

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**INSOLVENCY AND COMPANIES LIST (ChD)**

Case No: CR-2018-007286  
CR-2018-007285  
CR-2018-007287  
CR-2018-007288

**IN THE MATTER OF WDFC UK LIMITED (IN ADMINISTRATION)**

**AND IN THE MATTER OF WDFC SERVICES LIMITED (IN ADMINISTRATION)**

**AND IN THE MATTER OF WONGA GROUP LIMITED (IN ADMINISTRATION)**

**AND IN THE MATTER OF WONGA WORLDWIDE LIMITED (IN ADMINISTRATION)**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

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**FIRST WITNESS STATEMENT OF CHRISTINE LAVERTY**

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I, CHRISTINE LAVERTY, of Grant Thornton UK LLP, 30 Finsbury Square, London EC2A 1AG, **WILL SAY AS FOLLOWS:**

**Introduction**

1. As at the date of this witness statement, I am one of the joint administrators of WDFC UK Limited (in administration) ("**WDFC**"), WDFC Services Limited (in administration) ("**WDSL**"), Wonga Group Limited (in administration) ("**Wonga Group**") and Wonga Worldwide Limited (in administration) ("**WWL**" and, together with WDFC, WDSL and Wonga Group, the "**Companies**"), along with Daniel Smith and Andrew Charters (together, the "**Joint Administrators**"), and have been in these roles since my appointment on 31 August 2018.

2. I make this witness statement in support of the Joint Administrators' applications, dated 25 March 2019 (in respect of WDFC) and 11 April 2019 (in respect of WDSL, WWL and Wonga Group), seeking permission from the Court:
  - (A) to make a distribution to the creditors of each of the Companies in accordance with paragraph 65 of schedule B1 to the Insolvency Act 1986 (the "**Act**");
  - (B) pursuant to rule 14.34(2) of the Insolvency (England and Wales) Rules 2016 (the "**Rules**"), to declare dividends in respect of such distributions by WDFC, notwithstanding that there may (at the relevant times) be pending applications to the Court to reverse or vary a decision of the Joint Administrators on a proof of debt (or to exclude or reduce the amount claimed), on the basis that full provision will be made for any such disputed proofs of debt;
  - (C) that, in relation to the administration of WDFC only, pursuant to paragraph 3 of schedule 5 to the Rules, the reference to "two months" in Rule 14.30(a) is hereby extended to four months (and the reference to "the two month period" in Rule 14.34(1) is likewise extended to a four month period); and
  - (D) that, pursuant to paragraph 76(2)(a) of schedule B1 to the Act, the administrations of each of the Companies and the term of office of the Joint Administrators in respect of each Company be extended until 30 August 2020.
3. I am duly authorised to make this witness statement on behalf of the Joint Administrators.
4. Unless I say otherwise, the facts and matters set out in this witness statement are within my own knowledge and are true to the best of my knowledge and belief. Where I refer to information supplied by others, I identify the source and the information is true to the best of my knowledge, information and belief.
5. There is now produced and shown to me, and exhibited hereto marked "CL1", a bundle of true copies of documents to which I refer in this witness statement using the format "CL1/Tab/page".

#### **Background to the appointment of the Joint Administrators**

6. WDFC was incorporated on 18 September 2007 as Wonga.com Limited. Its registered number is 06374235 and its registered office is C/O Grant Thornton UK LLP 4 Hardman Square, Spinningfields, Manchester M3 3EB.
7. WDSL was incorporated on 13 December 2011 as Wonga Hold Limited. Its registered number is 07880328 and its registered office is C/O Grant Thornton UK LLP 4 Hardman Square, Spinningfields, Manchester M3 3EB.

8. Wonga Group was incorporated on 4 August 2006 as Quickbridge (UK) Limited. Its registered number is 05897177 and its registered office is C/O Grant Thornton UK LLP 4 Hardman Square, Spinningfields, Manchester M3 3EB.
9. WWL was incorporated on 26 November 2010. Its registered number is 07452661 and its registered office is C/O Grant Thornton UK LLP 4 Hardman Square, Spinningfields, Manchester M3 3EB.
10. On 31 August 2018 the directors of each of the Companies filed the necessary documents at court in order to place the Companies into administration, with the Joint Administrators being appointed as part of this process.
11. Prior to the appointment of the Joint Administrators, the business of the Wonga group (the “**Group**”) was to provide short term loans and WDFC was the Group’s UK trading subsidiary. Borrowers applied for loans through WDFC’s website or by mobile phone. Lending decisions were made automatically utilising loan approval technology developed by the Group. Initially the Group operated only in the UK; however, consumer loan businesses were subsequently established in Poland, Canada, South Africa and Spain. The Group also included a technology support operation in Ireland and investments in India, Norway and Germany.
12. The Group’s Irish operations were transferred to WDFC in 2016 and the Irish entity was subsequently placed into liquidation. The entity controlling the Group’s Canadian business was also placed into liquidation in 2016. The Group sold its German subsidiary BillPayment GmbH in early 2017. At the date of the Joint Administrators’ appointment, WWL (a wholly-owned subsidiary of Wonga Group) held investments in Poland, South Africa, Spain and India. A minority investment in Norway remains to be realised by Wonga Group.
13. A group structure chart showing the structure of the Group as at the date of the Joint Administrators’ appointment can be found at CL1/10.
14. Prior to April 2014, consumer credit firms, including WDFC, were regulated by the Office of Fair Trading. In April 2014, regulation of consumer credit was transferred to the Financial Conduct Authority (the “**FCA**”).
15. In November 2014, the FCA published its policy statement “*PS14/16, Detailed rules for the price cap on high-cost short term credit, including feedback on CP14/10 and final rules*” as included in CL1/11 (“**PS14/16**”). PS14/16 imposed a cap on the total fees, charges and repayments which WDFC could charge for its loan products.
16. Whilst some of the Group’s UK competitors ceased trading following the issuing of PS14/16 in November 2014, the directors and shareholders of the Group opted to remodel the business and continue UK operations under the new regulatory regime.

17. In anticipation of the increased compliance requirements which would arise because of PS14/16, Wonga Group and WDFC recruited a new senior management team and implemented changes to the Group's UK operations. These changes included WDFC voluntarily applying to the FCA for requirements to be attached to its regulatory permission (the "**VREQ**"), with effect from 1 October 2014.
18. The VREQ required WDFC to improve its affordability assessments in accordance with regulatory requirements and to introduce a forbearance programme for borrowers outstanding at the time. In February 2015, WDFC formally applied for FCA authorisation which was granted on 18 January 2016.
19. During the subsequent trading periods, the overall strategy of the Group was to resolve legacy borrower complaints in the UK whilst investing in its businesses to secure sustainable profitability. In the UK this involved the development of a wider range of short-term loan products. WDFC introduced a three-month loan product in 2016 and then a six-month loan product and personal loan products in 2017. It was also decided to divest certain overseas investments to provide growth funds for the core lending business, such as the sale of BillPayment GmbH in early 2017.
20. In early 2018, Wonga Group commenced a process to secure debt funding to support a five-year growth plan for the Group's UK and overseas operations. By March 2018, the Group had identified three potential funding partners and at that stage there was an expectation that the funding could be secured, subject to appropriate due diligence and negotiations.
21. During 2018 two main factors changed the outlook for the UK business and therefore the wider Group. The first factor was an interim determination by the Financial Ombudsman Service (the "**FOS**"). The second factor was an increase in the level of complaints by WDFC's customers.
22. As a consumer credit firm, WDFC was subject to the Dispute resolution: Complaints sourcebook, which is part of the FCA handbook ("**DISP**"). DISP provides that an "eligible complainant" may raise a complaint which is to be dealt with by the FOS. Paragraph 13(1) of schedule 17 to the Financial Services and Markets Act 2000 requires the FCA to make time limits for complaints referred to the FOS. The limitation provisions to be applied by the FOS are set out in DISP 2.8. Pursuant to DISP 2.8.1R, a borrower who wishes to complain must first make his or her complaint to the lender, and, if he or she is dissatisfied with the lender's treatment of his complaint, he or she can then refer their complaint to the FOS.
23. DISP 2.8.2R(2) precludes the FOS from entertaining a complaint if "*the complainant refers it to the Financial Ombudsman Service ... more than (a) six years after the event complained of, or (if later) (b) three years from the date on which [he] became aware (or ought reasonably to have become aware) that he had cause for complaint*". DISP 2.8.2R(3) permits the FOS to entertain a complaint outside these time limits where "*the failure to comply with the time limits was as a result of exceptional circumstances*".

24. WDFC's assessment of its potential redress liability in relation to borrower complaints and subsequent cash outflow was based on a limitation of six years. In late March 2018, WDFC received an update on the likely outcome of an interim determination by the FOS. This update said that a borrower complaint which was older than six years may be considered within the time limits for a valid complaint. In this instance the FOS applied an interpretation of the three year limitation rule contained in DISP 2.8.2R(2)(b) to extend the time limits in a manner that was not reflected in WDFC's assessment.
25. If this interim determination was upheld (which it subsequently was), it was understood at the time that it would result in a significantly higher level of potential redress liability than was originally forecast by WDFC. It was believed that this would have a negative and unquantified impact on redress provisioning and a consequential impact on the cash flow forecasts prepared by WDFC and therefore a negative impact on the Companies and the Group as a whole.
26. The Group obtained professional advice in relation to the Group's solvency position and the options available. The advice initially focused on the availability of adequate cash flow for each member of the Group and the ability to continue to trade whilst the medium-term options for the Group were assessed. Advice was also sought on ensuring that the creditors of each member of the Group were treated fairly whilst the strategic options were being assessed.
27. The strategic options that were explored by WDFC and Wonga Group included funding options (both debt and equity), non-core disposals, potential options to ring-fence borrower compensation claims and a solvent wind down of the Group.
28. Seeking to secure additional time to implement appropriate options to resolve the long-term financial position of the Group, Wonga Group sought an injection of funds from its existing shareholders and expected to realise additional cash from the sale of the Group's Polish trading subsidiary. Considering the trading position and cash flow forecasts, Wonga Group's directors' assessment was that the combination of equity injection and cash from the sale of the Polish trading entity would provide sufficient funding to allow consideration of additional options for the Group to meet the potential increase in redress claims if the final decision was in line with the interim determination by FOS.
29. On 17 July 2018 Wonga Group raised approximately £11 million from an equity placement with certain existing shareholders (the "**Equity Raise**"). In advance of the equity investment, the Group had engaged corporate finance advisors to commence and manage the sale of the Polish trading entity on behalf of WWL.
30. On 28 August 2018 the FOS confirmed its final decision in relation to the borrower complaint on the same terms as the interim determination.

31. The second factor which had a significant impact on the Group's business was a significant increase in complaints by its UK customers during July and August 2018 compared to the number of historical complaints.
32. Shortly following completion of the Equity Raise, it was found that the number of complaints in July 2018 had increased to approximately two times the monthly average complaint volume of early 2018. This increase arose primarily from submissions from claims management companies ("**CMCs**") in late July 2018, however, there was also a significant increase in direct complaints from borrowers. The Group engaged with the relevant CMCs to understand the medium term expectation for increased claims, who indicated that they expected to submit similar levels of claims in future periods.
33. The Group immediately commenced a review of the existing options in light of the update provided by the CMCs and the consequential impact on the cash flow forecasts.
34. Complaints continued to increase in August 2018 and had risen three times higher than the monthly average in 2018. The Group assessed that the cash flow impact of this level of claims would be beyond the resources of the Group, even with the sale of the Polish trading entity. It was also determined that the available cash flow, taking into account the updated claims, would not provide a period long enough to achieve other possible solvent outcomes.
35. Given that the Group had completed the Equity Raise and the new complaint levels were detrimental to the long term viability of the business, the shareholders of Wonga Group indicated that they were not in a position to provide any additional funds. The directors of the Companies concluded that their administrations were unavoidable and on 29 August 2018, the directors resolved that they would need to cease lending activities in the UK with immediate effect. The only option available was a wind down of the business and collect-out of the loan book following the appointment of administrators.
36. A summary of the creditors of the Companies as at the date of entering administration is shown in the statement of affairs at CL1/12/51. As described at paragraph 58 below, in respect of WDFC there are a large number of potential redress creditors and this number has increased significantly since the Joint Administrators' appointment.

#### **Purpose and conduct of the administrations**

##### **WDFC**

37. As noted in the Joint Administrators' proposals for WDFC dated 24 October 2018 (the "**WDFC Proposals**") CL1/12, the purpose of WDFC's administration is to achieve a better result for WDFC's creditors as a whole than would be likely if WDFC were wound up (without first being in administration).

38. The WDFC Proposals were approved on 9 November 2018 by a resolution from WDFC's secured and unsecured creditors. The WDFC Proposals, in summary, highlighted that the strategy of the administration is to undertake an orderly wind down of the activities of WDFC. This included:
- (A) realisation of the loan book and sale of other assets;
  - (B) developing an automated process for redress claims; and
  - (C) preservation of IT infrastructure and retention of relevant staff for loan book collection and redress claim adjudication.
39. The Proposals also indicated that the Joint Administrators would (i) seek permission to distribute funds to WDFC's unsecured creditors, (ii) seek approval of the Court for an extension of the administration and (iii) end the administration either by conversion to a creditors voluntary liquidation or dissolution.

***WDSL, Wonga Group and WWL***

40. As noted in the Joint Administrators' combined proposals for WDSL, Wonga Group and WWL dated 24 October 2018 (the "**Group Proposals**" and together with the WDFC Proposals the "**Proposals**") CL1/13, the purpose of each of their respective administrations is to achieve a better result for their creditors as a whole than would be likely if they were wound up (without first being in administration).
41. WDSL and WWL's proposals were deemed approved by their respective creditors on 9 November 2018. Wonga Group's proposals were approved on 9 November 2018 by a resolution from its secured and unsecured creditors. The Group Proposals, in summary, highlighted that the strategy of the respective administrations is to undertake an orderly wind down of the activities of WDSL, Wonga Group and WWL. This included:
- (A) interim preservation of IT infrastructure to support loan collection in the UK and loan management and credit activities of the Group's overseas subsidiaries; and
  - (B) retention of staff in the UK to support loan book collection, assist with management of redress claims from customers and loan management and credit activities of overseas subsidiaries.
42. The Group Proposals also indicated that the Joint Administrators may (i) seek permission to distribute funds to the unsecured creditors of WWL, Wonga Group and WDSL, (ii) seek approval of the Court for an extension of the administration and (iii) end the administration either by conversion to a creditors voluntary liquidation or dissolution.
43. To date, the Joint Administrators have sought to achieve the purposes outlined above by retaining key systems and staff to support the collection and realisation of the Group's main asset, WDFC's loan book.

Given the short-term nature of the loan book, the Joint Administrators' initial strategy has been to collect loans as normal whilst they investigate any opportunities to sell the residual loan book and any other assets of the Group, including certain intellectual property rights and the Group's trading businesses in Poland, South Africa and Spain.

44. In May 2018, WWL engaged financial advisors to market its shareholding in the Group's Polish trading entity. By early August 2018 three indicative offers had been received which were reviewed in detail. The Joint Administrators, following extensive and detailed negotiations, reached a final commercial agreement with a preferred bidder on 13 December 2018 for WWL's shareholding in the Polish trading entity. The sale process then went into hiatus over the following three months whilst further diligence was undertaken by management and issues surrounding the Polish regulatory environment for high-cost short-term credit were reviewed. The sale agreement is now in agreed form and the Joint Administrators are progressing to completion and dealing with all conditions thereto. The Joint Administrators anticipate that the sale, which remains subject to regulatory approval, will complete in late April or early May 2019. For commercial reasons we have not disclosed the consideration payable. This will be discussed in the Joint Administrators' next progress reports for the Companies.
45. The Joint Administrators engaged SNG Grant Thornton (the South African member firm of Grant Thornton International) to market WWL's shareholding in the South African trading entity. By early December 2018 indicative offers had been received. These parties were invited to participate in a period of further due diligence that commenced in January 2019. The deadline for submission of final binding offers was set for 11 February 2019. The Joint Administrators have extended the time frame to mid-April 2019 as additional parties who were late to come forward have expressed an interest. Should a bidder be identified, the Joint Administrators anticipate that a sale will be executed in May 2019, noting that any transaction will also be subject to regulatory approval prior to completion of the transaction.
46. The Joint Administrators engaged sales advisors to market WWL's shareholding in the Group's Spanish business. Although the Joint Administrators received three non-binding offers, the offers were for the assets only and, due to the conditions imposed by the interested parties, were not capable of being accepted. Despite the Group's efforts to support and sell the Spanish operations, the directors of the Spanish trading entity resigned from its board of directors on 12 December 2018 (whilst remaining as employees to manage the day-to-day operations) and subsequently, on 28 December 2018, Grant Thornton S.L.P. (the Spanish member of the firm of Grant Thornton International) was appointed as liquidators to undertake a wind-down of the business and dissolve the subsidiary. The liquidators undertook a review of the business operations and lending ceased on 6 February 2019. An employee collective dismissal process was completed in late February 2019 and a core team of employees will be retained until July 2019 to assist with a wind down process. The Joint Administrators will continue to monitor the progress of the wind down. Any recovery from the intercompany balance owed by the Spanish trading entity will be dependent on recoveries from its loan book and the costs associated with these recoveries.



47. The Joint Administrators engaged Grant Thornton India to assist in the closure of the sale of Wonga Group's non-trading Indian subsidiary, Nahar Credits Private Limited ("**Nahar**"). Nahar holds a lending license from the Reserve Bank of India and, prior to our appointment, the Group agreed a sale of its lending business to a third party. The subsidiary is a regulated entity and approval from the Reserve Bank of India is needed to finalise the sale. The Reserve Bank of India has set out a number of conditions that have to be satisfied before it will allow the sale to complete. The Joint Administrators have sought advice from Grant Thornton India on how to appropriately satisfy these conditions and have made progress in the approval of this sale. An inspection of Nahar took place in February 2019 by the Reserve Bank of India as part of this process. It is anticipated that, subject to a provisional approval by the Committee of the Reserve Bank of India, the sale will complete in the coming months.
48. Wonga Group holds a 10% equity investment in Folkefinans AS, a consumer lending business based in Norway. Wonga Group has also provided loans totalling £4.2 million to Folkefinans AS of which approximately £2.9 million (EUR 3,300,000) has a fixed repayment date in 2020. Since the Joint Administrators' appointment Folkefinans AS has made scheduled loan repayments (including interest) of £1.3 million in accordance with the loan documentation. The Joint Administrators are progressing discussions with the Folkefinans AS board of directors.
49. In relation to WDFC and the UK business, the Joint Administrators continue to make efforts to collect WDFC's outstanding loan book. The Joint Administrators are exploring cost effective options as an alternative to collecting the residual loan book, including a sale or placement of the book, to increase the net realisations available to creditors as a whole. The Joint Administrators have received enquiries from a number of parties in relation to the loan book and recently commenced a market sounding exercise to determine the level of interest in the residual loan book. Subject to feedback from prospective purchasers, the Joint Administrators will determine whether it is appropriate to commence a formal process for the sale of the residual loan book.
50. As part of the collections and the wind-down of the UK business, the Joint Administrators have maintained, and kept operational, core areas of the business. As of 27 February 2019, the Joint Administrators have retained 111 of WDFC's employees, all of whom are based in WDFC's customer service call centre located in South Africa. These employees have been continuing to take calls in relation to any customer complaints, and have been continuing to acknowledge redress claims. In addition, they have been assisting in special projects to boost collections.
51. All of the employees working in WDFC's UK operations are employed by Wonga Group, WDFC's parent. Whilst Wonga Group is also undertaking an orderly wind-down of its activities, as of 27 February 2019 it continues to employ 32 employees. These employees have been monitoring the collections, as well as maintaining the core information systems of WDFC.

52. WWL and WDSL are asset holding companies, all activity is conducted by staff of Wonga Group on behalf of these companies; as necessary the Joint Administrators have and will retain Wonga Group staff and systems to assist with and support the realisation of assets by WWL and WDSL.
53. The Joint Administrators are, by these applications, seeking extensions of the 12-month administration periods for each of the Companies in accordance with paragraph 76(2)(a) of schedule B1 to the Act and as contemplated in the Proposals. Thereafter, it is proposed that the administrations will end by each of the Companies entering into a creditors' voluntary liquidation or, if there are no further matters to be resolved, by dissolution of each of the Companies. If any of the Companies were to enter into a creditors' voluntary liquidation, it is anticipated that the administrators in office at that date will be appointed as liquidators, with any act in the liquidation able to be done by any one or more of the liquidators.
54. The Joint Administrators have consulted with the FCA on a regular basis since their appointment on 31 August 2018. In particular, the Joint Administrators have kept the FCA abreast of the Joint Administrators' strategy in relation to the conduct of WDFC's administration and the approach to redress creditors. The FCA have provided a statement of no objection in respect of certain aspects of this application as set out at CL1/14. The Joint Administrators have discussed the other matters in this witness statement with the FCA at a high level. The FCA has indicated that it has no wish to engage further on them, being matters that the FCA considers are appropriately within the discretion of the joint administrators under the supervision of the court.

### **The Companies' creditors**

#### ***Secured creditors***

55. The Companies' only secured creditor is Kreos Capital V (UK) Limited ("**Kreos**"). Kreos' security over the assets of the Companies is as set out at CL1/15 to CL1/18. The total amount of Kreos' secured claim against the Companies' assets is EUR 6,427,409.

#### ***WDFC***

56. Based upon the anticipated realisations, there will be funds available to WDFC's unsecured creditors which exceed the maximum prescribed part of £600,000 under section 176A of the Act. As the level of redress claims remains uncertain, the Joint Administrators are currently unable to indicate the level of dividend that may be available to WDFC's unsecured creditors. This will depend on the level of redress claims.
57. The total amount of preferential claims made or intimated against WDFC, as at the date of this witness statement, is £119,815. This includes holiday entitlements of £22,450 and estimated average severance pay of £97,365. The Joint Administrators anticipate that this number will remain unchanged since holiday entitlements will be met in full either by the employee taking holiday during the administration period or

payment of outstanding balances when the South African branch closes as part of the process of formally winding down the local registered entity. The Joint Administrators believe that proper provision has been made in respect of both secured and preferential claims against WDFC because, immediately following the sale of the Polish trading entity, the Joint Administrators anticipate that there will be sufficient assets to repay WDFC's secured and preferential creditors in full. In any event, no distribution will be made to the general body of unsecured creditors unless and until the secured and preferential creditors have been paid or provided for in full.

58. The Joint Administrators anticipate that the total level of unsecured claims against WDFC will be significant. The Joint Administrators have received approximately 49,000 redress claims and continue to receive approximately 100 to 200 additional claims on a daily basis. WDFC continues to acknowledge all claims, typically within a week, explaining that the claim has been received and will be assessed by the Joint Administrators when they are in a position to do so. The Joint Administrators expect to see a significant rise of redress claims once the Portal (as defined below) goes live. The total level of unsecured claims is heavily dependent on the number of redress creditors who successfully prove in the administration. These figures have been estimated by the Joint Administrators on the basis that the Joint Administrators' approach to limitation outlined below is followed.
59. A number of WDFC's redress creditors could be considered as vulnerable persons. This is because, due to the nature of WDFC's business, they will have required short-term high-cost credit at some point in the past and may not have had access to traditional credit providers due to their circumstances. A number of redress creditors may have debt repayment/management plans or will have sought the aid of consumer debt charities such as StepChange. Because of this, the Joint Administrators are seeking to simplify the claims process for redress creditors and the administration as much as possible. This includes the Joint Administrators interactions with the Court and trying to minimise the potential confusion for redress creditors which a directions application may create. Similarly, as outlined in more depth below, the Joint Administrators have designed the Portal and the Automated Assessment (each as defined below) to make the process as straightforward for redress creditors as possible.
60. As described below, the Joint Administrators have recently undertaken an exercise in order to seek the views of CMCs who represent a significant proportion of redress creditors, on behalf of their respective redress creditors, in relation to the applications in respect of WDFC. This included requesting that those CMCs complete a questionnaire, as shown at CL1/19/5, to help the Joint Administrators to understand the impact of WDFC application upon its redress creditors.
61. The Joint Administrators provided notice to WDFC's creditors in the WDFC progress report of 28 February 2019 (distributed to all creditors and all redress claimants on 27 March 2019) in relation to the proposed approach of (i) the submission of claims through the Portal (as defined below), (ii) an automated assessment approach (as described below), and (iii) adjudicating claims using the limitation provided for under DISP (as described further below). Creditors were advised that a court date of 25 April 2019 had

been scheduled for this application and creditors were given until 19 April 2019 to submit any objection to the proposed approach of the Joint Administrators in writing. As at the date of this witness statement, no objections have been received.

### ***Wonga Group***

62. Based upon the anticipated realisations, there will be funds available to Wonga Group's unsecured creditors which exceed the maximum prescribed part of £600,000 under section 176A of the Act. As at the date of this witness statement, the total amount of unsecured claims against Wonga Group (per Wonga Group's directors' Statement of Affairs) is approximately £24.7m, made up of approximately £3.8m of trade creditors and accruals, approximately £2.3m of employee claims and approximately £18.6m of inter-company claims, owing from WDFC Holding SA (Switzerland).
63. As at the date of this witness statement, the total amount of preferential claims made or intimated against Wonga Group is £529,697. These preferential claims comprise of employee claims for wages and holiday pay, up to certain statutory limits. As there were no arrears of wages, the only claim is for holiday pay.
64. The Joint Administrators believe that proper provision has been made in respect of both secured and preferential claims against WWL, WDSL and Wonga Group because, immediately following the sale of the Polish trading entity, the Joint Administrators anticipate that there will be sufficient assets to repay their secured and preferential creditors in full. In any event, no distribution will be made to the general body of unsecured creditors unless and until the secured and preferential creditors have been paid or provided for in full.

### ***WWL and WDSL***

65. As the Joint Administrators anticipate that there will be no floating charge claim in either WWL or WDSL, and no preferential creditors. Accordingly, all funds will be available to unsecured creditors and there is no requirement to set aside a Prescribed Part. As at the date of this witness statement, the total amount of unsecured claims against WWL and WDSL is as follows:
- (A) WWL – total unsecured claims of approximately £61.1 million, comprised of approximately £0.1 million of trade creditors and accruals and approximately £61 million of inter-company claims from Wonga Group, WDFC, WDSL, Wonga South Africa and other group entities. The Joint Administrators are aware of a difference in the inter-company balances shown in the debtor account of Wonga Group and the creditor account of WWL. The Joint Administrators have been working with the Wonga Group staff to reconcile these balances.
- (B) WDSL - total unsecured claims of approximately £0.8 million of inter-company claims, owing from Wonga Group and WDFC SA (Switzerland)

66. There are no preferential claims in WWL and WDSL.

**Extension of the administration of each of the Companies**

67. The present term of the administrations of each of the Companies expires on 30 August 2019. As set out in the Proposals, the Joint Administrators anticipated that the administrations would continue for longer than 12 months.

68. I refer the Court to CL1/20 and CL1/21, which are copies of progress reports, made in accordance with Rules 18.6 and 18.10, detailing the progress made with the Companies' administrations from 31 August 2018 to 28 February 2019. The Court will note that the following tasks within the administrations remain outstanding:

- (A) realising certain assets of the Group including brand and intellectual property assets, and in respect of its foreign subsidiaries;
- (B) separation of the overseas entities from Wonga Group's operational activities;
- (C) continued sale or wind down of the Group's subsidiaries;
- (D) collecting the balance of the loan book of WDFC, as far as possible;
- (E) pursuing a sale of the loan book of WDFC if deemed appropriate;
- (F) realising the intercompany debt due from WWL and other subsidiaries to WDFC;
- (G) assessing and valuing the claims of redress creditors in WDFC in order to determine the level of unsecured creditors;
- (H) finalisation of the Group's tax affairs, including completion of corporation tax and VAT returns and settlement of any liabilities;
- (I) assessment of all creditor claims (including the process as described above);
- (J) reconciliation of the Group's intercompany balances; and
- (K) distribution to all creditors in the Group.

69. The Joint Administrators estimate that it will require an additional six to twelve months from the current expiry of the Companies' administrations to complete these outstanding tasks.

70. Kreos, the Group's sole secured creditor, has been notified of this application and consents to the extension sought, as shown at CL1/23.

**Application for permission to distribute: distribution in administration**

71. As noted above, the Joint Administrators are seeking permission to make distributions to the Companies' unsecured creditors in accordance with paragraph 65(3)(b) of schedule B1 to the Act.

**WDFC**

72. As noted in WDFC's latest progress report CL1/20, the Joint Administrators are conducting the administration of WDFC with a view to the orderly wind down of WDFC's business and the sale of WDFC's key assets. Part of this entails the retention of key systems and staff to support the collection and realisation of WDFC's main assets (including the loan book). The Joint Administrators consider that this process is likely to maximise the value obtained for WDFC's assets, as compared with WDFC's immediate entry into liquidation. In turn, the Joint Administrators are satisfied that this strategy will maximise the value available for WDFC's creditors, and note that this strategy has already given rise to funds that can be distributed to creditors.
73. The Joint Administrators consider that the cost of converting WDFC's administration to a liquidation, particularly considering the issues and cost involved in the substantial conversion of various contractual matters, to be uncommercial. The Joint Administrators' purpose of maximising realisation from WDFC's assets would be impeded since any contractual arrangement would need to be reviewed and amended (subject to various contractual charges), which the Joint Administrators deem to provide no additional value to creditors.
74. In addition to the above, the Joint Administrators are satisfied that there will be sufficient funds available in excess of the prescribed part to make distributions to WDFC's unsecured creditors. However, as the level of redress creditors who will prove in the administration is currently unknown, the Joint Administrators are not yet able to indicate the level of dividend available to WDFC's unsecured creditors.
75. Accordingly, the Joint Administrators consider that it would be in the best interests of WDFC's creditors as a whole for WDFC to remain in administration, with the Joint Administrators being given permission to distribute, rather than for WDFC to enter into liquidation at this point.
76. Although the Joint Administrators seek permission to distribute in general terms, it is their current intention that the first distribution they make to WDFC's general body of unsecured creditors will also be a final distribution.

### ***WWL, WDSL and Wonga Group***

77. As described in the Group Proposals, the strategy of the Joint Administrators in respect of WWL, WDSL and Wonga Group is to undertake an orderly wind down of their activities. As part of this these entities are required to support the asset realisation process of WDFC, including supporting the loan collection process. For the reasons described further below, the Joint Administrators believe that the creditors as a whole of WWL, WDSL and Wonga Group respectively will benefit from supporting the organised wind-down of WDFC and therefore do not believe that converting these administrations to liquidations would provide value to creditors. The Joint Administrators consider that it would be in the best interests of WWL's, WDSL's and Wonga Group's creditors as a whole for these entities to remain in administration, with the Joint Administrators being given permission to distribute, rather than for these entities to enter into liquidation at this point.

### ***Wonga Group***

78. Wonga Group's employees provide operational and separation activities for the Group including its underlying subsidiaries in Poland, South Africa and Spain. As noted above those entities are either in the process of being sold or wound down, in order to recover equity value or intercompany lending. Wonga Group is also owed approximately £2.9 million by Folkefinans AS, with a fixed repayment date in 2020, as well as equity ownership in Folkefinans (a Scandinavian high cost short term lender). These activities are expected to continue until the underlying assets are realised, and the Joint Administrators consider that it would be most efficient for these purposes, and would help to maximise value for Wonga Group's creditors as a whole, for Wonga Group to remain in administration until these activities are completed, rather than to enter into liquidation.

### ***WWL***

79. As noted above, WWL is seeking to sell its Polish and South African subsidiaries. In order for the Joint Administrators to maximise the value received for any such sale, the Joint Administrators consider that WWL should remain in administration and not convert to a liquidation, which may disrupt any sales processes or reduce the value received.

### ***WDSL***

80. WDSL provides licences, domain names and other intellectual property rights to the Polish, Spanish and South African trading entities. These intellectual property rights may form part of the assets that will be sold as part of any sales process in relation to the Polish and South African trading entities. The Joint Administrators consider that WDSL's entry into liquidation could reduce the value of these intellectual property rights, and so it would be in the interests of WDSL's creditors as a whole for WDSL to remain in administration, rather than to enter into liquidation. Regarding the Spanish entity, the Joint Administrators consider that WDSL's entry into liquidation, and the possible adverse consequences that this could have

on the intellectual property rights granted by WDSL to the Spanish entity, could have a negative impact on the Spanish entity's winding down process. As such, the Joint administrators consider that it would be in the interests of WDSL's creditors as a whole for it to remain in administration, rather than to enter into liquidation.

81. As set out in the Group Proposals, based on the statement of affairs included therein, the Joint Administrators expect that the unsecured creditors of Wonga Group will receive 100p in the pound of their claims before costs of realisation and the expenses of the administration. WWL and WDSL may have funds to distribute to their unsecured creditors, however, in each case, their respective liabilities are almost wholly owed to other members of the Group.
82. As above, although the Joint Administrators seek permission to distribute in general terms, it is their current intention that the first distribution they make to WWL's, WDSL's and Wonga Group's respective general body of unsecured creditors will also be a final distribution.

**WDFC application for permission to distribute: approach to limitation of redress claims**

83. The following section of my witness statement is included for completeness and so the Court can see how the Joint Administrators intend to determine the validity and quantum of redress claims proved for in WDFC's administration in circumstances where an issue has arisen as to the proper approach to limitation and the consequences flowing from the Joint Administrators' assessed approach and in relation to which the FCA has provided a statement of no objection in respect of certain aspects of this application as set out at CL1/14. The Joint Administrators have discussed the other matters in this witness statement with the FCA at a high level. The FCA has indicated that it has no wish to engage further on them, being matters that the FCA considers are appropriately within the discretion of the joint administrators under the supervision of the court. In the absence of any objection to our preferred approach, and in the interest of avoiding potentially substantial costs and delay, we do not intend to seek a determination of the issue that has arisen or any directions relating to the manner in which we approach proofs of debt in respect of WDFC.
84. It is expected that the majority (both in number and value) of WDFC's unsecured claims will be from redress creditors (at the date of this witness statement, the Joint Administrators have already received in excess of 49,000 claims). The number of redress creditors will significantly depend on the approach taken by the Joint Administrators to the limitation period which applies to the admission of redress claims against WDFC. The Joint Administrators are aware of two competing arguments as to which limitation period should be applied: the first being limitation provided for in the Limitation Act 1980; and the second being limitation provided for in DISP 2.8.2R. For the reasons set out below, as well as the views of the FCA who have been strongly in favour of the Joint Administrators adjudicating on the basis of DISP limitation, the Joint Administrators consider that it would be in the interests of WDFC's creditors as a whole for the Joint Administrators to apply limitation principles based on DISP 2.8.2R. However, it may be helpful to the Court



for the Joint Administrators to provide an overview of the arguments in favour of both the DISP 2.8.2R and the Limitation Act 1980 approaches and why the Joint Administrators are of the view that DISP 2.8.2R should be followed.

85. There are two main arguments supporting the proposition that the Joint Administrators should apply the limitation rules under DISP 2.8.2R. Firstly, redress creditors have a statutory right to complain to the FOS in relation to the conduct of WDFC. This statutory right of complaint is properly classified as a contingent provable claim. In order to estimate the value of such a claim, it would be necessary to consider the sum that would be awarded by the FOS if it was adjudicating the relevant claim. This necessarily involves the application of the time limits under DISP 2.8.2R (as outlined in paragraph 23 above), since these are the time limits that the FOS would apply in the determination of a complaint.
86. Secondly, WDFC's redress creditors could apply to the Court to lift the moratorium under paragraph 43 of schedule B1 to the Act in order to commence a FOS complaint procedure. If the Court were to accede to such applications, then the FOS would apply the time limits under DISP 2.8.2R. In order to avoid the burden on WDFC's estate that would be caused by such applications and/or the lifting of the moratorium, the Joint Administrators propose to apply DISP 2.8.2R themselves when adjudicating on a proof. This would obviate the need for redress creditors to apply to lift the moratorium so as to commence a complaint before the FOS.
87. The arguments that limitation under the Limitation Act 1980 is the appropriate limitation period to be applied by the Joint Administrators when adjudicating on proofs are as follows. Firstly, even prior to WDFC's entry into administration, the FOS did not have exclusive jurisdiction to resolve disputes between WDFC and its redress creditors. Prior to its entry into administration, a customer of WDFC had the ability to bring their claim against WDFC in court, rather than through a FOS process, and could even reject a decision of the FOS and apply to court instead.
88. Secondly, following WDFC's entry into administration, the effect of the statutory moratorium under paragraph 43 of schedule B1 of the Act is to prevent a customer from seeking to pursue a claim against WDFC, before the FOS or otherwise, without the consent of the Joint Administrators or permission from the Court. Accordingly, the Joint Administrators (rather than the FOS) should determine creditors' claims through the proof of debt procedure.
89. Thirdly, there is an argument that the Joint Administrators should not seek to adjudicate upon claims in the same manner as the FOS would have done prior to WDFC's entry into administration, as the Joint Administrators do not have the same power to depart from the legal position that the FOS does. The FOS does not sit as a conventional court of law, and does not apply the general law of England and Wales in the same way as the Court. Instead, the Joint Administrators have a statutory duty to identify the liabilities of WDFC as a matter of law. The Joint Administrators arguably may not have the same power as the FOS to apply general principles of "fairness" when determining proofs of debt.

90. Finally, it could be argued that DISP 2.8.2R only applies to a complaint before the FOS. A proof of debt in the administration of WDFC is not a complaint and does not involve the FOS in any relevant capacity. Moreover, the statutory moratorium prevents the commencement or continuation of a FOS process. As such, there is an argument that the DISP rules in relation to limitation should not apply to claims by WDFC's redress creditors. Accordingly, it could be argued that the Joint Administrators, as officers of the Court, are required to apply the limitation rules under the Limitation Act 1980 instead, since those are the rules that would be considered by the Court in hearing a complaint by a customer against WDFC. These arguments would support the six-year limitation period under the Limitation Act 1980 applying to claims by redress creditors.
91. In conclusion, and as described above, there are arguments which support both the application of limitation under the Limitation Act 1980 and limitation under DISP. The Joint Administrators believe that both of these arguments have merit but consider that it would not be in the interests of WDFC's creditors as a whole for time and money to be spent having the issue determined by the Court. Such a determination would ordinarily involve the appointment of one or more representative creditors (whose costs would be borne by the estate) and, the Joint Administrators consider, has the potential to require determination by the Court of Appeal, which could be an expensive and lengthy process.
92. The Joint Administrators believe that seeking to distribute on the basis that redress creditor claims will be subject to limitation provided for under DISP would provide greater benefit to creditors as a whole than applying limitation under the Limitation Act 1980 for the following reasons. Firstly, the FCA has informed the Joint Administrators that the argument in relation to DISP must be made in some capacity, which means that the Joint Administrators would have needed to apply for directions if they had sought to apply limitation under the Limitation Act 1980 in order to provide a forum for the DISP arguments to be raised. This would have added additional cost and time delay to the administration, which could have been exacerbated by any appeals process. Secondly, applying DISP limitation reduces the risk of a redress creditor applying to court to lift the stay, further mitigating the risk of additional costs to the estate, which would risk no distribution being available to creditors as a whole. Lastly, WDFC's creditors as a whole benefit from this approach as the Joint Administrators believe that a distribution will be made sooner than if the Joint Administrators had chosen to apply limitation under the Limitation Act 1980 and had therefore been subject to possible litigation which would affect the timing of a distribution. Accordingly, the Joint Administrators consider that taking a DISP limitation approach will help to maximise the amount available for distribution to unsecured creditors whilst also helping to minimise the time before a distribution can be made.
93. It is understood by the Joint Administrators that, if the limitation period under DISP were to be applied, then this cannot be applied in isolation to the other provisions of DISP when adjudicating claims by redress creditors. This is reflected in the adjudication process outlined below.

#### **WDFC application for permission to distribute: approach to adjudication of redress claims**

94. Given the large population of redress claimants, the Joint Administrators have developed an online claims portal which allows the submission of proofs by WDFC's redress creditors (the "**Portal**"). The Portal is expected to be launched in April 2019 and will be an online receptor for WDFC's customers to submit a redress claim in a secure and straightforward manner. The Joint Administrators have been working with the technological developers within WDFC to ensure that the Portal is both functional and secure. The work has involved comprehensive testing to ensure functionality, ease of use and data security.
95. To submit a proof of debt, WDFC's customers will be asked to provide the contact details associated with their account. Customers will not need to provide any information in relation to their specific loans. If the details entered by the customer match that held by WDFC, the customer will receive confirmation that their claim has been received and will be assessed by the Joint Administrators.
96. Once the Portal has received a proof of debt, and the customer has been successfully identified, the proof of debt will be placed in an automated queue for the claim to be assessed. The Joint Administrators have been working to create a claims assessment process that aligns with all the relevant legal and statutory requirements so far as reasonably practicable to provide a fair and reasonable basis for assessing claims. The Joint Administrators will then be able to assess the customer's history of loans in the automated assessment tool. The customer will receive further notification once their claim has been assessed.
97. The Joint Administrators consider the use of this automated assessment tool will be more time efficient and cost effective than undertaking a manual review of each claim submitted by a redress creditor, and will increase the recoveries made to the creditors as a whole. The Joint Administrators consider that the costs of undertaking a wholly manual review of each redress claim at the outset would likely result in little or no funds being available for distribution to unsecured creditors (including redress creditors).
98. The adjudication process offers redress creditors the opportunity to appeal against an assessment once decided. The Joint Administrators will conduct a manual review of a creditor's claim in circumstances where the redress creditor is dissatisfied with the outcome of the automated assessment described above, and provides appropriate documentary evidence in support. Any manual review will inevitably result in increased costs but such costs are expected to be significantly less than the costs that would result from a manual review of each redress claim at the outset. The Joint Administrators expect that the Portal will remain open for three to four months.
99. The Joint Administrators indicated in their latest progress report for WDFC, as shown at CL1/20, that they would be making this application, and explained their intended approach to limitation and adjudication. The Joint Administrators will include this witness statement on WDFC's website such that WDFC's creditors have had notice of this application and its substance. As at the date of this witness statement,

no creditor has responded to the notices given to object to the course which the Joint Administrators intend to take.

100. As noted above, the FCA has provided a statement of no objection in relation to WDFC's draft order. The Joint Administrators, in an effort to obtain the views of a large proportion of WDFC's redress creditors, have requested the views of certain CMCs in relation to WDFC's application. The responses received from the CMCs are shown at CL1/22 and indicate that the CMCs are supportive of WDFC's application. The response requested was in the form of a questionnaire, which asked CMCs whether, bearing in mind the preference of the customers that they represent, they are in favour of:
- (A) claims being reviewed using limitation provided for in (i) DISP, or (ii) the Limitation Act; and
  - (B) an (i) automated, or (ii) manual, assessment process.
101. Of the 31,942 customers that the relevant CMCs represent, CMCs representing 22,940 (72%) provided a response. On the question of limitation, 93.2% indicated that they were in favour of DISP limitation. It should be noted that the only CMC who indicated that it was against DISP limitation does not represent any claimants with claims older than six years. On the question of a manual or automated evaluation of claims, 98.3% of CMCs indicated that they were in favour of an automated assessment process. The only CMC that indicated that it was against DISP limitation received this witness statement and notice of the hearing at the same time as the creditors and so has had sufficient notice if it wished to raise an objection to the Joint Administrators' proposals.
102. As mentioned above, the Joint Administrators consider that if the DISP approach to limitation is applied then it follows that they should also adjudicate redress creditors' claims in accordance with the DISP approach to adjudication. If the arguments summarised above for the application of DISP approach to limitation are correct, then it should, the Joint Administrators believe, follow logically that they admit proofs of debt lodged by redress creditors in the amount which a DISP approach to adjudication would have produced.
103. The Joint Administrators believe that it is possible to use an automated assessment tool, using information provided through the Portal and available to WDFC at the time of appointment, to adjudicate redress creditors' claims in accordance with DISP. It is important that redress creditors' claims are adjudicated automatically, as, due to the large volume of redress creditors, if the Joint Administrators were to assess each claim on a manual basis it would significantly reduce the level of return which WDFC's unsecured creditors could expect to receive, as the time and cost of the process would increase the cost of adjudication significantly. It is not currently possible to accurately estimate the returns to WDFC's unsecured creditors due to the uncertainty surrounding the volume of redress claims, however, the Joint Administrators expect that any distribution to WDFC's unsecured creditors will be significantly below the nominal claim values. The Joint Administrators' believe that, in some scenarios, there would be no return to WDFC's unsecured creditors if the Joint Administrators were required to adjudicate redress creditors'

proofs on a manual basis. A fully manual adjudication process would also, given the time that this would take and the employees of WDFC currently trained and available to carry this out, likely delay the making of any distribution to unsecured creditors.

104. The Joint Administrators intend to assess redress claims against WDFC with the assistance of an automated assessment tool (the “**Automated Assessment**”). When assessing and valuing the claims of redress creditors automatically this tool will consider customer information available to WDFC including (but not limited to):
- (A) the customer’s loan value as a proportion of their reported income;
  - (B) the total time in loan, or number of loans, to identify repeat borrowing without a significant break; and
  - (C) additional affordability factors, e.g. payments in arrears or customer reports of hardship.
105. The Joint Administrators believe that the Automated Assessment meets the requirements of DISP. In particular, DISP 3.6.1R requires the FOS to determine a redress creditor’s complaint “...*by reference to what is, in his opinion, fair and reasonable in all the circumstances of the case*”. The Automated Assessment has been developed in a way that is aligned with all relevant legal requirements so far as reasonably practicable to provide a fair and reasonable assessment of claims. The Joint Administrators believe, considering the circumstances of the administration and the data points available to the Joint Administrators, that the Automated Assessment is fair and reasonable. Moreover, the Automated Assessment also allows a redress creditor to appeal his or her adjudication result (for example if a redress creditor disagrees with the quantum or if his or her claim had been rejected). Upon appeal, a manual review would, on submission of appropriate evidence by the relevant claimant, be undertaken. The Joint Administrators believe that this manual review is as close as practicable to the process carried out by the FOS, considering the potential cost and timing implications of an exact replication of the ordinary course administration process. The Joint Administrators therefore believe that the Automated Assessment provides WDFC’s redress creditors with a fair and reasonable adjudication process, while also providing a benefit to WDFC’s creditors as a whole through the cost savings inherent in an automated process.
106. The Joint Administrators are not seeking any relief or directions from the Court in respect of the Portal or the Automatic Assessment. This background has been provided to the Court for information only for the sake of completeness and so that WDFC’s creditors would have a more fulsome understanding if they wished to object to this application, although, as already mentioned, the Joint Administrators have not received any objections as at the date of this witness statement.
107. Lastly, as part of the adjudication process, the Automated Assessment will apply insolvency set-off in accordance with Rule 14.24. This will occur upon the Joint Administrators issuing a notice of intention to distribute. In such circumstances, redress creditors will be notified during the adjudication process as to

how set-off may impact an outstanding loan balance. This adjudication will not have an impact upon a redress creditor's right to equitable set-off.

**Declaration of dividend in respect of WDFC despite a pending application to Court**

108. The Joint Administrators would like to declare a dividend to WDFC's unsecured creditors notwithstanding that there may (at the relevant times) be pending applications to the Court to reverse or vary a decision of the Joint Administrators on a proof of debt. As discussed below, there are certain operational difficulties which the Joint Administrators will need to overcome in the time period between the last date for proofs and when a dividend is required to be declared by WDFC.
109. As the Joint Administrators would like to declare a dividend to WDFC's unsecured creditors as soon as reasonably practicable, and considering the nature of the redress creditors, the Joint Administrators do not want there to be undue delay between the last date for proofs and the declaration of a dividend. Such delay could be caused by pending applications to the Court in respect of the Joint Administrators' decisions on proofs of debt. Full provision will be made by the Joint Administrators in respect of any pending applications at the point of the declaration of a dividend and as such no creditor will be prejudiced by this relief.

**WDFC: extension of time period required to be included in a Rule 14.29 notice**

110. Under Rule 14.30, the Joint Administrators are required to include, within a notice pursuant to Rule 14.29, a statement that they intend to make a distribution to creditors or declare a dividend within the period of two months from the last date for proving. Under Rule 14.34(1), the Joint Administrators are required to declare the dividend in the two month period referred to in Rule 14.30 in accordance with the notice of intention to declare a dividend unless the Joint Administrators have cause to postpone or cancel the dividend.
111. The Joint Administrators do not believe that two months will be a sufficient amount of time following the last date for proofs for such a distribution or declaration in respect of WDFC. This is because it will be operationally difficult, considering: (i) the volume of redress creditors (which the Joint Administrators estimate to be significant); (ii) the vulnerable nature of the redress creditors, (iii) the potential amount of manual appeals considering the nature of the redress creditors, and (iv) the logistics required in determining the appropriate dividend rate (taking into account the possibility of appeals to the Joint Administrators' decisions on proofs of debt), for the Joint Administrators to declare a dividend within two months from the last date for proving in WDFC's administration. Since the process will be done using WDFC's system and staff, there will be a handover to the systems used by the Joint Administrators in admitting the redress creditors as creditors and uploading, auditing and reviewing before payment can be released to all creditors which may take some time.

112. The Joint Administrators do not believe that, in the circumstances, and considering in particular the volume of potential redress creditors and the nature of the redress creditors, it would be appropriate for this time period to be extended at the relevant time (pursuant to Rule 14.33) as this would require a new notice under Rule 14.29 to be issued which would create a new last date for proving. The Joint Administrators believe that this would cause confusion amongst WDFC's redress creditors and cause a disproportionate increase in operational costs.
113. The Joint Administrators are therefore requesting that the two month period referred to in Rule 14.30(a) and Rule 14.34(1) is extended to four months in respect of WDFC's administration.

**The issue of this application**

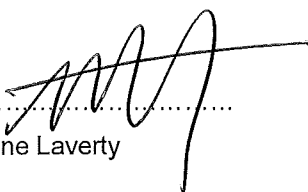
114. In the circumstances and for the reasons set out in this statement, I respectfully request that the Court make the orders sought.

**The hearing of the Application**

115. The Joint Administrators respectfully request that the applications in respect of each of the Companies are listed to be heard at the same time so as to ensure that the Court's time and resources are most efficiently utilised.

**STATEMENT OF TRUTH**

I believe that the facts stated in the witness statement are true.

  
.....  
Christine Lavery

Dated this 11 day of April, 2019

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND  
AND WALES**

**INSOLVENCY AND COMPANIES LIST (ChD)**

**IN THE MATTER OF WDFC UK LIMITED (IN  
ADMINISTRATION)**

**AND IN THE MATTER OF WDFC SERVICES LIMITED  
(IN ADMINISTRATION)**

**AND IN THE MATTER OF WONGA GROUP LIMITED (IN  
ADMINISTRATION)**

**AND IN THE MATTER OF WONGA WORLDWIDE  
LIMITED (IN ADMINISTRATION)**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

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**FIRST WITNESS STATEMENT OF  
CHRISTINE LAVERTY**

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Ref: ISJ/MJQG/WQS