Dalriada. A better way

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

29 March 2024

Rt Hon Sir Stephen Timms MP
Chair, Work and Pensions Committee
(By e-mail only)

Dear Sir Stephen

Norton Pension Schemes – Oral evidence session on 13 March

Thank you for your letter of 18 March.

In answer to the questions raised:

We would be grateful for some more information on what will happen next and, in particular, the date from which members can expect to receive payments.

The compensation received on 10 March represents an initial payment from the FCF. The FCF has imposed a number of conditions on the payment of compensation, the significant one being around so called 'double recovery'. In essence this is that members should not be compensated for any payment they have already received as a result of their membership of one of the Schemes. Such payments are not made directly from the Schemes and are paid by third parties. We therefore do not always have visibility of the extent or value of such payments.

We have now agreed a process with the FCF for dealing with this condition which requires us to contact members and seek confirmation of any payment they have received. To avoid the process becoming unduly protracted it has been agreed that there will be two chaser letters sent to non responders, at two weekly intervals. Thereafter, the results of the exercise will be reported to the FCF and they, in turn, will determine what the final level of compensation should be, taking into account details of any payments members confirm they have received. Once the FCF has confirmed the final level of compensation we can then determine the values of members' benefits. Thereafter, we will look to transfer members' benefits to a Mastertrust with a reputable provider.

The initial 'double recovery' communication to Norton members has now been issued.

How quickly we can get to the point where we are able to transfer members' benefits to the Mastertrust will depend to an extent on the engagement of members and the responses received and whether there is any challenge from members with regard to the application of the condition.

We would be reluctant to suggest timescales at this point. We expect that the information gathering exercise should be complete within 6 to 8 weeks (allowing time for the follow up communications to non responders). Once the FCF has analysed the information shared, we should then know whether they are satisfied with the member responses and are able to determine the final amount of compensation. In which case we would be better placed to advise on timescales. We would be happy to advise the Committee further at that point.

I can report that already 27% of members have responded within a week of our first communication.

For example, in your recent communication to scheme members, you say that you need to confirm where members have already received a payment and to establish the value of members' benefits. It would be helpful if you could explain what has already been done to establish each member's compensation entitlement, what remains to be done and how long you expect this to take. You also mention that you propose to then transfer benefits to a new arrangement with a reputable provider, in the member's own name. It would be helpful to know more about the process for identifying a provider and transferring the funds and how long you expect that to take.

The point as to needing to confirm payments members have received already is covered above. We have completed a full analysis of the records we obtained, including a full reconciliation of the Schemes' financial records, and have the information as to what members transferred into the Schemes. As such, we will be able to calculate what members' benefits will be once we know the final level of compensation. As commented above, timescales for transferring members will be somewhat dictated by how quickly we get responses from members and, subsequently, how long it takes the FCF to calculate the final level of compensation.

With regard to the new provider, we have already carried out a procurement exercise to determine who this should be and are in the final stages of agreeing the contractual terms and, also, taking legal advice around the legislative requirements to ensure transfers can be effected as quickly as possible whilst ensuring we comply with any disclosure (or, indeed, other statutory) obligations.

We expect to be able to confirm who the new provider will be shortly. However, it is, as you would expect, a well known authorised Mastertrust.

I hope this response is helpful. Should you, or any other members of the Committee, have any queries or require further information at this time, please let me know. Otherwise, I will update the Committee further once the information gathering exercise is complete.

Yours sincerely

Sean Browes

Work and Pensions Committee

18 March 2024

Sean Browes
Senior Trustee Representative
Dalriada Trustee Ltd
(By e-mail only)

Dear Sean,

Oral evidence session on 13 March

Thank you very much for giving evidence to the Work and Pensions Committee session on the Norton Pension Schemes and the Fraud Compensation Fund (FCF). We are grateful to you for being willing to set out your views to us.

In particular, we were interested in what had been done to get to the point of receiving the first payment of £9.4 million into the schemes on 10 March 2024. We would be grateful for some more information on what will happen next and, in particular, **the date from which members can expect to receive payments**.

For example, in your recent communication to scheme members, you say that you need to confirm where members have already received a payment and to establish the value of members' benefits. It would be helpful if you could explain **what has already been done to establish each member's compensation entitlement, what remains to be done and how long you expect this to take.** You also mention that you propose to then transfer benefits to a new arrangement with a reputable provider, in the member's own name. It would be helpful to know more about the **process for identifying a provider and transferring the funds and how long you expect that to take.**

During the course of the evidence session you may not have made all the points that you wished to on the topics we covered. If there is anything further that you would like the Committee to consider, please do email us at workpencom@parliament.uk. We would usually expect to publish anything you send us.

Committee staff will be in touch separately to seek your feedback on the meeting you attended and your experience of the session as a whole. It would be very helpful if you completed the survey, to assist us in improving how we work.

Thank you again for your contribution to the Committee's work.

Yours sincerely,

House of Commons
Palace of Westminster
London
SW1A 0AA

workpencom@parliament.uk
+44 (0)207 219 8976

Work and Pensions Committee

Stephen Timms

Rt Hon Sir Stephen Timms MP
Chair, Work and Pensions Committee

House of Commons
Palace of Westminster
London
SW1A 0AA

workpencom@parliament.uk
+44 (0)207 219 8976