Dear Sirs

As you are aware, there have recently been calls for the Transport Select Committee to conduct an inquiry into the circumstances surrounding the collapse of Monarch Airlines Limited and Monarch Travel Group Limited on 2 October.

There is understandably widespread concern that the structuring of your investments in Monarch, in particular the reported £165 million rescue package in October 2016, was such that Greybull, as a primary secured investor, may be entirely protected from losses associated with the collapse. The Financial Times has calculated that, depending on the value realised from Monarch’s assets, including potentially valuable airport slots, Greybull may even benefit from a modest overall profit. Many, including this Committee, feel a deep sense of unease about this.¹

We appreciate that the insolvency process is at an early stage, and we will await the administrators report before proceeding with any formal inquiry into the specific circumstances surrounding Monarch’s failure. If there is any suggestion of impropriety with regard to your investments, or your conduct in relation to Monarch’s insolvency, we will not hesitate to investigate further or call on the appropriate authorities to do so. Further to your public statements on this matter, you may wish to provide us with evidence to support your claim that Greybull has “acted responsibly and with integrity” throughout its involvement with Monarch.²

Notwithstanding the above, given the estimated £60 million costs of repatriating customers stranded overseas, and the uncertainties around how much of this public money can be recovered from the Air Travel Trust Fund, credit and debit card issuers and insurance companies, there have been calls for Greybull to make a financial contribution. You may be aware that the Secretary of State for Transport told us on 16 October that, while no legal mechanism existed, he believed Greybull “might feel a moral obligation” or may be motivated to contribute “as a gesture of good will” and to protect its reputation.³

I would therefore be grateful to know what discussions you have had with the Department for Transport in this regard and whether you accept, at least in

¹ “Greybull eyes profit from Monarch collapse”, Financial Times, 11 October 2017
² ‘Greybull Capital LLP: Second Statement re: The Monarch Group’
³ Oral evidence heard on Monday 16 October (available via www.parliament.uk/transcom)
principle and subject to the outcome of the administration process, an obligation to compensate the public purse for the costs associated with Monarch’s collapse.

I look forward to your cooperation in these matters.

Yours sincerely

Lilian Greenwood MP
Chair of the Transport Committee