

# The Pensions Regulator



Rt Hon Frank Field MP  
Chair, Work and Pensions Committee  
House of Commons  
London  
SW1A 0AA

25 July 2018

Dear Mr Field

## **Palmer and Harvey (P&H) companies**

Thank you for your letter of 27 June 2018 regarding the administration of the Palmer and Harvey (P&H) companies.

Since we last wrote to you on this subject on 22 December 2017 we have:

- Investigated whether there is a case for us to use our anti-avoidance powers. This has focused on the payments to preference shareholders. We considered the events leading up to the Group's insolvency and did not find any other acts which might justify the use of our powers.
- Sought information from the secretary of two specific P&H group companies (which were not subject to the administration proceedings of the wider Group) and were the entities with responsibility for making payments to the shareholders. We have also sought and received information from the administrators and trustees of the scheme.
- Interviewed the secretary and the directors of these companies – including the Group CEO at the time of insolvency.
- Taken steps to prevent winding up proceedings relating to these two companies from going ahead until our investigations are concluded.

We expect to reach our final conclusions shortly regarding the potential for anti-avoidance action and will update the Committee as soon as we can.

With regard to recovering monies due in respect of pension scheme debt, the Committee will be aware that the PPF is responsible for exercising creditor rights in relation to the Section 75 debt due from the Group. I understand that the PPF's

Chief Executive Oliver Morley intends to write separately to the Committee in this regard.

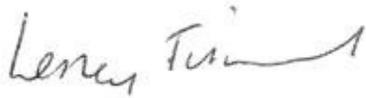
As a result of the Group's insolvency, there are no group entities with the financial resources to provide additional financial support for the scheme. We are still investigating the position regarding the scheme's security rights over a number of properties owned by P&H (1925) Limited.

We are also making enquiries with the scheme trustees about the level of reimbursement for the property security released before insolvency. We are also in contact with the PPF given its role in exercising creditor rights following insolvency.

Generally speaking, it is helpful for all stakeholders for claims in an insolvency to be established as quickly as possible but these are complex matters. It is the PPF which holds creditor rights in the administration proceedings and thus protects the interests of the scheme. The length of time taken to establish the level of the debt will not prejudice the level of PPF compensation that members will receive.

I hope this information is helpful to the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read "Lesley Titcomb", with a long horizontal flourish extending to the right.

Lesley Titcomb  
Chief Executive