

<p>The Pensions Regulator</p>	<p>COMPULSORY REVIEW</p> <p>FINAL NOTICE</p> <p>pursuant to Section 99(4) of the Pensions Act 2004</p> <p>(“the Act”)</p> <p>Talton Management Ltd Pension Trust Fairdon Services Ltd Pensions Trust Strator Services Ltd Pension Trust Strator Services Ltd Pension Rotinar Ltd Pension Trust Conder Administration Ltd Pension Scheme Iron Stream Retirement Benefit Scheme Chappell Crest Ltd Herman and Peters Retirement Benefit Scheme Grey Peak Retirement Benefits Scheme</p> <p>(the “Schemes”)</p>	<p>The Pensions Regulator case ref: C21006987</p>
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1. The Determinations Panel (“the Panel”) of the Pensions Regulator (“the Regulator”) has reviewed its determination made following a Special Procedure hearing on 8 May 2013 when an independent trustee, Dalriada Trustees Ltd, was appointed with a vesting order.

Directly affected parties

2. The following parties are directly affected by this determination:

Nidd Vale Trustees Ltd
Trainor Management Services Ltd (“Trainor”)
together the “trustees”

Talton Management Ltd
Fairdon Services Ltd
Strator Services Ltd
Rotinar Ltd
Ironstream Ltd
Chappell Crest Ltd
Herman and Peters Ltd
Grey Peak Ltd
together the “sponsoring employers”

Conder Administration Ltd

the “scheme administrator”

Dalriada Trustees Ltd
the “new trustee”

Background

3. This is the compulsory review of the decision taken by the Panel on 8 May 2013 to appoint an independent trustee, Dalriada Trustees Ltd (“Dalriada”) to the Schemes, with a vesting order.
4. The decision taken at the special procedure hearing followed concerns being raised by the Regulator regarding the Schemes. XXXX XXX XX
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5. Prior to the special procedure hearing the Regulator was concerned that the Schemes displayed many indicators that they were being used as a vehicle for pension liberation fraud and for the purposes of the special procedure hearing relied, in particular, on the following:
 - i. XXXXX XXXX XX XXXXXXX XXX XXXX XXXX XXXXXXXXXX XXXX
XXXXXX XX XXXXXXX XXXX XXXXXXX XXXX XX;
 - ii. the structure of the Schemes, along with the timing of their establishment, was a cause of significant concern as to their purpose;
 - iii. a number of irregularities and deficiencies had been found in the governing documents of at least one of the Schemes.
6. The Regulator also raised concerns that XXXXXXXXXX statements
XXXXXX XXX XX XXXX XXX XXXXXXX in relation to XXXX XXXXXXX
XXXXXXX XX XXXXXXX XXXX XXXXX XXXXXXX where Conder appeared
to be the administrator indicated possible breaches of common law
trustee duties.
7. At the special procedure hearing, the Panel determined to appoint
Dalriada Trustees Ltd to the Schemes in light of:-
 - i. XXXX XXXX XXXX XX XXX XX X XXXXXXX XXXX XXXXX XXX XXX
XX XXXXX XXXXX;
 - ii. concerns over whether the assets of the Schemes were being invested
in accordance with the investment duties of pension fund trustees;
 - iii. evidence that members were being charged excessive fees;
 - iv. irregularities in the documentation for one of the schemes and
 - v. concern over the structure and nature of the Schemes which required
further investigation to ensure that they were being operated in the best
interests of members.

Compulsory Review

8. For the purposes of the compulsory review the Panel considered representations received from XXXX XXXXXX on behalf of Dalriada Trustees Ltd and from the Regulator's case team. No representations were received from any other Directly Affected Party.
9. In its representations for the compulsory review hearing, the Regulator identified three key areas of concern regarding the Schemes, namely:-
 - i. that the Schemes are involved in pension liberation;
 - ii. that the assets of the Schemes have been invested in risky investments;
 - iii. that the directors / shareholders of Nidd Vale Trustees (Nigel and Edwin Romilly) do not have sufficient skill, understanding or interest in the management of the Schemes to protect the Nidd Vale Schemes' assets or act in the members' best interest.

Compulsory Review Determination

10. Having completed the compulsory review, the Panel determined to confirm the determination referred to in paragraph 1 above, and to confirm the Order made on 8 May 2013 under sections 7 - 9 of the Pensions Act 1995.

Reasons for Decision

11. The Panel gave careful consideration to the issues raised and had regard to the objectives of the Regulator as set out in Section 5 of the Act and to the matters listed in Section 100. It determined to uphold its previous determination for the reasons set out below.
12. The Panel noted that the position was not the same for all of the Schemes. In the Panel's view the Schemes could be separated into two distinct groups, i.e. "Trainor schemes" (Talton Management Ltd Pension Trust, Fairdon Services Ltd Pensions Trust, Strator Services Ltd Pension Trust, Strator Services Ltd Pension and Conder Administration Ltd Pension Scheme) and the "the Nidd Vale schemes" (Iron Stream Retirement Benefit Scheme, Chappell Crest Ltd, Herman and Peters Retirement Benefit Scheme and the Grey Peak Retirement Benefits Scheme).

The Trainor schemes

13. Whilst there had been no significant new evidence since the special procedure hearing, the Panel considered it appropriate to uphold the decision XXXX XXX XX XXXXXXXX XXXXX XXXXXXXXXX XXX XX XXXXXXX XXX XXX XXXX XXXXX XXXX XXX XXXX XXXX XXXX XXXX XXX XXX XXXX XXXX XXXXX XXXXX XXX XXX XXXXXXXX. The Panel

noted that XXXX XXXXXX XXXXX XXXX XXX XX XXXX XXXXX there was limited, if any, further evidence of pension liberation since the special procedure hearing although there was evidence that members of the Schemes were being charged excessive fees.

14. The Panel noted the Regulator’s comments that the Trainor schemes appear to be “feeder schemes to another scheme, XXX, that arguably brings about pension liberation” and that the Regulator is engaged in High Court litigation in relation to the XXX scheme. Given the limited evidence provided in relation to the XXX scheme, this supported, rather than was critical to, the Panel’s decision.

The Nidd Vale schemes

15. As regards the Nidd Vale schemes, the Panel determined to uphold its previous decision for the following reasons:-

- i. the evidence suggests that a significant proportion of the assets of schemes had been invested in a single high risk investment, XXXXX XXXXXX offshore investment bond, with excessive fees being charged and in breach of one or both of regulations 4 and / or 7(2) of the Occupational Pension Schemes (Investment) Regulations 2005;
- ii. a number of whistleblowing reports submitted by the Regulator suggest that the Nidd Vale schemes might be involved in pension liberation. In particular, the evidence suggested release of pension funds via loans or cash lump sums;
- iii. there is evidence to suggest that Nigel and Edwin Romilly lack the knowledge and understanding required of trustees. In particular, that no competent trustee should, or would, have signed off trust deeds in the form that they did, nor breached investment regulations in the manner that they did. The Panel noted Mr Nigel Romilly’s admission of his “inexperience” as a trustee;
- iv. XXXXX XXXXXX XXX XXX XXXX XXX XX XXX XXXX XXXX XXX XXX XXX XXXXXX XXXX XX XXXXXXXXXXXXXXX XXX XXXXXX XXXXXXXXXXXX XXXX XXX XXX XXX XXX XXXXXXXXXXX XXX XXXXXXXX X XXXX XXX XX XXXXXX XXXX XXXX XXXXXX XXXXXXXXXXXXXXX XXX XXX XX XXXX XXXXXX XXX XXX XXXXX. X XXXXX XXXX XXXXXX XXXXX XXXX XXXX XXXXXX XXX XXXXX XXX XXXX XXXX XXXX XXXXXX XXXX XXX XXX XXXXXX XXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXXXXXXXXXXXXX XXXXX XX XXXXX XX XX XXX XXXX XX XXXXXXXXXXXXXXX XXXXXXXXXXXXXXX XXX XXXXXX XX XXXXX X XXXXXX XXX XXXX XXXXXXXXXXX XXXXXXXXXXX XXX XXX XXXX XX XXXX

Appendix 1 to this Final Notice contains important information about the Directly Affected Parties’ rights of appeal against this decision.

Chairman : Alasdair Smith

Date : 5 February 2014

Referral to the Tax and Chancery Chamber of the Upper Tribunal

You have the right to refer the matter to which this Final Notice relates to the Tax and Chancery Chamber of the Upper Tribunal (“the Tribunal”). Under Section 103 of the Act you have 28 days from the date this Final Notice is sent to you to refer the matter to the Tribunal or such other period as specified in the Tribunal rules or as the Tribunal may allow. A reference to the Tribunal is made by way of a written notice signed by you and filed with a copy of this Final Notice.

The Tribunal’s address is:
45 Bedford Square,
London
WC1B 3DN

(tel 020 7612 9700).

The detailed procedures for making a reference to the Tribunal are contained in Section 103 of the Act and the Tribunal Rules.

You should note that the Tribunal rules provide that at the same time as filing a reference notice with the Tribunal, you must send a copy of the reference notice to the Pensions Regulator. Any copy reference notice should be sent to:

Determinations Panel Support
The Pensions Regulator,
Napier House
Trafalgar Place
Brighton
BN1 4DW

Tel: 01273 811852

A copy of the form for making a reference ‘Reference Notice (Financial Services)’ can be found at:

<http://www.tribunals.gov.uk/financeandtax/Documents/forms/FTC31.doc>