

Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

04096093

Name of Company

(a) Insert full name of
company

(a) Southern Pacific Personal Loans Limited

(b) Insert full name(s)
and address(es)

We, Ian Christopher Oakley Smith and Julian Guy Parr, of
PricewaterhouseCoopers LLP, 7 More London, Riverside, London,
SE1 2RT, the liquidators of the company, attach a copy of our Progress
Report under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 4 September 2014 to
3 September 2015

Signed
Date



22/10/2015

Presenter's name,
address and
reference
(if any)

Luke Wolf
PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

THURSDAY



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COMPANIES HOUSE



Third progress report to members & creditors

27 October 2015

Company	Southern Pacific Personal Loans Limited – in Liquidation		
Registered Number	04096093		
Registered address	Benson House 33 Wellington Street Leeds LS1 4JP		
Type of Insolvency	Creditors' Voluntary Liquidation		
Date of Appointment	4 September 2012		
Appointees	Ian Christopher Oakley Smith (<i>4 September 2012 – present</i>) Julian Guy Parr (<i>22 March 2013 – present</i>) Derek Anthony Howell (<i>4 September 2012 – 22 March 2013</i>)		
Address	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP		
Dividend Prospects	Current estimate p in £	Previous estimate p in £	
	Preferential	n/a	n/a
	Unsecured	Uncertain	Uncertain
<i>Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.</i>			

Southern Pacific Personal Loans – In Creditors’ Voluntary Liquidation (“the Company”)

Report to Members & Creditors

In accordance with Rule 4 49C of the Insolvency Rules 1986 (“IR86”), this is our third progress report to members and all known creditors

Attached at Appendix A is a summary of the financial information relating to the liquidation

Asset Realisations

There have been no further asset realisations in the period, however receipts have been as follows -

Book Debts

During the current reporting period we have received receipts totalling £1,456 which relate to miscellaneous book debts.

Data Subject Access Requests (“DSARs”)

During the period we have banked receipts totalling £1,600 which comprise £10 cheques that accompany DSARs

Interest

Interest of £5,456 has been received in the period

Contribution to legal fees

These contributions relate to requests to the Liquidators for removal of charges from title deeds. As mentioned in the last report we have no legal obligation to deal with these requests, but in the interests of convenience to both parties, on payment of a contribution to costs by the individuals, these requests are being dealt with

During the period £4,000 has been received in respect of these contributions.

Continuing and Outstanding Matters

Debt owed by Resetfan Limited (“Resetfan”)

At the time of the last report we anticipated that the Resetfan position would have been concluded by now. However, despite continuous discussions, Resetfan has to date been unable to confirm the timing or method of settling the debt of c £55m. We believe that this is largely due to wider group considerations, of which the Company is a part

We continue to have regular discussions with Resetfan in respect of the debt owed and are hopeful that the position will be resolved shortly, although at the moment it is unclear as to the amount that may be received

DSARs and data destruction

We have continued to deal with DSAR requests in accordance with the Company’s responsibilities under the Data Protection Act 1998 (“DPA”). A total of 251 DSAR requests have been received in the period. Of these many were invalid (ie no cheque and/or authority received) and have been returned for re-submission. A total of 154 valid DSARs have been received and submitted to the Company’s former mortgage administrator, Acenden Limited (“Acenden”) which holds the relevant data. Of the 154 valid DSARs 80 of these were found not to relate to the Company once Acenden reviewed the records

Please note that any discrepancy between DSAR receipts and DSARs processed is simply a timing difference related to the time a cheque is banked from when it is received

We have continued to liaise with Acenden to finalise the plan for destroying the Company's client data in a DPA compliant manner and also in accordance with the conditions attached to the court order made in August 2013. As mentioned in our previous report, the destruction plan of the electronically held data is extremely complex due to the number of legacy systems on which the data is held, and also the manner in which the data is held within the systems. This has proven to be even more complex than previously anticipated.

All major issues with the data destruction plan have now been resolved and a finalised plan and contract are expected to be completed imminently. Once the data destruction commences it is expected to take only a short number of months to be completed.

The broker that we previously reported to be requesting access to client records relating to its customers is still in negotiations with Acenden regarding access. We do not anticipate its requests or negotiations will affect the timeline of the destruction of the Company's client data.

Payment Protection Insurance claims ("PPI") and other claims

The number of PPI claims received in the period amount to 167, none of which have specified any exact value. Many claimants address their claims to multiple parties, who then forward the duplicate claim on to us. The 167 therefore reflects the number of clients only, but the number of pieces of correspondence we have to deal with is considerably higher.

As previously reported, any claimant pursuing a claim relating to PPI or undisclosed commission regarding PPI against the Company is likely to have their claim rejected once the claim adjudication process begins.

Requests for removal of charges from title deeds

We have continued to deal with removal of charge requests upon receipt of a contribution towards costs.

It was previously reported that it was not possible to make an application in Scotland to remove charges on a blanket basis for all charges relating to the Company, however from further investigation it has become apparent that Scottish Law rests responsibility for removal of redeemed charges upon the lender subject to its costs being settled. Our lawyers have advised that despite the Company being in liquidation, that duty remains.

We have therefore made further enquiries as to the process of a blanket approach and have obtained details of the costs per charge from the relevant registrars. We are now awaiting confirmation from Acenden of the number of charges that are likely to be still registered so we can estimate costs with a certain degree of accuracy.

Given that the cost of this exercise will not be recovered from the relevant clients, once the cost is known we shall at that point review the cost against the benefit of bringing this matter to a conclusion and not having to deal with ad hoc requests.

Outcome for Creditors

Secured Creditors

The Company had no fixed charge assets and there are no secured creditors.

Preferential Creditors

The Company did not directly employ staff and there are therefore no preferential creditors

Unsecured Creditors

The value of unsecured creditors shown on the directors' statement of affairs was £10,279,377
Claims received to date total £10,435,477

We have yet to begin formal claims review and adjudication due to the unknown timescale of the liquidation. This is due to the unexpected extended period involved in finalising the data destruction and liaising with Resettan.

The amount of the dividend will depend on the final level of submitted claims, future realisations and liquidation costs

If you haven't already done so, please submit your claim in writing, together with full supporting documentation, to Luke Wolf at PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP.

Professional Advisers

On this assignment we have used the professional advisers listed below

Name of professional adviser	Nature of work	Basis of fee arrangement	Paid in period £
Reed Smith LLP	Legal advice	Time-cost basis	64,057
Solex Legal Services Limited	Redaction of information	Fixed fee	13,375
Acenden Limited	Data storage and supply of information for DSARs and other matters relating to client accounts	Fixed fee (for DSAR's) and time-cost basis for other work	-
Scottish Lawyers	Specific legal advice on Scottish matters	Time-cost/capped	500

Our choice was based upon our perception of the advisers experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. We have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

Our remuneration

You may recall that at the first meeting of creditors held on 5 September 2012 a resolution was passed to enable us to draw remuneration by reference to the time properly given by the Liquidators and their staff in attending to the matters arising in the liquidation. Fees have been drawn pursuant to that resolution.

In the current period to 3 September 2015, we have incurred time costs of £265,617. This represents 832 hours at an average hourly rate of £319.29. This compares with the average hourly rate at the time of the Liquidators' last progress report of £293. Total time costs to date are £1,028,126 against which £762,509 has been drawn and the balance is expected to be drawn in due course. These figures include changes in charge out rates effective from 1 July each year, following the fee resolution, for our staff.

It has been our policy to delegate the routine administration of the liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidators.

Details of the time costs incurred from 4 September 2014 to 3 September 2015, by work category, are attached at Appendix B. Please note that an additional entry has been made for time costs relating to the previously reported period which were not included within the previous report. This is due to one member of staff recording time to an unused time code during the prior period, which regrettably was not picked up on the time of the last report.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge-out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. Following the passing of the fee resolution on 5 September 2012 the charge out rates were increased on 1 July 2013, 1 July 2014 and 1 July 2015. Full details of the charge out rates charged to this case from these are included at Appendix B. Specialist departments within PricewaterhouseCoopers LLP, such as tax, VAT, property and pensions, sometimes charge a small number of hours should we require their expert advice. Their rates vary, however, their rates will not exceed the scale rates stated at Appendix B.

The key elements of the work undertaken at Appendix B are detailed in the table below.

Area of work	Work undertaken in the period includes:
Strategy & planning	<ul style="list-style-type: none"> Internal reviews, Case progression meetings; Preparation of estimated outcome statement; Strategy meetings concerning resolution of outstanding issues including seeking legal advice.
Assets	<ul style="list-style-type: none"> Dealing with correspondence relating to Resettan debt, Dealing with correspondence relating to other debtors.
Creditors	<ul style="list-style-type: none"> Dealing with claims received, including PPI and client related claims, Dealing with queries and questions from existing creditors.
Accounting and treasury	<ul style="list-style-type: none"> Internal cashiering, Regular bank reconciliations, Processing payment requests and banking of receipts, Receiving, coding, and banking £10 cheques in respect of the DSARs.
Statutory and compliance	<ul style="list-style-type: none"> Internal compliance procedures, Statutory issues surrounding data protection and DSARs; Preparing and sending out the statutory progress report for year ended 3 September 2014.
Tax/VAT	<ul style="list-style-type: none"> Preparation and submission of tax return to 3 September 2014, Preparation and submission of regular VAT returns.
Data Subject Access Requests ("DSARs")	<ul style="list-style-type: none"> Dealing with daily correspondence received from former SPPL customers submitting DSARs – both valid and invalid requests, Requesting data from Acenden to comply with DSARs, Copying and sending received information to legal agents to redact and send on to former customers; Correspondence in respect of invalid DSAR submissions, Responding to those valid DSAR submissions which are found to not relate to the Company;

	<ul style="list-style-type: none"> • Keeping a record of all requests and progress
Payment Protection Insurance ("PPI")	<ul style="list-style-type: none"> • Dealing with correspondence received from former SPPL customers in respect of PPI and other claims; • Responding to all correspondence received in relation to PPI creditor claims, • Responding to all correspondence in relation to undisclosed commission on PPI claims; • Dealing with submitted PPI creditor claims.
Removal of historic charges from Land Registry	<ul style="list-style-type: none"> • Dealing with requests from former SPPL customers to remove redeemed secured charges from Land Registry, • Phone calls from former SPPL customers regarding their redeemed secured charges, • Investigations into potential costs and requirements removal of satisfied Scottish charges; • Liaising with solicitors regarding blanket removal of satisfied charges from Scottish registers, • Liaising with solicitors regarding the residual titles in England and Wales and the transfer of these to the relevant SPVs
Destruction of the Company's client data	<ul style="list-style-type: none"> • Various meetings with solicitors and Acenden to plan for destruction of client data and associated planning for those meetings; • Various consultation with solicitors and internal specialist staff regarding DPA requirements of data destruction, • Correspondence with Acenden regarding the costs and planning for destruction and finalisation of the outstanding issues

Our disbursements

Category 1 disbursements

We have incurred category 1 disbursements of £367 61 during the period 4 September 2014 to 3 September 2015 as set out below

Details	£
Car parking	16 66
Courier	86 69
Archiving	32.51
Postage	12 90
Rail fares	218 85
Total	367 61

Against this, nothing has yet been drawn

Category 2 disbursements

Our current disbursements policy for category 2 disbursements, as approved by the creditors, is as follows

- 1 Photocopying for circulars or any other bulk copying is charged at 5p per sheet,
2. Mileage – this is reimbursed at a maximum of 67p per mile (up to 2,000cc) and 80p per mile (over 2,000cc)

All other disbursements are reimbursed at cost We have incurred £2,027 53 in respect of photocopying during the period 4 September 2014 to 3 September 2015 The majority of this has related to DSARs in addition to normal costs of sending out progress reports to creditors Of this, nothing has yet been drawn

Statement of expenses

The following expenses have been incurred during the period of the report, irrespective of whether payment has been made

Category	Unpaid expenses brought forward as at 3 September 2014	Expenses incurred in this period (£)	Expenses paid in this period (£)	Unpaid expenses as at 4 September 2015 (£)
Legal fees	27,855.20	51,794.30	64,056.50	15,593.00
Legal Disbursements	2,100.75	1,727.11	3,782.82	45.04
Professional fees - Solex	4,200.00	10,425.00	13,375.00	1,250.00
Professional fees - Acenden (1)	33,825.00	26,280.00	-	60,105.00
Office holders fees (2)	277,558.95	265,617.30	231,613.95	311,562.30
Office holders disbursements	4,331.20	2,395.14	4,250.16	2,476.18
Data Protection Act Fees	-	35.00	35.00	-
Bank charges	-	73.58	73.58	-
Total	349,871.10	358,347.43	317,187.01	391,031.52

Notes

- 1 Previous estimate of £53,280 reduced to £33,825 to reflect received invoice. This period figure is estimated.
- 2 Figures are shown net of VAT. Where expenses are subject to VAT, the VAT will be irrecoverable.

Additional information

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 4.49E of the Insolvency Rules 1986. Any request must be in writing. Creditors can also challenge the liquidators' fees and expenses within eight weeks of receiving this report as set out in Rule 4.131. This information can also be found in the guide to fees at <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-Liquidators-fees-final.ashx>

Southern Pacific Personal Loans Limited - in Creditors' Voluntary Liquidation

Summary of Financial Information (GBP)

Directors Statement of Affairs £	Receipts & payments to 31 September 2014 £	Movements in the period £	Total as at 31 September 2015 £	Estimated Outcome Statement £
Receipts				
3,138,644.47 Pre-appointment funds	3,139,200.76	-	3,139,200.76	3,139,200.76
101,000.00 Sale of tax losses	91,529.69	-	91,529.69	91,529.69
10,709.60 Release of funds held by third party	10,714.87	-	10,714.87	10,714.87
21,595.44 Release of funds held by group company	20,946.62	-	20,946.62	20,946.62
- Refund of creditor balance at Land Registry	1,091.00	-	1,091.00	1,091.00
- Data subject access requests ("DSARs")	6,430.00	1,600.00	8,030.00	Uncertain
- Gross interest received	15,668.36	5,456.45	21,124.81	18,000.00
Uncertain Resettlan Limited	-	-	-	Uncertain
- Contribution to Legal fees (discharge requests)	9,250.00	4,000.00	13,250.00	Uncertain
- Book Debts	-	1,455.98	1,455.98	Uncertain
- Refunds	273.33	-	273.33	273.33
3,271,949.51	3,295,104.63	12,512.43	3,307,617.06	Uncertain
Payments				
Legal fees	(326,418.58)	(64,056.50)	(390,475.08)	Uncertain
Legal Disbursements	(6,490.12)	(3,782.82)	(10,272.94)	Uncertain
Professional fees - Solex	(51,625.00)	(13,375.00)	(65,000.00)	Uncertain
Professional fees - Acenden	(136,525.00)	-	(136,525.00)	Uncertain
Statement of affairs fee	(20,000.00)	-	(20,000.00)	(20,000.00)
Office holder's fees (time cost basis)	(530,895.15)	(231,613.95)	(762,509.10)	Uncertain
Office holder's disbursements	(4,279.34)	(4,250.16)	(8,529.50)	Uncertain
Statutory advertising	(730.84)	-	(730.84)	(1,800.00)
Data Protection Act fees	(70.00)	(35.00)	(105.00)	(140.00)
Bank charges	(261.66)	(73.58)	(335.24)	(485.00)
	(1,077,295.69)	(117,187.01)	(1,194,482.70)	Uncertain
VAT (irrecoverable)	(189,388.21)	(63,214.48)	(252,602.69)	Uncertain
Balance	2,028,420.73	(367,889.06)	1,660,531.67	Uncertain

Notes

Funds are held on an interest bearing account

All figures are net of VAT

VAT is irrecoverable due to the VAT status of the Company's former business

The prescribed part provisions do not apply in this matter

Southern Pacific Personal Loans Limited - in Creditors' Voluntary Liquidation

Analysis of time costs for the period from 4 September 2014 to 3 September 2015

Aspect of assignment	Partner	Director	Senior Manager	Manager	Associate	Support	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	-	-	0.30	42.50	22.90	2.30	68.50	27,087.05	395.43
2 Assets	0.20	-	-	0.20	-	1.30	1.70	577.50	339.71
3 Creditor claims/distributions	-	0.40	0.75	8.90	1.25	1.50	12.80	5,611.25	438.38
4 Accounting and treasury	-	-	3.15	0.85	15.90	80.20	100.35	25,463.00	253.74
5 Reporting to appointor/committee	-	9.40	-	9.25	-	-	18.65	10,877.00	583.22
6 Statutory and compliance	0.40	-	0.75	29.30	23.75	2.40	56.60	21,409.00	378.25
7 Tax/VAT/Pensions	-	0.30	0.60	1.95	12.20	0.25	15.55	5,025.50	323.18
8 Data Subject Access Requests ("DSARs")	-	1.50	4.23	16.20	3.65	141.55	167.63	46,070.00	274.83
9 Payment Protection Insurance ("PPI") - complaints and claims	-	-	-	29.70	5.25	230.15	265.10	70,349.50	265.37
10 Removal of historic charges from Land Registry	-	0.30	-	7.10	3.30	8.15	18.85	6,307.00	334.59
11 Destruction of the Company's client data	-	3.00	16.88	63.20	7.15	13.15	103.38	45,622.50	441.31
12 Closure procedures	-	-	-	2.40	0.40	-	2.80	1,218.00	435.00
Total for the period	0.6	14.9	26.7	211.6	95.8	481.0	831.91	265,617.30	319.29
Brought forward at 3 September 2014							2,634.73	762,509.10	
Unreported time from prior period*							204.20	45,945.00	225.00
Total							3,466.64	1,028,126.40	

Maximum charge out rates per hour

- Liquidators' staff (effective from 1 July 2013)
- Liquidators' staff (effective from 1 July 2014)
- Liquidators' staff (effective from 1 July 2015)

*Please note that the prior reporting period did not include the below additional time which was incorrectly recorded. This was all incurred within the period 1 July 2013 to 30 June 2014 at Associate level

Breakdown

Strategy & Planning	3.00
Creditor claims/distributions	0.20
DSARs	115.00
PPI - complaints and claims	86.00
Total	204.20

Southern Pacific Personal Loans Limited – In Creditors' Voluntary Liquidation

Statement of claim form

1	Name of creditor	
2	Address for further correspondence	
3	Limited Company Registration Number or Proprietors name & home address (to be used only for correspondence should items be returned by the Royal Mail for the above address)	
4	Total amount of your claim, including any Value Added Tax, as at the commencement of the liquidation	£
5	Please provide details of any documents that substantiate your claim, including, where applicable, details of any reservation of title in respect of goods to which the debt relates Please also provide details of the goods and services provided and, if relevant, attach a statement of account	
6	Give details of whether the whole or any part of the claim falls within any (and if so which) of the categories of preferential claims under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category Amount (s) claimed as preferential £
7	If you have security for your debt, please provide details of the type and value of the security and the date it was given. Please also provide details of how you have valued your security	
8	Signature of creditor or person authorised to act on behalf of the creditor Name in block capitals Date Position with or relation to the creditor (e.g director, company secretary, solicitor)	