

KEY FACTS – INDIVIDUAL VOLUNTARY ARRANGEMENT (MONEYSOLVE)

Please ensure that you read these particular paragraphs carefully.

1. Your Instructions, paragraph 2.
2. Our Service Standards, paragraph 5.
3. Priority Debts, paragraph 9.
4. Your Credit Rating, paragraph 13.
5. Public Register of Insolvencies, paragraph 14.
6. Equality and Diversity/ Disabled and Vulnerable Clients, paragraph 22.
7. Your Right to Cancel, paragraph 25.
8. Terminating This Agreement, paragraph 26.
9. IVA Procedure, paragraph 27.
10. Voting at Your Creditors Meeting, paragraph 30.
11. IVA's and Your House, paragraph 32.
12. Our Charges, paragraph 36.
13. Overall IVA Costs, please see paragraph 38 and the Outcome Statement annexed hereto.
14. Your responsibilities to us, paragraph 45
15. Failed IVA at Meeting of Creditors paragraph 47 or at some other time paragraph 50.
16. Your Responsibilities If Your IVA is Approved, paragraph 49.
17. Complaints Procedure, paragraph 54.
18. Other Guidance Material and Sources of Advice, paragraph 55.

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

INDIVIDUAL
VOLUNTARY
ARRANGEMENT
CLIENT CARE
BOOKLET

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IVA CLIENT CARE BOOKLET

INTRODUCTION

Welcome to Moneysolve. Thank you for instructing us to provide advice to you in relation to your IVA and for helping you to resolve the difficulties that you are presently experiencing in repaying your unsecured debts. We are a commercial for 30profit organisation. We aim to be completely transparent in our dealings with you hence this explanatory booklet. We will endeavour to advise you orally of as many of the matters set out in this leaflet as possible. We are providing this important information to you in writing in order that you can read and consider the details it contains at your leisure. We will always treat you fairly and act in your best interests. A copy of our Treating Customers 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 you to move 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 and delivering the high quality and efficient service we pride ourselves on. Please read this booklet carefully in conjunction with our terms and conditions and schedule of options that have been provided to you. These documents are designed to assist you and to provide you with essential information regarding our services the options available to you and the IVA process. Given its importance we recommend that you retain it in a safe place for future reference.

We will assist you to put together all the paperwork required for your proposal for an IVA. We will refer the completed paperwork to your Insolvency Practitioner who will draft your proposal and act as your Nominee. If your IVA is accepted by your creditors this will help you get out of debt within a specified time period depending on the terms of your proposal. We will assess what you can afford to pay by calculating your surplus income on a month by month basis and also give appropriate consideration to any assets you own. We will work with you to collate all the documents that will be required by your Insolvency Practitioners to establish a viable proposal in order to give your proposal the best prospects of success at your creditors meeting. This document sets out in detail the things you need to know about our services and your relationship with us and the IVA process generally, 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 or if there are any other matters which are unclear or you do not understand.

Why Moneysolve?

We put you, our client at the heart of our business. We aim subject to your co-operation to protect and promote your needs and best interests at all times. We will also provide you with the highest standard of services and care about doing so. We are a diverse experienced organisation made up of dedicated and experienced individuals from all walks of life whose aim is to help you resolve your debt problems as soon as possible.

1. WHAT IS AN IVA

An IVA or Individual Voluntary Arrangement is a formal legal agreement between you, your creditors and a licensed Insolvency Practitioner. It is a legal process whereby you agree to pay

either a lump sum or one single reduced affordable monthly payment in settlement of your unsecured debts for a period of usually five years but sometimes six years after which time the unpaid part of your debt is written off by creditors. An IVA has no impact whatsoever on any secured debt that you have. Secured debt is payable under the terms of the secured/mortgage loan agreement or the terms of any charging orders.

2. YOUR INSTRUCTIONS AND OUR NEXT STEPS

At the outset we will work with you to prepare an accurate financial statement for you. With your help and co-operation this document should present your creditors with a clear and complete picture of your overall debt level and the availability of any surplus income that you have for your monthly payment. The financial statement will also set out what assets you own and their approximate value. The surplus income figure that will be made available to your creditors should be realistic, affordable, sustainable and fair to you and your creditors and will be appropriate to your circumstances. We can sometimes use estimates for some items of your monthly expenditure where you cannot provide documentary evidence in support of your actual expenditure. However, creditors have guidelines which they work to as an indicator for acceptable levels of expenditure for all items set out on your monthly household expenditure schedule and we are required where possible to keep to these guidelines. If any of your items of expenditure are higher than your creditors guideline figures you will need to provide documentary evidence to support that item of expenditure. We are under a duty to provide as accurate information as possible to your creditors in order that they can properly assess your financial position for themselves. If they are not totally satisfied with the information we give them they will ask questions and this may delay the implementation of your IVA. We will ask you to provide us with a list of your creditors together with details of your account numbers and approximate balances. We will require copies of your payslips and bank statements (tax returns or accounts if self employed) to verify your income and expenditure. If we have not already done so we will shortly be writing to your creditors to inform them that we are acting on your behalf. When writing to your creditors we will also:

- (i) Request up to date balances on your accounts. You may be required to help us obtain this information if we are unable to secure your creditors full co-operation or if there is a delay in their providing this information to us which might impact adversely on your position.
- (ii) Request that interest and charges be frozen and court action (if applicable) be stopped on your all accounts in the interim pending the outcome of your creditors meeting. (please note your creditors are not obliged to freeze interest until your IVA has been approved at the creditors meeting. Please refer to paragraph 11 below)
- (iii) Request that in future they contact us directly if they have any queries on your accounts or payments.

We will:

- (iv) Investigate the extent of your assets, their value and how your ownership of them might impact on your proposal to your creditors.
- (v) We will thereafter verify the advice we have given you confirming whether or not we feel that your circumstances are appropriate for an IVA to be proposed to your creditors.

Upon receipt of the information we need from your creditors we will then finalise your financial statement and collate the documentation necessary and then subject to your approval your case

and all your documents will be transferred to an Insolvency Practitioner who is licenced to hold creditors meetings and manage your IVA. We will refer the said paperwork to one of our approved IVA partners who will act as your Nominee. They will fulfil the duties as set out in paragraph 41 below. Your Nominee will submit your proposal to the court (if applicable) and then to your creditors for their decision as to whether or not they will agree to the terms that you are proposing. In order to avoid procedural irregularities that may compromise the viability of your IVA it is essential that you provide us with information about all of your creditors whether or not you think we can assist you with them. Failure to do so could compromise the arrangement even if it is accepted by your creditors at your creditors meeting.

3. APPOINTMENT

Our appointment will take effect upon our receipt of the signed and completed the form of authority and the signed contract from you.

Upon receipt of these documents and your first monthly payment we will write to your creditors informing them of your instructions to us and provide them with information as to the advice we have given you.

4. YOUR INSTRUCTIONS AND YOUR ROLE WHILST WE ARE COLLATING THE DOCUMENTATION FOR YOUR IVA

You will receive with this booklet a schedule of all options that are available to you when considering which solution best suits your financial situation. Whilst from our initial assessment it appears to us that undertaking an IVA with your creditors is the best solution that suits your circumstances we have provided advice to you on all the options that are available to you and we have set the advantages and disadvantages on each option. We have advised you as to why we feel the IVA option we have recommended is the most appropriate to your circumstances although the additional information has been provided in order to enable you 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. Should our views change on what is the best solution that suits your situation we will tell you as soon as possible and revise our advices to you.

5. SERVICE STANDARDS

Our responsibilities to you are that we will:

- (i) Provide you with sufficient information about all the options available to you in dealing with your financial difficulties and the pros and cons of each debt solution to enable you to make an informed choice about your options and how you would like to proceed.
- (ii) Advise you as to why we feel the IVA we have recommended is suitable and advise you as to why other options would not be suitable.
- (iii) Communicate with you plainly.

- (iv) Explain to you by telephone and in writing any matters that we feel you should know.
- (v) Always treat you fairly and act honestly.
- (vi) Deal with your creditors queries until we are in a position to transfer your file to your Insolvency Practitioner.
- (vii) Transfer your file when we are in possession of all the information we need to do so.

6. PROGRESSING YOUR IVA

We will endeavour to keep you updated on the progress of your IVA until such time as your file of papers is transferred to an Insolvency Practitioner and we will contact you should we require further information from you. Our overall aim is to help you get out of debt in the shortest possible time and provide you with an efficient and comprehensive service. Whilst most of our clients IVA's are approved by their creditors we cannot guarantee that your proposal will be approved. If we feel at the outset of your instructions or at any time thereafter that your proposed IVA has a below average prospect of success we will tell you and explain our reasons. We will also provide advice to you in order that you can decide whether you wish to proceed with the IVA or reconsider some of the other options we have discussed and that may be available to you.

7. THE DEPARTMENT RESPONSIBLE FOR DEALING WITH YOUR CASE

A dedicated member of our team will be responsible for liaising with you and collating all the information that will be needed to draft your proposal. You will be informed of the identity of the person having overall responsibility for your proposal prior to the transfer of your papers to your Insolvency Practitioner. Your advisor will be responsible for liaising with your creditors and helping with any queries that you may have.

8. PERSONAL INFORMATION/DATA PROTECTION

In order that we can properly assess your financial position and provide appropriate advice to you we will process your personal data. Please see our separate Data Protection Booklet for further information..

9. PRIORITY DEBTS

The preliminary Financial Statement that we have prepared on your behalf and the proposal that will be drafted by your Insolvency Practitioner for you requires 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 on-going 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 when your IVA has been approved will also result in your IVA becoming unworkable and eventually it may fail. If this happens you will most likely be in a worse position than you were in prior to the IVA being accepted. Your creditors will no doubt recommence collection of your debts and continue to apply interest and charges to your balances retrospectively.

If you are experiencing difficulty in meeting payments to your priority creditors please contact us for advice as soon as possible. It may be possible for arrears on some priority debts to be included in your IVA. It is important that you bring any difficulties you may have in the payment of priority debts to our attention as soon as possible. In some circumstances unsecured debts may be regarded by us and your creditors as priority debts. For example if you have a disability an unsecured debt for an unpaid telephone bill this 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.

10. INTEREST

Prior to accepting your proposal your creditors are not obliged to agree to reduced payments under a financial management programme or freeze the interest accruing on your accounts whilst your IVA proposal is being drafted by your Insolvency Practitioner or being considered by your creditors. During this period we may advise you to cancel any pre-existing repayment arrangements that you have in place with your creditors. If we advise you to do this you will need to inform your creditors that you have/intend to cancel your payments and that you are doing so on our advice. We will also inform your creditors of our advice to you. At this stage it is likely that the size of your debts will increase until such time as your creditors approve your IVA. Once your IVA has been approved at your creditors meeting all interest and charges will be frozen from there on in and your total debt will remain at that level until the successful completion of the IVA. If your IVA fails for whatever reason (usually through non-payment of the required monthly payment) then interest will start to accrue once again on your outstanding accounts at the contractual rate and will be backdated to cover any interest that would have accrued on your debts whilst your IVA has been in place (please see paragraph 50)

Until the successful outcome of your creditors meeting there is no guarantee that collection action, including default notices and court action will be suspended or withdrawn. A successful outcome at your meeting of creditors guarantees no further action of any kind by your creditors as long as you maintain payments into your IVA and successfully conclude the same.

11. FAILURE TO MEET THE CONTRACTUAL PAYMENTS TO YOUR CREDITORS BEFORE APPROVAL OF YOUR IVA

You are contractually obliged to make the contractual monthly payment to all your creditors. If you fail to do so several things may happen.

- (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 Judgement entered against you.
- (iv) There will be an adverse entry made on your credit file by the credit reference agencies (see paragraph 13)

- (v) Your creditors may ultimately issue bankruptcy proceeding against you or other enforcement proceedings through the Court.

If a County Court Judgement is entered against you recovery proceedings could be pursued against you including Bailiffs seeking security for the judgement debts against any assets you own or Charging and Property Orders. If at all possible the contractual payments to your creditors should be maintained. 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 financial services in the future. Once your IVA has been approved you would not be obliged to meet the individual contractual payments due to your creditors. All court action will stop as will any enforcement proceedings. Your creditors will not be able to pursue payment of your debts outside of your IVA regardless of whether or not there were court proceedings, you will instead be required to meet the repayments and obligations set out in your proposal.

12. CREDIT REPORT

Whilst we are preparing the documentation that will be needed for your Individual Voluntary Arrangement 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 (free of charge).

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 though 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. A formal insolvency process such as an IVA will further impair your credit rating. It is very likely, particularly in the present economic climate, that an impaired credit rating will hamper any efforts that you make to secure further borrowings or financial services in the future. In the event that you

are able to secure further borrowing and access to financial services these may be at a higher rate of interest and therefore at an increased cost to you 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 creditor's entries may stay on your file longer. Your creditors are under a duty to keep your data they hold about you up to date however we cannot control when your creditors make an entry on your credit file if at all. Even with the successful completion of your IVA this might not result in an immediate improvement in your credit rating. 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 files 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 nominal fee. This will provide you with full information regarding your present loans, balances, judgements, default notices and payments history. Please see paragraph 13 above. If your IVA is approved by your creditors there will be an entry made on your credit file of the fact of your IVA. Once successfully concluded this will also be marked on your credit file. If the IVA fails for example due to non payment of the monthly contribution or other amount or for any other reason this fact will also be registered on your credit file. All entries will remain on your file for six years so if the IVA has five year duration the entry will remain on your file for a further twelve months post completion of the IVA.

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. Judgements and decrees are recorded by credit agencies for six full years from the date of Judgement.

15. YOUR BANK ACCOUNT

It is quite possible that your bankers may withdraw your current banking facilities. If your current account is overdrawn the balance will need to be included in your IVA and you will need to open a new basic bank account. 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 an IVA may also affect your access to other financial services.

16. 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 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 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 all individuals on the Trust Online website which can be found 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. If your IVA is approved your Judgement creditor will not be able to pursue payment of the Judgement debt outside of the arrangement.

17. CREDITOR DEBTS WE CANNOT DEAL WITH

It is important that when advising us as to the identity of your creditors that you give us the complete list of all creditors with whom you have outstanding unpaid balances. The only debts that will have to be treated “differently” to your other creditors are arrears for child support payments, some debts that accrue because of a Court Order in the family courts for maintenance or lump sum payments, debts owing to The Student Loans Company and fines. These will need to be treated preferentially and paid outside of the IVA. Allowances will be made within your monthly expenditure to ensure that you can afford to pay these debts in addition to your monthly IVA payment.

18. 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 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 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 an IVA. However there would be nothing to stop your creditor seeking additional payments towards that debt from any co-debtor even if your IVA were ultimately accepted by your creditors. If both parties to the debt undertake IVAs with their creditors which are approved at the meeting of creditors, creditors will not be able to pursue payment of the debt outside of the IVAs.

19. CORRESPONDENCE/CONTACT WITH YOUR CREDITORS

Please read all the letters that your creditors send you. You should not ignore correspondence or other contact from your creditors or their representatives particularly whilst we collate the information needed to transfer your file to your Insolvency Practitioner. It is very important that you forward correspondence to us and keep us informed of any contact you have with your creditors. Ignoring correspondence from your creditors is likely to result in legal action. We will advise you accordingly and take over negotiations with your creditor if we feel it appropriate and in your interests for us to do so. If you do not wish to receive any further communication from your creditors please 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. 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 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 of course guarantee that they will comply. Once your IVA is approved your creditors should not contact you directly and all their correspondence will pass through your Supervisor. They are however, under Section 6 of the Consumer Credit Act 2006, legally obliged to provide you with an annual statement of account.

20. AUDIT PROCEDURES

(a) Internal Procedures

We constantly strive to improve the services we provide to our clients. We have an on-going 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.

21. OFFICE HOURS

Our office is open between 8.30am and 5.00pm Monday to Thursday each week and 8.30am to 4.30pm on Friday. Our office is closed at all other times including bank holidays and during Christmas week each year for the Company's annual shutdown.

22. 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.

23. 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. We also maintain a paper file for all the letters and documents that we receive from you or which are generated by us providing our advice and service to you. Once we have collated all the information required for your IVA our entire file of papers will then be passed to your Insolvency Practitioner for them to draft your proposal. These papers will be kept with your IVA file.

On successful completion or termination of your IVA, if you so wish, your Insolvency Practitioner will return all your original paperwork to you. If you do not want this paperwork to be returned to you, your Insolvency Practitioner will place your documents together with his own files in secure storage for a period of 6 years following the conclusion of your IVA. After this period your

Insolvency Practitioner will destroy the paperwork in line with data protection guidelines. In relation to the documents we process on your behalf these documents will be forwarded to your Insolvency Practitioner once your IVA is approved.

24. 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 current passport or photographic 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. Our practice is to inspect the evidence you provide to us and to carry out online searches to verify your identity and residence. If you do not wish to provide us with the originals of these documents then you could ask a trusted third party, such as a local Solicitor, Accountant or Doctor, to certify the copies for you. They should write “ This is a true likeness of the original which was presented to us by the person named therein” on the copies and sign and date them including their name, occupation and contact details.

Alternatively you can use the Post Office to certify documents. The current cost is £8.75. The Post Office service works like this.

- You fill in the Post Office “ID Checking Service form” (available online) and make a photocopy of your passport and other identifying documents (e.g. recent utility bills).
- Take your original identifying documents into the Post Office along with the copies and form. They will check each copy against the original, date and sign each copy and stamp with the words, ‘this copy is a true likeness of the original’ on each document. They will return to you your documents and a receipt.
- Please post the copies to us.

The Post Office will not confirm that the person presenting the documents is the person named in them, we thus will require three pieces of evidence, usually being copies of your passport and driving licence plus either a recent bank statement or recent utility bill.

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

25. YOUR RIGHTS TO CANCEL OUR INSTRUCTIONS

This agreement will start when you accept sign and return to us the form of Authority and Acknowledgement Form to say that you have received our Terms and Conditions, Client Care booklet and associated documentation. If you sign our Acknowledgement Form whilst you are here at our office in person you and us are immediately bound by the terms set out in our Terms and Conditions and our Client Care Booklet.

If we have sent our pre contract information to you by post and you then sign the Acknowledgement Form and Form of Authority at home, if you wish to cancel your Individual Voluntary Arrangement 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 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 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 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 a fee to you if you cancel your instructions to us within 14 days.

If you have signed the Acknowledgement form and Form of Authority 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 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 and Conditions.

26. TERMINATING THIS AGREEMENT PRIOR TO MEETING OF CREDITORS

26.1 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) You stop making monthly payments to us in respect of our fees and charges

- (iv) We reserve the right to terminate this agreement at any time giving you seven days notice at our discretion.
- (v) If you breach your responsibilities to us as set out in paragraph 45
- (vi) We cannot agree between us an appropriate way forward with you 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.

26.2 You may terminate your instructions to us at any time by giving us seven days notice prior to the transfer of your file to your Insolvency Practitioner. However you would not be entitled to a refund of the monthly payments you have paid to us unless we have acted in breach of our terms and conditions. Should you terminate your instructions to us we will write to your creditors to let them know that we are no longer acting for you. Please note adverse consequences will follow if you fail to make the payments due under your IVA to your Insolvency Practitioner once your IVA has been approved. Please see paragraph 48. Please note that it is not possible to simply terminate any agreement with you and your Insolvency Practitioner once he has been appointed to act as Nominee and the date for your creditors meeting has been set.

27. IVA PROCEDURE

Once we have concluded the steps set out in paragraph 2 above we will transfer your file and the following steps will be taken by your Insolvency Practitioner.

- (i) Your Insolvency Practitioners will review the documents that we have provided to them and draft your IVA proposal. They will take all necessary steps to familiarise themselves with your financial circumstances. They will exercise their professional judgement to satisfy themselves that you have received appropriate advice on all the options available to you. They will also satisfy themselves that you understand the consequences of your decision to propose an IVA to your creditors.
- (ii) They will provide you with a copy of a leaflet called “Is an IVA right for me” explaining the IVA procedure and setting out the alternatives available to you. This document can be accessed at our website www.moneysolve.co.uk.
- (iii) They will explain their role and duties as your advisor, Nominee and Supervisor. Please see paragraph 42 below.
- (iv) They will be appointed as your Nominee. They will prepare the notices to your creditors of their intention to hold a creditors meeting for your IVA to be considered by your creditors. It is a requirement that your creditors be provided with notice of your creditors meeting. This is usually within 28 days of the appointment of your Nominee however if appropriate the meeting can be held a week or so earlier particularly for example in circumstances where you might be being pressured by unsympathetic creditors or where there is court action pending. Your Insolvency Practitioners will make the decision on this and will advise you accordingly.
- (v) At the meeting your creditors will vote on whether to accept your proposal. They have four choices: These are to:
 - (a) Accept your proposal without modifications
 - (b) Accept your proposal subject to modifications
 - (c) Reject your proposal
 - (d) Request an adjournment

- (vi) If your creditor meeting is adjourned you will be provided with a new date for the creditors meeting to take place. This is usually within 14 days of the first meeting.
- (vii) Any modifications to the proposal that are required by your creditors in order for them to accept your proposal will be explained in detail to you. Modifications may change the scope and the basis of your proposed arrangements. You have the choice to accept or reject any modifications introduced by your creditors. If you reject the creditors modifications then that creditors vote in favour that is conditional upon the modifications being accepted by you would count as a rejection and your IVA will fail depending on whether more than 25% of the value of the creditors voting vote to reject your proposal. See paragraph 29 below. You will be given an opportunity to attend a face to face meeting with your Nominees in order that any modifications can be explained and discussed. Your creditors meeting will need to be adjourned in order to facilitate this. If you accept the creditor's modifications then your IVA will be approved your Nominee will become the Supervisor of your arrangement your Insolvency Practitioners role post creditors meeting is set out in paragraph 42 below and your file will be passed to the Post Appointment Department who will administer your proposal under their supervision and guidance.
- (viii) A case worker in the Post Appointment department will be specifically allocated to your case.

You and your creditors will be provided with a copy of The Chairman's Report. This is the document that your Supervisor sends to your creditors following the meeting. It sets out the results of how your creditors voted at the meeting, any modifications they required, and the appointment of your Nominees as Supervisors of your arrangement. You will need to sign one copy of the Chairman's Report and return it to your Supervisors. This evidences your commitment to the IVA and your acceptance of any modifications required by your creditors. In the event that the IVA is rejected The Chairman's Report will set out which of your creditors rejected your proposal and the voting rights attributed to each voting creditor. If your IVA is rejected by creditors your Nominee will advise you on the options available to you which may include advising you to file for your own bankruptcy if appropriate. Your creditors may take this step themselves but in our experience they are only likely to do this if they feel that they would be better off if you were bankrupt ie they can recover your assets and feel that they can secure more than you were offering to them in your IVA. These issues will be discussed with you both at the outset of your instructions to us and your nominee will also advise you on such issues after your creditors meeting in order to give you a clear way forward.

Once your IVA proposal has been approved your Nominees will become your Supervisors. At that stage your Supervisors will take over the management of your creditors and they will commence the administration of your proposal. They will contact you and confirm in writing the terms upon which your IVA was approved and will advise you of the date of the first payment into your IVA. They will advise you what documents you need to retain for the life of your IVA.

28 LUMP SUM IVA's

If you are proposing to offer a lump sum to your creditors as a lump sum IVA our costs will often be payable out of the lump sum that you have available. In the event that you have a disposable income our fees for acting for you will be 2 monthly payments payable monthly in the run up to the transferring your file to the Insolvency Practitioners. If you do not have a surplus disposable income or your disposable income is nominal then we will advise you at the outset of your instructions to us as to what our charges will be. We will provide you with a cost estimate at the start of our relationship and this will be set out in the outcome statement that we send to you. This is so that you

have adequate time to properly consider whether you would like to instruct us and to consider our fees and charges for using our services. Where you do not have any surplus disposable income our fees are calculated on the basis of what the total value of your debt is and how many creditors you have. It would also be dependent on the size of the lump sum that you have available. We will have regards to creditor policies and the minimum amount that they will require to be available to your creditors in the IVA in order to secure the best possible outcome for you at your meeting of creditors. If we are of the opinion that the lump sum you are proposing to offer is not going to be adequate for whatever reason we will advise you of this and as to what other options might be available to you for dealing with your debts.

29. IS MY ATTENDANCE REQUIRED AT MY CREDITORS MEETING?

You will be able to attend your Creditors Meeting if you wish to. It is very rare that creditors attend meetings themselves. Your attendance is not compulsory unless you are advised otherwise. If for any reason your attendance is likely to be required for example where your Nominee wants to discuss any proposed modifications advanced by your creditors at the creditors meeting your Nominee will tell you as soon as is practicable in order that you can make appropriate arrangements to attend.

30. VOTING AT YOUR CREDITORS MEETING

An IVA must be approved by the majority of your creditors. In order for your proposal to be approved 75% of the creditors voting by value at your creditors meeting must vote in favour of your proposal. If more than 25% of your creditors vote to reject the IVA your proposal will fail. See paragraph 47 below.

31. WHAT HAPPENS IF MY IVA IS APPROVED BY MY CREDITORS?

Once your IVA has been approved by your creditors at your meeting of creditors your case will be transferred to the Supervisors post appointment department. An administrator acting under your Supervisors instructions will ensure that you comply with the requirements of your proposal, including checking that you have made your monthly payments and supplied the documentation needed to undertake any salary/annual reviews. Payments will be made to your creditors under the terms of the arrangement throughout the duration of the IVA. Once you have fulfilled all your duties under the arrangement a final distribution will be made to your creditors and a completion notice provided to you and your creditors. Any unpaid part of your debt at this stage will be written off.

32. WHAT HAPPENS IF I OWN MY OWN HOUSE?

If you own your own property and there is equity available you may be required to release part of the equity in the final year of the arrangement. If you are required to remortgage your property to release equity your ability to obtain a mortgage may be restricted and may be at a higher rate of interest by virtue of your compromised credit rating (see paragraph 13 above). If you are unable to obtain a remortgage as required in your IVA, then it may be possible for the Supervisor of your IVA to apply to your creditors to vary the IVA at a further meeting of creditors if required so that the term of your IVA can be extended by 12 months instead of you raising additional sums against your

property. Consequently you will be required to continue to make monthly payments for 72 months instead of 60. Depending on your circumstances this might be a better course of action for you as if you can repay your creditors for 6 years with no remortgage at the end of the term of the IVA this may be a more cost effective outcome for you. It would be a matter for your creditors to decide if they would be agreeable to this. Sometimes creditors change their policy on such issues which may affect such as whether they are willing to accept payments for 6 years as opposed to 5 years and not receive a lump sum from the equity in your property. Where there is sufficient equity in your property to discharge the debt in full your creditors would expect a 100p in the pound dividend to be offered. Neither we nor your Insolvency Practitioner have any control over such policy changes. We will notify you if we become aware of such policy changes which may affect our advice to you and your proposed IVA. If you have equity in your property this will be discussed in detail with you by your nominee. It may be possible to exclude your property from the arrangement to creditors particularly in circumstances where there is no equity. Once we have fully assessed your circumstances we will advise you if we think this might be possible. Usually creditors expect that your property will be revalued in year five of the arrangement and efforts made to secure a remortgage to release a proportion of the equity into the arrangement.

33. HOW LONG WILL MY IVA LAST?

IVA's usually last for five years occasionally six, rarely longer. For the duration of the IVA you will be expected to manage your finances effectively to ensure that all your surplus income (after deduction of your day to day living expenses) is made available (i.e paid) to your creditors. If you are a home owner and you are required by your IVA to release part of the equity for the benefit of your IVA creditors and you are unable to release the equity due to your poor credit history, age or income subject to creditors approval at creditors meeting then the IVA may be extended by twelve months instead of the equity being released. (Please see paragraph 32 above).

34. OUR CLIENTS ACCOUNT

Once your IVA has been approved you would be required to make monthly payments in accordance with the terms of your proposal. Any monthly payments that you pay to your Supervisor will be deposited into their Clients Account pending disbursement to your creditors in accordance with the terms of your proposal and any modifications introduced by your creditors.

35. YOUR CREDITORS AND/OR THEIR APPOINTED REPRESENTATIVES.

Once your IVA has been approved by your creditors they should not contact you directly as your Supervisor will take over the management of your affairs and your creditors. In reality some creditors may continue to contact you by post in spite of this. In the event of a successful outcome at your creditors meeting creditor contact will diminish once the creditors receive and record receipt of The Chairman's Report which details the outcome of your creditors meeting.

36. OUR CHARGES AND EXPENSES FOR PREPARING DOCUMENTATION NECESSARY TO THE DRAFTING OF YOUR IVA PROPOSAL

In order to carry out your instructions above we have agreed to act for you for a fixed fee of your first two monthly payments. We will not seek any upfront payment from you prior to your returning the signed contract approving our instructions. In summary these two payments represent our fees for carrying out the service detailed in paragraph 2 above.

In summary your first two monthly payments are to cover:

1. Advising you on all the options available to you
2. Collating all the documents that are needed to verify the value of any assets you own.
3. Preparing the first draft of your income and expenditure schedule.
4. Collating details of your creditors and writing to advise them of the position and seek up to date balances on your accounts.
5. Liaising with you and your creditors.

Upon receipt of your second payment and as soon we are in a position to do so we will:

- a. Verify your Financial Statement in reference to available documents
- b. Verify the advice we have given you.
- c. Deal with any creditor enquiries
- d. Seek any additional information needed
- e. Subject to your approval hand over your file to your Insolvency Practitioner

Your first two months payments represent payment of our charges for providing our service to you. These sums will be deposited into our Company's client account but will be transferred immediately to our office account and to all intents and purposes will be regarded as Office Funds as soon as the same has been received.

Regardless of the outcome of your creditors meeting we will retain these payments to cover our costs in providing our services to you.

While we collate the required information your creditors will not receive a payment from us. The two monthly payments that we retain for our fees are inclusive of any disbursements that we may incur. The size of your debt will increase during this period as you creditors will not receive any payment from us. At the moment, subject to your consent and any preferences you may have, we refer some of our IVA clients to Beesley Financial Solutions Company Limited. Beesley Financial Solutions Company Limited is a company owned and managed by Mark Beesley. Mark Beesley is the husband of Elizabeth Beesley the owner of MoneySolve. Beesley Financial Solutions Company Limited is a separate company to Moneysolve and is regulated by the IPA. Throughout this preliminary two month period whilst we are acting for you we will contact your creditors to let them know that you will be putting forward an IVA to them and give you an approximate timescale for your creditors meeting. We will deal with any queries your creditors have whilst they await receipt of the completed proposal and notice of the date of your creditors meeting. The level of your outstanding debt will increase during this period as no payment will be disbursed during this initial two month period. It is essential therefore that you provide us with the information we request as soon as possible in order that your IVA can be progressed to creditors meeting as soon as possible where if accepted all interest and charges will be frozen.

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

If during the course of providing our services to you we formulate the view that an alternative debt solution would be more appropriate to your circumstances. We will immediately explain and advise you of this and clarify your revised options. Should you agree that an alternative solution may be more appropriate there may well be additional work that we may have to undertake for you. If this is likely to happen we will advise you of what additional work would be involved and what additional sum we propose to charge if any and seek your agreement to it before any additional charge is made.

If your IVA fails the monthly payment you have made pending the outcome of your creditors meeting will be retained by us and not disbursed to your creditors. We will advise you of the alternatives available to you if this happens.

38. OVERALL IVA COSTS

In addition to our charges as set out in paragraph 36 above there are additional costs which will be incurred by your Insolvency Practitioner in progressing your case to creditors meeting and managing your IVA for its duration. Your Insolvency Practitioner's fees are divided into three categories.

a) Nominees Fees

These are the fees that are incurred by the Insolvency Practitioner for agreeing to act for you and for holding your meeting of creditors. The fee chargeable is typically five monthly payments or a minimum of £1000 whichever is greater per IVA proposal. The Nominees fees are paid out of the proceeds of the arrangement.

b) Supervisors Fees

Once your IVA has been approved by creditors your Nominee becomes your Supervisor who will be responsible for monitoring and supervising your proposal for its duration. The fees that are chargeable for this are usually expressed as a proportion of what is recovered for your creditors in the IVA - usually between 15% and 23% of realisations after deducting Nominees fees and disbursements. (In other words 15% of the total payments you make in your IVA). Alternatively fees may be dependent on how much time your Insolvency Practitioner spends in supervising your arrangement.

c) Disbursements

The Insolvency Practitioner will incur various disbursements in order to correctly register your IVA and finalise it. Disbursements amount typically to around £1000 per proposal and your Nominee will advise you in detail what these are and these will also be detailed in your proposal.

Please note that all Insolvency fees ie Nominee, Supervisors fees and disbursements are paid out of the proceeds of the arrangement. You would not be required to make any additional payments in respect of Nominee's and Supervisors costs.

You will be provided with details annually of your Supervisor's fees in the annual report that he will prepare and which will be forwarded to you and your creditors.

The following is an example of how IVA costs are calculated on a monthly payment of say £250 if your IVA is approved and successfully concluded.

Voluntary Contributions are 60 monthly payments of £250 = £15000,

Nominees fees are usually 5 monthly payments the Voluntary Contributions amount to 5 x £250 = £1250

Supervisors fees are calculated to be total realisations £15,000 (ie the total amount you pay into the arrangement) less deduction for Nominee's fee (£1250) x 15% or 23% = £2062 or £3162 respectively.

Disbursements up to approximately £1,000 will also be applied

Total costs = £4312 or £5412 to the Insolvency Practitioner will normally be paid out of the monthly payments you make into the arrangement.

These figures are in addition to the 2 monthly payments you will make to us (please see paragraph 36). You will have already been provided with an outcome statement that compares the estimated costs and duration of your undertaking an IVA or alternatively an informal Debt Management Programme.

39. FAILED IVA – UNPAID NOMINEES FEE'S

If your IVA is not approved by your creditors the sums that you pay on a monthly basis over and above the first two months made to us in respect of our fees will be retained by us on trust for your Insolvency Practitioner in part payment of the Nominees fees that he will incur in holding your creditors meeting. All other unpaid Nominees fees will be written off and thus you would not be required to make further payment towards costs in the event of an unsuccessful outcome. You would not be entitled to a refund of any fees if your IVA fails at the meeting of creditor's stage. If you object to this or if you should you have any queries at all on the question of costs or fees please do not hesitate to contact us for clarification. Once the outcome of your creditors meeting is known we will forward to your Insolvency Practitioner any monthly payments that are not going to be used to pay our fees in providing our services to you.

40. VARIATION MEETINGS

It is possible during the life of your IVA to propose amendments/alterations to your IVA. For example, if you were to lose your job or suffer a reduction in income during the term of your arrangement which might impact on your ability to make the payments envisaged in your proposal, your Supervisor might be able to propose a variation to your IVA to your creditors to enable you to make reduced payments during the remaining term of your IVA

There is no guarantee that your creditors will accept a variation for a reduced monthly payment. If your creditors refuse a variation for a reduced monthly contribution it is possible that your IVA could fail. Sometimes even if they accept a reduced contribution creditors expect the duration of your IVA to be extended to enable you to make the total payments envisaged in the original proposal. You will be advised if this happens. Before the variation is proposed you will be advised as to your prospects of a successful variation. Creditors will consider your proposed variation at another creditors meeting. The proposed variation documents will be drafted and sent to you for approval first and then to and all your creditors before the date is set for the meeting so that they have time to properly consider your proposal and vote either to accept or reject the same. There will

be additional Supervisors fees incurred in proposing variations. These are usually paid out of any funds available to your creditors in the IVA in the first instance. If you have failed to make sufficient payments to cover the payment of the Nominees fees or any outstanding Supervisors fees then this may impact on the Supervisors ability to hold a variation meeting for you. You will be advised by your supervisor if there is a problem in this regard. If your creditors do not accept the variation your IVA will fail if you are unable to meet the payments due under the original IVA.

41. WHAT HAPPENS IF MY FINANCIAL CIRCUMSTANCES IMPROVE DURING THE COURSE OF MY IVA?

In the event that your circumstances improve during the term of the IVA this will have consequences for you and your IVA. Much will depend on the reason for the improvement in your circumstances. For example in the event of your making a successful Payment Protection Insurance reclaim or if you were to come into some money by some other means these sums will need to be paid into the arrangement for the benefit of your creditors in addition to the voluntary contributions and other asset realisations envisaged in your proposal. Similarly if you were promoted at work and you received regular bonuses and/or a significant pay rise, a proportion of these additional sums would become payable into the arrangement. In such circumstances depending on the additional income/lump sums involved and the extent of the debt you owe it is possible that your creditors could expect payment of the debt in full plus statutory interest at 8% per annum. The cost of the IVA (ie Nominees fees, Supervisors fees and distributions) would additionally become payable by you.

In the event of a successful PPI reclaim the balance owing to the creditor offering the refund would also reduce thus lowering the overall debt level. Your creditor would be expected to submit a revised proof of debt form ie a reduced claim in the arrangement and this would have the effect of increasing the dividend available to all your creditors in your IVA. If you feel that you will experience such an improvement in your circumstances, please can you tell us as this may impact on the advice we give you.

42. ADVISORS ROLE

The role of your Insolvency Practitioners will change during the conduct/progress of your IVA. Prior to their formal appointment as your Nominees your Insolvency Practitioners will act as your advisors. This role covers the period upon your first instructing your Insolvency Practitioners and the signing of your proposal document. During this period, they will consider and advise you on the best course of action for you and they will make recommendations as to all options available to you the most appropriate solution to your financial circumstances bearing in mind your creditors likely expectations.

43. YOUR NOMINEES DUTIES

When your proposal documents have been finalised, checked and signed by you, your Insolvency Practitioners will be formally appointed as Nominees. They will act as your Nominees for the period between you signing the proposal documents and the date of your creditors meeting. At this stage their duty will be to you, your creditors and to the Court (if applicable). They will need to perform an independent objective review and assessment of your proposal and at that stage they will submit a report to the Court (if applicable) and to your Creditors together with the proposal

documents itself. The Nominees report sets out a balance between your interests with that of your creditors. He has a duty of independence and objectivity and this cannot be fettered by your instructions.

44. YOUR SUPERVISORS DUTIES

Once your proposal has been approved at your Creditors meeting your Nominees role changes to that of Supervisors of your arrangement. Their obligations and responsibilities as your Supervisors will continue until such time as your IVA is successfully concluded or terminated. Their responsibilities at this stage are governed by the terms of your arrangement that has been approved by your creditors. They will need to maintain an independent stance acting for both you and your creditors and ensuring that you comply with the obligations that the IVA places upon you. Their duties to your creditors and to the Court include compliance with all statutory reporting requirements.

45. YOUR RESPONSIBILITIES TO US

We aim to respond to correspondence from your creditors queries within ten days. Consequently, for the duration of your instructions to us while we secure the information we require to transfer your IVA paperwork to the Insolvency Practitioner 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 your financial statement in order that we can transfer your paperwork to your Insolvency Practitioner.
- (iii) Provide us with the account numbers for all your outstanding creditors.
- (iv) Look after any documents which we will need for the purposes of advising you.
- (v) Advise us of any changes in your circumstances for example if you have been awarded a pay rise at work.
- (vi) Assist us when requested to do so in the furtherance of your proposed IVA.
- (vii) Notify us of any change in your address or telephone number.
- (viii) Refrain from misleading us or providing us with false information.
- (ix) Make payment of our fees as requested. If you are unable to do so, please contact us.

Our Regulatory body, requires us to take steps to verify your place of residence and identity (see paragraph 24 above), 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 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 is likely to cause delays in setting up your proposed

IVA 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.

IMPORTANT NOTE

As indicated above your cooperation is required in order to progress your IVA to drafting stage. It is important that you provide us with the information that we need in order to transfer your file to your Insolvency practitioner as failure to do so is likely to be very detrimental to your interests. If you fail to provide us with the information that we need in order to transfer your file there will be two options available to you. Firstly, you could enter into a temporary debt management programme. This would hopefully serve to keep your creditors at bay until such time as you are willing or able to proceed with the IVA application. The temporary programme should be just that. However, in reality this could be as temporary or as long as you need it to be in order to give you time provide us with the information that we need in order to progress your IVA. Secondly you could withdraw your instructions from us and to deal with your creditors directly or through some other advisory body. If we have advised you that an IVA is the most appropriate solution to your circumstances making alternative informal arrangements for the repayment of your debts could be contrary to your best interests and will result in the period of time that you spend in debt becoming protracted and your debts may increase during this period as your creditors are likely to continue to add interest and charges to your accounts and overall you will end up having to pay more money to your creditors over a longer period of time to repay your debt. It is very important therefore that you provide us with the information that we need as soon as possible. This will enable us to ensure that we are acting your best interests at all times and to secure the best possible outcome for you within the shortest period of time. We should also point out that we are required to carry our periodic financial reviews for all Debt Management Programmes.

46 QUARTERLY AND ANNUAL REVIEWS

Your Supervisors may be required to carry out quarterly and annual reviews of your finances throughout the duration of your arrangement. This will involve your case administrator reviewing your income and expenditure and supporting documents in order to ascertain whether your voluntary contributions can be increased into your arrangement. Your Supervisors will need to verify your financial position by having access to your payslips and bank statements; you will be asked for these and it is important that you keep safe these documents and have them available for this purpose. Most creditors require 50% of any additional income that you receive by way of overtime and bonuses to be paid into the arrangement as an additional payment to the monthly payment you make. Your Supervisors will reassess your income to see what additional payments you are required to make into your arrangement.

Should you experience any changes in your financial circumstances whilst we are acting for you or if your IVA has been approved you should contact your Supervisors as they will need to carry out a review of your financial statement and advise you if additional payments are required from you. This will ensure that you do not fall into arrears with your payments and do not breach the terms of your proposal. Your Supervisors will contact you for the relevant documentation so that this can be undertaken. If you fail to co-operate either by failing to provide the relevant documentation or if you fail to make the additional payments this may well result in your IVA failing, see paragraph 50 below.

If you fail to co-operate with the reviews this will compromise the viability of your IVA. As set out in paragraph 2 above your creditors have strict guidelines that all financial management companies and Insolvency Practitioners use when working out what expenditure figure can be allowed for each

item. You will be required to provide proof for unusual items of expenditure or expenditure which exceeds the sums stated in the creditors guideline figures. If there has been deterioration in your financial position your position will be reviewed and you will be advised accordingly.

47. WHAT HAPPENS IF MY IVA IS NOT ACCEPTED BY MY CREDITORS

Creditors will only reject an IVA if there is a good reason for them to do so, (see paragraph 48 below). If your IVA is rejected by your creditors information will be provided to you as to the reasons for this. Your file will be referred back to us where we will discuss alternative options for the repayment of your debt given the unsuccessful creditors meeting for an IVA. We will advise whether it would be appropriate for you to enter into a Debt Management Programme with your creditors or to file for your own Bankruptcy. From your creditors view point they will:

- (i) Continue with their attempts to collect payments on your debt. They may commence court action against you or appoint collection agencies to act on their behalf.
- (ii) Interest will continue to accrue on your accounts
- (iii) Your creditors may apply for your bankruptcy. In our experience they will only do this if they feel they have more to gain from you being bankrupt. Alternatively your creditors may commence/continue legal action against you, issue enforcement proceedings and make adverse entries on your credit file.

In relation to any fees you have paid to us for the preparation of the paperwork required for your IVA you would not be entitled to a refund of these fees unless we have acted in breach of our terms of business with you.

Please note that we would not recommend an IVA to you if we were of the opinion that the same would not be accepted by your creditors. We will provide you with our views as to your prospects of success at the outset of your instructions.

48. REASONS WHY IVA'S FAIL AT CREDITORS MEETING STAGE

We will advise you at the outset as to your prospects of your IVA being approved by your creditors. If we do not believe that your proposed IVA will be approved by your creditors we will tell you why as soon as practicable. It is completely up to your creditors whether or not to accept your proposal. There is no guarantee that they will do so. Common reasons for creditors refusing to accept an IVA include:

- Continuing to incur expenditure on your credit cards once we have been instructed i.e after knowing you are insolvent. Creditors tend to regard this as fraud, in other words that you knowingly increased your balances on your credit cards when you knew you were insolvent and thus knowing that at the time of incurring the expenditure that you would have been unable to repay your creditors in full.
- Where the Income and Expenditure schedule includes unusually high items of expenditure, without there being a very good reason for this. In such circumstances your creditors will expect you to increase your proposed voluntary contributions by making savings wherever

they deem appropriate. Creditors will usually suggest a figure that they would deem reasonable in such circumstances.

- Where assets are excluded from the proposal without good reason.
- where creditors would get a better return if you were bankrupt and creditors wish to pursue your bankruptcy as a consequence.
- Where the dividend you propose is low
- Where you have previously had a bad relationship with your creditors.

HMRC – Her Majesty’s Revenue and Customs

HMRC have a set of criteria which if not met will result in their rejection of an IVA proposal. They are likely to refuse your proposal:

- Where your Tax/VAT /PAYE returns are not up to date
- Where you have had poor compliance history
- Where you have repaid other creditors ahead of HMRC
- If HMRC feel that you have deliberately avoided paying the tax that is due
- If they disagree with the figure you estimate for our income
- If they feel that the valuations for any assets are inaccurate

49. YOUR RESPONSIBILITIES TO YOUR SUPERVISOR AND YOUR CREDITORS AFTER YOUR IVA HAS BEEN APPROVED

For the duration of your IVA you must provide your Supervisor with:

- (i) Prompt, clear and accurate instructions when requested to do so.
- (ii) All the documentation that he will need to carry out the administration of your IVA as and when required.
- (iii) Look after any documents which he will need for the management of your IVA. Please see paragraph 45 above.
- (iv) You must advise your Supervisor of any changes in your circumstances. For example if you have been awarded a pay rise at work or if you receive any windfalls or inheritances (as these need to be paid into your IVA in addition to your voluntary contributions)
- (v) Assist your Supervisor when requested to do so in the furtherance of your IVA.
- (vi) Notify your Supervisor of any changes in your address, telephone number or employment
- (vii) Refrain from misleading your Supervisor or providing your Supervisor with false information.
- (viii) Make payments into your IVA together with any additional payments due on time as instructed.

Adverse consequences are likely to follow if you are unable to make your monthly payments or any additional payments due in the arrangement. You must contact your Supervisor as soon as you become aware that there might be a problem with this to explain the reasons why and confirm what your prospects are for catching up with late payments. Your Supervisor will advise you accordingly.

50. WHAT HAPPENS IF MY IVA FAILS POST CREDITORS MEETING?

There are various reasons why your IVA could fail. The most common reasons are:

- 1) Non-payment of priority debts
- 2) Non payment of the monthly IVA payment or any additional sums due under the arrangement.
- 3) Failure to co-operate with the Supervisor of your arrangement

If you fail to make the required payments into your IVA it is likely that your IVA will fail. Subject to the modifications that your creditors introduce you may get some flexibility that will allow you to pay any missed payments a later stage. Subject to your creditors prior approval you may get additional time to make up any missed payments. This will depend on the reason for your inability to make the payment on its due date and how long you think you will need to catch up with your payments. If you have failed to make the payments into your IVA or you have accrued arrears with your priority debts providing there is a good explanation it might be possible to hold a creditors variation meeting if there is any change in your circumstances, to request more time to pay or to seek creditors permission to reduce your monthly payment if this would be appropriate say to cover any arrears to priority creditors. It would be your creditors decision as to whether to accept a revised proposal. If your creditors will not agree a variation your proposal will fail. The Supervisor of your voluntary arrangement will advise you on the prospects of your proposed variation being approved by your creditors. If your IVA fails any payments that you have made into the arrangement will be distributed to creditors after a deduction has been made for Nominees fees and Supervisors fees if appropriate.

Your position will then revert back to where it was prior to the IVA being approved. In other words your creditors will:

- (i) Start debt collection procedures again whether by commencing court action or appointing collection agencies to pursue payment of the debt on their behalf. Court action may follow.
- (ii) Interest and charges will accrue on your outstanding accounts at the contractual rate and will be backdated to cover any interest that would have accrued on your debt whilst your IVA was in place.

Depending on any modifications introduced by your creditors, your Supervisor may be required by your creditors to fail your arrangement and subsequently file for your bankruptcy. If this is required your Supervisor will not have any choice but to adhere to your creditors requirements. If your proposal fails and you own your own house as this would be regarded as a trust asset, it may end up being repossessed by your Supervisor and sold so that the equity is made available to your creditors. At the date of failure of your IVA any sums you have paid into the IVA previous to that date will; be used in the first instance to cover payment of the Nominees fees and Supervisors fees.

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 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.

Beesley Financial Solutions Company Limited have their own professional indemnity insurance to cover the areas of liability set out above.

52 CHALLENGES TO AN IVA

A creditor may seek to challenge an IVA if the creditor feels there has been any material irregularity (ie the procedure has not been properly followed) or if they have suffered unfair prejudice. Any creditor wishing to challenge the IVA must make an application to the Court within 28 days of the result of the meeting being notified to the Creditors. Time limits are not strictly applied and the Court has wide discretion to hear such an application dependent on the circumstances outside of the initial 28 day period. A creditor wishing to make such an application to the court and would be expected to make the application promptly. This, fortunately, however, is a very rare occurrence.

If the IVA is successfully challenged at Court the Court has wide discretion as to the Orders that it can make including setting aside the IVA. If this happens you will be in the same position that you were in before the IVA was approved in the first place.

53. INTERIM PROTECTION FROM CREDITORS

If a creditor is taking some form of enforcement action for example a Statutory Demand has been issued and served against you or a petition of bankruptcy has been threatened or issued it may be appropriate to seek some immediate protection from creditors. In order to give us some time to properly advise you and to formulate an appropriate way forward an Interim Order can be secured which would serve this purpose. If an Interim Order is made this would prevent any creditors from continuing legal proceedings or enforcement action. In most cases it is not necessary for us to make such an application to the Court. However we will review your circumstances at the initial stages and keep your creditors actions under review so that this form of relief can be utilised if it is deemed necessary. We will keep you informed in this regard.

54. 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 with you 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 our Complaints Handling Policy, carry out an investigation and do their best to address any concerns that you have promptly and she will write to you with his/her preliminary findings. If you are happy with the Customer Services Manager's response on 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 with Elizabeth Beesley. On receipt of your complaint Elizabeth Beesley, one of the Directors of the Company, will carry out a full investigation also and provide you with a final written response as to how we intend to deal with your complaints 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 within 6 months of our final decision. 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 is available on request and on our website at www.moneysolve.co.uk.

55. 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. Additionally you can find out more by contacting the Money Advice Service. Their website can be found at www.moneyadviceservice.org.uk. You will also be provided with R3's leaflet headed "Is an IVA right for me?" This leaflet contains important information and we would suggest you read it carefully. This is also available to download on our website.

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 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.

56. ABOUT US

We are a Debt Management Company authorised and regulated by the Financial Conduct Authority in the provision of debt management services. Our 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.

57. SHARING OF OFFICE

MoneySolve, Beesley Corporate Solutions Limited, Beesley Financial Solutions Company Limited and Tythebarn Finance Limited share office premises. The companies are all separate and independent of one another although they are all a part of Astute Money Limited, the holding company which is owned wholly by Elizabeth Beesley one of the Directors of MoneySolve . 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. We will always act in your best interests.

58. 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. We do not receive a referral fee for referring cases to Beesley Financial Solutions Company Limited.

59. FINANCIAL SERVICES COMPENSATION SCHEME.

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

60 NUISANCE/ UNWANTED TELEPHONE CALLS

Please see our separate Data Protection Booklet for further information.

61 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 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 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 a commercial debt management company or a 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 £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 been 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 proceedings 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 contract with your creditor. It requires 75 percent of your creditors voting by value 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.