

## FREQUENTLY ASKED QUESTIONS

Philips Trust Corporation Limited (In Administration) (“the Company” or “PTC”))

**Updated on:** 18 February 2025

This document has been prepared by the Administrators of the Company (the “**Administrators**”) to assist Clients by answering common or frequent questions they may have in relation to the Scheme.

It should be noted that the content of this document may be updated as further information comes to light and to reflect the nature of Client enquiries.

This document is not intended to provide and shall not be treated as providing legal advice. Clients should consult their own professional advisors as they consider necessary.

**The Administrators have expanded on their previous FAQ document, and this should be read in conjunction with the previous FAQ documents dated 30 May 2024 and 23 December 2024 that were updated and circulated via the Client Portal.**

*If you would like to a copy of the last FAQ document provided, then please access this via the Portal or contact us by email at [ptc@kroll.com](mailto:ptc@kroll.com)*

1. What was the reason for the Client Statement dated 31 January 2025 and what does this statement show?

In accordance with Clause 7.2 of the Amended Distribution Plan, the Administrators were required to write to each of the Claimants at the end of January confirming their allocation of the Realisations and (where applicable), the receipt of Voluntary Financial Support Payment under the Scheme, and any Repayment that has been made to their Building Society as at 31 December of the preceding year.

The statement showed the position as at the **31 December 2024**. As such, if you are eligible to participate in the Building Society Voluntary Financial Support Scheme, payments which have been made following the 31 December 2024 will not be shown in this statement.

Please see below a worked example of the Realisations breakdown as at 31 December 2024.

<b>As at 31 December 2024</b>		<b>Note</b>
<b>Realisations</b>	£13,299,636.72	1
Less:		
Assessed Costs	(£2,948,010.39)	2
Retention Sum	(£5,175,813.17)	3
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<b><i>Residual Balance to be allocated on a pro rata basis</i></b>	<b>£5,175,813.17</b>	4
<b>Total value of Accepted Claims (per ADP)</b>	<b>£42,777,343.92</b>	5
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<b><i>Pro rata distribution rate (allocated December 2024)</i></b>	<b>12.0994p/£</b>	6

**Notes**

1 – This is the total monies received from Investment Recoveries including realisations from the four Investment Management Companies being CX Wealth, Float Capital, Woodville Consultants and Berkeley Rutherford as at 31 December 2024.

2 – These are the costs and expenses that were assessed and approved by the Court as per the 1 March 2023 Order.

3 – In accordance with the Approved Distribution Plan, 50% of the total investment realisations after the deduction of the Assessed Costs were to be retained by the Administrators on account of future Costs which had yet to be assessed by the Court. Given this sum has now reached £5 million and going forwards, 10% of all future realisations will be retained by the Administrators as a retention to cover future Costs yet to be assessed by the Court.

4 – This is the balance available for allocation from the Realisations. This is calculated as the (1) Realisations less the (2) Assessed Costs and (3) Retention Sum.

5 – This is the total value of all Accepted Claims under the Approved Distribution Plan.

6 – This is calculated as the (4) Residual Balance divided by the total value of the (5) Accepted Claims. This results in a pro-rata distribution rate of 12.0994 pence in the pound.

**With regards to the Client Statement which has been tailored to each individual claimant, a worked example of this statement is provided below.**

Investments	£	£	Note
Accepted Claim (as per Amended Distribution Plan)	XXXX		1
Investment Realisations as at 31 Dec 24		XXXX	2
Less: initial Court Assessed Costs	(XXXX)		3
Less: Retention Sum	(XXXX)		4
Net investment Realisations (subrogated to Building Society per settlement agreement where applicable)		XXXX	5
Less: Withdrawals		-	6
Less: Subrogated Claim to Building Society per settlement agreement (where applicable)		(XXXX)	7
<b>Balance available as at 31 December 2024</b>		-	8

## Notes

1 – This is the total value of the agreed Accepted Claim for your trust.

2 – This is the trust's share of the total Realisations as at 31 December 2024 (i.e. your trust's share of the £13,299,636.72 as referred to in the (1) Realisations statement).

3 – This is the trust's share of the Assessed Costs as approved by the Court on 1 March 2023 (i.e. your trust's share of the £2,948,010.39 as referred to in the (2) Realisations statement).

4 – This is the trust's share of the Retention Sum (i.e. your trust's share of the £5,175,813.17 as referred to in the (3) Realisations statement).

5 – This is the net investment realisations after deducting the (3) Assessed Costs and the (4) Retention Sum.

If you are eligible to participate in the Scheme, this amount will be subrogated to the relevant Building Society following the execution of the Settlement Agreement. The relevant Building Society now has a claim to this amount given the Building Society will be making a voluntary contribution of 100% of your Accepted Claim into your trust.

6 – This is the amount that has been withdrawn to date from your trust. This is currently £Nil given no withdrawals have been made by any Claimant from the (5) net investment realisations as at 31 December 2024.

7 – If you are eligible to participate in the Scheme, this is the amount which has been subrogated to the relevant Building Society following the execution of the Settlement Agreement as referred to in (5).

8 – This is your trust's available balance to withdraw as at the 31 December 2024. If you are not eligible to participate in the Scheme, this is the amount that is now available to be withdrawn from your trust.

If you are eligible to participate in the Scheme and a Settlement Agreement has been executed, this balance will be £Nil given your trust's Accepted Claim is subrogated to the relevant Building Society.

**Please note the below section is only applicable if you are eligible for participation in the Scheme.**

**This will not be shown in the letter you received if you are not eligible for participation in the Scheme.**

**As such, this section can be disregarded.**

## Voluntary Financial Assistance (“VFA”)

	£	Note
Receipt of Voluntary Financial Support from Building Society as at 31 Dec 24	XX,XXX	9
Less: Voluntary Financial Support Payment to Claimant	(XX,XXX)	10
<b>VFA balance available as at 31 December 2024</b>	<b>XX,XXX</b>	<b>11</b>

### Notes

9 – This is the amount which has been paid into your trust by the relevant Building Society as at 31 December 2024 (i.e. 100% of your Accepted Claim).

Further significant payments have been made by the Building Societies in January 2025 and as such, will not be reflected in this statement, given this is the position as at 31 December 2024.

10 – This is the amount which has been distributed to either the beneficiaries or new trustees as specified on the Building Society Supported Claimant Options Form (“BSSCOF”).

11 – This is the balance available to your trust to be distributed to either the beneficiaries or new trustees as you have or need to have specified on the BSSCOF.

If the funds received from the Building Society as detailed in (1) were distributed prior to 31 December 2024, this amount will be £Nil and no further payments will be made given 100% of your Accepted Claim has been distributed.

## 2. What is the reason for the delay in payments being processed to beneficiaries / new trustees?

Claimants will be aware that there is a prescribed process that must be followed by the Administrators prior to payments being processed. For reference, these steps are as follows:

1. The settlement agreement must have been fully executed by (1) all trustees and (2) the relevant Building Society;
2. The relevant Building Society paid the Settlement monies across to the Administrators’ designated trust account;
3. Any outstanding complaint and/or claim against the Building Society in respect of that Trust being withdrawn and confirmed in writing to the Building Societies’ satisfaction;

4. The BSCOFF must have been completed correctly and returned to the Administrators;
5. Once the BSSCOF has been received by the Administrators, a legal review will need to be undertaken, and in some cases legal documents will need to be prepared, to allow the Company to comply with the instructions contained in the BSSCOF;
6. Where required, the Deed of Appointment of Assets signed in person by all requisite parties;
7. The Administrators completing satisfactory Identity / Money Laundering Risk checks on the proposed beneficiary of the Settlement Payment.

#### Legal Advisor Review

Before any payment can be made, the Company's legal advisors will review the necessary Trust documentation. They will prepare a report and any necessary documentation.

If new trustees have already been appointed, it is likely that no additional documentation will be needed to enable a distribution to the new trustees.

If you would like to replace PTC as trustee or you would like to distribute the Trust Assets (including the Settlement Payment) to beneficiaries, additional documents will need to be drafted and executed.

#### Money Laundering Checks

Before any payment can be made, money laundering checks on the proposed recipients and the specified bank account(s) will need to be carried out.

Please be advised that the third-party service provider (i.e. Veriphy) who have been engaged by the Administrators to assist with the Money Laundering Checks have encountered significant delays in processing the relevant checks required to allow payments to be processed. This was due to staff availability during the Christmas period and a service issue with their own third-party provider that was responsible for conducting bank account checks.

The Administrators have now been assured that this issue has now been resolved and as such, checks should now be processed routinely and without further undue delay.

It should be noted that Veriphy utilise two different teams to undertake the (1) the identity verification checks and (2) the bank account verification checks. The results of these checks are not being returned to the Administrators simultaneously and therefore requiring additional handling by the PTC case team, resulting in further delays in the process.

In addition, some money laundering checks have been failed by Veriphy due to errors in the information provided by clients to the Administrators for onward submission to Veriphy (i.e. dates of birth, bank account details etc). Again, the PTC Case Team have spent additional time contacting clients to address these issues before resubmitting the information to Veriphy.

In addition, Veriphy is currently unable to conduct bank account verification checks with certain challenger banks such as Metro Bank and Starling Bank. As a result, the Administrators have engaged with an alternative provider to enable these checks to be conducted.

#### Other Reasons for Delays

The Administrators have received numerous BSSCOF forms which have been returned and completed incorrectly. As such, this is again requiring additional handling by the PTC case team, resulting in further delays in the process.

**Please note that the Administrators are processing the Settlement Payments daily.**

**Payments can only be processed once all the steps referred to above have been completed.**

### **3. What is the reason for the delays in responding to client queries by telephone or by email?**

As clients will appreciate, the Administrators are continuing to receive a substantial volume of calls and emails from clients with queries relating to the Scheme, the client statements issued on 31 January 2025 and various other matters.

The Administrators endeavour to respond to all outstanding enquiries as soon as reasonably practicable, however, please note that their focus is on the continued implementation of the Scheme with an immediate focus on processing Settlement Payments.

### **4. I have returned my questionnaire in relation to the £2,400 fee reimbursement, what happens next?**

The Administrators are processing all the questionnaires returned by clients in respect of the fee reimbursement.

The Administrators are in continued dialogue with the four Building Societies in respect of the fee reimbursements and statements have been issued to request the monies which will be used to reimburse clients under the Scheme in respect of the fee reimbursement.

Where a client has selected Option 2 on this form (i.e. the fee reimbursement is to be paid into a different bank account from which it was originally paid), the Administrators will need to undertake money laundering checks on the bank account before raising payment.

There is nothing further for you to do at this stage.

If the Administrators have any queries relating to the returned questionnaire or money laundering checks, the Administrators will contact you directly.

On the assumption that the Administrators are in funds from the relevant Building Society, the Administrators will commence raising the fee reimbursement payments by the end of February 2025.

**5. The current trustees of my trust are The Family Trust Corporation Limited. What is the timeline for payments made under the Scheme?**

The Administrators remain in dialogue with The Family Trust Corporation Limited (“FTC”) in respect of the Scheme.

FTC have been made aware that the Administrators are looking to move matters forward with various clients who have fully executed Settlement Agreements in place and where the Administrators are holding the monies from the respective Building Society.

As clients will be aware from previous correspondence, unless a client has specifically opted out of the Scheme, FTC has accepted any offers made to clients under the Scheme and executed the Settlement Agreement. The deadline for opting out of the scheme was 4pm on 31 December 2024.

Please note that any Voluntary Financial Support payments from the Building Societies have been paid into the designated trust bank accounts held by the Administrators. This money has not been paid to FTC.

As referred to above, where claimants have requested to replace FTC as trustee or requested to distribute the Trust Assets (including the Settlement Payment) to beneficiaries, additional documents will need to be drafted and executed.

It is the Administrators’ understanding that FTC is in the process of instructing legal advisors to assist with drafting the documentation to enable Trust Assets to be distributed in accordance with the claimant’s selected option in the BSSCOF form.

FTC will also need to agree with their clients on how these costs will be funded.

Another possible option is for FTC clients to remove FTC as trustee and replace them with new trustees (at their own cost). Following which, the new replacement trustees would be able to receive the Settlement Payment once the relevant sections of the BSSCOF have been completed and returned to the Administrators.

Please reach out directly to FTC on [enquiries@thefamilytrustcorporation.co.uk](mailto:enquiries@thefamilytrustcorporation.co.uk) if you have any queries.

**6. I am a co-trustee or have appointed replacement trustees of my trust and have yet to return my signed Settlement Agreement, can I still sign and return this to receive the Settlement Payment?**

As clients will be aware, offers were open for Acceptance until 4pm on 31 December 2024. As such, the Settlement Agreements should have been returned signed and returned ahead of this deadline. However, where the Settlement Agreement was not returned prior to the deadline, the Building Societies have agreed to assess each individual client’s case on a case-by-case basis to determine whether the client could still participate in the Scheme.

It is the intention of the Building Societies to admit as many clients into the Scheme as possible, hence the slight extension of the 31 December 2024 deadline.



If the Settlement Agreement has still not been returned to the Administrators' office, co-trustees and replacement trustees should return the signed Settlement Agreement as soon as possible to participate in the Scheme.

**7. I believe that I should be matched with a Building Society, however I have yet to receive an offer letter. Does this mean that I am not eligible for Scheme?**

The Administrators are continuing to work with the Building Societies to validate as many clients as possible for participation in the Scheme.

Whilst the Building Societies believe that a significant majority of their clients have already been validated and offers extended, a small number of offers have been issued recently to clients who now been validated.

Further dialogue is ongoing between the Administrators and the Building Societies with regards to validating further clients for participation in the Scheme. To enable this validation exercise to be completed, clients may need to provide further supporting evidence to show that there was a referral to one of the participating Building Societies to become eligible.

Such enquiries have been made to client by the Administrators and in some cases, directly by the relevant Building Society.

**8. Is interest being accrued on the designated trust bank accounts where Settlement Payments have been received from the relevant Building Societies, and if so, who will receive this?**

Yes.

This interest has been accrued on bank accounts set up to deal with the VFS Settlement Payments for each of the relevant Building Societies.

Having taken legal advice on this point, the interest that accrues on the account will be allocated and paid to the individual trusts that have received VFS Payments from that account. This is on the basis that these monies were paid under the terms of the Scheme after settlement agreements had been entered into between the trustees and the respective Building Society.

A calculation will be undertaken by us at the end of the process (i.e. when all VFS Settlement Payments have been processed thereby enabling an accurate, up to date interest calculation) to allocate the total interest accrued on that specific designated account. Thereafter, a further "distribution" of the allocated interest will be paid out to the beneficiary / ies. (net of a deduction of the costs in carrying out that exercise).

For the avoidance of doubt, this interest will not be retained by nor used to benefit, the Administrators or Kroll.