

IMPORTANT UPDATE

NOTIFICATION TO ALL LENDERS

Issue Date: 21 August 2024

Delivery: By email only

Introduction

We write further to our appointment as Joint Liquidators of Business Loan Network Limited (“the Company”) and the wind-down of the Client Estate, being matters and assets that relate to the proprietary rights of Lenders, being:

- Client Money - Monies held in Lenders’ accounts with the Company upon the appointment of the Administrators, and;
- Client Assets - Loan Recoveries received after the Administrators’ appointment and subsequent Liquidation which include amounts to which Lenders are entitled.

As at the date of this update:

- There are 41 Loans left with outstanding principal balances totaling c£11.2m;
- Of Loans collected already, £1.0m is held within Lenders accounts and available to withdraw, and;
- Client Money of £166k held in Lenders’ accounts which is also available to withdraw.

The wind-down of the Client Estate remains a key focus of the Joint Liquidators and remains ongoing.

Change of Servicing Provider

Thincats Limited (Formerly ESF Capital Limited) (“Thincats”) provided the Joint Liquidators with formal notice that they will no longer provide services to the Company with respect to the Client Estate. The services provided by Thincats includes:

- Loan services, being the activities associated with the collection of outstanding Loans, and;
- Lender services, being activities including the administration of the Client Estate, the provision of the electronic peer-to-peer platform currently in use, record keeping, processing of Lender distributions, answering Lender queries, performing reconciliation of Client Estate funds and banking matters, performing necessary Anti Money Laundering and Know Your Customer checks (“AML & KYC”) and other necessary tasks.

From 28 August 2024, Loan and Lender servicing activities will be conducted by the Joint Liquidators. In respect of Lender servicing activity, the Joint Liquidators have instructed White Label Crowdfunding Limited (“WLCF”) to provide the replacement electronic peer-to-peer platform (“Replacement Platform”) and provide certain other services in this regard.

The Joint Liquidators settled upon WLCF following consideration of available options, requirements and costs. WLCF has developed electronic peer-to-peer platform software which was considered the most efficient replacement solution in the circumstances, in terms of cost and the requirements given the relatively mature stage of the run-off.

The costs of the Replacement Platform are being met from the funds retained from Lenders, pursuant to the Court Order of Deputy ICC Judge Baister made on 15 April 2021. Lenders should note that the percentage of funds retained from gross principal and interest payments remains unchanged at 25%.

Website

Lenders will access to the Replacement Portal via the Company's website <https://www.businessloannetwork.co.uk/>.

Lenders' point of access to the Replacement Platform therefore remains the same.

Replacement Platform

Whilst the Joint Liquidators have sought to ensure the Replacement Platform is similar to the existing platform, there are some minor differences which are discussed below.

Layout and Presentation

The presentation and layout of the Replacement Platform is similar to the current platform.

The principal difference between the Replacement Platform and the current platform is that most data displayed on Lenders' dashboards is current information, being information relating to current outstanding Loans and monies currently held and available for withdrawal by Lenders. Detailed below is a brief overview of the Replacement Platform:

- Under the heading 'Account Summary Data', the following information is shown:
 - 'CMP Balance' – Client Money that was present as at the date the Company was placed into Administration and that is available for withdrawal (if not already withdrawn);
 - 'PPE Balance' – Loan Recoveries received after the Administrators' appointment to which Lenders are entitled and which are available for withdrawal (if not already withdrawn);
 - 'Cash Retention' – The funds retained from Lenders, pursuant to the Court Order of Deputy ICC Judge Baister made on 15 April 2021;
 - 'Assets' – Outstanding principal Loan capital; and
 - 'Total' – Total of CMP, PPE and Assets.
- The 'Loan Invested In' summary now shows a summary of current outstanding Loans.
- The 'Withdraw Funds' button is displayed on the right-hand side of Lenders' dashboards and should be used to request withdrawal of funds.
- Lenders can also access 'Statements' which enables Lenders to view a transactions log, to include historic data.

First Logging-on

From 29 August 2024, and when the Replacement Platform goes live, you will be required to go through a password reset procedure. The Replacement Platform will guide you through this process. Your username will remain the same.

As part of this process, the Replacement Platform will seek to verify your current details - name and address. Once you have verified or updated your current details, necessary Know Your Customer ("KYC") checks will be performed in accordance with UK legislation. The Replacement Platform will automatically perform these checks and therefore please do ensure your details are correct when logging on for the first time.

In some cases, some Lenders may be required to provide some additional information in order to complete the necessary KYC checks. If this is the case, affected Lenders will be contacted directly.

Queries

Included with the Replacement Platform is an internal ticketing system (support@businessloannetwork.co.uk) which can be utilised by Lenders to seek technical assistance as necessary. For example, requiring a password reset, assistance logging onto the Replacement Platform, information regarding their accounts, historic investment activities and information, as well as other such queries.

Due to the reduction of personnel available to respond to queries from Lenders in relation to specific loans, and in an effort to limit costs, the Joint Liquidators will be unable to respond to loan-specific queries outside of any syndicate updates sent to Lenders. Please see below for further information.

Lenders can also access a Frequently Asked Questions (“FAQs”) page which can be viewed to address any immediate questions Lenders may have. This page can be found here: <https://www.businessloannetwork.co.uk>.

Lender Withdrawals

Lenders should continue to make withdrawal requests of their balances on the Replacement Platform at the earliest opportunity.

Due to reduced borrower collection activity, and in an effort to limit costs to lenders, the Joint Liquidators will be reducing the processing frequency of Lender withdrawals to one per month, to be processed mid-month. If however, you are experiencing financial hardship, please contact the Liquidators by email at BLN@Kroll.com who will consider your individual circumstances.

Loans and Syndicate Updates

Lenders will continue to receive syndicate updates on active Loans for which they are invested by email in the usual way, and it is recommended Lenders continue to review these when received for further information.

Other

In the event that you have a specific query for the Joint Liquidators, please email BLN@kroll.com, otherwise if your query is in relation to the Replacement Platform, please raise a ticket in the Replacement Platform

Alternatively, you may write to us at: BLN Case Team, C/O Kroll, 32 London Bridge Street, London, SE1 9SG.

Notices

- I. *The affairs, business and assets of the Company are being managed by the Joint Liquidators, Geoffrey Bouchier and Robert Armstrong who act as agents of the Company and without personal liability. Geoffrey Bouchier and Robert Armstrong are licensed as insolvency practitioners in the United Kingdom by the Insolvency Practitioners Association.*
- II. *The General Data Protection Regulation requires that individuals whose data is being held be contacted and provided with information about their rights. A privacy notice is available at <https://www.kroll.com/privacy>.*