

Key Facts – Debt Management Programme

Please ensure that you read these particular paragraphs carefully.

1. Your Instructions and Our Services: to advise you and help set up your Debt Management Programme and to administer payments to your creditors. see paragraph 1.
2. The Minimum Duration of your Debt Management Programme, see paragraph 5.
3. Data Protection policy, see paragraph 7.
4. Priority Debts, see paragraph 22.
5. Our Fees and Charges, see paragraph 8 and 9.
6. Interest and Collection Activity by your Creditors, see paragraph 15.
7. Your Credit Rating, see paragraph 18.
8. Consequences of missing payments, see paragraph 41
9. Periodic Reviews, see paragraph 29
10. Equality and Diversity, Disabled and Vulnerable Clients, see paragraph 36
11. Cancelling Your Instructions to Us, see paragraph 38.
12. Terminating this agreement, see paragraph 39.
13. Your responsibilities to us, see paragraph 40
14. Complaints Procedure, see paragraph 45
15. Other Guidance Material and Sources and advice, paragraph 46.
16. Joint Debt Management Programme, paragraph 54

Should you have any queries or questions regarding the information that we have forwarded to you please do not hesitate to ask.

DEBT MANAGEMENT CLIENT CARE BOOKLET

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DEBT MANAGEMENT CLIENT CARE BOOKLET

INTRODUCTION

Thank you for instructing us to deal with your Debt Management Programme and choosing us to help you with the difficulties that you are presently experiencing in repaying your unsecured debts. We are a commercial for-profit organisation made up of dedicated and experienced individuals. We will be there to support you every step of the way and to help you to achieve the best possible outcome for you.

A copy of our Treating Customers Fairly policy is available on request. We will provide you with a full explanation of the different options available to you so that you are able to make an informed choice about how you want us to assist you in resolving your present financial difficulties.

Please read this booklet carefully in conjunction with our Terms and Conditions and the Advantages, Disadvantages and Risks of Different Debt Solutions documents that have been provided to you.

Your Debt Management Programme is an informal programme designed to get you out of debt at an affordable level of repayment that is fair to you and to your creditors. The higher the monthly payment the shorter the duration of your programme.

1. YOUR INSTRUCTIONS

With your help the financial statement we will have prepared for you should present your creditors with a clear picture of your situation. The surplus figure that you will make available to your creditors each month should be appropriate to your circumstances.

We will ask that you provide your last 3 months bank statements and payslips or other relevant proof of income in order that we can verify your surplus available income for your debt management programme. We can use estimates for some items of your monthly expenditure where you cannot provide documentary evidence however, creditors have guidelines that they work to as an indicator for acceptable levels of household expenditure. If any of your items of expenditure are unusual or higher than your creditor's guideline figures we will ask you for an explanation. Adverse consequences could follow if your creditors are unhappy with any items of your expenditure or if they are of the view that items of your expenditure are higher than what they consider to be reasonable in your circumstances,

We can make adjustments to your schedule subject to your approval in order to ensure that the figures are sustainable in the long term. We will take all individual factors into account

We cannot mislead your creditors either deliberately or by omission. If they are not totally satisfied with the information we provide on your behalf they will query and it could delay the implementation of your programme.

A Debt Management Programme does not have any impact on your secured creditors. We will ensure when preparing your Debt Management Programme that an allowance is made for any secured loan expenditure. We will check what assets you own and their values as some debt solutions are impacted by property ownership. We will also discuss with you whether you would be willing to sell assets to repay your debts. We will always have regards to your needs and expectations.

Where we recommend a joint Debt Management Programme between you and a partner we will prepare a joint household income and expenditure. Where you and your partner operate separate finances, we may recommend separate Debt Management Programmes.

2. YOUR INSTRUCTIONS AND YOUR ROLE WHILST WE ARE MANAGING YOUR DEBT MANAGEMENT PROGRAMME

You will receive with this booklet an Advantages, Disadvantages and Risks of Different Debt Solutions that details all of the debt options that are available to you. We will advise you as to why we feel that the option we have recommended is the most appropriate to your circumstances in order that you are able to make an informed choice as to how you wish us to proceed. We will take into account your expectations, your preferences and your desired outcomes. It is important for you to note that your co-operation and assistance with the programme is mandatory. We will not be able to provide updated advice to you and up to date information to your creditors if you do not co-operate with us. We would ask that you keep in regular contact and reply promptly to any communication. If you fail to do so we may have to terminate your programme

3. APPOINTMENT

Our appointment (i.e. the point at which we will start working on your case) will start upon our receipt of the signed and completed Form of Authority, Terms and Conditions, Key Facts Sheet and Client Care Booklet from you.

Upon receipt of the above documents we will write to your creditors within 7 working days informing them of our appointment
We will also;

- (i) Request up to date balances on your accounts
- (ii) Request that interest and charges be frozen on all your accounts
- (iii) Request that in future creditors contact us directly if they have any queries on your accounts
- (iv) verify the advice we have given you
- (v) make a temporary offer of payment pending the outcome of a full financial review.

Please note that until we have completed a full review of the information that you have provided to us the offer to your creditors will only be temporary. This may take 2 – 4 weeks or longer depending on your co-operation. Interest and charges may still

be added by some of your creditors during this period. It is therefore in your interest to provide any outstanding information as soon as you can.

In circumstances where you do not provide us with your creditors account numbers, we will not be able to write/make payment to your creditors until such time as the reference numbers are provided to us. They will temporarily be excluded from your Programme.

4. PROGRESSING YOUR PROGRAMME

We will contact you should we require your further instructions. Our overall aim is to help you get out of debt in the shortest possible time at a monthly payment that you can afford. If you have different aims to this, please tell us as soon as possible. Additionally, as part of our service to you (and our regulatory body requires us to do this) we will review your file periodically (your co-operation will be needed in order that we can update our advice to you and ensure that the continuance of the Debt Management Programme is in your best interests). Adverse consequences may follow if you do not do so such as termination of your Debt Management Programme.

5. THE MINIMUM DURATION OF YOUR DEBT MANAGEMENT PROGRAMME

You will be provided with an Outcome Statement at the start of your programme and at least annually thereafter. If there has been a change in your circumstances and a review has been concluded another Outcome Statement will be sent to you. The Outcome Statement sets out the estimated duration of your Debt Management Programme and the estimated total cost to you of your Debt Management Programme. The duration of your programme is dependent on:

- (i) Whether your creditors agree to freeze interest and charges. We will keep you informed in this regard.
- (ii) The figure for your outstanding debts is correct and that you do not have and do not incur further debts for the entire duration of the programme.
- (iii) Your creditors not continuing or commencing legal or enforcement action. Legal costs and charges could be added to your account which will increase the size of your debt and extend the duration of the programme.
- (iv) Maintaining your payments under the programme. Missed payments will result in the duration of your Debt Management Programme being extended. We will undertake a further review if required. Once we reassessed your financial position if it becomes apparent to us that your circumstances are no longer suitable for a Debt Management Programme we will revise our advice to you. We would ask that you contact us if you are unable to make your monthly payment for help and advice.

(v) Co-operation with the review process may result in an opportunity to reduce the amount of time you spend in debt. For example, if you were in a position to increase the amount of your monthly payment into the programme or in the event of your circumstances being better suited to an alternative debt solution.

We will not generally recommend a Debt Management Programme where we estimate it will take you longer than ten years to repay your debt. In exceptional circumstances however it may be in your best interests to commence and/or maintain payments under a programme where it will take longer than ten years to repay the debt. For example

- You may have substantial equity in a property or properties you own, and you wish to retain these Where your circumstances are likely to improve in the short to medium term
- Where a formal debt management solution such as an IVA or Bankruptcy may impact on your employment/career.

If the duration of your programme is going to last more than ten years as in all circumstances, we will advise you as to all the options available to you and keep the duration of your programme under regular review.

We will advise you at least annually of the progress you are making regarding the repayment of your unsecured debts which is part of the the review process for which co-operation is mandatory as stated above. **Should you experience a change of circumstances at any time it is essential that you contact us urgently for help and advice particularly in circumstances where you may be unable to make the monthly payment into the programme.**

6. THE DEPARTMENT RESPONSIBLE FOR DEALING WITH YOUR CASE

A dedicated advisor in our Customer Services Department will be responsible for the management of your Debt Management Programme. Your advisor will be responsible for keeping your programme under review and also liaise with your creditors and help you with any queries that you have. The Customer Services Manager is responsible for the day to day supervision of all advisors including the person appointed to deal with your programme.

7. PERSONAL INFORMATION/DATA PROTECTION

Please refer to our separate information booklet headed “Data Protection” for further information about how we will process your personal data.

8. OUR FEES **Part 1 – Set up Fees**

We are required by our regulatory body to provide you with an explanation of the fees we charge you. As we do not receive funding from any other source the charges we make to you for using our services maintains our overheads. Our costs are divided

into two parts. The costs that we will charge you for the first six months of the programme known as our set up fees and the fees that we will charge you from month seven onwards known as our management fees.

The set-up fees cover the costs that we will incur in advising you and setting up your Debt Management Programme with your creditors.

(i) The work that we will need to undertake in order to put together your programme for your creditors approval is as follows:

- a) Contacting your creditors to notify them that we are acting for you requesting current balances on all your outstanding accounts;
- b) Updating your creditor schedule and preparing a list of your creditors which sets out your present total debt
- c) Preparing/reviewing your income and expenditure stating your surplus disposable income which is to be paid to your creditors each month;
- d) Detailing any assets you own and their total value and assessing the impact of any assets on our assessment as to the most appropriate solution for dealing with your debts.
- e) Dealing with all queries your creditors may have for the first six months of your programme

(ii) We will discuss matters with your creditors where appropriate.

(iii) Advise you on the options available to you in dealing with your financial difficulties.

(iv) Distributing each month for the first six months of the programme the monthly payment to your creditors.

Our set up fees for providing this service are 50% (half) of your first six monthly payments into your programme. Creditors will only receive 50% of the payment that you make to us. For our clients who have opted to pay weekly our set up fees will be 50% of your first 24 weekly payments. The set-up fees are shown on the outcome statement that we have forwarded to you.

By spreading the set-up fees over the first six months of the programme it enables you through your programme to make significant payments to your creditors from the first month.

For the first six months of your programme the size of your debt will not reduce in line with your monthly payment as part of your payment is used to pay our fees as set out above. Additionally, if your creditors have not agreed to freeze interest and

charges the overall size of your debt during that period may well increase. Should you require any further information about our set up fees please do not hesitate to ask us.

9. MONTHLY MANAGEMENT FEE

These are the monthly fees that we charge you and which are payable from month 7 of your programme onwards. The management fee we charge covers:

- a) the administration and bank charges which we incur in disbursing your monthly payment to your creditors;
- b) dealing with any queries you or your creditors have for the duration of the programme;
- c) keeping your programme up to date and under review;

Our management fee is 20% of your monthly payment or £30 whichever is greater. You have been provided with an estimated Outcome Statement which indicates how many months we believe it will take for you to complete your Debt Management Programme. The duration of the programme is dependent on whether your creditors:

- (i) Agree to freeze the interest and charges accruing on your accounts.
- (ii) Agree to suspend/stop any on-going or any pending legal action
- (iii) Accepting reduced payments under the programme.
- (iv) If you have cease using the credit facility listed e.g. current bank account
- (v) Whether you maintain regular monthly payments due under the programme.

The duration of the programme will impact directly on the total amount of the management fee that you will pay to us for the duration of the programme. You will have been provided with our total management fee cost estimate in the Outcome Statement provided to you at the outset of your programme and periodically thereafter. We will assess the accuracy of this estimate when we carry out the reviews. Your fullest co-operation will be required at each review . In the interim period if you require information please contact us and we will provide you with an updated Outcome Statement.

10. CLIENTS WHO PAY WEEKLY

If you are a client who pays weekly, we will distribute to your creditors after every fourth weekly payment you make into your programme. As we will be making thirteen payments per year to your creditors instead of twelve (which would be the case if you were to pay monthly) you would therefore be liable to pay an extra monthly management fee to us each year that essentially covers the cost of us having to make an additional distribution to your creditors on your behalf each year. Consideration should therefore be given to setting up payments into your programme on a monthly basis by Standing Order.

11. ADDITIONAL CHARGES THAT MAY BECOME PAYABLE DURING YOUR INSTRUCTION TO US

If during the course of providing our services to you we think that an alternative debt solution would be more appropriate we will contact you . If this is likely to happen, we will advise you what additional work would be involved and what if any fees would be incurred.

12 FAILURE OR DELAY IN MEETING PAYMENTS UNDER YOUR UNSECURED CREDITOR AGREEMENTS

When you took out finance you were obliged to make the contractual monthly payment to your creditors. (These payments are set out in the loan/credit agreement that you signed initially). If you fail to make those payments in full on time the consequences are that: -

- (i) Additional Interest and Charges will be added to your account
- (ii) Default notices will be served sent to you
- (iii) Legal action may be commenced/continued and a County Court Judgement may be entered against you
- (iv) There will be an adverse entry made on your credit file by the credit reference agencies.
- (v) Your creditors may ultimately issue Bankruptcy proceedings against you or other enforcement proceedings through the Court.
- (vi) You may experience increased direct creditor contact until an agreement is reached.

Failure to meet contractual payments will more than likely result in adverse credit entries being made on your credit file which will impact on your ability to obtain credit and financial services in the future. Even if you are able to access such services, they are likely to be at a higher rate of interest and therefore at an increased cost to you and on less favourable terms.

We will have advised you to cancel any existing payment arrangements that you have with your creditors and to cancel pre-existing repayment arrangements. If your creditors do contact you please advise them that you have cancelled repayments based on the advice we have given you. We similarly will advise your creditors of this when we write to them advising them of our involvement and that a new offer of payment will be made.

13. OUR RESPONSIBILITIES TO YOUR CREDITORS IF YOU FAIL TO MEET THE MONTHLY PAYMENT UNDER THE PROGRAMME.

If you think that you will miss payments into your Debt Management Programme, it is essential that you contact us at the earliest opportunity to inform us as to the reason.

Missed payments could indicate that Debt Management may no longer be in your best interests.

14. CONSEQUENCES OF FAILURE TO MAKE FIRST PAYMENT INTO YOUR DEBT MANAGEMENT PROGRAMME

When you return the completed documentation to us we will contact your creditors as soon as possible to advise them that we are acting for you and we will also provide them with a date for your proposed first payment. Once your payment is received, we will deduct our set up/administration fees and distribute the balance to your creditors on a pro rata basis. It is vitally important for you to create a good impression at the start of the programme. However, failure to make the very first payment without a good reason will not create a good impression and is likely to make your creditors question your commitment to the programme. Should they do so they are less likely to agree to:

1. freezing the interest and charges
2. suspending legal action that has been commenced already or is pending
3. Accept a reduced offer of repayment.

If you are not going to be in a position to make the first payment you must inform us immediately so we can update our advices to you and let your creditors know the reason for the delay

15. INTEREST AND COLLECTION ACTION BY YOUR CREDITORS

Your creditors are not obliged to accept reduced payments under the Debt Management Programme or freeze the interest and charges. In addition, there is no guarantee that any existing collection actions, including Default Notices and Court action will be suspended or withdrawn. Our experience of dealing with creditors is that most creditors will agree to freeze or reduce interest and stop collection action but only after you have maintained regular payments under the Debt Management Programme.

If your debt has been transferred to a collections agency it is likely that interest and charges may be frozen at that point in time. Some creditors will not agree to freeze interest and charges irrespective of whether you maintain regular repayments under a Debt Management Programme. In such cases the repayment may not cover the interest added on the account and the debt owed will increase. In such circumstances we would advise you to make additional payments to that creditor if you can or pay the debt outside of your Programme.

We will inform you if we feel that continuing the Debt Management Programme is not in your best interests and discuss alternatives that might be available to you.. Your fullest co-operation with our review process will be needed. Failure to co-operate with the review process could result in the reinstatement of interest and charges on your account as well as enforcement or legal action. If this happens the size of your debt will increase.

We have already provided you with an estimate of how long we believe your programme will take to complete (i.e. pay off your creditors in full) based on the monthly payment we have calculated for you however, in reality it may take longer for you to repay your debts depending on whether the interest and charges are frozen and whether your creditors are content to accept payments. We will not know your creditors views until we begin negotiations with them. We will provide you with monthly updates setting out which of your creditors have agreed to freeze or reduce interest and charges and those which have not. If we feel that a particular creditor's conduct is prejudicial to the programme or if we feel that there might be other relevant/alternative solutions that are available, we will contact you

16. UNHAPPY CREDITORS DURING THE DEBT MANAGEMENT PROGRAMME

As previously advised a Debt Management Programme is an informal arrangement, we may not be able to prevent your creditors taking action if they wish. Regulatory guidelines by which Debt Management Companies and creditors are bound preclude creditors from refusing to deal with us unless there is a very good reason. If your creditors refuse to deal with us we will tell you and if appropriate we will contact the Regulatory Body as soon as practicable. We will agree an appropriate course of action with you. If any of your loans have the benefit of a reduced interest rate, for example 0% interest for an initial fixed period then you must tell us straight away as this might affect the advice we give you. Similarly, if any of your loans have a higher rate of interest please bring this to our attention as this may also affect our advice, particularly if that creditor refuses to freeze the interest and charges accruing

During the course of your Debt Management Programme some creditors may become unhappy for the following reasons:

1. If they feel that you are not co-operating with the review process.
2. If you do not make your monthly payments in full and on time.
3. If you refuse to increase the amount of your monthly payment if it is appropriate to do so.

We will advise you if for any reason we are of the opinion that your conduct is prejudicing the management of your programme Please note non co-operation with the review process is detrimental to your interests and is likely to hamper our efforts to secure a good outcome for you. It could also result in us giving consideration to the termination of your Debt Management Programme especially in circumstances where the information we hold about you is out of date or if we know there has been a change in your circumstances and by reason of your non co-operation we have been unable to update the information we hold and our advice to you.

17. CREDIT REPORT

Whilst we are preparing the documentation that will be needed for your Debt Management Programme it would be very helpful if you could provide us with a copy

of your credit file from one of the credit reference agencies.. You can either visit their website to request it online: www.experian.co.uk, www.equifax.co.uk, www.transunion.co.uk or creditkarma.co.uk; or you can write to them. The addresses are:

- (1) TransUnion Consumer Services Team, PO Box 647 Unit 4 Hull HU9 9QZ
- (2) Experian Ltd Consumer Help Service, PO Box 8000 Nottingham NG80 7WF:
- (3) Equifax Credit Report Advice Centre PO Box 1140 Bradford BD1 5US.
- (4) Credit Karma Limited – online only at help.creditkarma.co.uk

Once you have received a copy of your credit file, please provide us with a copy. It will help us to identify the status of any Judgements and Enforcement proceedings or any additional creditors that you have notified us of previously.. Unfortunately, credit reports do not provide us with account numbers or reference numbers.

18. YOUR CREDIT RATING

Anything other than timely contractual payments under your credit agreement will result in an adverse credit entry being registered on your credit file by your creditor. It is quite possible that by the time you instruct us that your credit rating may have already been severely impaired due to missed/late payments to your creditors. If Default Notices under the Consumer Credit Act 1974 are served against you and proceedings in the County Court are commenced, your credit rating is likely to be compromised further. County Court action or Judgments will impair any efforts that you make to secure further borrowings and financial services in the future for at least 6 years. In the event that you are able to secure further borrowings and access to financial services these may be at a higher rate of interest and therefore at an increased cost to you and on less favourable terms.

Credit Reference Agencies keep information relating to your payment and credit history for six years. This assumes that a Default under the Consumer Credit Act 1974 has been properly recorded on your credit file by your creditors. Our experience of this is that creditors often do not keep these records up to date, in which case creditor's entries may stay on your file longer. If this happens it will take longer than six years for your credit file to improve. Whilst your creditors are under a duty to keep the data they hold about you up to date we cannot control when your creditors make an entry on your credit file if at all.

If you provide us with a copy of your credit file, we can check the appropriate entries have been made and prevent any delay the timely improvement of your credit file. Even with the successful completion of your Debt Management Programme this might not result in an immediate improvement in your credit rating as entries stay on your file for 6 years. Whilst it is possible to apply for incorrectly recorded adverse credit entries to be removed from your record, creditors will only do this if they agree that there has been an error. You have the right to access your credit reference file and where inaccuracies have been noted request that your creditor remove inaccurate/false information and this will provide you with full information regarding your present loans, balances, Judgements, Default Notices and payments history. In circumstances

where an adverse credit entry has been made and we do not agree it is appropriate but your creditor disagrees it is possible for you to appeal the decision to the Financial Ombudsman Service who will review the decision and determine whether the adverse entry is appropriate or not.

19. PUBLIC REGISTERS OF INSOLVENCIES

The Insolvency Service maintains a register of Bankruptcies, IVA's Debt Relief Orders and Breathing Space applications (the latter is not a public register). There are similar provisions applicable to orders made in Scottish Courts for Scottish residents. These registers are accessible not only to lenders but also to other members of the general public. There is a public register of Debt Management Programmes for those living in Scotland. This is restricted to use by lenders only at the present time. Judgements and decrees are recorded by credit agencies for six full years from the date of Judgement. There is no register for Debt Management Programmes in England, Wales and Northern Ireland

20. YOUR BANK ACCOUNT

It is quite possible that your bank may withdraw your current banking facilities. If your current account is overdrawn the balance will need to be included in your Debt Management Programme and you will need to open a new basic banking account with another bank with whom you do not have outstanding credit with. We will advise you if we feel this is necessary and provide you with information as to how such accounts can be accessed. We cannot control when or if banks will offer basic banking facilities. Entering into a Debt Management Programme may also affect your access to other financial services.

21. JUDGEMENTS

We are not a firm of Solicitors. We do not give legal advice. However, if a Judgement has been entered against you it can only be removed from the register of Judgements and from your credit reports if the full amount is paid within one month of the date of the Judgement or if the Judgement is "set aside" by the Court. (This means the Judge is of the view that the debt is disputed, or it has been entered in error. If this happens you will be given an opportunity to defend the claim). You can (and we can help you if you wish) apply to the Court to have a Judgement set aside where you have a good reason to do so. If the Judgement is set aside, you will be put in the same position as you were in at the start of the claim. If a Judgement is re-issued and you cannot pay the full amount within one month of the judgement, the new Judgement will be recorded on your credit file for six years from that date.

County Court and High Court Judgements are entered on to public registers operated by Registry Trust Limited. This can be accessed by the public on the Trust Online website at www.trustonline.org.uk. The entry will remain on the Register and your credit report for six years and may well impair your credit rating and your ability to

secure financial products and services in the future. In Scotland, Judgements are called decrees and are issued by the Small Claims and Summary Causes Sheriff Courts.

22. CREDITOR DEBTS WE CANNOT DEAL WITH

The preliminary Financial Statement that we have prepared on your behalf requires that you will continue to make the payments to your priority debts. Failure to meet your on-going liability for priority debts will also result in your Debt Management Programme becoming unworkable.

If you feel that any of your unsecured creditors should be prioritised over your remaining creditors, please tell us why and we will advise you whether this is appropriate and/or will be possible.

It is important that you provide us with details of all of your creditors as this will impact on the advice we give you as to the most appropriate solution for your financial difficulties. Unless you have been advised that your circumstances are suitable for an IVA to be proposed to your creditors, we are not always able to deal with the following creditors under a Debt Management Programme:

- (i) HMRC (Inland Revenue).
- (ii) Any fines that you have incurred for example speeding tickets.
- (iii) Council Tax arrears/Benefit Overpayments
- (iv) CSA payment arrears.
- (v) Some debts that accrue because of a Court Order in the Family Court for maintenance or lump sum payments.
- (vi) Student Loans

If you have debts owing to any of these creditors, please tell us. We will advise you on what you need to do. They often will not agree to freeze interest and charges. Such creditors prefer to deal directly with you although we are always available to give advice should this be necessary. We will provide for payment of these debts in your financial statement as a preferential creditor

Please note that failure to pay taxes, fines and child support have the following consequences:

- i. Child Support Payments:
Payments can be deducted directly from your salary or certain benefits that you may be entitled to. If these methods are not possible or do not deliver a good outcome Court action may follow. Court action could result in Bailiffs being instructed to seize and sell assets to cover owing child maintenance; imprisonment or forcing the sale of a property in order that child maintenance can be paid.'
- ii. Fines:
Failure to pay Court fines could result in Bailiffs becoming involved as above or an Attachment of Earnings Order where the fine can be collected from your salary or any benefit entitlement. The fine could also be secured by way of a

Charging Order against your property. Continued failure could result in further referral to Court where the size of the fine could be increased by 50%, ordering you to undertake unpaid work known as “Community Service” and ultimately imprisonment.

- iii. Failure to pay taxes and/or NI contributions as and when they fall due:
Daily interest and late payment charges will be added to any unpaid taxes. If your debt is greater than £5000 then HMRC could start Bankruptcy proceedings against you. They could also deduct outstanding sums from your wages or any savings you may have in bank accounts.

23. JOINT AND SEVERAL LIABILITIES TO CREDITORS.

If any of your outstanding debts are in the joint name of you and another person you are both individually and jointly liable for the debt. This means that your creditor can recover repayment of the whole debt from each of you individually or from both of you at the same time. Consequently, in circumstances where the creditor cannot recover payment of the debt from your co-debtor then the creditor can recover the whole of the outstanding sum directly from you and vice versa where appropriate. Joint and several debts can be added to a Debt Management Programme. However, there would be nothing to stop a creditor seeking additional payments towards that debt from any co-debtor.

24. CORRESPONDENCE/CONTACT WITH YOUR CREDITORS

You should not ignore correspondence or other contact from your creditors or their representatives. It is very important that you forward correspondence to us and keep us informed of any contact. Ignoring correspondence from your creditors is likely to result in enforcement and/or legal action. Your creditors are not entitled to bypass us as your appointed representative unless there is a very good reason for them doing so. Your creditors in such circumstances would only be able to contact you where they have experienced difficulty contacting us or where we have breached Regulatory guidelines or where they believe that we may not be acting in your best interests (The law requires them to send to you directly legal notices including Default Notices and legal proceedings). Continued contact by your creditors would potentially be regarded as inappropriate and improper practice.

If during the course of the Debt Management Programme if you wish to discuss/respond with your creditors directly regarding your financial position you are perfectly entitled to do so. All that we ask is that you keep us informed and forward copies of any correspondence you send to them to us via post or ideally by email. We will update you on any correspondence we receive from your creditors and provide you with copies of key correspondence arising whilst we have conduct of your Debt Management Programme. By the same token we ask your creditors not to contact you directly. However, some of your creditors may continue to contact you. In our experience when the programme is up and running and your creditors are receiving a

regular payment this should diminish. You may still continue to receive monthly statements from your creditors.

25. DISBURSEMENT OF YOUR PAYMENTS TO YOUR CREDITORS

Once you have made your first payment to us, we will deduct our administration/set up fees (and distribute the balance of your payment to your creditors. From month seven of your programme onwards we will deduct our management fee from the payment you make to us before distributing payment to your creditors. We will disburse to your creditors the cleared payment you make to us within 5 working days of receiving cleared funds from you. If we are unable to disburse your payment for whatever reason we will inform you of the reason and we also write to your creditors to let them know. For our clients who have opted to pay weekly as opposed to monthly, we will disburse every 4th cleared payment to creditors within 5 days of our receipt of the fourth payment. We will forward a statement of account to you, monthly once disbursement of your monthly payment or your four weekly payment has taken place. The purpose of the statement is to update you on:

- (i) The most recent balance we have available on each of your accounts (may not be a current balance).
- (ii) The monthly amount that each creditor has been paid under the programme
- (iii) A note of which of your creditors have agreed to reduce or freeze interest and charges accruing on your account
- (iv) Which have agreed to accept the monthly payment under the programme.
- (v) The amount of our fees that we have deducted from the payment that you have forwarded to us.

It is important that you read your monthly statement carefully and contact us should you have any queries.

As we will distribute payment of your first month's payment into the programme within 5 days of receipt of the funds from you it may be that we will not have had sufficient time to finalise your financial statement. Where the financial statement is in draft, we will tell your creditors and we will finalise the same as soon as possible. Your programme may be compromised if we are unable to verify the information that you have provided to us.

Please make your payments into your Debt Management Programme by Standing Order. This will enable us to process your payment within the 5 days. If your creditors do not receive a payment within the expected time frame interest and late charges could be added to your account and the debt may increase.

If the date which we have agreed for making your payment to your creditors has passed then it is possible that your creditors may apply late payment charges and interest to your account which could compromise your credit rating further.

26. CARD PAYMENTS INTO YOUR DEBT MANAGEMENT PROGRAMME

Where you choose to pay your monthly payment into your programme by card payment into our client account, please note that it takes 3 working days for the funds to clear our account which will delay payment of the funds to your creditors. A delay in distribution may result in:

- Your creditors applying late payment charges and interest against your account. If this occurs the size of your debt will increase.
- Your creditors commencing recovery proceedings and/or legal action against you. Such actions will also result in the size of your debt increasing.

In order to avoid these risks, we would request that you make your monthly payments by Standing Order.

It is your responsibility to implement/cancel your Standing Order when appropriate.

27. PROCESSING OF PAYMENTS AND DELAYS BY CREDITORS

We will make every effort to ensure the monthly payment you send to us, minus our fee, is sent to your creditors when due. We currently send the payments to creditors each month by BACs payment. A few still go via cheque at a specific creditor request. Your chosen method of payment may impact on our ability to distribute payment to your creditors within 5 days. Additionally, on occasion there are factors beyond our control and through no fault of our own that causes a delay in your creditors receiving the payment we send them. If there is a delay in your creditors receiving payment this may result in charges and / or interest being applied to your account, for example where there has been delay with creditors dealing with the payments we send them. Should this arise, we will endeavour to liaise with your creditors to seek a refund of any additional interest and charges that may have been added to your account.

28. OUR CLIENTS ACCOUNT

Any money that you pay to us is deposited into our Company's Client Account pending disbursement to your creditors. No interest accrues on this account.

29. PERIODIC REVIEWS

- a) What is the purpose of a periodic review?

The purpose of a financial review is to check your financial position and to assess any changes which may impact your ability to repay your debts. It also enables us to provide your creditors with accurate information and to determine whether it is in your best interests that your Debt Management Programme should continue, we will notify you in writing as to our views as to whether Debt Management continues

We will carry out periodic reviews of your financial circumstances:

- i. at least once every 12 months or
- ii. upon you notifying us of a change in your personal circumstances or
- iii. upon your creditors requesting us to do so or
- iv. if you notify us of additional creditors that you wish to include in your programme after your programme has started.
- v. If you experience any changes in your financial position

As part of the review process we may advise you to reduce/increase your payment to creditors and/or recommend alternative solutions that might help you to get out of debt in a shorter period of time. We will also take this opportunity to sign post you to other organisations that may be able to help or provide additional support to you.

b) What does a financial review entail?

We will look at your income and expenditure and asset position to review what changes there have been to your financial and personal circumstances since the last assessment. This will enable us to update the information that we hold for you on our systems. We are under a duty to verify/ check your financial position. We will ask to see your last three months bank statements and payslips/proof of income and we will ask you to complete some forms that we will send you. Estimates can only be used when such documentation is not available and in circumstances where the documentation cannot be readily obtained

We can help you with the completion of any forms should you wish us to. Upon receipt of the information from you we may need to ask you further questions. If this is the case, we will contact you usually by telephone/email. If we have difficulty in reaching you we will write to you in to ask you to get in touch with us

c) Frequency of financial reviews

Your creditors require us to carry out a review of your financial position every 12 months as a condition of their acceptance of your programme.

d) What happens once the review has been concluded.

At the end of your financial review we will speak /write to you to advise you of our findings and to provide you with a copy of your revised financial statement. This document details your total debt and your revised surplus disposable income figure that we believe is affordable to you and should be made available to creditors. We will also send you a revised Outcome Statement which sets out our estimate of the remaining duration of your Debt Management Programme and the total cost to you of our services. The revised Outcome Statement also sets out the progress that you have made in repaying your creditors including the total amount of the payments you have made. Your creditor balances are updated on our systems regularly upon our receipt of correspondence or communication from you or your creditors. Upon receipt of your confirmation that the revised financial statement is accurate we will then forward this to your creditors and explain any changes in your circumstances. We will notify them of how any changes will impact on your programme and of any changes to the future

payments that you will make. A further copy of the Advantages, Disadvantages and Risks of Different Debt Solutions will also be enclosed.

e) What happens where there has been an improvement in circumstances

Where there looks to be an improvement in your financial circumstances we will discuss with you whether you are able to increase your offer to creditors'. In circumstances where you do not believe you can afford to increase the amount of your monthly payment we will work with you to try to understand what other demands there are on your finances if any in order to achieve a fair outcome and payment for you and your creditors. For their part your creditors will expect that the debt will be paid in the shortest time possible unless there is a good reason as to why this should not be the case. If your creditors are not happy with the amount of your monthly payment this is likely to cause further problems for you.

Should your creditors choose to take further action against you this is likely to have the effect of increasing the size of your debt and it will take you longer to get out of debt. The reason for this is that any legal costs that are incurred by your creditors taking such measures would be added to the debt that you owe. Creditors may also seek alternative enforcement action for example if you have assets (they may seek to secure the debt against those assets. Your creditors may possibly terminate their agreement to your Debt Management Programme. Your credit rating would be further adversely affected, and the management of your programme may become unworkable.

f) Where there has been deterioration in your circumstances

Where there has been deterioration in your financial circumstances we will update your creditors to explain what has given rise to the deterioration and how this will impact the programme. If appropriate we will ask them to agree that you can have a payment holiday or notify them that there is going to be a reduction in your monthly payment. We will of course advise you of alternative debt solutions if more appropriate to your circumstances.

g) Adding creditors to your programme

We will ask you to cooperate with a financial review if you wish to add creditors to your Programme. We firstly need to understand why you have incurred further debt during the Programme. This is something that we strongly advise against in any event so we would need to establish whether there are any underlying difficulties that have caused you to incur further debt. It may be an indication that Debt Management may not be the correct solution to your financial difficulties. Adding creditors may significantly alter your Programme and we would need to consider and advise you as to whether other solutions may now be more appropriate. This is to ensure that you are paying your creditors under the most optimum solution that will help you get out of debt in the shortest time possible based on what you can afford to pay.

h). Consequences of failure to co-operate with the review procedures

If you fail to co-operate with our financial review procedures we must, and our regulator requires us to, give consideration to the termination of your Debt Management Programme. Under the terms of our contract with you we must carry out a reasonable and reliable assessment of your financial situation including your income and expenditure position and asset and creditor position as well as other relevant factors before providing advice or making recommendations. We also have to ensure that all the advice we give you is in your best interests and is appropriate to your financial situation.

If you fail to co-operate with the review process this creates an added risk to you. The more time that passes since your last engagement in the review process, there is a greater risk that the information we hold about you is not being reliable. For example, you may have experienced a pay rise, or you may have had a child or the amount of your overall expenditure may have increased.

Our Regulatory body the FCA does not allow for us to carry out a review of old information that could be inaccurate. If we are unable to persuade you to co-operate with us we will consider the risk that the programme may be inappropriate to your financial circumstances regardless of whether you maintain your monthly payment into the programme. If we find ourselves in a situation where we lack confidence in the accuracy of the information, we hold then we will have no choice but to terminate your programme.

Where we are of the view that Debt Management is not in your best interests, we will take steps to terminate your programme unless there is a very good reason for us not doing so. You will be aware that we are required to notify your creditors of any non-co-operation on your part as part of the updates that we send them. Adverse consequences may follow if we are unable to successfully conclude the reviews. For example, your creditors may start to contact you directly again; the viability of your Debt Management Programme may also be compromised and/or may impact on your creditors' decision to freeze or reduce interest and charges on your accounts.

30. UPDATES DURING YOUR FINANCIAL MANAGEMENT PROGRAMME

It is important that you tell us about any changes that may impact your ability to repay your debts. If at the outset of your programme you expect your circumstances to change in the short to medium term it is important that you tell us as this may impact the advice we give you. For example if you are about to start a new job, or you have entered into a new relationship or you are about to receive a pay rise, bonus at work or if you are about to retire or be made redundant.

31. REVIEW OF YOUR CREDITORS ACCEPTANCE OR OTHERWISE OF THE PROGRAMME.

We will keep under review your creditors decision as to whether or not to freeze the interest and charges on your programme. There may be circumstances where a payment that you make to a creditor under the Debt Management Programme may be less than the interest and charges they may add each month. This will mean that the debt you have will increase. If this becomes apparent, we will negotiate with that creditor to see if we can achieve a reduction in the rate of interest. We will contact them also to secure information as to the reason for their refusal to freeze interest and charges.

If you miss payments under the programme your creditors may withdraw any previous agreement to freeze interest and charges. We will inform you if this happens and ask you if you want to increase your payment to that particular creditor. This may potentially cause problems with your other creditors particularly if they take the view that the creditor in question is acting unreasonably or feel that the unreasonable creditor is being treated preferentially.

The only other alternative in such circumstances would be for you to take the creditor off the programme and make direct payments to them We will make an allowance in your income and expenditure schedule so that you can afford this. Depending on the reason for the refusal to freeze the interest and charges we will advise you of the best way forward.

32. INTEREST ONLY MORTGAGES

We are not Independent Financial Advisors regulated by the Financial Conduct Authority (FCA) to give investment advice. We do not provide advice in relation to financial services or products. We are aware however, that some of our clients have interest only mortgages. If you are one such client, we would recommend that you seek independent financial advice from an FCA regulated advisor as soon as possible as there could be severe disadvantages to you if you have taken this step.

If your mortgage remains under an interest only arrangement it is likely that your mortgage will not be paid at the end of your mortgage term and there is no guarantee that your lender will agree to extending the mortgage term. Given that you are currently in a Debt Management Programme and therefore your credit rating has been and remains compromised this may well hinder your ability to secure a new mortgage or extend the term of your current mortgage when it comes to an end. Even if you were able to secure alternative funding given your impaired credit rating it may well be at a higher rate of interest, less preferential terms and therefore at a greater cost you.

33. DEBT/DEATHS

In circumstances where there are outstanding debts at the date of death particularly where the deceased person has a property either in their sole name or jointly with another person. the Court may make an Administration Order in the deceased person's estate requiring the survivor in a joint ownership situation to pay a sum representing

the deceased's interest in their property to pay the deceased person's debt We are not a firm of Solicitors and we do not give legal advice. If you believe that this issue may affect you in the future, we would strongly recommend that you firstly tell us and secondly seek independent legal advice as soon as possible.

An Independent Financial Advisor would also be able to advise you on whether life insurance should be taken out to protect against this situation

34. AUDIT PROCEDURES

(a) Internal Procedures

We have an on-going staff training programme. To facilitate staff training and compliance monitoring we may record incoming and outgoing telephone conversations between you and our staff. We trust that you do not object to this.

(b) External Procedures

Your creditors may ask to visit our office in order to inspect and monitor the information, payment, processing and account status relating to your file and other files belonging to our clients in which they have a financial interest. We trust once again that you do not object to this.

(c) Accounting Procedures

We are obliged to provide our regulatory body with confirmation from an independent accountant that our accounting practices accord with regulatory requirements. This involves our external accountants visiting our office to review our accounts files and procedures. Once again, we trust that you do not object to them having access to your papers solely for this reason.

(d) Regulatory Visits by the Financial Conduct Authority

Our Regulator conducts visits to our office in order to assess our compliance with the Rules and Regulations that are applicable for the services that we provide. We are under a duty to co-operate with our Regulator to the fullest extent. As part of these visits the Regulatory body may require access to your files.

Any such third parties accessing your files for these purposes themselves are under a duty to keep all information about you confidential. Please do not hesitate to contact us should you have any questions or objections to this.

35. OFFICE HOURS

Our office is open between 8.30 am and 4.30pm Monday to Friday each week. Our office is closed at all other times including bank holidays and during Christmas week each year for the Company's annual shutdown.

36. EQUALITY AND DIVERSITY, DISABLED AND VULNERABLE CLIENTS INCLUDING THOSE AFFECTED BY MENTAL HEALTH CONDITIONS/DIFFICULTIES WHO MAY NEED EXTRA SUPPORT

Our Authorising and Regulatory body (The Financial Conduct Authority) and the Law (The Equality Act 2010) requires us to have in place procedures and policies to help any of our clients who are particularly vulnerable/disabled and provide additional support where needed. You can also register any vulnerabilities at the Priority Services Register. See their website for details www.psr.co.uk

A person has a disability or is vulnerable if he/she has a physical or mental impairment that has a substantial and long-term adverse effect on this/her ability to carry out normal day to day activities. An individual may suffer from mental health issues such as depression and anxiety, psychiatric disorders (such as bi-polar disorder) or a range of other mental health issues which may be variable or temporary in nature or more permanent.

If you believe that you are for any reason vulnerable or suffering from a disability that impacts on your ability to manage your personal life on a day to day basis, work or manage your finances or pay your creditors or affects in any way the way we communicate with you please tell us as soon as possible.

We will endeavour to assess how a condition would impact your ability to work, pay your debts and communicate with us and we will tailor our services accordingly. Creditors are also required to have procedures in place to help and assist vulnerable consumers and if we are able to provide them with clear details of any difficulties that you have then this may help Your creditors are required to suspend recovery action when they are notified or where they reasonably understand or ought to understand that you might not have the ability to make financial decisions about the management of your debts. It is therefore in your interests for us to provide this information to your creditors as this will enable them to properly implement their own procedures

If creditor contact is causing you further upset or stress we can ask your creditors/collection agencies to forward all communication to us. If you would like us to write to your creditors in these terms, please let us know.

We will ask you for medical evidence to confirm any medical condition from which you may be suffering. Your creditors expect us to provide this to them before they are able to implement their own policies This could include copies of any letters you have received from your GP or hospital. When we ask you for such evidence, we will ask for your permission to forward this to your creditors where appropriate. We will ask your creditors to suspend any further action to give you time to secure the information We will treat any information you give us about your statement of health as Sensitive Personal Data and we will only record any information you give us or disclose information regarding your health with your express approval.

We will not assume that you are unable to make an informed decision for yourself. We will do all that we can in order to ensure you understand the advice we give you and that you are able to properly assess the options available to you. We will always act in

your best interests and treat you fairly. If you are suffering with a condition that impacts on your ability to manage your affairs and you would prefer for us to liaise with a family member, friend or support worker regarding your finances please confirm to us the identity of your preferred contact and their relationship to you. We will need your express written approval to discuss and liaise with a third party regarding your finances.

We will issue all communications to you in English. If you would prefer to converse in a language other than English, please let us know and we will advise you whether this is going to be possible. If you have any special requirements please tell us and again, we will advise you if it will be possible for us to accommodate those requirements,

We are committed to promoting equality and diversity in all our dealings with our clients, third parties and employees. A copy of our Equality and Diversity policy is available on request. If you would like to discuss our Equality and Diversity policy, please do not hesitate to contact us in the strictest confidence. If you are not sure about whether we can provide additional support to you, please ask us.

When we are calculating what your disposable income you have available for the repayment of your debts, we will have regard to all of your particular circumstances and any disabilities /vulnerabilities. If you are in receipt of disability benefits it is a matter for you to decide whether or not you wish for any part of that benefit to be used for the repayment of your debts. For example, disability benefits are paid to compensate you for the extra cost associated with your disabilities We will ensure that you have sufficient sums each month to cover all of any such outgoings. It is essential that we understand what these additional needs might be and take account of them in the income and expenditure schedule that we prepare for you. Benefits calculators can be found online at inbest.ai.

Wherever possible we would encourage you to include all income for the purposes of calculating what is available to creditors each month. We believe that subject to your particular needs the repayment to the debt that you have should be prioritised

There are several organisation which maybe of assistance to you if you have difficulties with numeracy plainnumbers.org.uk and nationalnumeracy.org.uk

37. MONEY LAUNDERING REGULATIONS

The Money Laundering Regulations 2017 apply to transactions that all Financial Institutions have with their clients. They require us to be satisfied as to the identity of our clients and the source of the funds paid to us. In order to comply with these regulations, you need to provide us with proof of your identity and residence. Appropriate documentation proving your identity would be your passport or photographic driving licence. Documentation supporting proof of residence could include any recent utility bill or council tax demand.

We will inspect the evidence you provide to us and to carry out online searches to verify your identity and residence.

We have the right to withdraw from acting for you if you fail to provide us with the documentation requested and required in connection with our obligations under the Money Laundering Regulations. These Regulations overrule the normal confidentiality rules. Under the Proceeds of Crime Act 2007 and the Money Laundering Regulations 2017 we may be obliged without reference to you to make disclosure to the National Criminal Agency Service (see www.nationalcrimeagency.gov.uk). Where we suspect that a transaction may involve Money Laundering or Terrorist Financing. We have the right to give such NCA notice as we deem appropriate without recourse to you.

We do not normally accept cash payments from our clients. If you do not operate a bank account or if there is some other reason as to why you would prefer to pay us in cash please could you advise us as soon as possible. If you circumvent this policy by depositing cash directly into our account we reserve the right to charge you directly for any additional checks we deem necessary.

The Money Laundering Regulations 2017 also require us to retain records as to your identity and the records regarding our management of your programme for at least 5 years after your debt management programme finishes with us. We normally retain records for a minimum period of 6 years after your debt management programme finishes with us. If you do not agree with us retaining your records for six years you must inform us at the outset of your instructions.

38. YOUR RIGHTS TO CANCEL OUR INSTRUCTIONS

This agreement will start when you sign and return to us the Form of Authority and the Acknowledgement Form to say that you have received our Terms and Conditions, Client Care Booklet and associated documents. If we have sent our pre contract information to you by post/email and you then sign the Form of Authority and Acknowledgement Form at home, if you wish to cancel your Debt Management Programme or your instructions to us, you are entitled to do so at any time within 14 days and not provide us with a reason if you do not wish to do so. If you have already made the first payment to us, we will only refund this to you if you have provided us with notice to cancel within 14 days of the commencement date which is the date of our receipt of your signed authority. This initial 14 - day period of time is the “cooling off period” to give you an opportunity to consider your position and make any further enquiries that you deem appropriate regarding your options. If you provide us with notice within 14 days, we will provide you with a full refund within 5 days of receipt of your notice. Upon receipt of your intended cancellation we will regard any earlier authority we have received from you for dealing with your creditors as withdrawn and your creditors will continue to deal with you directly. We will notify your creditors that we are no longer acting for you if applicable We will also return to you any documentation that you have previously provided to us upon request. We will not charge a fee to you if you cancel your instructions to us within 14 days. The 14 days cooling off period applies only to documents you sign at home.

If you have signed the Form of Authority and Acknowledgement Form at this office you do not have the right to cancel the contract or obtain a refund of any fees you have paid us unless we have acted in breach of these Terms and Conditions.

If you do not cancel your agreement for us to act on your behalf, we will start to deal with your affairs and implement your instructions as set out in. Should you terminate your instructions to us after the fourteen days have lapsed you will not be entitled to a refund unless we have acted in breach of the Terms and Conditions.

39. TERMINATING THIS AGREEMENT

39.1 Our Right to Terminate

We may terminate the agreement on giving you fourteen days written notice where:

- (i) You have knowingly provided us with incorrect or misleading information.
- (ii) If we have been affected by force majeure i.e. an unexpected event
- (iii) If you fail to commence payments into your programme or if you stop your payments to us due under the programme. We will refund any undistributed funds to you less our charges subject to you providing us with 4 days' notice from the date of your last payment.
- (iv) We reserve the right to terminate this agreement at any time giving you seven days' notice at our discretion.
- (v) If you breach any of your responsibilities to us.
- (vi) If you do not accept our advices to you and we cannot agree between us an appropriate way forward to resolve your debt problems.
- (vii) If you ask us directly or indirectly to mislead your creditors as to your true financial position.
- (viii) You do not provide us with the information we have requested in order to properly advise you.
- (ix) If you fail to co-operate fully with our Company's review procedures and we feel that it is not in your best interests to continue in Debt Management.

39.2 Your Right to Terminate

You may terminate your Debt Management Programme at any time by giving us seven days' notice however you would not be entitled to a refund of the fees you have paid to us unless we have acted in breach of our terms and conditions or if we have failed to deliver the quality of service we have offered to you. You can also terminate your agreement with us if following the signing of your contract with us the total fees which we will charge you for the management of your Debt Management Programme differs significantly from the original estimate given to you prior to the contract being signed. This may arise through error or in circumstances where the actual level of your debt is higher, or your surplus disposable income is lower than the original estimate you provided to us or was agreed with you. If our fee estimate is wrong for these reasons you would not be entitled to a refund of the fees you have paid in these circumstances. If we are holding any funds that are due for distribution to your creditors that have not been distributed then providing you notify us before that distribution takes place those funds can be refunded to you less our monthly fees for managing your programme for that month. Should you terminate your Debt Management Programme with us we will advise you wherever possible to maintain payments to your creditors at the rates agreed

by us. Failure to make a payment under an agreed Debt Management Programme may result in creditors taking action against you.

In the event that you cancel/terminate your agreement with us within the first six months of the programme we will not seek to recover any outstanding unpaid set up fees from you.

40. YOUR RESPONSIBILITIES TO US

We aim to respond to correspondence from your creditors queries within seven days. Consequently, for the duration of your Debt Management Programme you must

- (i) Provide us with prompt, clear and accurate instructions when requested to do so.
- (ii) Provide us with all the documentation and information we require to finalise or review your financial statement and negotiate with your creditors.
- (iii) Provide us with the account numbers for all your outstanding creditors.
- (iv) Look after any documents which we will need for the management of your programme. These will include documents proving your income and your expenditure (i.e. payslips and bank statements) which we will need to see in order to update our records, your creditors, our advices to you and to complete your financial review at least every twelve months.
- (v) Advise us of any changes in your circumstances for example if you have been awarded a pay rise at work or if you lose your job.
- (vi) Assist us when requested to do so in the administration of your programme.
- (vii) Notify us of any change in your address or telephone number.
- (vii) Refrain from misleading us or providing us with false information.
- (x) Make payments into your Debt Management Programme on time and on a regular basis unless there is very good reason for you not doing so.
- (xi) Co-operate with the Company's review procedures at least annually and as required by your creditors or by a change in your circumstances.
- (xii) Maintain regular contact with us so that we can monitor and review your financial position and circumstances.
- (xiii) Reply promptly to our communications.

Please note that upon notice of a breach of any of these requirements we will give consideration to the termination of your programme. Your fullest co-operation is therefore required at all times.

Our Regulatory body requires us to take steps to verify your place of residence and identity, your income and outgoings and the identity and correct reference details for your creditors. We require your fullest co-operation in this regard. We cannot mislead your creditors whether deliberately or by omission. We will ask to see copies of the letters and statements from each of your creditors in order that we can verify account numbers. If you provide us with incorrect account numbers, this is likely to cause delays in setting up your Debt Management Programme and may result in further interest and charges being added to your account. It is very important that you provide us with the correct information as soon as possible. We cannot process monthly payments to creditors for whom we do not hold account numbers.

41. FAILURE TO MAKE PAYMENTS INTO YOUR FINANCIAL MANAGEMENT PROGRAMME

It is very important that you maintain your payments under the Debt Management Programme. If you do not do so then upon missing any payment your creditors may take the following steps. They may:

- (i) Reinstate the interest and charges accruing on your account even if they have agreed to reduce or freeze the same previously.
- (ii) They may commence/continue legal/ enforcement action against you
- (iii) Issue Default Notices (if they have not already done so) under the Consumer Credit Act 1974 against you. This will enable them to take legal action against you;
- (iv) They may commence collection activities and or instruct collection agencies to collect payment directly from you.
- (v) They may make further adverse entries on your credit file with consumer credit reference agencies.

If you miss a payment under your programme if you have not previously advised us of your reason for doing so we will endeavour to:-

- a) Contact you to find out why you have missed your payment and notify your creditors of the position as soon as possible.
- b) Discuss with you whether you are likely to be able to reinstate payments under the programme either at the current rate or at a different rate.
- c) Carry out a review of your circumstances and update our advices to you. If it is not in your interests to continue making payments under the programme or should an alternative solution have become available or more appropriate to you we will advise you regarding this.
- d) If your circumstances still suit a Debt Management Programme, we may be able to negotiate a further reduced monthly payment for you or a payment holiday with your creditors.

Your creditors are more likely to be sympathetic of the fact that you have missed a payment if there is a good reason for this and that this has been communicated to them.

We will keep your creditors informed if you fail to make a payment into your Debt Management Programme within 30 days of your failing to pay your monthly payment. They will already be aware that a payment has not been made and they may contact us or you directly for further information as to the reason for the missed payment. If we know the reason for your non-payment, we will advise your creditors. They are more likely to be helpful and sympathetic if there is a good reason.

If you do not provide us with a reason for non-payment or co-operate with us, then we will be unable to provide information to your creditors. This is likely to impact negatively on you and your programme. If we have been successful in negotiating reduced interest and charges for you previously, your creditors may well reinstate the contractual interest and charges. Additionally, late payment charges could also be charged. As a result, this will also increase the length of time you will spend in debt and the total costs of us managing your programme. Your creditors will also make another adverse entry on your creditor file which could compromise your ability to secure finance in the future for a further 6 years.

42. SICKNESS AND REDUNDANCY DURING YOUR FINANCIAL MANAGEMENT PROGRAMME

Should you fall ill or if you are made redundant or experience any adverse changes in your circumstances that impact your ability to make payments or manage your Debt Management Programme you should tell us as soon as possible. We will give consideration as to whether we should deal with your programme under our vulnerable client policy. In the case of illness if you are likely to miss any payments under the programme it is preferable that we provide your creditors with notice of what payments you are likely to miss and the reason before the payment is missed or as soon as practicable thereafter. We can where it is appropriate request a payment holiday

Creditors often ask for us to confirm if we have seen any sick notes/payslips so if you can provide us with copies, we can supply the same to your creditors

If you are made redundant or if you are about to be made redundant, unless you are due to receive a significant lump sum redundancy payment, the chances are, that you will fall behind with payments under your programme and possibly the payment of your priority debts as well. Additionally, until such time as you are able to secure alternative employment there might be a significant delay in you being able to reinstate payments to your Debt Management Programme. Depending on your views as to whether you are likely to secure alternative employment in the short to medium term we will advise you on whether alternative debt solutions may be more appropriate.

In both the above cases we may well be able to ask your creditors to agree a “payment holiday” (i.e. you would not have to make payments into your debt management programme for say 2-3 months) in order to give you time to recover from your illness or find alternative employment or give you time to consider alternative solutions that may be more appropriate to you.

43. SERVICE STANDARDS

Our responsibilities to you are that we will:

- i. Provide you with sufficient information about the options available to you in dealing with your financial difficulties. We will provide you with written information setting out the advantages and disadvantages of any solutions we recommend and those that we do not.
- ii. Advise you as to why we feel the option we have recommended is suitable and advise you as to why other options would not be suitable.
- iii. Update you regularly on the progress of your programme.
- iv. Communicate with you plainly.
- v. Explain to you by telephone and in writing any matters that we feel you should know. We will ask your creditors to freeze interest, charges and late payment charges on your behalf.
- vi. Update you on the disbursement of your monthly payment on a monthly basis.
- vii. Continue to review your case at least annually or as required by your creditors or any change in your circumstances and update you if our views change as to the options available to you. (Your fullest co-operation will be needed to facilitate this).
- viii. Always treat you fairly and act honestly.
- ix. Monitor and keep under review your financial position and circumstances
 - x. Provide accurate advice that always has regards to your best interests.
 - xi. Endeavour to maintain regular contact with you.
 - xii. Advise you as to whether your chosen debt solution is and continues to be suitable for your needs.
- xiii. Provide your creditors with information about your situation which is accurate and realistic

44. ADDITIONAL CREDIT COMMITMENTS

The Debt Management process will enable us to help you restructure the repayment of your outstanding credit commitments where you have experienced difficulty in meeting the required monthly contractual payments. Your creditors will expect that after making proper allowance for your reasonable monthly outgoings the entirety of your surplus income will be paid into the programme.

Once your Debt Management Programme is in place your creditors will expect that no other credit commitments will be taken out by you for the duration of the programme; This includes further credit cards, store cards, catalogue purchases on credit or loans. If contrary to our advice you take out further borrowings this may compromise the viability of your Debt Management Programme as you may not be able to meet the required repayment under the Debt Management Programme and the contractual repayments due to any new creditors.

If you feel that you need to seek further credit during your Debt Management Programme you must speak to us urgently as this is a fairly good indicator that the debt management programme is not working in the way that it should for you. and we will revise our advices to you and/or the level of your repayments. We will also notify your creditors of any matters that will impact on the Debt Management Programme. It is important that you keep us informed at all times. Additional debt outside of the Debt Management Programme is likely to extend the time you spend in debt and may impact the advice we give you on options for paying off your debts.

45. COMPLAINTS

We sincerely hope and expect that you will be totally satisfied with the advice and the service you receive from us. However, if you are unhappy with any aspect of the service provided it is important that you raise any concerns that you have initially with the Administrator dealing with your case. Your advisor will at the outset endeavour to investigate the subject matter of your complaint and try to reach a mutually beneficial/acceptable resolution by close of business the day after you first make your complaint. If you require clarification on any issue or in the event that you are still unhappy you can raise your concerns with our Customer Services Manager. He/she will forward to you a copy of our Complaints Handling Policy, carry out an investigation and do their best to address any concerns that you have promptly. He/she will write to you with his/her preliminary findings. If you are happy with the Customer Services Manager's response to your complaint you can treat this as our final response on the issue. In the unlikely circumstance that he/she cannot deal with your complaint or you are not satisfied with his/her findings you may raise your concerns directly with Mike Davies a Director of the Company. On receipt of your complaint Mike Davies, will carry out a full investigation also and provide you with a final written response as to how we intend to deal with your complaint and what remedial action we intend to take to remedy the issues you have raised.

At the outset of your complaint you will be given an opportunity to attend our office and to discuss any queries or issues you have. We will ensure that you receive an adequate summary of the steps we intend to take to resolve any problems. We emphasise that any complaint will be regarded as an opportunity for us to improve our service to you. We are committed to acting in your best interests and treating you fairly. If for any reason we are still unable to resolve your complaint after the same has been referred to Mike Davies, you may refer the matter to the Financial Ombudsman Service within 6 months of our final decision. Their phone number should you wish to complain to them is 0300 1239123. Their address is The Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Our Regulator is the Financial Conduct Authority.

The rules by which we are bound can be found at www.fca.org.uk. A copy of their leaflet will be provided to you. A copy of our complaints procedure/policy will be provided to you and is also available on our website at www.moneysolve.co.uk. Debt management is not an area of work which is presently covered by the Financial Ombudsman's Service Compensation Scheme.

46. OTHER GUIDANCE MATERIAL AND OTHER ORGANISATIONS THAT MAY BE ABLE TO PROVIDE ADVICE TO YOU.

Other guidance material to help you deal with your creditors is freely available online. The Insolvency Service publishes a guide to help people in debt called “Options for Paying Off Your Debts” the contents of which we have discussed with you and is available for you to review in full on our website at www.moneysolve.co.uk or [www.gov.uk/options-for-paying-off-your-debts/overview](https://www.gov.uk/government/publications/guide-to-bankruptcy/guide-to-bankruptcy) or <https://www.gov.uk/government/publications/guide-to-bankruptcy/guide-to-bankruptcy>. If you are a Scottish resident the Scottish Government produces a leaflet headed “Debt Advice and Information Package” (DAIP) 63 2010. This leaflet can also be accessed on our web site.

We are a commercial organisation and we make a charge to you for using our services. However, not-for-profit organisations such as the Citizens Advice Bureau and the Money Helper (previously the Money Advice Service) and other charitable entities may be able to provide you with advice. Such organisations are usually funded by Central Government or Banks/Lending Institutions. You can find out more by contacting the Money Helper directly. Their website address is www.moneyhelper.org.uk They do not render a charge for their services and are a source of free advice and information. In some circumstances where you may have immediate problems and we are unable to help you we may refer you for advice to such services in any event. We will also do this if we feel that you are unable to fund the cost of using our services

47. ABOUT US

We are a commercial Debt Management Company authorised and regulated by the Financial Conduct Authority, Our authorisation number is 660242 in the provision of Debt Management services. We have extensive experience of helping people with their financial difficulties. We are not a firm of Solicitors regulated by the Solicitors Regulation Authority. We do not provide legal advice. We are not a loan company. Our area of expertise lies in the field of debt management and debt help only.

48. CREDITOR DUTIES

Your creditors should not refuse to deal with us unless there are very good reasons for doing so. They are required to accept the payments that we will be disbursing under the Debt Management Programme including any reasonable token payments.

Strictly speaking they are not permitted to contact you directly once we have notified them that we are acting for you. However, they are still obliged to provide to your annual statements, notices of account default etc. We may be able to raise a complaint on your behalf against any of your creditors who are causing you anxiety or distress.

49. SHARING OF OFFICE

MoneySolve Limited, Beesley Corporate Solutions Limited and Beesley Financial Solutions Company Limited share office premises. The companies are all separate and

independent of one another. We are mindful at all times of preserving your confidentiality and the protection of your personal data. Where it is necessary for us to deliver our services to you, we may need to share your personal data with any one of the companies under the group structure where it is necessary for us to provide accurate advice and help to you. We will always act in your best interests. All employees of all the companies have received training and understand the importance of client confidentiality and preserving your data security.

50. REFERRAL ARRANGEMENTS

We do not receive or make any referral payments to anyone at any time.

51. INDEMNITY INSURANCE

Our professional indemnity insurers are Omnyy Underwriting LLP. Our territorial coverage is worldwide and extends to acts or omissions wherever in the world they occur. Our liability to you in respect of any claims for negligence, breach of contract and breach of data protection legislation arising out of any matter which we handle on your behalf are limited to a maximum amount of £250,000. This amount shall include any damages, costs (save our costs of defending such actions) and interest that may be awarded against us. This term does not seek to limit to exclude liability for death or personal injury caused by negligence, or for fraud or fraudulent misrepresentation.

52. JURISDICTION

Any dispute or claim arising in connection with our services shall be governed by the laws of England and shall be subject to the exclusive jurisdiction of the English Courts.

53. UNPAID BALANCES

We reconcile our clients bank account following distribution of payment to our client's creditors every time we distribute such payment. On occasion the payments we send to your creditors are returned uncashed to us. The reason for this is usually where collection of a debt has been assigned to a collection agency or another body and we have not been provided with prior notice by you or by your creditors. Where this arises, we will endeavour to rectify any problems that arise in this regard by forwarding the payment to the new collection agency. You may in the meantime receive letters to say that you have missed a payment to such a creditor. Should you receive any such communication it is important that you contact us as soon as possible. We will endeavour to rectify any problems to ensure the payment is made to the correct agency as soon as possible.

In circumstances where you terminate your instructions to us we will return any uncashed or unreconciled payments to you directly or if we do not have a current

address for you or in the event that we lose contact with you payment will be made to charity if the funds have been held for at least 12 years. We trust that this is acceptable to you.

54. JOINT DEBT MANAGEMENT PROGRAMME

At the outset of your Debt Management Programme if you are in a relationship and living with your partner and you both have outstanding debts, we will advise you as to whether it would be appropriate for you to enter into a joint debt management programme or whether you will each be better off under two separate programmes. This would depend on whether you are operating separate finances or not. Sometimes it might not be appropriate for you to have a joint debt management programme but in circumstances where we advise that a joint debt management programme is the most appropriate debt solution, we will assume that we have your permission to act on the instructions of your partner. If you do not consent to this, it is essential that you notify us as soon as possible. We will of course endeavour to discuss important issues with both of you. However, in circumstances where we are having some difficulty in so doing that advice and information will be provided in writing to both of you initially, inviting you both to contact us in order that we can discuss matters further. If, however, we are unable to discuss the matter with both of you as stated above, we will assume we can act on the instructions of one of you. If you are not happy about this either at the outset or during the course of your Debt Management Programme, it is important that you contact us urgently.

55. WINDFALLS

If during the course of your Debt Management Programme you come into any windfalls, we would request that you contact us immediately to let us know. By windfall we mean a lump sum of money that you win, receive unexpectedly or inherit. The availability of a windfall could alter the advice that we give you as to the most appropriate solution to resolve your financial difficulties. Examples of windfalls include inheritances, lottery wins, bonus payments from work, compensation payments such as PPI refunds and gifts from family members or friends. Windfalls should be used wherever possible to repay debts unless there is a very good reason for not doing so. The availability of a windfall could result in another debt solution becoming available to you that could result in a reduced duration and cost of you being in debt. Some debt write-off may also be possible.

56. PENSION FUNDS

If at any time during your Debt Management Programme you intend to release sums from your pension in order to repay debts or for some other purpose we would advise you to firstly speak to us in order that we can consider and advise you on how best any lump sums can be utilised to repay your debts. Thereafter we would advise you seek independent and impartial advice before doing so from an Independent Financial Advisor who is regulated by the Financial Conduct Authority and authorised and

regulated to give pension and investment advice. It would not be in your best interests to proceed to use pension funds without checking. The following providers can also provide you with free pensions advice:

Pension Wise, telephone number 0800 138 3944

Moneyhelper (previously the Pension Advisory Service) details above.

It is important when you seek advice from any third party or advise service that you explain that it is your intention to use the funds you raise to repay your debt. We can help by providing you with any such information that may be required.

57. COUNCIL TAX/EXTRA PAYMENTS INTO YOUR DEBT MANAGEMENT PROGRAMME

If you opt to pay your council tax monthly to your Local Authority either by Direct Debit or Standing Order the entire years charges would normally be payable over a ten-month period. When we assess what your surplus disposable income figure is that can be made available to your creditors each month either at the outset or on review, we will state the amount of the monthly payment you make on your Income and Expenditure schedule. In reality this means that for two months of the year your council tax has been paid in full for that year and you do not need to make a monthly payment to the Local Authority you could if wanted to make a top up payment into your Debt Management Programme for those two months. The advantage to you of doing this is that it would serve to reduce the time you spend in debt. We would advise that all your surplus disposable income and any windfalls be used to repay your debt unless there is a good reason for not doing so.

We look forward to being of service to you.

Should you require further information on any issues set out in this leaflet please do not hesitate to contact us.

Glossary of Terms

Assets

Any property or personal belongings that you own that are capable of being sold to provide payment to your creditors. For example this could include the house that you live in if you own it, any cars that you own, any policies that could be cashed in to release money for the benefit of your creditors or even any claim that you may have for example financial mis-selling, injury or an accident from which you can expect to receive compensation.

Bankruptcy

This is a formal debt solution which enables a person in debt or their creditors to apply to the court for a Bankruptcy Order which essentially declares that the person in debt is unable to pay their debts as and when they fall due. Where a Bankruptcy Order is made all the debtors assets vest in the Official Receiver/Trustee in Bankruptcy. Some debt write-off is possible. This is subject to Income Payments Orders and the possible sale of any assets in order to maximise what money there will be available to creditors.

Commencement Date

The date which we receive your completed pack together with supporting documentation and signed form of authority consenting to us processing your personal data and acting for you.

County Court Judgement

This is an Order of the Court requiring you to pay a specified outstanding sum plus costs and interest owing to a creditor. Failure to make payment could result in Enforcement action being commenced against you including Periodic Payment Orders, Attachment of Earnings Orders, Bailiff Action and Charging Orders against any property you may own.

Creditors

By creditors we mean the banks, building societies, catalogue and credit card companies and other companies from whom you have borrowed money.

Credit Rating

This is the credit score that consumer credit reference agencies allocate to your credit worthiness. Where your credit rating is good, you will be provided with an appropriate credit score that reflects this. Similarly, where you have missed payments to your creditors, and you have not paid creditors and utilities on time your credit rating will be poor. Your credit score is used by your creditors in their decision as to whether to agree to provide finance to you and will have a direct impact on whether you are able to access financial services and the cost to you thereof.

Credit Report

There are a limited number of companies who are responsible for maintaining accurate records which they collect from banks and other financial institutions regarding your credit rating. These companies can produce a report for you which

details your full credit history which can be accessed by creditors.

Debt Management Programme

This is an informal arrangement between you and your creditors that enables you to pay a reduced payment each month towards your outstanding debts. This can be managed by you directly or by a fully licenced and regulated commercial Debt Management Company or other non fee charging organisation

Debt Relief Order also known as “bankruptcy light”

This is a formal insolvency procedure designed for those with debts not exceeding £30,000, assets with a value less than £2,000 and a low surplus income each month (less than £75). Once the Debt Relief Order is in place, debt write off is possible.

Debtor

This is an individual who has borrowed money from a bank or lending institution.

Default Notice

This is a legal notice that the creditor is required to send to you before that they are in a position to take legal action against you. The notice provides you with information such as the amount of your debt and the total sum of the arrears. The notice requires you to pay the arrears on your account in full. Once you have being served a default notice failure to pay off the arrears in full usually within 14 days could result in the creditor in question commencing legal action against you. Default notices will be registered with Credit Reference Agencies.

Distribution to Creditors

This is the process by which we forward the sums you pay to us each month to your creditors in payment of your unsecured debts.

Financial Statement

A financial statement is a document that sets out all of your income and your expenditure and a full list of all your creditors. This will enable you to demonstrate to your creditors how much surplus money you have each month to pay towards your unsecured debts.

Joint and Several Liability.

This arises in circumstances where two or more people agree to take out a loan from a bank or other lending institution in joint names. In circumstances where individuals in question cannot pay the joint debt, the creditors can pursue one debtor in preference to the other debtor to reclaim the sums that are due and owing under the agreement.

Late Payment Charges

These are fees which your creditors add to your outstanding debt in circumstances where you have not made your contractual monthly payment on time, for the correct amount or at all.

Legal Action

This is the process by which a creditor can issue proceeding at Court against you in respect of an unpaid debt. This could result in a County Court Judgement being entered against you.

Liabilities

This is the total amount of your outstanding debts.

Monthly Management Fees

These are the fees that we charge you from month 7 of your programme onwards

Individual Voluntary Arrangement.

This is a formal debt solution that enables a person in debt to repay their creditors at a lower monthly rate than that set out in the original contract with the said creditor. It requires 75 percent of all creditors voting by value at the creditors meeting to approve the same. A voluntary arrangement must be administered by a licensed Insolvency Practitioner. Some debt write-off may be possible.

Interest

This is a sum of money which creditors charge in respect of the monies loaned to you. The amount of money the creditor can charge is determined by the terms set out in the original contract signed at the time the monies are loaned. Added interest can result in the size of your debt getting bigger.

Outcome Statement

This document sets out important information as to the duration of the debt management programme, the size of the outstanding debt, the total costs and charges that are payable to us.

Periodic Review

This is the process by which we verify the accuracy of the information we hold about any individual client. This enables us to have the information we need to update our advice. 3 months bank statements and 3 months' payslips are required for this.

Preferential Creditors

Preferential creditors are those who are to be paid as a priority to other creditors.

Priority Debts

This includes payment of any mortgage or rent and for any services supplied to a client's place of residence including all, utility bills and Council Tax.

Regulator or Regulatory Body

The Financial Conduct Authority

Secured Loans

These are a type of loan that is provided to a borrower on the basis that the bank will have security in respect of those sums. Types of secured loans include Mortgages and Second/Third charges. Sometimes loans can be secured on motor vehicles or furniture household goods. Such loans are known as hire purchase agreements or conditional sale agreements.

Sensitive Personal Data

This is data that is of a very personal nature. Information such as your state of health, or particulars of your personal circumstances fall within this category.

Setup Fees

These are the fees that we charge you for the first 6 months of your programme.

Unsecured Loans

These include all debts which are not secured on any assets or property and can include bank loans, credit card debt, catalogue and store card debts.