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BY EMAIL ONLY

13 October 2022

Dear Danny

Amigo Loans Limited (the Firm) – FCA current position on a return to lending via a lending pilot

We refer to our recent correspondence regarding the Firm's intention to return to lending. This letter sets out our current position on the Firm returning to lending via a lending pilot.

In November 2020 the Firm paused new lending and announced its intention to enter into a Scheme of Arrangement, to provide the Firm with certainty to the total liability arising from large numbers of customer complaints. Since this point, the FCA has assessed the Firm's proposed Scheme of Arrangement's compatibility with FCA objectives and has been assessing the Firm's proposed approach to future lending, including whether the Firm is satisfying and can continue to satisfy the Threshold Conditions.

Our letters of 28 January 2022 and 4 March 2022, and subsequent correspondence with the Firm, set out our expectations of the Firm and the conditions it was required to meet (as per our 4 March 2022 letter) in order for us to be satisfied it was in a position to resume lending. Those conditions are that:

- (i) the New Business Scheme is sanctioned by the court;
- (ii) the FCA is satisfied that the Firm meets FCA threshold conditions;
- (iii) outcomes testing of the Firm's new lending system is completed to the satisfaction of the FCA; and
- (iv) dealing with, to the FCA's satisfaction, any other issues that may arise.

Alongside those conditions, we set out our expectation that a return to lending would be limited in volume until the Firm demonstrates to the FCA (with third party assurance where appropriate) that it is lending in a way that meets FCA's expectations.

On 12 May 2022 the Firm's redress creditors voted for the Firm's proposed "New Business Scheme" and the court approved this scheme on 23 May 2022 evidencing that the first condition is met.

The FCA recognises the significant programme of change the Firm has undertaken and continues to progress to deliver improvements to the way in which its business operates including providing fair outcomes to consumers.

Having completed an assessment of the Firm's proposed return to lending, based on the information provided to date, the FCA is satisfied that the Firm has demonstrated it is

meeting Threshold Conditions, and that it is appropriate for the Firm to resume lending on a pilot basis, with immediate effect. The duration of the lending pilot will be for a period of two months, at limited lending volumes (to volumes previously agreed with the Firm).

The lending pilot will enable the Firm to test its proposed return to lending policies and procedures in a controlled environment, in which the Firm is expected to undertake the agreed robust outcomes testing to demonstrate that its new systems and controls meet applicable FCA regulatory expectations in practice, and that the Firm can continue to meet the Threshold Conditions, should lending volumes be increased post pilot.

During the lending pilot period, we expect the Firm to keep the FCA apprised, in a timely manner, of all of the agreed relevant matters relating to the pilot, which includes material developments such as modifications or changes the Firm proposes to make to its approach as a result of its outcomes testing. The FCA expects the Firm to inform it of any additional relevant matters relating to the pilot that may arise.

The FCA recognises that a full return to lending is central to the New Business Scheme. Following the end of the pilot lending phase, the FCA will consider the impact on consumers of the Firm returning to lending on a wider scale, and whether the results of the outcomes testing demonstrate that the Firm is able to continue to meet FCA expectations, therefore satisfying the second and third conditions.

The FCA reminds the Firm of its responsibility to act in accordance with our Principles, Rules and Guidance. We maintain our position that, subject to the Firm meeting the conditions set out, we expect a full return to lending to take place no later than nine months after the New Business Scheme Effective Date.

The FCA's decision as to the Firm's ability to return to lending is based on the information the FCA is aware of at present. The FCA continues to reserve its position should facts or circumstances change, or new facts emerge. This could include taking action to impose a requirement on the Firm's regulatory permissions which restricts it from continuing its business, for example, should it be identified the Firm's proposed approach to lending does not provide fair consumer outcomes.

We also remind you of Amigo Holdings Plc's obligations under the Listing Rules and Market Abuse Regulations (MAR). You will need to consider whether the contents of this letter give rise to a disclosure obligation under MAR. Please contact the Primary Market Monitoring Team to discuss any questions you may have in relation to Amigo Holdings Plc's MAR or Listing Rule obligations on 0207 066 8354.

Yours sincerely

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