funds to the value of £8,003,000 were invested in Quantum Life Ltd or Quantum Leben ("Quantum"), which is a company based and regulated in Liechtenstein. The nature of investment was the purchase of a bond, namely the Quantum Global Bond or Quantum Portfolio Bond ("the Bond"). The Bond was described as a life assurance policy, however, the money invested in the Bond was onward invested by Quantum, with the value of the Bond directly linked to the value of the underlying assets/investments made.

Dalriada has been involved in extensive correspondence and discussions with Quantum to challenge the terms and conditions of the Bond. As advised in our fourth Announcement, Quantum's position remained that the life assurance policy was valid and that the onus was on the then trustees to ensure that the underlying onward investments were suitable. These underlying assets were made up of overseas investments through funds operated in Mauritius, tied, we understand, to financing property development in South Africa and investment in Australian wheat farming. Dalriada established that the underlying investments themselves had little or no value.

As a result of our correspondence it became apparent that the assets continued to make substantial losses, with Quantum advising that the Schemes' investment was valued at £343,663, which was, clearly, a substantial decrease in the total amount invested (£8m+) through the Bond. Following further correspondence between the Schemes' legal advisers and Quantum, an offer of £351,312

was made by Quantum to fully surrender the Bond.

Dalriada sought independent investment advice and was advised that, as the Bond was extremely high risk and given the substantial losses to date (and likely continuing losses) in respect of the underlying investments, the Schemes should accept the offer and disinvest from the Bond as soon as possible. Given this, Dalriada agreed to accept the Quantum offer.

POTENTIAL COMPENSATION CLAIMS

Due to the significant loss suffered and given that the nature of the investment was, from the outset, considered to be inappropriate, Dalriada has been considering whether there are any avenues available for compensation for the Schemes.

Discussions with the Financial Services Compensation Scheme (FSCS)

Following discussions with the FSCS, Dalriada has identified that claims ought to be possible on the basis that advice was given either by Transglobe IFA (a firm on the list of entities in respect of which compensation can be granted – the "FSCS Failed Firms List") or Transglobe Strategic Solutions (not yet on the FSCS Failed Firms List but which was an 'appointed representative' of either Transglobe IFA or Turnberry Wealth Management Limited, another firm on the FSCS Failed Firms list). Both companies were at the time the advice was provided registered with, and authorised by, the Financial Conduct Authority (or its predecessor). Advice was specifically given to the original trustees of the Schemes rather than individual members.

Dalriada has submitted an initial claim to the FSCS and, given the complex nature of the claim, discussions have continued with the FSCS for some time, in order to reach a position of clarity regarding the amount of compensation that may be paid to the Schemes. The FSCS has now advised that Dalriada must determine what amount of compensation the Schemes might receive from the Fraud Compensation Fund (if any) before they will consider the claim further.

We remain positive that any claim will ultimately succeed, to the extent that funds are not recovered by way of a successful claim on the Fraud Compensation Fund (details below). Please keep in mind that further work will be required from Dalriada, our legal advisers and the FSCS. It is likely to be some time before we can determine what, if any, compensation will be payable to the Scheme from the FSCS.

Individual claims to the FSCS

We understand that most members did not take regulated financial advice when considering transferring to one of the Schemes. Where members did take regulated advice, it is possible for them to make claims in a personal capacity on the FSCS, if the firm providing that advice subsequently 'failed' (meaning it no longer exists).

Dalriada is aware that several Claims Management Companies (CMCs) have made contact with members in order to "assist" with individual applications to the FSCS for compensation.

The FSCS looks to make the claims process straightforward and members should be able to make a claim **without** the need for assistance or advice from third parties (in particular, CMCs), who will almost always look to take a share of any compensation payment you might receive from the FSCS.

More guidance on the claims process can be found on the FSCS website at the following link:
<https://www.fscs.org.uk>

We would remind members, too, that if they receive unsolicited calls (or "cold calls") there are

legislative provisions now in force which, in some circumstances, can make these calls illegal and reportable to the Information Commissioner's Office. We would ask members to bear this in mind should they receive calls from unknown CMCs. CMCs may themselves be regulated by the FCA however in some cases remain unregulated.

Discussions with the Fraud Compensation Fund (FCF)

The FCF is another potential source of compensation. Dalriada has been working with the Pension Protection Fund (PPF) to seek clarification around the operation of the FCF, to determine if a claim could be submitted to the FCF for compensation in relation to the Schemes.

In July 2020, Dalriada participated in a legal case, asking for clarification from the High Court on certain legislative issues in relation to the FCF. The judgment was handed down in November 2020 and whilst it provided answers to some fundamental questions posed to the Court, it is important to note that the judgment does not mean the Schemes will automatically succeed in a claim to the FCF for compensation.

For further information on the case and what the judgment means for members, please see Dalriada's Announcement dated November 2020, which can be found on the member website or via the following link: https://www.dalriadatrustees.co.uk/wp-content/uploads/2018/10/Conder-Quantum-Schemes_Fraud-Compensation-Fund-Ruling-Announcement.pdf

TRANSFER VALUES AND MEMBER BENEFIT CALCULATIONS

Whilst it is positive that we have received some funds back to the Schemes, as discussed in our previous updates, we remain unable to calculate the value of members' benefits, including transfer values. We are unable to carry out the calculations because it must be established what level of compensation, if any, will be awarded by the FCF or the FSCS, and until we are aware of how HMRC will deal with the potential tax issues.

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.

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 has, as required by law, produced a Chair's Statement for each of the Schemes. These have been published on the members' website: www.dalriadatrustees.co.uk/conder-quantum

DATA SUBJECT ACCESS REQUEST (DSAR)

Members have the right to obtain access to their personal data by way of a DSAR. Members will not be directly charged for making this request; however, the general management and administration of the Schemes includes responding to DSARs, meaning that the Schemes incur the costs. Because of that, should you wish to make a DSAR, we would ask you to call Dalriada, on the number provided below.

Where a DSAR is received from a third party on behalf of a particular member, Dalriada's obligations are to provide the necessary information to the data subject directly i.e. to the member. If you are authorising someone else to make a DSAR on your behalf, we would also ask you to call Dalriada, on the number provided below.

This notification does not affect your benefit entitlement in any way and our Data Privacy Notice

follows at the end of this document.

FURTHER IMPORTANT INFORMATION FOR MEMBERS

Fraudulent Letter

We have been made aware of a fraudulent letter sent to members of another pension scheme to which Dalriada was appointed independent trustee by The Pensions Regulator. The letter claims to be from David Copeland, as a Director of Dalriada, and asks members to call a telephone number provided in the letter to discuss claims. **Please note this letter did not come from Dalriada and the telephone number is not a Dalriada telephone number.**

If you have received recent correspondence which appears to be from Dalriada, asking you to 'make a claim' in a limited timeframe, **this letter is bogus. PLEASE DO NOT CALL THE NUMBER.** If you do call the number, you will likely be asked to make a payment or asked to provide personal information. Again, please **DO NOT DO THIS.**

Dalriada has taken this matter very seriously and has filed a report with Action Fraud and the police (Police Service of Northern Ireland (PSNI)).

If you have received the letter and/or have called the number, please get in contact with Dalriada and report the matter to Action Fraud as soon as possible. You can contact Action Fraud on:

Telephone number: 0300 123 2040

Crime Number: NFRC210504481800 (please include this if you make contact).

PSNI has advised that the matter should also be reported to your local police and the same crime number should be used when reporting to them.

Dalriada's legitimate contact details can be verified on our website. In light of this recent fraudulent letter, for your security, we would prefer members to contact us by e-mail in the first instance and, if necessary, we will call you back. If you do contact us by telephone, we would request that you do not contact Dalriada on any telephone number that you cannot find and verify on the Dalriada website or on the schemes' specific website pages.

To be absolutely clear, Dalriada will NOT ask you to make any payment and/or to disclose sensitive personal information. If you receive a call from (or make a call to) someone saying they are from Dalriada and who asks you for money or to disclose personal information, this is a scam and you should hang up and report the call to us and Action Fraud, as set out above.

Whilst we would ask that contact is initially made by email where possible, should you 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 note that you can still contact us as follows:

By Telephone: 028 9085 0935

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

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

DATA PRIVACY NOTICE

Background

This statement sets out how Dalriada Trustees Limited ("Dalriada") in its capacity as Trustee handles personal information in compliance with Data Protection Legislation.

"Data Protection Legislation" means all applicable data protection and privacy legislation in force from time to time in the UK including, to the extent the EU GDPR applies, the General Data Protection Regulation ((EU) 2016/679); to the extent the UK GDPR applies, the law of the United Kingdom or of a part of the United Kingdom, which relates to the protection of personal data, including the Data Protection Act 2018; any other legislation relating to personal data and all other legislation and regulatory requirements in force from time to time which apply to Dalriada relating to the use of Personal Data.

For the purposes of this statement, the term "Personal Data" means personal data and sensitive personal data.

We recognise that the correct and lawful processing of personal data is important and integral to our successful operations and to maintaining the trust of the people we deal with. We fully endorse and adhere to the principles set out under Data Protection Legislation.

If you are an individual or part of an organisation that we deal with in our capacity as Trustee, Dalriada may act as Data Controller and a Data Processor in relation to the handling of your personal data.

Purpose and legal basis for processing the personal data

The personal data that Dalriada may hold includes, but is not limited to, your name, address, date of birth, National Insurance details and marital status, as well as details of nominated beneficiaries. Where we have it, we may also hold details of your salary history, membership dates and any contributions to your pension scheme. In addition, we may retain your medical history, as this may affect your pension entitlement.

The reason we need to hold and process this data is so that we can properly administer your benefits and pay your pension and other benefits when they are able to come into payment. Dalriada may from time to time share this data with a regulatory body or a professional adviser to a pension scheme, in order to manage the scheme and your benefits.

Dalriada may also share the personal data with insurers to ensure that we provide your benefits in the most cost-effective way.

As Data Controller, Dalriada has a legal obligation to administer and pay your benefits from your scheme when it is able to do so. We will therefore hold and process your data on this legal basis. Dalriada and our advisers have each our own legitimate interests for processing your data. You may object to the processing of your personal data on this basis, but your objection may be rejected by Dalriada if there are compelling reasons to do so.

Dalriada will hold and process your data: for as long as we are legally required to do so; for as long as we are responsible for payment benefits; for the protection of our legitimate interests and in line with regulatory requirements. As pension benefits are a long-term undertaking and queries can arise many years into the future, it is not possible to give a specific period for which the data will be stored.

Individual Rights

Dalriada will fully respect your rights under Data Protection Legislation including:

- the right to make a subject access request for free, which can be made electronically (we will respond to your subject access request within one month of you making it);
- the right to make a subject access request to verify the lawfulness of the processing we are carrying out;
- the right to request the correction of your personal data if it is inaccurate, incomplete or out of date, or to request the deletion of your personal data;

- the right to obtain a copy of your personal information from us, except in limited circumstances;
- the right to complain to the supervisory authority whose contact details are set out below.

More information may be obtained <https://ico.org.uk/>

Complaints

Complaints relating to breaches of the Data Protection Legislation and/or complaints that an individual's personal data is not being processed in line with the Data Protection Principles will be managed and processed by Dalriada, as trustee.

All complaints of dissatisfaction will also be processed in accordance with your scheme's Internal Dispute Resolution Procedure (IDRP) and should be sent to:

Dalriada Trustees Ltd
Linen Loft
27-37 Adelaide Street
Belfast, BT2 8FE

Without prejudice to any administrative or judicial remedy, you have the right to lodge a complaint with the supervisory authority, the Information Commissioner's Office (ICO), if you consider that the processing of your personal data infringes the principles of the Regulations. Their address is as follows:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

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