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TO ALL CLIENTS

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Important update regarding Hartley Pensions Limited – In Administration and your self-invested personal pension scheme ("SIPP")

We write to provide you with an update on the administration of Hartley Pensions Limited- in administration ("**Hartley**") and, in particular, to inform you of the progress of the Court application and informal committee (the "**Committee**") that we referred to in our last update of 27 March 2023.

Court application

As you may be aware we have previously advised that we proposed to apply to Court in order to ratify an 'exit and administration charge' (the "**Charge**"). The Committee that was formed in March 2023 requested we exhaust all enquiries into funding the Charge via the Financial Services Compensation Scheme ("**FSCS**") or The Insolvency Service.

During these discussions, the work on the application was suspended so as to not incur unnecessary costs if third party funding became available. The Insolvency Service have confirmed that no funding would be available. The FSCS remains engaged with the progress of the Administration, however, given the work that still needs to be completed before the application can be made, we consider it prudent to continue any discussions at the same time as finalising the application. The work on the application has therefore recommenced.

As explained on our website (linked below), the Charge will replace the current annual management fees that SIPP clients are being charged. This Charge will be a single one-off fee in respect of the continued cost of administering your SIPP and it will also cover the cost of transferring SIPP clients onto new operators.

We have established four proposed cost models. Each of these cost models offer alternative ways of calculating the Charge and therefore each model will result in a different cost being charged to clients. An explanation of the four proposed cost models are as follows:

- 1) **Fixed fee per client model** – This model is a fixed fee for all clients regardless of the type(s) of asset held or value of their SIPPs.
- 2) **Hybrid charge based on asset type model** – This model is a different charge for each type of asset held within a client's SIPP. Therefore the total Charge to be borne by each client will vary depending on the type(s) and number of assets held within their SIPP.
- 3) **Percentage based model on the total value of the assets under administration ("AuA") model** – This model will charge a percentage on the value of the assets in a client's SIPP; and
- 4) **Capped percentage charge** – This model will charge a percentage on the value of the assets within a client's SIPP subject to a cap to be determined.

UHY Hacker Young turnaround and recovery is a division of UHY Hacker Young LLP.
A list of members' names and their professional qualifications is available for inspection at the Registered Office at the above address.

Peter Kubik and Brian Johnson are licensed in the UK by the Insolvency Practitioners Association.
Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

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The application to Court will seek confirmation that we have the ability to impose the Charge (insofar as it is allowed within the existing terms and conditions of each of the SIPPs). It will also seek the power to impose the charge (if the charge, or some part of it, is not permitted under the existing terms and conditions of each of the SIPPs).

We are currently unable to confirm what the costs will be to each client under each model, however it is proposed that we will provide each client with an asset breakdown of their SIPP and the Charge they will incur once the basis of the Charge is ratified by the Court.

Informal Committee and the Representative Respondent(s) (the "Respondent(s)")

As you may be aware from our previous communications, we have set up a Committee to assist us in selecting one of the proposed cost models (as explained above) and also to appoint one or more Respondent(s) to the above mentioned court application. The purpose of the Respondent(s) is to:

- i) Be a party to proceedings and be served with all court papers;
- ii) To either represent all or certain bodies of clients in presenting all reasonable arguments in favour of any particular way of calculating the Charge;
- iii) Present any other arguments to the Court which the Respondent(s) feel the Court should be aware of in protecting the clients' positions.

As explained in our update of 12 January 2023, if the Court makes an order appointing one or more Respondent(s), then the Respondent(s) will be a party to the Court application, will be served with all papers relating to the Court application and will be able to present arguments to the Judge at the hearing of the Court application. It is proposed that they will have the assistance of independent legal advisors.

We are now in the process of nominating Respondent(s) and if you would like to be considered please contact: s.iacovou@uhy-uk.com.

Update on transfers out

As you are aware, we have been in ongoing discussions with the FSCS in order to consider whether clients could be compensated for the Charge under the FSCS' rules. FSCS remain engaged with us. We now anticipate that the transfer out process is likely to commence from September 2023 onwards.

Please note, it may take twelve months or longer from this date to effect all transfers to new operators. This timescale may vary if we are able to identify one or more nominated operator(s) as it is expected that a nominated operator would be able to on-board SIPPs more quickly than if each and every Hartley client were to be transferred individually.

We will continue to provide you with updates as this progresses. If you have any questions in the interim, a list of responses to FAQs along with our previous communications can be found online at <https://www.uhy-uk.com/hartley-pensions-limited-administration>.

IMPORTANT - avoiding scams

The Joint Administrators are aware that a number of clients have been receiving communications from the following email addresses: "admin@hartleypensionsuk.com" and "info@hartleypensions.com" as well as receiving calls from 020 7971 1496, 0117 251 0439 and 0117 251 0319. These messages and calls appear to represent that they are on behalf of Hartley, and the Joint Administrators are aware they have been requesting client's bank details to process a refund.

The Joint Administrators are also aware of communications being sent to clients by the following:

Central Reservations UK, using the email "accounts@centralreservations-uk.com", advising clients to contact Hartley's offices on 020 7088 8341 please note this is not a Hartley phone number; and Chartered Trading Standards Institute advising clients to contact them on 08000 541 432.

Please be aware that any correspondence received from these email addresses or phone numbers are NOT authorised by Hartley or the Joint Administrators and may be a scam. If clients receive communications from these email addresses or phone numbers, the Joint Administrators advise clients to disregard these and report it. Please do NOT provide any personal information, bank details or arrange payments to them.

The Joint Administrators are also aware that some clients have received communications from Bowerstone Capital Limited claiming to have been instructed by The Insolvency Service to assist clients with recovering their assets. Whilst the correspondence from Bowerstone Capital Limited does not appear to mention Hartley Pensions Limited, the Joint Administrators have notified The Insolvency Service and they have confirmed they have not instructed Bowerstone Capital Limited. The Insolvency Service has referred us to the following link, which provides further information which they have published: Investors warned about approaches to recover lost funds - GOV.UK (www.gov.uk)

It should be noted that correspondence in relation to client schemes will only be issued by Hartley Pensions Limited. Clients are reminded to remain alert and should correspondence be received by a third party, they should notify the Hartley Pensions team by any of the following methods:

Phone: 0800 063 9113 (Freephone for UK callers)

+4420 3282 8151 (international callers)

Bristol office: +44 117 316 9991

Email: hartleypensions@uhy-uk.com or admin@hartleypensions.com

For more on how to protect yourself from the most common types of scams, ScamSmart pages on the FCA website provide advice on how to avoid investment and pension scams.

If you have any queries our team is on hand to answer your questions.

Yours faithfully



Peter Kubik

Joint Administrator