



HOUSE OF COMMONS
LONDON SW1A 0AA

The Future of Liverpool Victoria

29 July 2021

Dear LV= Member,

Please find below a further update of work on the above issue:

The Process

As far as we know discussions within Liverpool Victoria (LV) and between LV and both the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) are continuing to progress the proposed demutualisation and sale to Bain Capital.

According to the Treasury Ministers we expect both the FCA and the PRA to begin formal consideration of the sale to Bain Capital around October.

There will still also have to be a vote of members, if the majority of members reject the deal then we understand that is decisive.

If the vote is carried, then the board of LV will have to approach the court for permission to set aside the rules in their constitution which require a turnout of least 50% of all members and a 75% vote in favour for the demutualisation to proceed.

The tactics of the board and management

From correspondence and observation, it appears that the board of LV seem determined to say a little as possible about their plans publicly until they call the vote on whether to demutualise or not.

Then they will appoint an independent expert to, firstly, review the one-off information they send out to members eligible to vote and, secondly, to consider details of any small payment they propose to be made to compensate for the loss of ownership rights. We understand that the FCA and PRA will approve the choice of independent expert (An expert that LV will choose, pay and brief!).

All-Party Group for Mutuals (APPG)

As you may be aware the APPG published a report on the proposed demutualisation and sale to Bain Capital. This can be found here:

<http://appgmutuals.coop/wp-content/uploads/2021/04/APPG-Mutuals-LV-report-April-2021.pdf>

We also wrote a follow up letter to the PRA, which received a reply on the 1st June. These are both attached to this email for perusal. This correspondence was covered by 'The Times' and can be found here:

<https://www.thetimes.co.uk/article/call-for-bank-governor-to-intervene-over-sale-of-lv-6v87vmk8g>

The APPG has, at the beginning of July, also written to the FCA. I have attached a copy to this email for perusal. This correspondence was also covered by 'The Times' and can be found here:

<https://www.thetimes.co.uk/article/explain-handling-of-lv-buyout-fca-told-zb96jlbh0>

I have also recently also written to LV Board Member Alison Hutchinson. I have attached a copy to this email for perusal. This correspondence was also covered by 'The Times' and can be found here: <https://www.thetimes.co.uk/article/mps-turn-their-fire-on-director-over-lv-sale-to-private-equity-jjpcth6dv>

Other media Attention

You might also be interested to read other articles on the proposed demutualisation and please find below a selection of links from 'The Times' which provide a chronological narrative on developments regarding the proposed demutualisation and sale of LV:

- Wednesday December 16, 2020 - 'Opaque Sale of LV demands scrutiny'
<https://www.thetimes.co.uk/article/opaque-sale-of-lv-demands-scrutiny-6dmmfvvgdz>
- Monday January 04, 2021 - 'Key LV= Panel Preferred Rival Bid over Bain'
<https://www.thetimes.co.uk/article/key-lv-panel-preferred-rival-bid-over-bain-offer-775nhjchv>
- Wednesday February 03, 2021 - 'LV faces showdown with Critics over Bain deal'
<https://www.thetimes.co.uk/article/lv-faces-showdown-with-critics-over-bain-deal-q28ghh3gz>
- Tuesday April 06 2021 - 'MPs have big concerns of over LV takeover'
<https://www.thetimes.co.uk/article/mps-have-big-concerns-over-lv-takeover-b7wtq3768>
- Thursday April 08 2021 - 'Not a lot of love in the air as MPs take LV chiefs to task'
<https://www.thetimes.co.uk/article/not-a-lot-of-love-in-the-air-as-mps-take-lv-chiefs-to-task-kcxmjt80k>
- Thursday April 08 2021 - 'MPs rebuke LV for secrecy over Bain capital takeover'
<https://www.thetimes.co.uk/article/mps-rebuke-lv-for-secrecy-over-bain-capital-takeover-dnckp3x3r>
- Sunday April 11 2021 - 'Buyout Barons Knocking at the door of 178year old LV'
<https://www.thetimes.co.uk/article/buyout-barons-knocking-at-the-door-of-178-year-old-lv-jp2pz8hrj>
- Wednesday, May 12 2021 - 'Call for Bank of England Governor to intervene over sale of LV'
<https://www.thetimes.co.uk/article/call-for-bank-governor-to-intervene-over-sale-of-lv-6v87vmk8g>
- Monday June 21 2021 - 'Fairness of LV deal 'not in the Bank of England's remit'
<https://www.thetimes.co.uk/article/fairness-of-lv-deal-not-in-bank-of-englands-remit-zwljj0xfh>
- Monday July 12th 2021 - 'Explain handling of LV buyout, FCA told'
<https://www.thetimes.co.uk/article/explain-handling-of-lv-buyout-fca-told-zb96jlbh0>
- Monday 26th July 2021 - 'MPs turn their fire on director over LV sale to private equity'
<https://www.thetimes.co.uk/article/mps-turn-their-fire-on-director-over-lv-sale-to-private-equity-jjpcth6dv>

We will in due course provide a further update as more information becomes available.

Thank you for your interest.

Yours sincerely



Gareth Thomas MP
Harrow West