

Link eyes sale of UK unit amid talks with FCA over Woodford settlement

Australia's [Link](#) Group has said it is in exclusive negotiations to sell its UK Fund Solutions division as talks take place over a settlement with the UK financial regulator over an investigation into the unit.

The share registry business said on Monday that it is discussing a settlement with the Financial Conduct Authority (FCA).

The [FCA](#) also confirmed it is in discussions with the firm amid its investigation into the now-defunct LF [Woodford](#) Equity Income Fund.

Link Fund Solutions (LFS) managed the fund until its collapse in June 2019.

Star stock-picker [Neil Woodford](#) had picked assets for the £3.7 billion fund but restricted withdrawals after a plunge in value.

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In a draft notice last year, the FCA had already said Link could face a potential £306.1 million in redress payments over its management of the fund and a further possible £50 million fine.

On Monday, the FCA said: “We are in advanced confidential discussions with Link Group and LFS to determine whether the FCA’s proposed enforcement action against LFS can be resolved by agreement.

“The FCA is focused on ensuring that consumers affected by the suspension of the Woodford Equity Income Fund (WEIF) obtain redress.

“To assist a potential resolution, the FCA has provided time for Link Group to realise assets, including Link Group held assets, to meet the FCA’s concerns.”

Link said it expects to post a non-cash impairment charge of 449 million Australian dollars (£257 million) in its next financial results as a result.

It is in exclusive talks with Dublin-based firm Waystone to sell the Fund Solutions business but stressed that it is likely Link will “receive no net proceeds of the sale”.