

Frequently asked questions

1) What is redress and what has happened?

It has been identified that there were certain issues affecting specific agreement(s) with the Company, which originated prior to the appointment of the Joint Administrators but may, in some instances, have continued to impact specific agreement(s) during the Administration. As a result of these issues, specific customers only may be entitled to claim against the Company – these claims are referred to as 'redress'.

2) How has my redress claim been calculated?

Each customer's specific redress claim has been calculated based on the Company's records.

3) Have all known customers affected by redress been written to?

Yes, all known customers have been written to.

4) What is an unsecured creditor?

A creditor in an Administration is anyone (company or individual) who is owed money by a Company relating to outstanding debts arising prior to the Administration. Insolvency legislation specifies a ranking of creditors, which determines the order in which they get paid out of the assets realised by the Joint Administrators of the Company in Administration.

An unsecured creditors' claim means that it ranks after fixed and floating charge creditors and preferential creditors. However, an amount of money, known as the Prescribed Part, is set aside for unsecured creditors to ensure there are some funds available for them.

5) What is the Prescribed Part?

The Prescribed Part is an amount of money set aside for the unsecured creditors of the Company and comes from realisations of floating charge assets.

6) How much is the Prescribed Part?

In the Administration of Dunraven Finance Limited, the Prescribed Part is £600k (prior to the costs of agreeing claims and distributing the Prescribed Part). Under insolvency legislation, it is capped at a maximum of £600k.

7) What is a dividend?

When a Company enters Administration, it may not have sufficient funds to pay all of the creditors (companies or individuals) to whom it owes money, in full. As such, the Joint Administrators' duties include realisation of the Company's assets and distribution of funds to creditors in accordance with the insolvency legislation.

A dividend is the name given to the payment of funds to creditors once assets have been realised. The claims of all unsecured creditors rank equally, and therefore all unsecured creditors will receive the same pence in the £ in respect of their claim.

8) When will I receive my dividend?

The Joint Administrators expect to be in a position to pay all dividends to unsecured creditors whose claims have been admitted no later than 27 July 2020. We will also ensure that any expense claims are paid by this date.

9) Why does the process of receiving my dividend take so long?

There are a number of statutory timeframes which must be adhered to. We must allow all creditors a minimum of 21 days to submit their claims, and then the Joint Administrators have a two-week window to adjudicate claims and write to creditors whose claims have been rejected. Payments must be then made within 6 weeks of agreeing all claims.

10) My unsecured claim is for less than £1,000. Do I need to do anything?

No. As your unsecured claim is for less than £1,000, the insolvency legislation allows us to automatically accept your claim for dividend purposes, treating it as if you had proved your debt without requiring you to submit any paperwork to us.

11) My unsecured claim is for more than £1,000. Why do I need to take action and what do I need to do?

As your unsecured claim is larger than £1,000, you are required to send a completed Proof of Debt form to us, which is part of the information and evidence we need in order to accept your claim. The legislation specifies that only claims of under £1,000 can be automatically accepted, therefore please make sure you complete the Proof of Debt form and return it to us. **If you do not return your form, you will not receive any dividend payment**, as we cannot automatically admit a lower amount.

12) Can I challenge the amount of my claim or claim for a different amount than that stated in the letter?

If you believe that the value of your claim is different to that stated on your letter dated 27 April 2020, you may submit a claim for a different amount by writing the value you wish to claim on your Proof of Debt form. However, in order for your claim to be accepted at a different amount, you would need to provide sufficient, appropriate evidence in support of your claim to enable the Joint Administrators make a suitably informed decision.

The figures included in the letter you received are based on the Company's records and are calculated after appropriate offset of capital balances still due to the Company, therefore **we would recommend that you use these values in order to ensure that your claim is not rejected for lack of evidence.**

13) I don't think I have a claim. Do I need to tell you?

If you do not believe you have a claim but you have been told that you are entitled to a claim of less than £1,000, you are obliged to tell us that you do not believe you have a claim. Please do so by contacting us at the details included at the bottom of this FAQ document.

If you do not believe you have a claim but have been invited to complete and return a POD form, simply do not return the form and no claim will be accepted.

14) Can I challenge the amount of the dividend?

You cannot challenge the p/£ of the unsecured distribution because all available funds are being distributed and all unsecured creditors with accepted claims are being treated equally. There are no further funds available for distribution.

15) My letter states that I have an expense claim, when will I receive my cheque?

We will write to you again in due course and enclose the cheque at that time. We cannot give an accurate indication of timescale at this stage, but it will be no later than the payment of dividends.

16) Why is my expense claim being paid in full, but my unsecured claim is only going to be p/£?

Your expense claim relates to amounts collected from you during the Administration and therefore it does not follow the same process as unsecured claims, which relate to amounts collected from you prior to the Company entering Administration.

Your expense claim relates to the Administration period, when the affairs, business and property of the Company were being managed by the Joint Administrators, so these amounts are due back to you in full, as an expense of the Administration.

17) Can I challenge the amount of my expense claim?

Expense claims have been calculated using the Company's records and are accurate to the best of our knowledge and belief. If you disagree with the amount, please write to us and explain why this is the case.

18) Why did you continue collecting money from me during the Administration, if the redress issues existed prior to the Company entering Administration?

At the date of the Administration, the Joint Administrators were aware of a certain number of redress issues, but these issues did not invalidate the agreements and the specific customers affected had not yet been specifically identified. As such, all existing loans continued to be collected as normal, but no new agreements were entered into, no new FSR agreements were reached, and no further direct debit charges were levied for late payments.

As the historical issues would be dealt with as part of the Administration process, the Company was entitled to continue to collect amounts due from its customers.

19) Why are there capital balances outstanding on my account, if you are no longer collecting money from me?

Whilst the Company stopped collecting from its customers on 3 June 2019, this does not mean that the amounts were no longer due to the Company or were formally written off. The amounts due to the Company remained valid debts, but the Company simply took a commercial decision to stop exercising its rights to collect them.

20) I have missed the deadline for submitting my claim in the Administration – can I still submit a claim?

After the deadline for customers to submit redress claims in the Administration has passed, any claims attempted to be submitted following this date are unlikely to be considered by the Joint Administrators.

21) Does my redress estimate include statutory interest at 8%?

No, your redress claim will not include statutory interest at 8%, as stated under insolvency legislation

22) Who do I contact if I have questions not covered in these FAQs?

Please email dunravencreditors@uk.ey.com or call +44 121 535 2171.