

Key Facts – Bankruptcy

Please ensure that you read these particular paragraphs carefully.

1. Your Instructions, paragraph 1
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3. Our fees and charges, paragraph 9
4. Your Credit Rating, paragraph 13
5. Your Bank Account, paragraph 15
6. Debts that Survive Bankruptcy, paragraph 17
7. Equality and Diversity/Disabled Vulnerable Clients, paragraph 27
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14. Discharge from Bankruptcy, paragraph 51
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16. Your Assets and Your House, paragraph 42,43,44 and 45

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

I/We confirm that we have read the key facts of this Client Care Booklet

Signed.....

Dated.....

Signed.....

Dated.....

**BANKRUPTCY
CLIENT CARE
BOOKLET**

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INTRODUCTION

Thank you for instructing us to advise you in relation to your proposed Bankruptcy application and your financial affairs. We are a commercial for profit organisation. We aim to be completely transparent in our dealings with you hence this explanatory leaflet. We will always treat you fairly and act in your best interests. A copy of our Treating Customer Fairly policy is available on request. We will provide you with a full explanation of the options available to you so that you are able to make an informed choice about how you want us to assist in moving matters forward. In particular we will always have regard to your best interests which is of paramount importance to us. We will endeavour to achieve the best possible outcome for you whilst maintaining the quality and efficient service we pride ourselves on. Please read this booklet carefully in conjunction with our terms of business. This booklet is designed to assist you and to provide you with essential information regarding your instructions to us and our services.

This document sets out in detail the things you need to know about your relationship with us and you should read it very carefully and keep it in a safe place for future reference. Please do not hesitate to contact us for further information and guidance.

1. YOUR INSTRUCTIONS

You have instructed and appointed us to act on your behalf for the purposes of assisting you to assess your overall financial position and to advise you in relation to your proposed Bankruptcy. There are alternatives. Our advisors will assess whether Bankruptcy is right for you. We will advise you on all the options. If you wish to proceed down the Bankruptcy route you will have to be prepared to give up your interest in certain possessions and any assets you own. These will be sold and the proceeds distributed between your creditors. Bankruptcy will also impose certain restrictions on you. As part of the process with your help and co-operation we will prepare a financial statement that sets out your current financial position and should present your creditors and the court with a clear and complete picture of your overall debt level and details of any surplus income that you have. We can use estimates for some items of your monthly expenditure where you cannot provide documentary evidence of the same. However, creditors and the courts have guidelines that they work to as an indicator for acceptable levels of expenditure regarding your monthly household expenditure. If any of your items of expenditure are higher than the guideline figure permitted we will ask you for an explanation and you will need to provide documentary evidence to support that item of expenditure.

You are under a duty to provide as accurate information as possible to your creditors and to the Court in order that a proper assessment of your position can be carried out. Unless the Court is totally satisfied with the information submitted they will ask questions and this will delay the making of the Bankruptcy Order. If we have not already done so we will be writing to your creditors to notify them of our involvement, and the fact that we are now acting on your behalf:

2. WHAT IS THE PROCEDURE FOR BANKRUPTCY

What Is Bankruptcy?

Bankruptcy is a very serious legally binding and public process which deals with debt that you cannot pay or are unlikely to be able to pay for the foreseeable future.

We offer a full and comprehensive Bankruptcy advice service. We will first assess and discuss all the options that are available to you. If you decide that you would like to proceed with Bankruptcy then the procedure is as follows:

We will:

- a) Go through your financial situation with you in detail and prepare an up to date financial statement which sets out in full details of your income and expenditure and a list of your assets, a note of their value and any debts secured on them. We will also prepare a complete list of your unsecured creditors.
- b) Send you a pack of documents by post and/or by email for you to complete. We will ask you to let us have certain documents that will enable us to verify the information you have given to us. For example we will need to see your last three months:
 - (i) Payslips or such other proof of income that you have available for example your most recent payslips, your most recent tax returns or self-assessment forms.
 - (ii) Bank statements and
 - (iii) Any recent correspondence that you have received from your creditors
 - (iv) A copy of your tenancy agreement or most recent mortgage statement
 - (v) If you have been in an IVA that has either failed or you have stopped making payment then we will need to see a copy of the letters you have received from your Supervisor.
 - (vi) If you have use of a vehicle that you do not own then we will need to see proof as to the ownership of the vehicle.
- c) You will also need to provide us with details of any significant assets or interests (such as vehicles or property) which you have disposed of in the last 5 years
- d) Upon receipt of your completed pack and the requisite documents (please see paragraph 4 below) we will confirm our advice to you.
- e) We will then complete the forms and documents necessary for you to submit your own petition for Bankruptcy at Court.
- f) Once completed we will forward these forms to you for your approval and upon your confirming receipt of the same we will arrange an appointment for you to attend at your local County Court to present your petition at Court. We

will provide you with the three copies of the documents you need to present your petition at Court.

- g) On the day your petition is presented at Court your attendance will be required. You will need to sign all the forms in the presence of an Officer of the Court. Please do not sign the forms beforehand. A District Judge in the Court's Bankruptcy department will review your case and decide whether you have been correctly advised. If the District Judge is satisfied with your application then he will make a Bankruptcy Order. You will probably not need to go into the Court room if the Judge is satisfied with your application, although this practice may vary from Court to Court. You will be advised at Court on the day of the hearing if the District Judge would like to see you.
- h) The Official Receiver (appointed by the Secretary of State) will be notified of the Bankruptcy Order and will become your Trustee in Bankruptcy. He will publish notice of your Bankruptcy in the London Gazette. Other advertising may be carried out at his/her discretion.
- i) The Official Receiver will investigate your finances in the period prior to your Bankruptcy. He will investigate whether you may have acted dishonestly or criminally or if you have in any way been responsible for your Bankruptcy. When doing so the Official Receiver has the power to review the sale of any significant assets which you have benefited from in the 5 years preceding your Bankruptcy. He could investigate transactions over a longer period of time in certain circumstances. Therefore it is extremely important that you provide details of any such transactions to us as early in the process as possible. He will seek such clarification as he requires from your lenders and others who will be affected negatively by your Bankruptcy. You will be required to speak to the Official Receiver either in person or on the telephone as he will need to satisfy himself of the issues set out in your bankruptcy petition. Your fullest cooperation will be required.
- j) He will also investigate whether you have sufficient sums from which to make monthly payments to your creditors. This will be for a period of three years. (known as an Income Payment Order). At any point the Official Receiver can appoint/act as a Trustee in Bankruptcy to take over the Official Receivers responsibilities and functions. A Trustee in Bankruptcy would be a qualified Insolvency Practitioner. A Trustee in Bankruptcy has similar powers to the Official Receiver but will be primarily concerned with realising your assets for the benefit of your creditors.
- k) All being well you will usually be discharged from Bankruptcy within 12 months of a bankruptcy order being made. If this looks in any way unlikely we will tell you.

3. YOUR INSTRUCTIONS AND YOUR ROLE WHILST WE VERIFY YOUR ADVICES TO YOU AND PENDING THE HEARING OF YOUR BANKRUPTCY PETITION

You will receive with this booklet a schedule which sets out all of the options that are available to you when considering which solution best suits you to help you resolve your financial difficulties. We will provide advice to you on all the options that are available to you both in writing and orally setting out the advantages and

disadvantages of each option. 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 desired outcomes.

4. DOCUMENTS

At the outset we require you to complete our preliminary paperwork. Once completed we will use this information in order to assess whether Bankruptcy is the right solution for you. We also ask that you provide us with various documents in support of your asset values, your liabilities and your income and expenditure. This documentation will help us ensure that the information that you present to the Court is as accurate as possible. We can on occasion rely on information provided by you without reference to documentation for example estimated income or debt levels. As you will be entirely responsible if the information supplied to the Court is inaccurate we would advise against relying on estimated figures. This is a matter for you however as stated we would advise against it.

5. RESOLVING YOUR PRESENT FINANCIAL DIFFICULTIES

We will endeavour to keep you updated on all developments with your creditors and contact you should we require your further instructions. Our overall aim is to help you get out of debt in the shortest possible time and assisting you with the Bankruptcy process if you decide this is the course of action you wish to take.

6. THE DEPARTMENT RESPONSIBLE FOR DEALING WITH YOUR CASE

Our Customer Services Department will be responsible for the day to day management of your file the presentation of your Bankruptcy petition to the Court. You will be informed of the identity of the person having overall responsibility for your file. Your advisor will liaise with your creditors and help you with any queries that you have.

7. PERSONAL INFORMATION/DATA PROTECTION

We will keep confidential all information received from or about you. We will not pass your information to anyone else without your permission. We will provide information to your creditors as is necessary in order for us to assist you with the management of your financial affairs pending your Bankruptcy.

We will collect personal information about you both directly from you and from your creditors as authorised by your signed Client Authority Form.

We will use your personal information in order for us to provide our services to you, and in particular to:

- (i) Prepare and issue to you the documentation that you will need to file your Bankruptcy application at Court.
- (ii) Keep your creditors informed on your behalf; and
- (iii) Assist you/keep you informed about the progress of your proposed Bankruptcy.

We may also use your personal information to provide you either through ourselves or through appropriately regulated associated businesses with details of other products and services which we think may of interest and/or of benefit to you. If you do not wish to receive such information please let us know and we will ensure that we do not contact you in this regard. If you consent to receiving such information please tick the box at the bottom of the Client Authority Form. Should you subsequently change your mind you can go to our website at www.moneysolve.co.uk/opt out where you will be able to withdraw your previous consent to receive such communications.

Other than as set out above we will only disclose your personal information to the extent required by Law, Court Order or as requested by other Government or Law Enforcement Authority.

You may contact the Data Protection Officer by writing to us for further information or if you want to request a copy of the personal information which we hold about you or to ask us to amend any inaccurate information held by us. If you would like a copy of the personal information which we hold about you this can be provided for a nominal administration charge of £10.

8. PRIORITY DEBTS

The Financial Statement that we have prepared on your behalf assumes that you will continue to make the payments to your priority debts including your mortgage/rent, council tax, court fines, income tax, child support payments and your utility bills. Failure to meet your ongoing liability for priority debts such as your rent/mortgage payments or your utility bills will result in additional problems for you for example the repossession of your home or disconnection of services. Failure to meet child support payments could result in those payments being deducted directly from your income or from any bank accounts that are in your name. If these methods are unsuccessful Court action may follow including the use of Bailiffs, repossession of any assets you own which will be sold to pay any arrears and in extreme cases imprisonment. Non-payment of priority debts will result in additional problems for you for example the repossession of your home or disconnection of services.

If you are experiencing difficulty in meeting payments to your priority creditors please contact us for advice as soon as possible. In some circumstances unsecured debts may be regarded by us and possibly the Official Receiver as priority debts. For example if you have a disability an unsecured debt for unpaid telephone bills may be considered a priority debt. 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 will be possible. We will also ensure that sufficient information is provided in your application forms to enable the Official Receiver to properly consider your position.

9. OUR CHARGES AND EXPENSES

In order to carry out your instructions above we have agreed to act for you for a fixed fee as already agreed with you and detailed in our correspondence. The fees we charge you are to cover the cost of our service to you for the following:

1. Advising you as to whether Bankruptcy is in your best interests and advise you of all the options that are available to you in dealing with your debt.
2. Completion of the Bankruptcy documents in readiness for your Bankruptcy hearing.
3. Notifying your creditors of your present position and your intended course of action.
4. Arranging your Bankruptcy hearing at court. Please note your attendance will be required at court on the day of the hearing.
5. Dealing with any queries you may have before the Bankruptcy Order is made.

Any sums that you pay to us in respect of our fees represents our charges will not be forwarded to your creditors. We request that you deposit the sums you pay to us in respect of our charges into our Company's client account. As these sums are for our costs we will be able to treat those sums as Office funds and we will as soon as possible transfer the said sum into our Company's Office Account. The size of your debt will continue to increase during this period and legal action/collection action may be continued/pursued against you by your creditors. In addition to our fees there are disbursements that you will need to pay in order for the Court and the Official Receiver to process your Bankruptcy application. These fees currently total £705. We will notify you if this increases. Payment of this fee must be made to the Court upon the lodging of your paperwork. The Court will not accept payment of this fee by way of a personal cheque. Payment of the fee must be in cash or banker's draft. If you are in receipt of certain welfare benefits or are in receipt of a low income you may be able to get a fee remission on part of the Court fee. There is no fee remission in respect of Official Receivers fees which will always be payable regardless of income. We will advise you if we feel that you may be eligible for a fee reduction.

In the event of your circumstances being unusually complex or difficult we reserve the right to charge you additional fees for using our services. If it is our intention to make an additional charge to you we will advise you of what our revised charges will be before we render those charges to you. If you are not agreeable to our revised charges you can terminate our instructions and we will provide you with further information as to the source of alternative debt help services (please see paragraph 37). In these circumstances you will not be entitled to a refund of any payments you make to us unless we have acted in breach of our terms of business.

What Our Fixed Fee Does Not Cover:

Should you require us to provide additional advices to you after the Bankruptcy Order has been made this is not a service which we are presently providing within the fixed fee structure as set out above. Should you require additional advices from us post bankruptcy we would be willing to provide those to you and we will advise you beforehand what the additional charge to you will be. Such charges will be calculated on an hourly rate which we will agree with you prior to any charges being made. We will ask you to make a payment to us on account of our estimated costs and we will provide you with a receipt/invoice in respect thereof as soon as possible thereafter.

10. FAILURE TO MEET PAYMENTS PENDING BANKRUPTCY

You are contractually obliged to make the contractual monthly payment to your creditors until the Bankruptcy Order has been made. If you fail to do so the consequences are that:-

- (i) Additional Interest and Charges will be added to your account
- (ii) Default notices may be served
- (iii) Legal action may be commenced/continued and a County Court judgment entered against you

If a County Court Judgment is entered against you before the Bankruptcy Order is made your creditor(s) may commence recovery proceedings against you in an effort to secure payment of the judgment debt. Such action could include Bailiffs seeking security for the judgment debts against any assets you own or alternatively Charging and Property Orders. If at all possible you should endeavour to meet the contractual payments to your creditors. Failure to meet contractual payments could result in adverse credit entries being made on your credit file which may impact on your ability to seek credit and other financial services in the future. It is likely that you will be unable to meet these payments hence the reason you are proposing to go bankrupt. If you can make a part payment or a token payment we will advise you to do so pending the making of the Bankruptcy Order. Otherwise we will write to the Court to confirm that you will not be able to make a monthly payment whilst you are preparing for the Bankruptcy hearing.

11. COLLECTION ACTION BY YOUR CREDITORS PENDING THE OUTCOME OF YOUR BANKRUPTCY PETITION

Your creditors are not obliged to suspend any existing collection actions, including default notices or that court action will be suspended or withdrawn. Some creditors may agree to freeze interest and stop collection action pending the Bankruptcy order being made whilst others may intensify their collection efforts. It is important therefore that you assist us by providing all relevant information that will enable us to complete the relevant documents so that the order can be made as soon as possible. Of course once the Bankruptcy Order has been made your creditors will not be able to pursue you for payment of the outstanding debts outside of the Bankruptcy.

12. CREDIT REPORT

Whilst we are preparing the documentation that will be needed for your Bankruptcy it would be very helpful if you could provide us with a copy of your credit file from one of the credit reference agencies. It is a fairly simple process to obtain this from any one of the main credit reference agencies. You can either visit their website to request it online: www.experian.co.uk, www.equifax.co.uk, www.callcredit.co.uk or noddle.co.uk; or you can write to them enclosing a cheque for £2. The addresses are

- (1) Callcredit Ltd Consumer Services Team, PO Box 491Leed LS3 1WZ,
- (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) Noddle One Park Lane, Leeds, West Yorkshire, LS3 1EP

Once you have received a copy of your credit file we would be grateful if you could provide us with a copy. Once we are in possession of your credit file we can cross reference this with the information you have provided to us as to the identity of your creditors and the current balances outstanding. It will also help us to identify the status of any judgements and enforcement proceedings. In short this will help us formulate an accurate financial statement for you and your creditors. Unfortunately credit reports do not provide us with account numbers or reference numbers. It is important that you provide these to us as soon as possible. Credit reports using www.noddle.co.uk are free of charge. You may be able to access your report here or we can assist you to access your report if this is of any assistance to you.

13. 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 are served against you and proceedings in the County Court are commenced, your credit rating is likely to be compromised further. The fact of your Bankruptcy will also be registered with the credit reference agencies once the Bankruptcy Order has been made it is very likely, particularly in the present economic climate, that this will impair any efforts that you make to secure further borrowings and financial services either in the short or medium term. 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 increased cost to you and on less favourable terms.

Credit Reference Agencies keep information relating to your payment history for six years. This assumes that a default has been properly recorded by your creditors. Our experience of this is that creditors often do not keep the records up to date in which case creditors entries may stay on your file longer. Your creditors are under a duty to keep the data they hold about you up to date. However, we cannot control when your

creditors make an entry on your file if at all. Therefore once the Bankruptcy Order has been made this will show up on your file for 6 years of the date of the Order. It is possible to apply for incorrectly recorded adverse credit entries to be removed from your record. Creditors will only do this if there has been an error. You have the right to access your credit reference file and where necessary request that your creditor remove inaccurate/false information. It is possible to apply to the credit reference agencies, namely Equifax, Experian or Call Credit for a copy of your credit file. They will charge you a £2 fee. This will provide you with full information regarding your present loans, balances, judgments, default notices and payments history. Please see paragraph 11 above.

14. PUBLIC REGISTERS OF INSOLVENCIES

The Insolvency Service maintains a register of Bankruptcies, IVA's and Debt Relief Orders. 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. Judgments and decrees are recorded by credit agencies for six years from the date of Judgment.

15. YOUR BANK ACCOUNT

Once a Bankruptcy Order is made 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 financial statement and this will become a bankruptcy debt. You may be able to open a new basic banking account post Bankruptcy. We cannot control when or if banks will offer basic banking facilities. You will need to prepare for this eventuality ie that your bank may withdraw your banking facilities particularly if you are working and your employer pays your salary by direct debit each month directly into your bank account. Bankruptcy may also affect your access to other financial services, see paragraph 13 above.

You may be able to open a new bank account after a Bankruptcy order has been made. However you must inform the bank of your Bankruptcy and you must ensure that the account does not have an overdraft facility.

16. JUDGMENTS

We are not a firm of Solicitors. We do not give legal advice. However if a judgment has been entered against you your judgment creditor could seek to enforce the judgment in some way prior to your Bankruptcy order being made. It is possible for the judgment to be "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 so that you have more time to prepare the Bankruptcy

paperwork). You can apply to the court to have a judgment set aside where you have a good reason to do so. If the judgment is set aside things will go back to the start to the claim. If a judgment is re-issued and you cannot pay the full amount within one month of the judgment, the new judgment will be recorded on your credit file for six years from that date. A judgment can be marked as satisfied if the full amount is paid more than a month after the date the judgment was given. However, the entry will remain on the Register and your credit report for the full six years and may well impair your credit rating.

17. DEBTS THAT SURVIVE BANKRUPTCY

Some debts cannot be included in Bankruptcy and continue to be due and payable regardless of the Bankruptcy. Such debts are said to be “not provable” in Bankruptcy. These include:

- (i) Any fines that you have incurred for example speeding tickets.
- (ii) Most CSA payment arrears/maintenance arrears
- (iii) Benefit overpayments
- (iv) Most Student Loans

It may be that if a substantial part of your outstanding debt is owing to such a creditor it might not be in your interests to pursue a Bankruptcy Order. Please tell us if you have any debts owing to such creditors. If you have we will review your situation again and update our advice to you, we will advise you on alternative solutions that might be available should this be appropriate.

18. JOINT AND SEVERAL LIABILITY TO CREDITORS.

If any of your outstanding debts are in the joint name of you and another person you are both 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. Consequently in circumstances where you apply for your own bankruptcy and your co-debtor does not and the creditor cannot recover payment of the debt from you, they will seek payment in full from your co-debtor instead.

19. CORRESPONDENCE/CONTACT FROM 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 you have had with your creditors. We will advise you accordingly. Ignoring correspondence from your creditors is likely to result in legal action. If you do not wish to receive any further communication from your creditors please could you let us know and we will write to your creditors accordingly. Your creditors are not entitled to bypass us as your appointed representative unless there is a very good reason for them doing so. The law requires them to send to you directly

legal notices including Default Notices and legal proceedings. Continued attempts by your creditors to collect payment of the debt on the face of it could depending on your particular circumstances potentially be regarded as inappropriate and improper practice.

If you would prefer us to take over all correspondence and negotiations with your creditors please tell us and we will ask your creditors not to contact you directly in future. We cannot guarantee that they would comply with this request.

20. OUR CLIENTS ACCOUNT

Any money that you pay to us is deposited into our firm's Client Account pending our completion of your paperwork or the termination of this contract. When appropriate we will transfer the monies we hold for you on our clients account into our office account for the payment of our fees. We will notify you accordingly.

21. YOUR CURRENT AND ONGOING RELATIONSHIP WITH YOUR CREDITORS AND/OR THEIR APPOINTED REPRESENTATIVES.

If during the course your instructions to us you wish to discuss/correspond 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 letters you send to them to us. We will update you on any correspondence we receive from your creditors and provide you with copies of key correspondence arising. By the same token we will ask your creditors not to contact you directly. However some may continue to contact you inspite of our request not to do so. You may still continue to receive monthly statements from your creditors and threatening letters from your creditors. We will assist you to proceed to a Bankruptcy hearing as soon as possible in order to minimise the impact that this will have on you.

22. UPDATES PENDING YOUR BANKRUPTCY

It is important that if you experience any changes in your financial circumstances at any time during your instructions to us that you advise us as soon as possible. It is important that you tell us as this may impact on the advice we give you. For example it may be that an alternative debt solution would be more appropriate to your revised circumstances.

23. DIRECT PAYMENTS TO YOUR CREDITORS

Whilst we await all the information that we need to prepare all the paperwork that will be needed for your Bankruptcy if you can make a token payment to your creditors we would recommend that you do so.

Upon receipt of your completed documentation we will write to your creditors immediately so that they will be aware of your position and our involvement. You are perfectly entitled to speak to your creditors. Of course, non-payment of contractual repayments will result in interest and charges being added to your account thus increasing the level of the debt that you owe. (See paragraph 10 above)

24 INTEREST ONLY MORTGAGES

We are not Independent Financial Advisors regulated by the Financial Conduct Authority (FCA) in respect of investment business. We do not provide advice in relation to financial services or products. We are aware, however, that given the present financial climate some of our clients have switched the repayments on their mortgages to interest only. 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 if you have taken this step. It is possible that your mortgage may well be unpaid at the end of the end of your mortgage term. Given your financial difficulties and the fact that at some point in the near future you may be Bankrupt this may well hinder your ability to secure a new mortgage or extend the term of your current mortgage when your current mortgage term comes to an end. Even if you were able to secure alternative funding it may well be at an enhanced rate of interest and thus at a greater cost. If you would like us to recommend an Independent Financial Advisor who can provide advice to you in respect of this please contact us and we will provide you with their contact details.

25. INTERNAL AUDIT PROCEDURES

We constantly strive to improve our service to you. We have an ongoing staff training programme. To facilitate staff training we may record incoming and outgoing telephone conversations between you and our staff. We trust that you do not object to this.

26. OFFICE HOURS

Our office is open between 9am and 5.30pm Monday to Thursday each week and 9am to 5pm on Friday. Our office is closed at all other times including bank holidays and during Christmas week each year for the firm's annual shutdown.

27. EQUALITY AND DIVERSITY/DISABLED AND VULNERABLE CLIENTS

Our Authorising and Regulatory body and the law (The Equality Act 2010) requires us to have in place procedures to effectively help any of our clients who are particularly vulnerable/disabled. A person has a disability 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. The definition of vulnerable could include physical disability or mental health problems and other cognitive problems including consumers who have suffered a recent bereavement or for whom English is not their first language. This list is not exhaustive. If you believe that you are for any reason vulnerable or suffering from a disability that impacts on your ability to manage your finances please tell us. 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 everyone reach a satisfactory outcome for you. Your creditors are required to suspend recovery action when they are notified or where they reasonably understand or ought to understand that you their customer might not have the mental capacity to make financial decisions about the management of your debts. It is therefore in your interests to provide this information to your creditors as this will enable them to properly implement their own procedures and provide you with the time you will need to put an appropriate action plan for the repayment of your debts into place. 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. 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 weigh up the options we will provide 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 are an ethnically diverse organisation. 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.

28. THE STORAGE OF LETTERS AND STATEMENTS THAT WE RECEIVE FROM YOU AND YOUR CREDITORS.

The salient information contained in any correspondence we receive about your accounts from your creditors is entered onto our computer systems. Thereafter the correspondence will be retained securely at either our premises or at another secure location.

On termination or conclusion of your instructions to us, if you so wish, we will return all paperwork retained by us to you. If you do not want this paperwork to be returned to you we will place it in secure storage for a period of 12 months following

conclusion or termination of your instructions to us. After this period we will destroy the paperwork in line with data protection guidelines.

29. MONEY LAUNDERING REGULATIONS

The Money Laundering Regulations 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 driving licence. Documentation supporting proof of residence could include any recent utility bill or council tax demand. Upon receipt of these documents we will copy the same and return the originals to you by special delivery. 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 over rule the normal confidentiality rules. Under the Proceeds of Crime Act 2007 and the Money Laundering Regulations 2007 we may be obliged without reference to you to make disclosure to the National Criminal Agency Service (see www.nationalcrimeagency.gov.uk). 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.

30. YOUR RIGHTS TO CANCEL

This agreement will start when you accept (i.e. sign) the firm's terms of business and return the client authority form to us. If you sign and accept our terms of business whilst you are here at our office in person you and us are immediately bound by the terms set out in our Terms of Business and our Client Care Booklet

If we have sent out our pre-contract information pack to you by post and you then sign the Terms of Business and Client Care Booklet at home if you wish to cancel your instructions to us, you are entitled to do so at any time within 14 days. If you have already made the first payment to us we will only refund this to you if you have provided us with written 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 in writing within 14 days we will provide you with a full refund within 30 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 we have already written to them to tell them we are acting for you. We will also return to

you any documentation that you have previously provided to us. We will not charge you a fee if you cancel your instructions to us within 14 days.

If you have signed the Terms of Business and Client Care Booklet 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 of Business.

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 paragraph 1. 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 our terms of business.

31. TERMINATING THIS AGREEMENT

31.1 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 pay our fees.
- (iv) We reserve the right to terminate this agreement at any time giving seven days notice at our discretion.
- (v) If you breach your responsibilities to us as set out in paragraph 32 below
- (vi) We cannot agree between us an appropriate way forward with you to resolve your debt problems.
- (vii) If you require us to act in a way which would result in us misleading your creditors or the Court.

If we have reason to terminate this agreement we will retain any sums that you have paid to us on account of our fees to cover our costs in advising you up to that date.

31.2 You may terminate your instructions to us at any time however you would not be entitled to a refund of the any costs you have paid to us unless we have acted in breach of our obligations as set out in paragraph 33.

Should you terminate your instructions with us we advise you wherever possible to maintain contractual payments to your creditors if at all possible. Failure to make payment under the terms of your contract with your lenders will result in

- (i) Further interest and late payment charges possibly being applied to your account
- (ii) Default notices may be issued and court action may be commenced and/or pursued against you.
- (iii) Your creditors will resume their attempts/ intensify their efforts to collect payment from you.

32. YOUR RESPONSIBILITIES TO US

For the duration of your instructions to us you must

- (i) Provide us with prompt, clear and accurate instructions when requested to do so.
- (ii) Provide us with all the documentation we require to finalise your Bankruptcy application forms and liaise with your creditors if necessary.
- (iii) Look after any documents which we will need for this purpose. These will include documents proving your income and your expenditure assets and liabilities
- (iv) Advise us of any changes in your circumstances.
- (v) Assist us when requested to do so in the furtherance of your Bankruptcy application.
- (vi) Notify us of any change in your address or telephone number.
- (vii) Refrain from misleading us or providing us with false information.
- (vii) Pay our fees as agreed by you.
- (viii) These terms, with particular reference to parts 2, 32 and 41 set out what is required of you both in relation to the Bankruptcy process before, during and after the period when we are acting for you. It is extremely important that you provide us with as full accurate an account of your current financial position and recent dealings as soon as possible as these details may well impact on the advice which we give you. If based on information which we requested at the outset but which you only divulge at a later date it becomes apparent in our opinion that Bankruptcy is not suitable for you or you decide not to proceed then you will not be entitled to a refund of any fee which you have paid to us. We would draw your attention to part 31.2 above in this regard.

Our Authorising and Regulatory body, The Financial Conduct Authority requires us to take steps to verify your place of residence, identity, 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 and we will ask to see proof of your identity and residence as well as 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 may cause delays in progressing your application for Bankruptcy. This may result in further interest and charges being added to your accounts and further enforcement action. It is very important that you provide us with the correct information as soon as possible.

33. 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 instructions.
- (iv) Communicate with you plainly.
- (v) Explain to you by telephone or in writing any matters that we feel you should know.
- (vi) Throughout your instructions to us provide you with updated information as appropriate.
- (vii) Update you if our views change as to the options available to you. Your fullest co-operation will be needed for us to facilitate this.
- (viii) Always treat you fairly and act honestly.

34. 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 advisor 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. The administrator responsible for your case will endeavour to reach such an agreement within 24 hours of first making 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 our Complaints Handling Policy, carry out an investigation and do their best to address any concerns that you have promptly and will write to you with his/her preliminary findings. 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 with Elizabeth Beesley. On receipt of your complaint Elizabeth Beesley, the Director of the Company, will carry out a full investigation also and provide you with a written response as to how we intend to deal with your complaint and what remedial action we intend to take to remedy the issues raised.

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 you may refer the matter to the Financial Ombudsman Service. Their phone number should you wish to complain to them is 0300 1239123 and their address is The Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Our Regulator is the Financial Conduct Authority. They publish leaflets for clients who wish to raise complaints or any other issues. We will provide you with a copy of such material when we send you a copy of our complaints handling policy when we acknowledge receipt of your complaint. The rules by which we are bound can be found at www.fca.org.uk. A copy of our complaints

procedure/policy and the guidance material referred to is available on request and on our website at www.moneysolve.co.uk.

35. OTHER GUIDANCE MATERIAL

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. Additionally you can find out more by contacting the Money Advice Service. Their website can be found at www.moneyadviceservice.org.uk.

36. ABOUT US

We are a financial management firm regulated by the Financial Conduct Authority in the provision of financial management services our interim permission licence number is 600458. 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.

37. NOT FOR PROFIT ADVICE SECTOR AND APPROVED INTERMEDIARIES

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 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 Advice Service. Their website address is www.moneyadviceservice.org.uk. Their own leaflet headed “Five Things You Should Know” has been forwarded to you. 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. We will also do this if we feel that you are unable to fund the cost of using our services.

38. CREDITOR DUTIES

Your creditors should not refuse to deal with us unless there are very good reasons for doing so. Strictly speaking your creditors are not permitted to contact you directly once we have notified them that we are acting for you. We may be able to raise a complaint on your behalf against any of your creditors who are causing you anxiety or distress.

39. SHARING OF OFFICE

Moneysolve, Tythebarn Finance Limited and Beesley and Company Insolvency Practitioners in part share office premises. The companies are all separate and independent of one another although Elizabeth Beesley, the owner of MoneySolve has a financial interest Beesley and Company. We are mindful at all times of preserving your confidentiality and the protection of your data. Your files are kept in secured lockable cabinets and in secure lockable offices. Should you have any queries in relation to this please do not hesitate to contact us,

OTHER IMPORTANT INFORMATION YOU SHOULD KNOW ABOUT THE BANKRUPTCY PROCESS

40. WHAT HAPPENS TO MY CREDITORS ONCE I AM BANKRUPT

Your creditors will not be able to pursue you directly for payment of the Bankruptcy debts. The Trustee in Bankruptcy will take over management of your creditors and the Trustee in Bankruptcy will liaise directly with your creditors in relation to any repayment of the debt. The Trustee in Bankruptcy will inform your creditors about your Bankruptcy and will provide them with information as to whether they will receive a contribution towards the debt that they are owed.

41. WHAT IS REQUIRED OF ME WHEN I AM BANKRUPT?

You would be under a duty to:-

- (i) Co-operate with the Trustee in Bankruptcy to the fullest extent. You will be required to discuss your financial circumstances with him/her either at his/her office in person or by telephone.
- (ii) The Trustee in Bankruptcy will check by discussing matters in detail with you that you have provided a full list of your assets and liabilities.
- (iii) You will be required to provide copies of any relevant documents that will be needed for the administration of your assets and the management of your creditors.
- (iv) You would be under a duty to disclose any increases in your income and any assets that come into your possession
- (v) You will have to stop using your pre-Bankruptcy bank account. If you seek further credit during the currency of your Bankruptcy that is for a sum of £500 or more you will then have to disclose the fact that you are bankrupt.
- (vi) Certain occupations can be adversely affected by bankruptcy

- (vii) You will not be able to act as a Company Director for the duration of your bankruptcy.

Failure to co-operate with the Official Receiver can have adverse consequences.

42. YOUR ASSETS

Your Trustee in Bankruptcy will allow you to keep any tools and equipment or vehicles that you need for your work unless these items can be replaced by cheaper alternatives.

The Trustee in Bankruptcy will take over control of any remaining assets and sell them to firstly pay the expenses of your Bankruptcy and secondly your Bankruptcy debts. If you have been in an IVA previously subject to the terms of your proposal document some of your assets may continue to be dealt with by the Supervisor of your voluntary arrangement if those trust assets are assets of the arrangements. We will advise you if we feel you are likely to be affected by this.

In addition you will be able to retain most of your ordinary household possessions including your clothing, beds and bedding.

43. YOUR HOUSE

If you are a home owner your property will form part of your Bankruptcy estate. The Official Receiver can take steps to sell the property in order to realise any surplus equity. Once the house is sold The Official Receiver or if appointed a Trustee in Bankruptcy will deduct a proportion of the net equity to pay his costs and thereafter he will make a distribution to your creditors. In circumstances where your Official Receivers and Trustee's fees and your creditors have been paid in full any balance will be paid to you. The Official Receiver /Trustee has full discretion as to when or if this step is taken.

It may be possible for you or another person to buy out the Official Receivers interest in your property after the Bankruptcy Order is made as all equity in the property vests in the Official Receiver/Trustee.

If after three years from the date of your Bankruptcy the Trustee has not taken steps to secure his interest in your property it will revert in you. This rule also applies to properties in which partners or former partners or spouses or former spouses reside.

If you own any other property/properties in which you do not reside say under a buy to let agreement your Trustee/Official Receiver will have an indefinite right to pursue recovery of such property for the benefit of your creditors.

44. YOUR PENSION

If your pension is part of a scheme approved by HM Revenue and Customs it will not be an asset of your Bankruptcy. However if you become entitled to a pension lump

sum or income from a pension during the bankruptcy the Trustee in Bankruptcy may be able to claim this by making an application to the court.

45. POLICIES

If these have any value the Official Receiver will sell these and realise the value in them for the benefit of your creditors. If you prefer to maintain the policies it may be possible for you to negotiate settlement with the Official Receiver/Trustee for the policies to be returned by you.

46. INCOME PAYMENTS

You may be required to make monthly contributions/payments into your Bankruptcy for three years from the date of your bankruptcy normally from any surplus income that you have at the end of each month. The Trustee in Bankruptcy may apply to the Court for an Income Payments Order or the Trustee in Bankruptcy may come to an agreement with you for an Income Payments Agreement that would require you to make payments into your bankruptcy for 3 years.

47. SELF EMPLOYED

After a Bankruptcy Order has been made if you run your own business either on your own account or in partnership the business will normally be closed down. It is possible for you to start up a new business whilst you are bankrupt subject to certain restrictions and requirements. If you are thinking of this please contact us for further information

48. EMPLOYED

In the year that you are made bankrupt you will be allocated a new tax code which your payroll will be made aware of. No tax will be paid from your employment for the remainder of the tax year.

49. OTHER RESTRICTIONS IF YOU ARE BANKRUPT.

If you are seeking credit for a sum exceeding £500 you must disclose the fact of your Bankruptcy.

If you start trading as a business using a different name from that that you used prior to Bankruptcy you must inform trade creditors of a name of the business you had prior to Bankruptcy.

You cannot act or be appointed as a Director of a Limited Company without the Court's permission. You will not be able to act as a Trustee of a charity pension fund. Bankruptcy may also affect your employment if you are in certain sectors such as the licensed trade or police.

50. BANKRUPTCY RESTRICTION ORDERS

If the Official Receiver is of the opinion that you have acted dishonestly or you are in some way blameworthy for your financial situation the Official Receiver can ask the Court to make a Bankruptcy Restriction Order. If the Court makes such an order you will be subject to specified restrictions for a period of between 2-15 years. Such restrictions include disclosure of your bankruptcy, you will not be able to act as a company director, you will not be able to work in certain occupations or take part in a Company's management without the permission of the Court. If the Official Receiver intends to make such an application to the Court he will normally write to you to inform you of his intentions. We will inform you if we feel there is a risk that a Bankruptcy Restriction Order is likely to be applied for.

51. DISCHARGE FROM BANKRUPTCY

This normally happens with 12 months of the Bankruptcy Order being made. There are procedures where this can be delayed usually if you have acted dishonestly in the time previous to the Bankruptcy order being made or failing to co-operate during the course of the administration of the Bankruptcy. Post discharge your creditors cannot pursue you for payment of any debts incurred before the Bankruptcy Order.

52. AUDIT PROCEDURES

(a) Internal Procedures

We constantly strive to improve the services we provide to our clients. We have an ongoing staff training programme. To facilitate staff training 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 Visit 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 themselves accessing your files for these purposes 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.

53. INDEMNITY INSURANCE

Our professional indemnity insurers are Mapledown 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 should be 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 or exclude liability for death or personal injury caused by negligence, or for fraud or fraudulent misrepresentation.

54. REFERRAL ARRANGEMENTS

On occasion we pay referral fees to independent introducers who may refer clients in financial difficulty to us for advice. If you were referred to us by another business or company and you would like further information in relation to our referral arrangements with that company please do not hesitate to ask us.

55. FINANCIAL SERVICES COMPENSATION SCHEME.

Debt advice is not an area of work which is presently covered by this scheme.

56. 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 to which the parties irrevocably submit.

We trust you have found the information in this booklet of help to you. Should you have any queries at all please do not hesitate to contact us.

57 NUISANCE/ UNWANTED TELEPHONE CALLS

We have all been bothered from time to time with telephone calls text messages that we do not want. Many of us however don't know what we can do to make them stop.

Essentially if you do not wish to receive nuisance telephone calls you can register your telephone number (both mobile and landline) with the telephone preference service. (TPS) for short. To do this all that you have to do is telephone 0845 0700707. Alternatively you can register on line by visiting their website at www.tpsonline.org.uk. Once you have registered with the TPS you should not receive any unsolicited marketing calls. If you do you should ask for the name of the company and their address. Keep a record of this. You should tell them not to call you again and ask for your telephone number to be placed on an exception report so that that company does not call you again. If they do you can make a complaint by visiting the tps website and logging your complaint there.

You can also stop unwanted text messages. All that you need to do is to text 7726.

These steps should adequately protect you from nuisance calls. However in the unlikely event that you still continue to receive unsolicited calls and messages you can make a complaint by telephoning the Information Commissioners Office on 01303 123111. If you would like some help and advice on this please do not hesitate to contact us.

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.

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. Some debt write off is possible. This is subject to Income Payments Orders or agreements and the possible sale of any assets in order to maximise what money there will be available to creditors in a bankruptcy situation.

Commencement Date

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

County Court Judgement

This is an order of the Court requiring you to pay the outstanding sum plus costs and interest owing to your creditor. Failure to do so could result in enforcement action being commenced against you including periodic payment orders, Attachment of Earnings Orders, Bailiff action and Charging Orders against property.

Creditors

These are the banks, building societies 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 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.

Debt Relief Order also known as “bankruptcy light”

This is a formal insolvency procedure designed for those with debts not exceeding £20,000, assets with a value less than £1000 and a low surplus income each month

(less than £50). 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.

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. 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 apply to your account 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 onwards

Individual Voluntary Arrangement.

This is a formal debt solution that enables a person in debt to repay your creditors at a lower monthly rate than that set out in your original the contract with your creditor. It requires 75 percent of your creditors voting at your 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 an additional sum of money which your creditors charge you in respect of the monies loaned to you. Added interest can result in the size of your debt getting bigger.

Outcome Statement

This is the document that sets out the duration of your debt management programme, the size of your debt, the total costs and charges that you have paid to us.

Periodic Review

This is the process by which we verify the accuracy of the information we hold about you and our advices to you. You are required to forward 3 months bank statements and 3 months' payslips for this purpose.

Preferential Creditors

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

Priority Debts

This includes such debts as your mortgage or rent, 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. Such loans are known as hire purchase agreements or conditional sale agreements.

Sensitive Personal Data

This is data that is of a sensitive nature. Information such as your state of health, or particulars of your personal circumstances.

Setup Fees

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

Unsecured Loans

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

Key Facts – Bankruptcy

Please ensure that you read these particular paragraphs carefully.

1. Your Instructions, paragraph 1
2. Priority Debts, paragraph 8
3. Our fees and charges, paragraph 9
4. Your Credit Rating, paragraph 13
5. Your Bank Account, paragraph 15
6. Debts that Survive Bankruptcy, paragraph 17
7. Equality and Diversity/Disabled Vulnerable Clients, paragraph 27
8. Cancelling This Agreement, paragraph 30
9. Terminating This Agreement, paragraph 31
10. Your Responsibilities to us, paragraph 32
11. Our Responsibilities to you, paragraph 33
12. Complaints Procedure, paragraph 34
13. Other Sources of Information and Debt Services, paragraph 35 and 37
14. Discharge from Bankruptcy, paragraph 50
15. Income Payments, paragraph 46
16. Your Assets and Your House, paragraph 42,43,44 and 45