

Farepak Food and Gifts Limited Update

Latest information:

Farepak Food and Gifts Limited of Westmead Industrial Estate Swindon went into administration on 13th October 2006.

This means that the company is insolvent and cannot afford to pay its suppliers. The company has announced that customers will not receive hampers, vouchers or gifts.

The company will not be sending out refunds.

The administrators will investigate what assets the company has. Customers MAY receive some of their money back but it will definitely not be a full refund. If customers do receive any money back it will not be for many months – almost certainly not until after Christmas.

The administrators are: BDO Stoy Haywood, 4th Floor, 1 Victoria Street, Bristol, BS1 6AA

Anyone owed money by the company should notify the administrators of their claim as follows:

- by post – Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX
- by email - customer.claims@farepak.co.uk
- by fax – 01793 606012

Farepak customers' money is covered by a bond but the Hamper Industry Trade Association tell us that the bond is not sufficient to cover all monies owed to Farepak customers.

Advice to Customers:

- Don't pay any more money to the company or your agent
- If you pay by Direct Debit cancel this with your bank immediately
- Don't send any paperwork to the company– keep it safe as it is your proof of what you have paid. If you are asked to hand over paperwork at a later stage only hand over photocopies.
- If your agent has collected money from you but has not yet paid it over to the company they should give it back to you and amend your book to show it has been returned to you.
- If your hamper cost more than £100 and you made even part-payment on a credit card you may be entitled to a refund from your credit card company. Contact Consumer Direct on 08454 040506 for more advice.
- If you have any outstanding choice vouchers these will no longer be accepted by stores. The amount of any unused choice vouchers will be added to any claim you have against the company.
- Our current understanding is that any other vouchers that you have (i.e. not Choice Vouchers) are still valid and can be used.
- For further advice call Consumer Direct on 08454 040506 or Gwynedd Trading Standards on 01286 682728

Advice to Agents:

- If you are holding money that you have collected from customers do not send it to the company.
- Any money you are holding for customers should be handed back to those customers and their payment book should be signed to show the money has been returned.
- Keep your paperwork safe and up to date – do not send it to the company at this stage. If you are asked to send your paperwork make sure that you keep copies for your own records.
- You will not receive any more commission. Your claim for commission will be part of your claim against the company. You may receive some of this money back when the company's assets have been dealt with by the administrators.

Keeping up to date:

- Check the company's website for latest information: www.farepak.co.uk
- Alternatively either call Consumer Direct for advice on 08454 040506 or Gwynedd Trading Standards on 01286 682728

Some general Q & A's

Please see below for answers to certain questions you may have.

1. *Will I get my hampers/vouchers/gifts and if so, when?*

The Company is unable to deliver any orders for hampers/vouchers or gifts.

2. *Will I get my money back and if so when and how much?*

The Joint Administrators are working to realise the assets of the Company. You will have a claim against the Company in Administration and the Joint Administrators will be writing to the agents about this as soon as possible. At the present time, I can advise that you may receive back some money (but not all) and this will not be for many months.

3. *I have collected money from my customers but not yet paid it in. What should I do?*

The Company is no longer accepting money from its customers and it should be returned to your customers and their payment book signed to show the money has been returned.

4. *I pay by Direct Debit. What should I do? Do I need to cancel the instruction with my bank?*

Yes, please cancel any instruction to pay by Direct Debit.

5. *I am a Farepak Agent, what should I tell my customers?*

Your customers will need to be advised that Farepak will not be supplying any hampers, vouchers or goods which have been ordered or were going to be ordered.

6. *Will I get my commission?*

You will have a claim against the Company in Administration in respect of your commission and the Joint Administrators will be working to calculate this claim. Please see 2 above.

7. *Why has this happened? Why now?*

The Company is insolvent, it is unable to pay its suppliers for goods and as a result, the goods cannot be supplied to you as an Agent or your customers.

8. *I've still got some choice vouchers.. What should I do?*

Again, these will form part of your claim (see 2 above). They will not now be honoured.

9. *I've still got vouchers left from last year. Are they still ok to spend?*

The Joint Administrators understand that any vouchers, other than Choice vouchers, which you hold will be valid and can be used.

10. *I ordered a gift item last year and it is now broken. What should I do?*

This will form part of your claim against the Company in Administration. Please see 2 above.

11. *I am a customer of a Farepak Agent. I have paid money. What should I do?*

In the first instance, you should ensure that your payment book is up to date. You should NOT give any further money to your Agent as the Company is not accepting any further money. If your Agent still holds your money, it should be returned to you and your payment book amended to show you have received it.