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Rt Hon Nicky Morgan MP
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Dear Ms Morgan

Thank you for your letter of 25 February regarding the administration of Wonga and handling of consumer complaints. This is an important issue for many people affected and you raise a number of questions of public interest.

As you know, Chris Laverty, Daniel Smith and Andrew Charters of Grant Thornton UK LLP were appointed as joint administrators of the Wonga companies on 31 August 2018. The Administrators are continuing to conduct an orderly wind down of the business in accordance with their statutory obligations, supporting customers where possible during this period, and are developing a methodology for adjudicating claims in a fair and reasonable way in the circumstances of the administration. The Administrators' aim is to treat claims fairly and efficiently, and to maximise the assets we receive in order to best compensate creditors, including claimants.

Claim handling

The total number of redress claims is currently more than four times the number you referred to in your press statement on 26 February and we can expect this to increase, when the Administrators publicly request claims from borrowers who believe they may have been sold an unaffordable loan. The majority of the claims received to date have been made via Claim Management Companies (CMCs). The Administrators now hold all claims which the Financial Ombudsman Service (FOS) had opened a case file on at the date of the Administrators' appointment. This is due to the fact that Wonga's administration effectively prevents FOS jurisdiction to the claimants, due to the insolvency of the regulated entity (WDFC LTD, known as Wonga). The FOS has also notified all other claimants who had informed them of a claim, but where no case file was opened, that those claimants must now deal directly with the Administrators.

Following dialogue with the FCA and FOS the Administrators have developed an automated tool to streamline and speed up the claims assessment process, which will be launched shortly. Those borrowers who believe they were provided an unaffordable loan will be able to use an online portal to register a claim. Whilst the Administrators believe they will be able to notify creditors quickly as to whether their claims have been agreed or rejected in whole or in part, the agreed claims will not be notified of pence in the pound return until all recovery of assets has been made.

For these reasons there is currently no uphold rate or average compensation to report, as these will follow on respectively from the launch of the automated claims process and final asset recovery.

The Administrators are progressing this as fast as possible; unfortunately there are a number of formal and legal processes they must go through before they can go live with the portal.

Communication with claimants

The Administrators continue to engage in extensive communications with claimants including:

- FAQ's on the Wonga website, which are regularly updated with the latest information available.
- An Administrators' report was issued at the end of November 2018 to all redress creditors whose claims had been assessed prior to our appointment and a further report will be issued towards the end of March.
- The Administrators have written to all claimants who have claimed direct to the Administrators up to this point or who were passed to the administrators by the FOS.
- The Administrators have kept the Wonga call centre open; the website encourages borrowers to call in for updates or queries.
- The Administrators have written to CMCs to ask on behalf of their clients for their feedback on the proposed approach and to determine their support for the automated tool to assess claims or a manual process, outlining that the manual approach will take a number of years to assess and pay.

The Administrators will be writing to all customers in the coming months to encourage those that believe they are due a refund to claim directly online.

The Administrators advise customers that using a CMC will not accelerate the claims process, and may expose them to charges that will be deducted from any final payment they might receive (e.g. see <https://wonga-administration.grantthornton.co.uk/complaints/>).

Vulnerable customers

The Administrators take active measures to monitor those customers and claimants who may be vulnerable (including financial difficulty, financial hardship and health and wellbeing) and are working to ensure appropriate support for these people. This is done by encouraging existing borrowers and claimants to identify whether they are facing any hardship and active support is provided including debt management planning and support from a debt charity. The Administrators continue to pay the fees of the debt charities and work hand-in-hand with them to ensure appropriate support is made available to these individuals.

As you are aware, this is a complex administration which requires sensitive and careful handling to best support those affected and maximise the recovery of funds available to claimants. It is a live case so numbers of claims and progress is changing from day to day. Given these considerations, we would very much like to arrange for the Administrators themselves to meet you or your colleagues and provide a face-to-face briefing to explain in more detail and to enable you to ask further questions. We will contact your office to arrange a suitable date. We would also be happy to provide regular updates on progress if that would be helpful.

Yours sincerely,



Dave Dunckley
CEO
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