

## Important Announcement to members of the following pension scheme (“the Scheme”)

### The Ethika Auto Enrolment Pension Scheme

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As you will be aware from previous correspondence, Dalriada Trustees Limited has been appointed by Order of the Pensions Regulator as Trustee of the Ethika Auto Enrolment Pension Scheme. We are writing to provide an update on the status of the Scheme.

#### Investments

As previously advised, Dalriada understands that the Scheme had invested funds in the following.

- *Shard Capital Limited*

An amount totalling £1,035,141.92 was paid in total to Shard Capital Limited. In January 2021, having taken financial advice, Dalriada instructed Shard to disinvest funds. Shard confirmed this would be done by way of a series of payments and, in May 2021, the final amount was received. In total, £1,170,848.34 was repaid to the Scheme.

The account held with Shard has now been closed and the funds have been invested in line with the Scheme’s current Statement of Investment Principles (“SIP”). Should you require more information, the SIP is available to view on the Scheme’s website (see link below).

- *Patagro Handels GMBH*

£1,206,000 was invested with Patagro Handels, a Swiss based investment. Prior to Dalriada’s appointment returns of £16,270.55 had been paid to the Scheme. However, in August 2020 it was confirmed that the company had gone into liquidation. Dalriada is currently investigating the Swiss wind-up process to establish next steps, however we do not expect to receive any further return from this investment

- *Visolaris Limited*

Despite requests for confirmation from the previous Trustees and administrators, Dalriada remain unable to determine the total amount paid in respect of, and the nature of, the investment in Visolaris. Dalriada has established that payments were not made to Visolaris directly, but rather via a number of loans made through the previous administrators, Warwick & Eaton. While we have been provided with evidence of some information to allow us to reconcile some of the funds forwarded on to Visolaris, we await further information to allow us to reconcile fully. Again, we are unsure what return we will receive on this investment.

Please note that the above investments reflect funds paid to the Scheme prior to Dalriada’s appointment. Any funds paid to the Scheme after Dalriada’s appointment (26th March 2019) have been invested in line with the SIP.

Warwick & Eaton have also failed to date to provide us with confirmation as to how members’ contributions have been apportioned across the various investments, despite repeated requests. Consequently, this lack of clarification and, also, our inability to place a value on the Patagro and Visolaris

investments means we are not in a position to provide any indication as to the value of members' benefits held within the Scheme and so make benefit payments or provide transfer value quotes.

### **Fraud Compensation Fund Application**

As outlined in our correspondence from November 2020, In July 2020 Dalriada participated in a legal case which sought clarification on certain legislative issues in relation to the Fraud Compensation Fund. The judgment was handed down on Friday 6th November, confirming that a significant number of pension schemes can, in principle, make applications to the FCF.

Applications made to the FCF will ultimately look to compensate Scheme members against loss on Scheme investments. However, the application process is ongoing for a number of test cases at present and until such cases have completed, we are unable to confirm the length of time from application to conclusion or whether any claim will be successful.

We reiterate that the FCF is a fund of last resort and Dalriada will work with the PPF on the extent to which asset recovery, from Visolaris Limited and Patagro Handels, should be continued. We will keep employers updated on the status of the Scheme application once we are in a position to make an application. This is expected to take place in late 2021, however this timeframe is subject to change. Please note that an application is not a guarantee that the Scheme will be eligible for compensation.

### **Scheme Reconciliation**

As commented above, Dalriada has not been provided with the full administration records required to allow us to reconcile contributions paid to the Scheme from each employer.

We are currently undertaking a reconciliation exercise and have started to contact employers and payroll providers directly to request any contribution history held for employees. We are also requesting that you provide us with any 'common data' you hold for your employees, including dates of birth and addresses.

Should you hold any such data please get in touch via the email below and we can provide a sample data template.

### **Communication from the Pensions Regulator**

Please find enclosed an update from the Case Team at the Pensions Regulator which can be shared with your employees.

You can contact us using the following details. As per before, we have included the link to the Scheme's website to allow you to confirm our details.

By Telephone: 028 9041 2757

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

Via email: [administration@dalriadatrustees.co.uk](mailto:administration@dalriadatrustees.co.uk)

<https://www.dalriadatrustees.co.uk/scheme/ethika/>



Dear Employer

The Pensions Regulator (TPR) appointed Dalriada Independent Trustees (Dalriada) to the Ethika Auto-Enrolment Pension Scheme (the Scheme) on 26 March 2019 because of concerns over the governance of the Scheme by the former corporate trustee, Barclay Cavendish Trustees Limited.

Since 26 March 2019, TPR have been conducting a criminal investigation (Project Athena) into how the Scheme was administered and how the funds were invested. TPR have conducted a number of enquiries including seizing devices and documents relating to the investigation and the individuals involved; analysis of the evidence these devices and documents provided; and initial interviews with key individuals. It is intended that further interviews with key individuals will take place toward the end of 2021.

TPR have also been working closely with Dalriada regarding the scam letter sent to members of other schemes previously under the trusteeship of Barclay Cavendish Trustees Limited asking them to call a telephone number in relation to claims members may have under a scheme where Dalriada act as trustee. TPR would like to reiterate the advice provided in Dalriada's communication to all members dated 6<sup>th</sup> May 2021 that members should not call the telephone number provided in the letter as this letter was not sent by Dalriada.

Further updates regarding the criminal investigation will be provided in due course either through Dalriada or on TPR's Victims of Crime page ([www.thepensionsregulator.gov.uk/en/contact-us/scheme-members-who-to-contact/victims-of-crime](http://www.thepensionsregulator.gov.uk/en/contact-us/scheme-members-who-to-contact/victims-of-crime)).

### **Help and advice**

We would like to take this opportunity to let you know that that if your employees are struggling in any way relating to their membership of the Scheme that there are organisations that can help and support. I have listed some options below:

Victim support - <https://www.victimsupport.org.uk/>

Supportline: 08081689111

Live chat available on the website

Samaritans - [www.samaritans.org](http://www.samaritans.org)

Helpline: 116 123 (free of charge from a landline or mobile)