

## **Active Website Update - Customer Redress Claims, Dividend Prospects and Timings**

### **1. Redress Claims**

- 1.1 From the beginning of September 2020, the Joint Administrators began the process of agreeing Redress claims for customers of Active Securities Limited T/A 247 Moneybox.
- 1.2 Over 425,000 former customers were contacted by email, telephone and national advertisement, in an attempt to provide all customers with a fair opportunity to log on to their customer portal and make a Redress claim in the Administration proceedings.
- 1.3 The customer portal identified (based upon criteria recognised by the FCA) whether or not customers were entitled to Redress.
  - Customers entitled to Redress were notified that they should access their customer portal to view the level of their Redress entitlement on an individual loan by loan basis.
  - The customer portal allowed Redress to be accepted and also allowed customers to have their claim agreed by simply accepting the Redress amount at the push of a button.
- 1.4 Customers that were either not entitled to Redress, or those who were not satisfied with the Redress amount calculated by the Joint Administrators, were given the opportunity (through the customer portal) to challenge the basis of the Joint Administrators' decision. In these circumstances, customers moved into a separate manual review process ("Challenge Pool") for further consideration by the Joint Administrators. Additional information has been requested from these customers to enable the Joint Administrators to consider the claims of the Challenge Pool.
- 1.5 *The deadline to accept or challenge claims for Redress expired on **31 January 2021.***
  - As the redress claim deadline has passed, the redress page on the customer portal is no longer visible. If you have already submitted your claim, you do not need to do anything further.
- 1.6 *The deadline for the provision of the additional information required from those customers in the Challenge Pool expired on **31 March 2021.***

**NB: No further claims can be considered following the expiration of the deadlines above.**
- 1.7 The Joint Administrators have contacted some 9,352 customers within the Challenge Pool, relating to in excess of 28,000 loans. The manual review process, which involves reviewing all additional information provided by customers within the Challenge Pool on an individual loan basis, is currently ongoing. The substantial number of customers within the Challenge Pool makes this a time consuming process, but provides the fairest means of evaluating a customer's entitlement to Redress. The Joint Administrators owe a duty of care to all creditors to ensure that only those customers rightly entitled to Redress are included for any potential dividend that may become available.

## 2. Dividend prospects and timing

2.1 It had originally been hoped that any potential dividend to customers and creditors would have been available by the end of June 2021. This now appears increasingly unlikely due to the following reasons/tasks to be completed:

- The Joint Administrators have sought and are awaiting final legal advice that may impact on any potential dividend that may become available.
- The substantial level of manual reviews still to be completed in respect of the Challenge Pool.
- The final agreement of all creditor claims.
- The completion of realisations from any potential sale of the remaining customer loan book post Redress.
- Further additional realisations yet to be made within the Administration, in particular a potential corporation tax refund.
- Application to Court to seek consent for the Joint Administrators to distribute any potential dividend to customers and creditors, or in the alternative, moving from Administration to Liquidation to complete the potential dividend and realisation processes.

2.2 The Joint Administrators are continuing to work as quickly as possible to achieve all of the above, in the shortest timescale possible. *We would therefore kindly request that customers do not chase timings of any potential dividends as this only results in delaying the process.*

2.3 Please note that **any potential dividend remains uncertain at this time**, but it is likely to be **very modest**. Unfortunately, it is not possible to provide customers with a more accurate estimated dividend, as the quantum is not only dependent on the outstanding legal advice we are awaiting, but also the final level of agreed claims and final level of realisations (which are yet to be completed).

## 3. Credit record

3.1 Unfortunately, the Joint Administrators are unable to request the removal of loan information from Redress customers' credit records until the Redress exercise has been completed.

3.2 It may be prudent to contact your credit reference agency ("CRA"), as it is our understanding that some CRAs are deleting loan data once a company has entered into Administration. *I would note that this is at the absolute discretion of the CRA and not within the control of the Joint Administrators.*

Further updates will be available in our next report to creditors, which will be posted to our website by **29 June 2021**.