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**WealthTek LLP (trading as WealthTek, Vertem Asset Management and Malloch Melville)**

## FAQS

### What is a Special Administration?

A Special Administration is a modified insolvency procedure for certain investment firms. Insolvency Practitioners are appointed by the court as special administrators and have an objective to return client money and custody assets as soon as reasonably practicable, ensure timely engagement with market infrastructure bodies and the authorities, and either to rescue the firm as a going concern or wind it up in the best interest of the creditors. The FCA can, in certain circumstances, direct the Special Administrators to pursue one or more of the objectives as a priority.

### Why was WealthTek placed into Special Administration?

WealthTek LLP is an FCA authorised and regulated wealth management firm. It provides discretionary, advisory and execution only services to retail clients.

Effective from 6 April 2023, the court appointed Shane Crooks, Mark Shaw and Emma Sayers of BDO LLP as Special Administrators of WealthTek following an application by the FCA. The FCA took this action to protect WealthTek's clients, following the FCA becoming aware of serious regulatory and operational issues relating to the firm.

### Existing customers of WealthTek

The Special Administrators will seek to carry out an assessment of the client money and assets held by WealthTek on behalf of its clients.

Following their assessment, the Special Administrators will provide an update to clients which will outline how client money and custody assets associated with WealthTek will be returned to them.

The Special Administrators will also write to clients and creditors with their proposals for the Special Administration within 8 weeks of their appointment, which was made on 6 April 2023.

If you have further queries regarding your investments, please contact the Special Administrators at WealthTekclients@bdo.co.uk.

### Will my portfolio be actively managed by the Joint Special Administrators going forward?

In view of both the restrictions which have been placed on WealthTek by the FCA, and as a direct consequence of the order of the High Court of Justice appointing the Special Administrators, WealthTek, acting by the Special Administrators, is not able to conduct any regulated activity. Ongoing portfolio management would constitute regulated activity and is therefore not possible.

### I can see the value of my portfolio on my online account, is that accurate?

The Special Administrators are currently undertaking a reconciliation of the client money and asset positions. Until the reconciliation is complete they are unable to comment on the accuracy of the client portfolio analyses contained on the on-line platform.

The Special Administrators are unable to confirm the balance of individual client's holdings until the reconciliation exercise has been completed.

**Will market fluctuations affect the value of my portfolio or will the value of my portfolio be frozen as at a certain date?**

The Special Administrators do not have any control over market fluctuations, which may affect the value of securities held in client portfolios.

**I receive income from my investments, when can I expect payments to resume?**

At this early stage, we are unable to provide any indication as to the likely timing of the return of client funds and assets. The Special Administrators are working as quickly as possible to reconcile the client positions so that confirmation can be provided in respect of the balances on individual client's accounts and, subsequently, a plan can be put in place to return client assets as quickly and efficiently as possible.

**I am unable to meet my monthly outgoings due to the loss of access to my investments. Is there any support available?**

The Special Administrators are unable to release any client money or assets at this time. If the current situation is causing you immediate financial hardship please make the Special Administrators aware of your circumstances.

**Are fees (i.e. platform and adviser fees) still being applied?**

All fees and charges have currently been suspended.

**Can I register my interest to purchase equine assets?**

The Special Administrators only have control over the business, assets and affairs of WealthTek, and not the personal assets of any of its designated members. As far as the Special Administrators are aware from their investigations to date, WealthTek does not hold any equine related assets.

We are unable to take any further action with regard to your interest in equine related assets at this time, nor provide you with any information concerning any possible sales (which fall outside of the Special Administration).

**Can I submit a claim for any losses incurred as a result of the freezing of my portfolio and cessation of its ongoing management?**

Details of how clients and creditors can submit claims will be set out in future correspondence, once the reconciliation of client assets has been completed.

**I am having difficulty accessing the Joint Special Administrators' online portal. Could you please advise?**

If you have been provided with a username and password for the BDO online portal by the Joint Special Administrators, when entering the username, a drop-down list should appear. Please ensure that you select the option '00426532 ~ (In Administration) ~ BDO LLP' from this list.

If you are still experiencing difficulties, please contact WealthTekClients@bdo.co.uk.

**When can I expect to receive a further update?**

The Joint Special Administrators are due to provide all known clients and creditors with a copy of their proposals within 8 weeks of the date of their appointment. They also intend to convene a meeting of clients and creditors within 10 weeks of the date of their appointment.

**Where can I find more information?**

Clients should contact the Special Administrators via:

- Email: WealthTekclients@bdo.co.uk
- Telephone: 0151 351 4700

Please note that the designated inbox and telephone line are only monitored between the hours of 09:00 and 17:00 from Monday to Friday (excluding bank holidays).

**Do I have to pay to get my money back or to make a claim?**

Costs associated with distributing client money back to clients, including the Special Administrators' fees, will be deducted from the client money balances. There is no separate cost to clients or creditors wishing to make claims, and the Special Administrators will not be asking for any payments from affected creditors and clients.

**Do I need to take legal advice?**

Whilst any customer is entitled to obtain legal advice, there is no need for you to incur the cost of doing so. There are free legal advice services available, such as through Citizens Advice. More information can be found here: www.adviceguide.org.uk

**Is the FCA overseeing the Special Administration?**

WealthTek is still authorised by the FCA and remains subject to supervisory oversight and the FCA's rules. The Special Administrators are liaising closely with the FCA to ensure they meet the relevant objectives of the Special Administration in the best interests of clients and creditors.

**Scams**

Fraudsters can sometimes take advantage of a company going into Special Administration. Neither WealthTek, nor the Special Administrators, will ever ask you for your bank details or other personal information over the phone. As such, you should treat any unexpected cold calls or conversations of this nature with suspicion.

If you have any doubts or concerns regarding any communications received, please contact the Special Administrators at WealthTekclients@bdo.co.uk.

**Customers with existing complaints against the Financial Ombudsman Service ('FOS')**

If you have already referred a complaint to the FOS, you don't need to take any further action at this stage.

The Special Administrators will be contacting the FOS to determine what further action needs to be taken in respect of any claims. Further updates will be provided in due course.

To contact the FOS, please visit: https://www.financial-ombudsman.org.uk/contact-us, or call its helpline on 0800 023 4567.

If you have further queries regarding your FOS complaint, please contact the Special Administrators at WealthTekclients@bdo.co.uk.

**Financial Services Compensation Scheme**

The Financial Services Compensation Scheme ('FSCS') protects consumers when authorised firms fail. It is the compensation scheme for clients of UK authorised financial services firms.

The FSCS has eligibility criteria both in respect of the people and businesses who are covered. For eligible clients, the FSCS may cover client money shortfalls (including the costs associated with distributing money back to clients), and any other eligible claims against the firm (such as upheld FOS complaints), up to a total of £85,000.

**Will I be able to submit a claim to the FSCS?**

The Special Administrators are currently liaising with the FSCS to determine whether cover will be available for WealthTek's clients.

If FSCS cover is made available, eligible clients may be covered for client asset shortfalls and shortfalls relating to Special Administration costs. Customers may be eligible to receive compensation up to a total of £85,000 per client, for losses relating to WealthTek.

**Trade creditors/ suppliers**

If you previously provided services to WealthTek and consider yourself a creditor of the LLP, you may wish to submit a claim in the Special Administration. To obtain the required claim form, you can send an email to the Special Administrators' team at: BRCMTLondonandsoutheast@bdo.co.uk