

Key Facts – Debt Management Programme

Please ensure that you read these particular paragraphs carefully.

1. Your Instructions and Our Services: to advise you and help set up your Debt Management Programme and to administer payments to your creditors. see paragraph 1.
2. The Minimum Duration of your Debt Management Programme, see paragraph 5.
3. Data Protection policy, see paragraph 7.
4. Priority Debts, see paragraph 8.
5. Our Fees and Charges, see paragraph 9 and 10.
6. Interest and Collection Activity by your Creditors, see paragraph 15.
7. Your Credit Rating, see paragraph 18.
8. Consequences of missing payments, see paragraph 25 and 45
9. Periodic Reviews, see paragraph 32
10. Equality and Diversity, Disabled and Vulnerable Clients, see paragraph 39
11. Cancelling Your Instructions to Us, see paragraph 42.
12. Terminating this agreement, see paragraph 43.
13. Your responsibilities to us, see paragraph 44
14. Complaints Procedure, see paragraph 49
15. Other Guidance Material and Sources and advice, paragraph 50.
16. Joint Debt Management Programme, paragraph 59

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

DEBT MANAGEMENT CLIENT CARE BOOKLET

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DEBT MANAGEMENT CLIENT CARE BOOKLET

INTRODUCTION

Welcome to MoneySolve. Thank you for instructing us to deal with your Debt Management Programme and choosing us to help you with the difficulties that you are presently experiencing in repaying your unsecured debts. We are a commercial for-profit organisation. We aim to be completely transparent in our dealings with you hence this explanatory leaflet. 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 also in order that you can read and consider the details it contains at your leisure. We will always treat you fairly and endeavour to act at all times in your best interests. Please feel free to ask us about anything of which you are uncertain. A copy of our Treating Customers Fairly policy is available on request. We will provide you with a full explanation of the different options available to you so that you are able to make an informed choice about how you want us to assist you in resolving your present financial difficulties. 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 the Schedule of Options documents that have been provided to you. These documents are designed to assist you and to provide you with essential information regarding the options available to you and the management of your Debt Management Programme with us.

Your Debt Management Programme is an informal programme designed to get you out of debt at an affordable, sustainable and appropriate level of repayment that is fair to you and to your creditors. You agree to make payments to your creditors regularly through an affordable payment plan managed by us. The repayment level is based on our discussions with you and our assessment of what you can comfortably afford to pay by calculating the surplus income that you have on a month by month basis. The duration of your programme is directly related to the amount of the monthly payment. The higher the monthly payment the shorter the duration of your programme. We will work with you and your creditors to establish a workable and sustainable Debt Management Programme based on this. We will write to your creditors requesting that they accept reduced pro rata payments towards the repayment of your debts and request that they at least reduce or totally extinguish the interest and charges that your creditors are entitled to charge you under the normal terms of your contract with them.

This document sets out in detail the things you need to know about your Debt Management Programme and your relationship with us. You should read it very carefully and contact us should there be any matters that you are uncertain of. Please keep it in a safe place for future reference. Please do not hesitate to contact us for further information and guidance.

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 work in partnership with you and your creditors in order to ensure that your overall objectives are met. We will also provide you with the highest standard of services and we 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. We will be there to support you every step of the way and to help you to achieve the best possible outcome for you.

1. YOUR INSTRUCTIONS

You have instructed and appointed us to act on your behalf for the purposes of preparing a financial statement for you and securing the repayment of your debts through an informal Debt Management Programme. With your help and co-operation the financial statement we will/have prepared for you should present your creditors with a clear and complete picture of your overall debt level, the availability of any surplus income that you have and the assets in your ownership and their values. The surplus figure that you will make available to your creditors each month should be realistic, sustainable and should be appropriate to your circumstances. In order that we can assess this we will ask that you provide your last 3 months bank statements and payslips or other relevant proof of income in order that we can verify your surplus available income for your debt management programme. We can use estimates for some items of your monthly expenditure where you cannot provide documentary evidence of the same. However, creditors have guidelines that they work to as an indicator for acceptable levels of household expenditure. If any of your items of expenditure are unusual or higher than your creditor's guideline figures we will ask you for an explanation and you will need to provide documentary evidence to support that item of expenditure. Adverse consequences would follow if your creditors are unhappy with any items of your expenditure or if they are of the view that items of your expenditure are higher than what they consider to be reasonable in your circumstances. These consequences are detailed in paragraph 16 below. If, when you have provided information to us your expenditure is significantly lower than the creditor guideline figures for any item of expenditure we will assess and advise you on how sustainable your expenditure is likely to be at the lower rates of expenditure. We can make adjustments to your schedule subject to your approval in order to ensure that the figures we agree with you upon which your debt management programme will be based are sustainable in the long term subject to any subsequent changes in your circumstances. We will also discuss with you any immediate demands on your finances for example a quarterly bill that is due for repayment and how that is to be financed. We will make allowances that will take into account irregular and seasonal expenditure for example added childcare costs during school holidays or added fuel costs in winter. We will also look at the stability and status of your employment. By this we mean that if your income is unstable for example if you work under a zero hours contract or if you work for an agency both situations may impact your ability to repay your debts. We will take all such factors into account when providing advice to you.

We are under a duty to provide as accurate and up to date information as is possible to your creditors in order that they can properly assess your position. We cannot mislead your creditors either deliberately or by omission. If they are not totally satisfied with the information we provide on your behalf, they will ask questions and this could delay the implementation of your programme. If we have not already done so we will shortly be writing to your creditors, commencing negotiations with them and informing them that we are acting on your behalf. We will if we have not already done so: -

- (i) Request up to date balances on your accounts
- (ii) Request that interest and charges be frozen on all your accounts
- (iii) Request that in future they contact us directly if they have any queries on your accounts
- (iv) We will thereafter verify the advice we have given you
- (v) We will then forward the financial statement you have approved to your creditors and offer pro rata payments to all your creditors. We have a minimum monthly payment of £1 to each creditor.

It is important that you provide us with full details of the identity of all of your creditors, account numbers and estimated balances on your accounts that are due and outstanding. All your unsecured creditors will need to be included in the programme (unless we are unable to deal with them, please see paragraph 22) If for any reason you wish to exclude any of your creditors you must tell us before hand as this may well impact on the advice we give you. Please note that we cannot process a payment to a creditor which appears on your schedule with no reference number. As we have to distribute the payment within five days of your payment to us we will remove that particular creditor from your creditor schedule and our management in order that we can make a distribution to the creditors that we do hold reference numbers for until such time as you can provide us with the correct account number for the creditor we will have removed from your programme.

A Debt Management Programme does not have any impact on your secured creditors. We will ensure when preparing your Debt Management Programme and your financial statement that proper allowance is made for any secured loan expenditure you have to enable you to make payments to your secured creditors directly and in full each month in addition to the proposed payment into your Debt Management Programme. We will however check what assets you own and their values as some debt solutions are impacted by property ownership. We will also discuss with you whether you would be willing to sell assets to repay your debts. We will always have regards to your needs and expectations in this regard.

Where we recommend a joint debt management programme between you and another person (normally your partner) we will prepare a joint household income and expenditure which will form the basis of your Debt Management Programme based on joint circumstances if this is in your best interests for us to do so. Where you and your partner operate separate finances, we may recommend separate Debt Management Programmes. It is essential therefore that you tell us if you do operate separate finances. We aim to put together the most optimum programme to suit your circumstances subject to your needs and expectations.

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

You will receive with this booklet a Schedule of Options document that details all of the debt options that are available to you when considering which debt solution best suits you. This includes the advantages and disadvantages of each option. We will provide advice to you on all the options that are available to you. We will advise you as to why we feel that the option we have recommended is the most appropriate to your circumstances in order that you are able to make an informed choice as to how you wish us to proceed. We will take into account your expectations, your preferences and your desired outcomes. It is important for you to note that your co-operation and assistance with the programme is mandatory. We will not be able to provide updated advice to you and up to date information to your creditors if you do not help and co-operate with us. We would ask that you keep in regular contact and reply promptly to the letters we send you and our telephone calls, if you fail to do so we may have to terminate your programme so please do not ignore at any time our letters or telephone calls.

3. APPOINTMENT

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

Upon receipt of the above documents and all the information we have asked you for we will write to your creditors as soon as possible but not later than 14 working days informing them of our appointment and provide them with your details, our instruction by you and the proposed date of your first payment into your Debt Management Programme to us. We will inform your creditors as to when they can expect the first payment under the programme. In circumstances where you do not provide us with your creditors account numbers, we will not be able to write to your creditors until such time as the reference numbers are provided to us. Subject to your providing the account numbers in all likelihood it is possible that your creditors will receive the letter notifying them of our appointment at the same time as we are ready to disburse your first payment to your creditors. As indicated above we will not be able to distribute payment to creditors for who we do not have a valid account/reference number.

4. PROGRESSING YOUR PROGRAMME

We will endeavour to keep you updated on all developments with your creditors and contact you should we require your further instructions. We would respectfully request that you provide us with a prompt reply to all our letters and telephone calls and provide us with the documents we need for the management of your programme when asked. Our overall aim is to help you get out of debt in the shortest possible time at a monthly payment that you can afford. If you have different aims to this, please tell us as soon as possible. Additionally, as part of our service to you (and our

regulatory body requires us to do this) we will review your file periodically (your co-operation will be needed to facilitate this in order that we can update our advice to you and ensure that the continuance of the Debt Management Programme is in your best interests). We will do our utmost to ensure that we progress you to an accepted Debt Management Programme as soon as possible. It is imperative that you contact us when we ask you to do so. Adverse consequences may follow if you do not do so such as termination of your Debt Management Programme (please refer to paragraph 43.1 below)

5. THE MINIMUM DURATION OF YOUR DEBT MANAGEMENT PROGRAMME

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

- (i) Whether your creditors agree to freeze interest and charges that are being applied to your account. We will keep you informed in this regard.
- (ii) The balance figure for your outstanding debts that you owe is correct and that you do not have and do not incur further debts for the entire duration of the programme.
- (iii) Your creditors do not continue or commence legal or enforcement action against you as if they do legal costs and charges will be added to your account and will inevitably escalate the size of your debt and extend the duration of the programme.
- (iv) You maintaining your payments under the programme. Missed payments will result in the duration of your Debt Management Programme being extended. In the event of you missing payments to the programme we will write/contact you in order to undertake a review. Once we have reviewed your documentation and reassessed your financial position if it becomes apparent to us that your circumstances are no longer suitable for a Debt Management Programme or another solution is more appropriate for you we will revise our advices to you. We would ask that you contact us as soon as it becomes apparent to you that you cannot make the monthly payment for help and advice.
- (v) Co-operation with the review process may result in an opportunity to reduce the duration of your programme or the amount of time you spend in debt. For example, if you were in a position to increase the amount of your monthly payment into the programme or in the event of your circumstances being better suited to an alternative debt solution.

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

- a) You may have substantial equity in a property or properties you own, and you wish to retain these in spite of your unsecured debts being due and outstanding.
- b) Where your circumstances are likely to improve in the short to medium term so that once the improvement has taken place the duration of your programme will last no longer than ten years. If the duration of your programme is going to last more than ten years as in all circumstances, we will advise you as to all the options available to you and keep the duration of your programme under regular review.
- c) Where a formal debt management solution such as an IVA or Bankruptcy may impact on your employment/career.

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

6. THE DEPARTMENT RESPONSIBLE FOR DEALING WITH YOUR CASE

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

7. PERSONAL INFORMATION/DATA PROTECTION

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

8. PRIORITY DEBTS

The preliminary Financial Statement that we have prepared on your behalf 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 as is the position with unsecured debts, Court action may follow including the use of Bailiffs, repossession of any assets you own which will be sold to pay any arrears and in extreme cases imprisonment. Non-payment of priority debts will also result in your Debt Management Programme becoming unworkable. If you are experiencing difficulty in meeting payments to your priority creditors this would be a very urgent matter and we would ask that you, please contact us for advice and help 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 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 is appropriate and/or will be possible.

9. OUR FEES

Part 1 – Set up Fees

We are required by our regulatory body to provide you with an explanation as to the reasoning behind the fees we charge you. As we do not receive funding from any other source the charges we make to you for using our services helps us maintain our overheads and provide our service to you and to clients who seek our advice but do not take up our services. Our costs can be divided into two parts. The costs that we will charge you for the first six months of the programme known as our administration/set up fees and the fees that we will charge you from month seven onwards known as our management fees.

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

- (i) The work that we will need to undertake in order to put together your programme for your creditors approval is as follows:
 - a) Contacting your creditors to notify them that we are acting for you requesting current balances on all your outstanding accounts;
 - b) Updating your creditor schedule and preparing a final list of your creditors which accurately sets out your present total outstanding debt creditor co-operation permitting;

- c) Preparing/reviewing your income and expenditure and finalising an accurate schedule stating your surplus disposable income which is to be paid to your creditors each month;
- d) Detailing any assets you own and their total value and assessing the impact of any assets on our assessment as to the most appropriate solution for dealing with your debts.
- e) Dealing with all queries your creditors may have for the first six months of your programme

(ii) We will discuss matters with your creditors where appropriate and help allay any concerns they have about your circumstances and proposed repayments.

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

(iv) Distributing each month for the first six months of the programme the monthly pro rata payment to your creditors less our fees.

Our set up fees for providing this service are fifty percent of your first six monthly payments into your programme. In other words, for the first six months of the programme your creditors will only receive fifty percent of the payment that you make to us. The remaining fifty percent will be kept by us to cover our fees and will not be distributed to creditors. For our clients who have opted to pay weekly our set up/administration fees will be 50% of your first 24 weekly payments. The total sum of the set-up fees for the first six months of your programme are shown and set out clearly on the outcome statement that we have forwarded to you. The purpose of spreading the set-up fees over the first six months of the programme is to enable you through your programme with us to make significant payments to your creditors from the first month of the commencement of the programme. We confirm that for the first six months of your programme our total costs will not exceed fifty percent of your monthly payment to us. The monthly management fee will be deducted from your month seven payment and all subsequent payments into the programme. Fifty percent of the first six months payments roughly equates to your first three months payments plus our management fee for distributing payment to your creditors each month. For the first six months of your programme the size of your debt will not reduce in line with your monthly payment as part of your payment is used to pay our fees as set out above. Additionally, if your creditors have not agreed to freeze interest and charges the overall size of your debt during that period may well increase. Should you require any further information about our set up fees please do not hesitate to ask us.

10. MONTHLY MANAGEMENT FEE

These are the fees that we charge you and which are payable from month seven of your programme onwards. The management fee is the charge we make to you for managing your Debt Management Programme on a month by month basis after the first six months. The management fee we charge covers:

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

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

- (i) Agree to freeze the interest and charges accruing on your accounts (see paragraph 14 below).
- (ii) Agree to suspend/stop any on-going or any pending legal action
- (iii) Accepting reduced payments under the programme.
- (iv) Whether you maintain regular monthly payments due under the programme.

The duration of the programme will impact directly on the total amount of the management fee that you will pay to us for the duration of the programme. You will have been provided with our total management fee cost estimate in the Outcome Statement provided to you at the outset of your programme and periodically thereafter. We will assess the accuracy of this estimate when we carry out the reviews set out in paragraph 32 below. Your fullest co-operation will be required in regard to the reviews. In the interim period if you require on-going information regarding the total fees that we will charge you for completing your Debt Management Programme please contact us and we will provide you with an updated Outcome Statement. If you require further information at any time about any aspect of our costs and charges, please do not hesitate to contact us.

In respect of both our set up fees and our management fees we will transfer these from our clients account to our office account once the distribution has been made to your creditors for that month.

11. CLIENTS WHO OPT TO PAY WEEKLY

If you are a client who has opted to pay weekly we will distribute to your creditors every fourth weekly payment you make into your programme. As we will be making thirteen payments per annum to your creditors instead of twelve (which would be the case if you were to pay monthly) you would therefore be liable to pay an extra monthly management fee to us each year that essentially covers the cost of us having to make an additional distribution to your creditors on your behalf each year. It would be in your interests to pay monthly by standing order as this will result in us distributing payment to your creditors monthly and therefore we would be distributing twelve months payments as opposed to thirteen and the saving of one monthly management fee for you. Please contact us if this is of interest to you. If you have opted to make your payments into the Debt Management Programme weekly as we will distribute to your creditors the fourth weekly payment you make. This may have the effect of increasing the size of your debt whilst we collect the four weekly

payments that you make for a single distribution. Consideration should be given to setting up payments into your programme on a monthly basis by Standing Order.

12. 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 endeavour to contact you in order to explain and advise you of this and clarify your revised options. This is likely to arise in circumstances where there has been a change in your circumstances, creditor policy or the Law. 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 you by way of fees, if any, and seek your agreement to those fees before any additional charge is made. For example if due to a change of circumstances an IVA may be a more appropriate solution to you we may retain your last payment into the Debt Management Programme to cover our fees in finalising your documentation, preparing the first draft of your proposal documentation ready for your signature and the listing of your meeting of creditors.

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

You are contractually obliged to make the contractual monthly payment to your creditors. (These payments are set out in the loan agreement that you signed at the time credit facilities and or bank loans were made available to you). If you fail to pay those payments in full, at all or on time the consequences are that: -

- (i) Additional Interest and Charges will be added to your account
- (ii) Default notices may be served (i.e. sent to you)
- (iii) Legal action may be commenced/continued and a County Court Judgement may be entered against you
- (iv) There will be an adverse entry made on your credit file by the credit reference agencies (see paragraph 17 below)
- (v) Your creditors may ultimately issue bankruptcy proceedings against you or other enforcement proceedings through the Court.
- (vi) You will experience increased direct creditor contact.

If a County Court Judgement is entered against you your creditor(s) may commence recovery proceedings against you in an effort to secure payment of the judgement debt. Such action could include Bailiffs seeking security for the Judgement debts against any personal belongings you own (e.g. your motor car) or alternatively Charging and Property Orders. If this happens the unsecured debt becomes secured against your property. If at all possible, you should endeavour to meet the contractual payments to your creditors. Failure to meet contractual payments will more than likely result in adverse credit entries being made on your credit file which will impact

on your ability to obtain credit and financial services in the future. Even if you are able to access such services, such services are likely to be at a higher rate of interest and therefore at an increased cost to you and on less favourable terms. In some circumstances we may even advise you to cancel any existing payment arrangements that you have with your creditors. We will advise you to do this if we are of the view that this would be in your best interests. If we do advise you to cancel pre-existing repayment arrangements, we advise you to let your creditors know of the position and that you have cancelled repayments based on the advice we have given you. We similarly will advise your creditors of this ourselves when we write to them advising them of our involvement and your instructions to us.

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

If you think that you will miss payments into your Debt Management Programme it is essential that you contact us at the earliest opportunity to inform us as to the reason. Missed payments are a warning light to us that could indicate that Debt Management may no longer be in your best interests. It would also act as an indicator that there has been a change in circumstances, the amount of the monthly payment being too high, health issues, loss of job or some other reduction in income. It is vitally important that you keep us informed of any changes in your circumstances and as indicated above any changes that impact or could potentially impact your ability to repay your debts.

We will keep your creditors informed if you fail to make a payment into your Debt Management Programme within 30 days of your failing to pay your monthly payment. They will already be aware of course that a payment has not been made and they may contact us or you directly for further information as to the reason for the missed payment. If we know the reason for your non-payment, we will advise your creditors of this reason accordingly. They are more likely to be helpful and sympathetic if there is a good reason for your non-payment and that a reason has been provided to them. If you do not provide us with a reason for non-payment or co-operate with us to the fullest extent then we will be unable to in turn provide this information to your creditors. This is likely to impact negatively on you and your programme. If we have been successful in negotiating reduced interest and charges for you previously your creditors may well reinstate the contractual interest and charges that they can charge on your account at the commercial rate. Additionally, late payment charges could also be charged which will cause the size of your debt to increase. As a result, this will also increase the length of time you will spend under the programme and the total costs of our managing your programme. Your creditors will also make another adverse entry on your creditor file which could impede or compromise your ability to secure financial services in the future for a further 6 years. Please see paragraph 18 below. In relation to you missing your first payment into the programme please see paragraph 25 below.

15. INTEREST AND COLLECTION ACTION BY YOUR CREDITORS

Your creditors are not obliged to accept reduced payments under the Debt Management Programme or freeze the interest accruing on your accounts. In addition,

there is no guarantee that any existing collection actions, including default notices and court action will be suspended or withdrawn. Our experience of dealing with creditors is that most creditors will agree to freeze or reduce interest and stop collection action but only after you have maintained regular payments under the Debt Management Programme. Reduced/frozen interest and charges are likely to continue subject to your co-operation with the review process (please see paragraph 32) and is conditional upon your payments into the programme being made by you in full and on time unless there is a very good reason for you not doing so which you communicate to us and which we in turn communicate to your creditors.

If your debt has been transferred to a collections agency it is likely that interest and charges may be frozen at that juncture. Some creditors will not agree to freeze interest and charges irrespective of whether you maintain regular repayments under a Debt Management Programme. In such cases the rate of repayment under the Debt Management Programme may not cover the accruing interest on the account. Therefore, your debt owing to such a creditor will increase over time. In such circumstances we would advise you to endeavour to make additional payments to that creditor if you can. We will endeavour to inform you if we feel that the continuance of the Debt Management Programme is not in your best interests and discuss alternatives that might be available to you. This will very much depend on your individual circumstances and your preferences. Your fullest co-operation with the review process will be needed in order to facilitate this (please see paragraph 32). Failure to co-operate with the review process could result in the reinstatement of interest and charges on your account as well as enforcement or legal action. If this happens the size of your debt will increase. Please feel free to contact us if you need guidance or help. We have already provided you with an estimate of how long we believe your programme will take to complete (i.e. pay off your creditors in full) based on the realistic monthly payment we have calculated for you however, in reality it may take longer for you to repay your debts fully depending on whether the interest and charges are frozen and whether your creditors are content to accept payment under the programme. We will not know your creditors views in this regard until such time as we begin negotiations with them. We will provide you with monthly updates setting out which of your creditors have agreed to freeze or reduce interest and charges and those which have not. If we feel that a particular creditor's conduct is prejudicial to the continuance of the programme or if we feel that there might be other relevant/alternative solutions that are available, we will contact you in order to advise you of these. Should we experience difficulties with any of your creditors we will advise you and provide you with details of how this might impact on your proposed Debt Management Programme.

16. UNHAPPY CREDITORS DURING THE DEBT MANAGEMENT PROGRAMME

There is no requirement in law for your creditors to:-

- (i) Agree to reduced payments under the Debt Management Programme;
- (ii) Agree to freeze the interest and charges;
- (iii) Refrain from taking or continuing legal action against you;

Some creditors may not agree to any of the above regardless of your circumstances. It is possible that such creditors may issue Default Notices under the Consumer Credit Act 1974 and subsequently issue legal action against you for the recovery of the total outstanding sum you owe them.

If this happens then this will result in:

- (i) Your overall debt increasing;
- (ii) An extended repayment period; (i.e. it will extend the time it will take for you to repay your debts)
- (iii) Legal/Court costs will be incurred by the creditor and they will add these costs to your outstanding balance thus increasing the overall debt you owe.
- (iv) Your credit rating being further compromised. Please see paragraph 17 and 18 below.

As a Debt Management Programme is an informal arrangement we may not be able to prevent your creditors taking whatever action they wish to take. Your creditors whilst unlikely to do so may without notice modify the repayment levels agreed in the programme and in such circumstances the programme may need to be revised. We will advise you if this becomes necessary. Regulatory guidelines by which Debt Management Companies and creditors are bound preclude creditors from refusing to deal with us unless there is a very good reason. If your creditors refuse to deal with us we will tell you and if appropriate we will contact the Regulatory Body as soon as practicable. We will agree an appropriate course of action with you. If any of your loans have the benefit of a reduced interest rate, for example 0% interest for an initial fixed period then you must tell us straight away as this might affect the advice we give you. Similarly if any of your loans have a higher rate of interest please bring this to our attention as this may also affect the advice we give you, particularly if that creditor refuses to freeze the interest and charges accruing on your account under the Debt Management Programme.

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

1. If they feel that you are not co-operating with the review process (please see paragraph 32)
2. If you do not make your monthly payments on time.
3. If you refuse to increase the amount of your monthly payment if it is appropriate to do so.

Understandably your creditors expect the repayment of your debt in the shortest time possible unless there is a very good reason for you not doing so. Unreasonably long Debt Management Programmes are therefore likely to cause issues for your creditors and therefore impact on you.

We will advise you if for any reason we are of the opinion that your conduct is prejudicing the management of your programme and your creditors' satisfaction with it. Please note non co-operation with the review process is detrimental to your interests and is likely to hamper our efforts to secure a good outcome for you. Additionally it could also result in us giving consideration to the termination of your

Debt Management Programme especially in circumstances where the information we hold about you is out of date or if we know there has been a change in your circumstances and by reason of your non co-operation we have been unable to update the information we hold and our advice to you.

17. CREDIT REPORT

Whilst we are preparing the documentation that will be needed for your Debt Management Programme it would be very helpful if you could provide us with a copy of your credit file from one of the credit reference agencies. 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 491 Leeds 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 (Please note that the Noddle credit reports can be accessed directly online are free of charge at www.noddle.co.uk)

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 all your creditors and the current balances outstanding. It will also help us to identify the status of any judgements and enforcement proceedings or any additional creditors that you have notified us of previously. 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. If you obtain a copy of your credit file we can check the accuracy of the entries that have been made by your creditors and ensure that in the fullness of time your credit file improves in line with our expectations. We will not be able to check this on your behalf if you do not provide us with a copy of your credit file at the outset of your programme.

18. YOUR CREDIT RATING

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

financial services these may be at a higher rate of interest and therefore at an increased cost to you and on less favourable terms.

Credit Reference Agencies keep information relating to your payment and credit history for six years. This assumes that a Default under the Consumer Credit Act 1974 has been properly recorded on your credit file by your creditors. Our experience of this is that creditors often do not keep these records up to date, in which case creditor's entries may stay on your file longer. If this happens it will take longer than six years for your credit file to improve. Whilst your creditors are under a duty to keep the data they hold about you up to date we cannot control when your creditors make an entry on your credit file if at all. As indicated in paragraph 17 above if you provide us with a copy of your credit file we can check the appropriate entries have been made. If the appropriate entries have not been made this could delay the timely improvement of your credit file. Even with the successful completion of your Debt Management Programme this might not result in an immediate improvement in your credit rating as entries stay on your file for 6 years. Whilst it is possible to apply for incorrectly recorded adverse credit entries to be removed from your record, creditors will only do this if they agree that there has been an error. You have the right to access your credit reference file and where inaccuracies have been noted request that your creditor remove inaccurate/false information. 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 17 above. In circumstances where an adverse credit entry has been made and we do not agree it is appropriate but your creditor disagrees it is possible for you to appeal the decision to the Financial Ombudsman Service who will review the decision and determine whether the adverse entry is appropriate or not.

19. PUBLIC REGISTERS OF INSOLVENCIES

The Insolvency Service maintains a register of Bankruptcies, IVA's and Debt Relief Orders. There are similar provisions applicable to orders made in Scottish Courts for Scottish residents. These registers are accessible not only to lenders but also to other members of the general public. There is a public register of Debt Management Programmes for those living in Scotland. This is restricted to use by lenders only at the present time. Judgements and decrees are recorded by credit agencies for six full years from the date of Judgement.

20. YOUR BANK ACCOUNT

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

facilities. Entering into a Debt Management Programme may also affect your access to other financial services. See paragraph 18.

21. JUDGEMENTS

We are not a firm of Solicitors. We do not give legal advice. However, if a Judgement has been entered against you it can only be removed from the register of Judgements and from your credit reports if the full amount is paid within one month of the date of the judgement or if the judgement is “set aside” by the Court. (This means the Judge is of the view that the debt is disputed or it has been entered in error. If this happens you will be given an opportunity to defend the claim). You can (and we can help you if you wish) apply to the Court to have a judgement set aside where you have a good reason to do so. If the judgement is set aside you will be put in the same position as you were in at the start of the claim. If a judgement is re-issued and you cannot pay the full amount within one month of the judgement, the new judgement will be recorded on your credit file for six years from that date. County Court and High Court judgements are entered on to public registers operated by Registry Trust Limited. This can be accessed by the public on the Trust Online website at www.trustonline.org.uk. The entry will remain on the Register and your credit report for six years and may well impair your credit rating and your ability to secure financial products and services in the future. In Scotland, Judgements are called decrees and are issued by the Small Claims and Summary Causes Sheriff Courts.

22. CREDITOR DEBTS WE CANNOT DEAL WITH

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

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

If you have debts owing to any of these creditors please tell us. We will advise you on what you need to do on a case by case basis. Our experience of the above creditors is that they very rarely agree to be included under the Debt Management Programme and will generally not accept pro-rata payments under the programme. They often will not agree to freeze interest and charges. Such creditors prefer to deal directly with you although we are always available to give advice or guidance should this be necessary. If you have debts outstanding to such creditors we will provide for payment of these debts in your financial statement as a preferential creditor in order that you can make a payment to them on a monthly basis outside of the Debt Management Programme. We will advise you fully on this matter if it is relevant to your situation.

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

- i. **Child Support Payments:**
Payments can be deducted directly from your salary or certain benefits that you may be entitled to. Alternatively, they can deduct payment either by regular amounts or one off payments directly from your bank account. If these methods are not possible or do not deliver a good outcome Court action may follow. Court action could result in Bailiffs being instructed to seize and sell assets to cover owing child maintenance; imprisonment or forcing the sale of a property in order that child maintenance can be paid.
- ii. **Fines:**
Failure to pay Court fines could result in Bailiffs becoming involved as above or an Attachment of Earnings order where the fine can be collected from your salary or any benefit entitlement. The fine could also be secured by way of a Charging Order against your property. Continued failure could result in further referral to Court where the size of the fine could be increased by 50%, ordering you to undertake unpaid work known as “Community Service” and ultimately imprisonment.
- iii. **Failure to pay taxes and/or NI contributions as and when they fall due:**
Daily interest and late payment charges will be added to any unpaid taxes. If your debt is greater than £5000 then HMRC could start Bankruptcy proceedings against you. They could also deduct outstanding sums from your wages or any savings you may have in bank accounts.

23. JOINT AND SEVERAL LIABILITIES TO CREDITORS.

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

24. CORRESPONDENCE/CONTACT WITH YOUR CREDITORS

You should not ignore correspondence or other contact from your creditors or their representatives. It is very important that you forward correspondence to us and keep us informed of any contact you have had with your creditors. We will advise you accordingly. Ignoring correspondence from your creditors is likely to result in enforcement and/or legal action. If you do not wish to receive any further communication from your creditors please could you let us know and we will write to

your creditors accordingly. Your creditors are not entitled to bypass us as your appointed representative unless there is a very good reason for them doing so. 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 on the face of it 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 would comply with this request.

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

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

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

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

26. DISBURSEMENT OF YOUR PAYMENTS TO YOUR CREDITORS

Once you have made your first payment to us we will deduct our administration/set up fees (see paragraph 9) and distribute the balance of your payment to us on a pro-rata basis to your creditors. From month seven of your programme onwards we will deduct our management fee from the payment you make to us before distributing payment to your creditors. (please see paragraph 10). We will disburse to your creditors the cleared payment you make to us within 5 working days of receiving cleared funds from you at the latest. If we are unable to disburse your payment for whatever reason we will inform you of the reason for this and we will also write to

your creditors to let them know. For our clients who have opted to pay weekly as opposed to monthly, we will disburse every 4th cleared payment to creditors within 5 days of our receipt of the fourth payment. We will forward a statement of account to you monthly once disbursement of your monthly payment or your four weekly payment has taken place. The purpose of the statement is to update you on:

- (i) The most recent balance we have available on each of your accounts
- (ii) The monthly amount that each creditor has been paid under the programme
- (iii) A note of which of your creditors have agreed to reduce or freeze interest and charges accruing on your account
- (iv) Which have agreed to accept the monthly payment under the programme.
- (v) The amount of our fees that we have deducted from the payment that you have forwarded to us.

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

As we will distribute payment of your first month's payment into the programme it may be that we will not have had sufficient time to finalise your financial statement before we distribute the first payment to your creditors and quite possibly the second and third monthly payment you make into your programme. Where the financial statement is in draft, we will tell your creditors that this is the case and we will endeavour to finalise the same as soon as possible. Your fullest co-operation is needed in order for us to be in a position to finalise the financial statement. Your programme may be compromised if we are unable to verify the information that you have provided to us.

We would respectfully request that you make your payments into your Debt Management Programme with us by Standing Order. This will enable us to process your payment and disburse it to your creditors within the 5 days as set out above. If you are proposing to make your monthly payment by cheque for various reasons (please see paragraph 28) a situation could arise where we cannot distribute payment to your creditors within five days of receipt of your cheque. If your creditors do not receive a payment within the expected time frame interest and late charges could be added to your account and the debt may increase. It is therefore very important that you provide us with all the information we need and preferably make your monthly payment into your programme by Standing Order monthly as soon as possible. If the date which we have agreed for making your payment to your creditors has passed whilst we wait for the funds to clear our clients' account then it is possible that your creditors may apply late payment charges and interest to your account. Such late payments will be recorded on your credit file which could compromise your credit rating further. In order to avoid this it is sensible that your monthly payments to be set up by standing order wherever possible. Occasionally there may be circumstances where we are not in possession of sufficient information for payment to your creditors to be made. In circumstances where we do not have an account number for one or more of your creditors that will be included in your Debt Management Programme we will temporarily remove that creditor's details from your financial statement in order that the payment you make to us can be distributed within five days of receiving those

funds to those of your creditors for whom we hold the right information. We will re-add the removed creditor at a later date when you have provided us with their details. We will of course let your creditors know that this is the position and forewarn them to expect a lesser payment when the full details of the missing creditor are known and all the creditor(s) can be re-added to the creditor schedule and be included the programme.

27 CASH PAYMENTS INTO YOUR DEBT MANAGEMENT PROGRAMME

Wherever possible we would advise you to set up payment into your debt management programme by Standing Order. This will enable us to ensure that we are able to distribute payment within five days of receiving your cleared monthly payment into your account. Where you choose to pay your monthly payment into your programme in cash by card payment into our clients account, this may present problems for us in managing your programme. For example, we have experienced difficulties historically where upon receipt of cash funds into our client account we have not been notified as to the source of those funds by the bank. In those circumstances we have been unable to allocate the payment to the correct amount or to distribute payment to our client's creditors within five days of receipt as we had not been provided with sufficient information to say with any certainty against which of our clients the cash payment should have been allocated. The consequences of us not being able to distribute payment to your creditors on time is

- Your creditors will apply late payment charges and interest against your account. If this occurs the size of your debt will increase.
- Your creditors may commence recovery proceedings and/or legal action against you. Such actions will also result in the size of your debt increasing.
- We will have to retain your funds for longer than five days as we may not have sufficient information to know who/where to return/send the money to.

In order to avoid these risks, we would request that you make your monthly payments by standing order. We will do all that we can to assist you to facilitate this if you are in agreement or should you have any difficulty in this regard

28. PAYMENT INTO THE PROGRAMME BY CHEQUE EACH MONTH

If you intend to pay your monthly payment into your debt management programme each month by cheque there are various issues that may arise during your programme as a result.

The debt management programme will only work effectively if you maintain regular payments into your programme. If you have chosen to make the monthly payment by cheque any delay in your sending payment to us or any delays in postage could cause you to miss the date your creditors expect to receive the monthly payment into your programme.

Once we receive the cheque you send to us each month the procedure is that we will arrange for this to be banked straight away so that the funds can clear our Company's client account in the shortest possible time.

Our regulatory body requires us to distribute payment to your creditors within 5 days of us receiving cleared funds from you.

When we present the cheque that you have forwarded to us to our bank the sums you pay into your programme will show on our client account bank statement the day the cheque is presented or the day after depending on the time of the day that the cheque is physically taken to the bank. The processes and systems we have in place currently for managing our clients' payments means that we will not actually disburse payment to your creditors for 7 days after the cheque has been presented to the bank. The reason for this is that if the bank were to stop the payment or if the payment was stopped by you for any reason essentially if the distribution had already been made to your creditors within the required 5 days, your creditors would have essentially received another of our clients' money in payment of your debts and this would create a misleading impression that you had made your monthly payment when in reality you had not and secondly cause a management problem for us. We therefore can't risk this happening so we will only send payment to your creditors after 6 full days of the cheque being presented to the bank have elapsed. In other words, we will treat day 7 as the day that the funds are available for distribution and we will make the distribution of your funds on day 7. We trust that this is acceptable to you.

Due to the above potential problems we respectfully request that you give further consideration to making your payment each month by standing order. A standing order is a far more convenient and efficient method of payment and will ensure that we receive the payment as soon as it leaves your account. This will help us to process your creditor payments in an efficient manner within the required five days of receiving cleared funds instead of seven. Please contact us should you wish to pay monthly by standing order in order that we can send a Standing Order Mandate to you as soon as possible.

29. PROCESSING OF PAYMENTS AND DELAYS BY CREDITORS

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

30. OUR CLIENTS ACCOUNT

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

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

If during the course of the Debt Management Programme with us you wish to discuss/correspond with your creditors directly regarding your financial position you are perfectly entitled to do so. All that we ask is that you keep us informed and forward copies of any letters you send to them to us. We will update you on any correspondence we receive from your creditors and provide you with copies of key correspondence arising whilst we have conduct of your Debt Management Programme. By the same token we ask your creditors not to contact you directly. However, some of your creditors may continue to contact you in spite of our request not to do so. In our experience when the programme is up and running and your creditors are receiving a regular payment this should diminish the level of contact. You may still continue to receive monthly statements from your creditors.

32. PERIODIC REVIEWS

a) What is the purpose of a periodic review?

The purpose of a financial review is to regularly monitor and review your financial position and to assess any changes to your circumstances and how any such changes impact your ability to repay your debts. This is to ensure you receive appropriate advice that has regards to your best interests. It also enables us to provide your creditors with accurate and realistic information and to determine whether it is in your best interests that your Debt Management Programme should continue, we will notify you in writing as to our views as to whether Debt Management continues to be in your best interests and why other available debt solutions may or may not be appropriate.

We will carry out periodic reviews of your financial circumstances:

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

The review process enables us to effect appropriate amendments to your financial statement so that it properly reflects your current position as at the time of the review. As part of the review process we may advise you to reduce/increase your payment to creditors and/or recommend alternative solutions that might help you to get out of debt in a shorter period of time. We will also take this opportunity to sign post you to other organisations that may be able to help or provide additional support to you.

b) What does a financial review entail?

A financial review involves us taking a close look at your income and expenditure and asset position in order that we can assess what changes there have been if any to your financial and personal circumstances since the last time we carried out an assessment or since you starting on your debt management programme with us. This will enable us to update the information that we hold for you on our systems so that the information we hold and upon which our advice to you is based is up to date and accurate. We are under a duty to verify/ check your financial position. For this reason we will ask you for copies of your bank statements and payslips or other proof of income. Estimates can only be used when such documentation is not available and in circumstances where the documentation cannot be readily obtained. We will ask to see your last three months bank statements and payslips/proof of income and we will ask you to complete some forms that we will send you so we can appraise ourselves of your current up to date position. We can help you with the completion of any forms we send you should you wish us to. Please ask us for any help that you need and we will do all that we can to help and assist you. Upon receipt of the information from you we may need to ask you further questions. If this is the case we will contact you usually by telephone. If we have difficulty in reaching you we will write to you in to ask you to get in touch with us or asking you to make an appointment at a convenient time when we can speak to you We will reassess your income and expenditure to see what changes there have been to your circumstances and whether we need to make any changes to the amount of your monthly payment. We will check and advise you whether continuing on your Debt Management Programme is in your best interests. For example, we will also assess and advise you as to whether your monthly payment to your creditors can be increased or decreased depending on what changes have been if any. We will make recommendations to you and discuss all alternative options that may be available to you that will help you to get you out of debt in the shortest time whilst at all time bearing in mind what is affordable and sustainable to you.

c) Frequency of financial reviews

More often than not your creditors require us to carry out a review of your financial position every six months as a condition of their acceptance of your programme. Where this is required, we will write to you to request the necessary information as detailed in paragraph 32b above. In addition to your creditors requirements we will endeavour to carry out a full financial review of your circumstances at least once every twelve months.

d. What happens once the review has been concluded.

At the end of your financial review we will speak and write to you to advise you of our findings and to provide you with a copy of your revised financial statement. This document details your total debt and your revised surplus disposable income figure that we believe is affordable to you and should be made available to creditors'. We will also send you a revised Outcome Statement which sets out our estimate of the remaining duration of your Debt Management Programme and the total cost to you of our services. The revised Outcome Statement also sets out the progress that you have

made in repaying your creditors including the total amount of the payments you have made to your creditors in the preceding period. Your creditor balances are updated on our systems regularly upon our receipt of correspondence or communication from you or your creditors. Upon receipt of your confirmation that the revised financial statement is accurate we will then forward this to your creditors and explain any changes in your circumstances. We will notify them of how any changes will impact on your programme and of any changes to the future payments that you will make.

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

Where we establish as a consequence of the review that your circumstances have improved since our previous review and that you can afford an increase in your monthly contribution to your creditors, we will discuss this with you to see if you are willing and feel able to increase your payment to your creditors in your Debt Management Programme each month. If you agree to do so we will send your creditors a copy of the revised financial statement and notify them of the proposed increase in monthly payment. Your creditors will expect that you will make an increased payment to your Programme if your revised income and expenditure schedule indicates that you can afford to do so unless there is a very good reason for you not doing so. We will discuss with you whether you are able to increase your offer to creditors'. In circumstances where you do not believe you can afford to increase the amount of your monthly payment we will work with you to try to understand what other demands there are on your finances if any in order to achieve a fair outcome and payment for you and your creditors. For their part your creditors will expect that the debt will be paid in the shortest time possible unless there is a good reason as to why this should not be the case which has been communicated and accepted by them. If your creditors are not happy with the amount of your monthly payment this is likely to cause further problems for you as they have options themselves in relation to enforcement proceedings if they are unhappy with the amount of the monthly payment. Please see paragraph 16 above.

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

f) Where there has been deterioration in your circumstances

Where there has been deterioration in your financial circumstances we will assess the reason for this and discuss with you whether this is likely to be a temporary deterioration or whether it is likely to be permanent. We will then update your creditors to explain what has given rise to the deterioration and how this will impact the programme. If appropriate we will ask them to agree that you can have a payment

holiday or notify them that there is going to be a reduction in your monthly payment that you make into the Programme from that moment onwards. Much will depend on how permanent or temporary the deterioration is likely to be. We will of course advise you of alternative debt solutions if any other solutions become more appropriate to your circumstances as a consequence of the deterioration in your circumstances.

g) Adding creditors to your programme

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

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

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

As indicated above if you fail to co-operate with the review process at any time this creates an added risk to you because your personal and financial circumstances will change over time and the more time that passes since your last engagement in the review process the greater the risk that the information we hold about you not being reliable. For example, you may have experienced a pay rise or you may have had a child or the amount of your overall expenditure may have increased. If you fail to respond to requests for information, in other words you do not co-operate with us we will do all that we can to encourage you to co-operate with us. Our Regulatory body does not allow, and we do not think it to be in your best interests anyway, for us to carry out a paper review of old information that could be inaccurate in order to provide advice to you as to the most appropriate solution to your financial difficulty and the amount of your monthly payment into the programme for the next 12 months. If we are unable to persuade you to co-operate with us we will consider the risk that the programme may have been or may be inappropriate to your financial circumstances regardless of whether you are managing to maintain your monthly payment into the programme. If we find ourselves in a situation where we lack confidence in the accuracy of the information we hold then we will have no choice

but to terminate your programme. Where we are of the view that Debt Management is not in your best interests we will take steps to terminate your programme unless there is a very good reason for us not doing so. You will be aware that we are required to notify your creditors of any non co-operation on your part as part of the updates that we send them. Adverse consequences may follow for you and your Programme if we are unable to successfully conclude the required reviews. For example your creditors may start to contact you directly again; the viability of your Debt Management Programme may also be compromised and/or may impact on your creditors' decision to freeze or reduce interest and charges on your accounts. If your creditors reinstate interest and charges on your accounts the debt will increase. In the absence of your co-operation it would be difficult for us to keep our advices to you up to date and that accord with your best interests and you will compromise our ability to help you get out of debt in the shortest possible time. It may be that we will not be able to advise you of any new options that become available to you during your Debt Management Programme and in particular any changes in creditor policy from which you may benefit. Your creditors may also begin enforcement / legal action against you to secure the payment of the debts by means of security on any assets you own such as a Charging Order (on any property that you own), an Attachment of Earnings Order (against your income) or Bailiffs (securing the debt on any personal property that you own such as your car or household belongings). We trust that you understand the importance of co-operating with our review procedures and do all that you can to assist us with this process. Your fullest co-operation is thus required at all times in order to avoid further detriment to your financial situation and the termination of your programme.

i) The impact of our Regulator on the review process.

In short co-operation with the review process is mandatory. The reason for this is our Regulatory body, The Financial Conduct Authority, requires us to terminate where appropriate any Debt Management programme where our client is not co-operating with the review process. By insisting on this our Regulator is aiming at delivering better outcomes for people in debt. It is therefore in your best interests to fully engage with us and help us so that we can properly review your circumstances and keep your programme and your creditors up to date. Any Debt Advice agency that you may appoint to help you with your debts will require your mandatory co-operation with the review process. The benefits of your co-operating with us have been detailed above.

33. UPDATES DURING YOUR FINANCIAL MANAGEMENT PROGRAMME

It is important that if you experience any changes to your personal or your financial circumstances at any time during your programme that you advise us as soon as possible. It is important that you tell us about any changes that may impact your ability to repay your debts, the rate at which you can afford to repay your debts or any changes that impact the way we communicate or engage with you. If at the outset of your programme you expect your circumstances to change in the short to medium term it is important that you tell us as this may impact the advice we give you. For example if you are about to start a new job, or you have entered into a new

relationship or you have achieved or are about to receive a pay rise, bonus at work or if you are about to retire or be made redundant or unemployed please let us know as all of these circumstances may impact on your Debt Management Programme and may affect the advice we give you. This list is not exhaustive. Please feel free to telephone us and talk through any changes and we will be able to advise you as to what steps if any should be taken. As indicated before, this will help us to deliver a better outcome for you in the time that you are under a debt management programme with us.

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

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

Whether or not your creditors agree to freeze interest will always depend on your creditors receiving payment under the programme regularly and on time. If you miss payments under the programme your creditors may withdraw any previous agreement to freeze interest and charges. If your creditors refuse to freeze interest and charges these will continue to accrue on your accounts and will act to increase the time you spend in debt. We will inform you if this happens and ask you if you want to increase your payment to that particular creditor. This may potentially cause problems with your other creditors particularly if they take the view that the creditor in question is acting unreasonably or feel that the unreasonable creditor is being treated preferentially. The only other alternative in such circumstances would be for you to take the creditor off the programme and for you to manage that creditor independently (i.e. make direct payments to them). We will make an allowance in your income and expenditure schedule so that you can afford to make a direct payment to that particular creditor and this may involve us having to make an adjustment to the amount of your payment into the debt management programme. Depending on the reason for the refusal to freeze the interest and charges we will advise you of the best way forward. We will help you with any problems that may arise in this regard.

35. INTEREST ONLY MORTGAGES

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

mortgage remains under an interest only arrangement it is likely that your mortgage will not be paid at the end of your mortgage term and there is no guarantee that your lender will agree to essentially extending the mortgage term. Given that you are currently in a Debt Management Programme and therefore your credit rating has been and remains compromised this may well hinder your ability to secure a new mortgage or extend the term of your current mortgage when your current mortgage term comes to an end. Even if you were able to secure alternative funding given your impaired credit rating it may well be at an enhanced rate of interest, less preferential terms and thus at a greater cost you. If you would like us to recommend an Independent Financial Advisor who can provide advice to you in respect of this please contact us and we will provide you with contact details or we could ask that they contact you directly if you would prefer them to do so.

36. DEBT/DEATHS

Further complications can arise where a person with outstanding debt dies. In circumstances where there are outstanding debts at the date of death particularly where the deceased person had an interest/owned a property either in their sole name or jointly with another person. If a person's estate is insolvent the Court may make an Administration Order in the deceased person's estate requiring the survivor in a joint ownership situation to pay a sum representing the deceased's former interest in their property in order that the deceased person's debt to his /her creditors can be repaid. We are not a firm of Solicitors and we do not give legal advice. If you believe that this issue may affect you in the future we would strongly recommend that you firstly tell us and secondly seek independent legal advice as soon as possible.

An Independent Financial Advisor would also be able to advise you on whether life insurance should be taken out to protect against this situation and also the situation where a person with unsecured debt dies and the mortgage has not been paid either.

37 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 and compliance monitoring we may record incoming and outgoing telephone conversations between you and our staff. We trust that you do not object to this.

(b) External Procedures

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

(c) Accounting Procedures

We are obliged to provide our regulatory body with confirmation from an independent accountant that our accounting practices accord with regulatory requirements. This involves our external accountants visiting our office to review our accounts files and

procedures. Once again, we trust that you do not object to them having access to your papers solely for this reason.

(d) Regulatory Visits by the Financial Conduct Authority

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

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

38. OFFICE HOURS

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

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

Our Authorising and Regulatory body (The Financial Conduct Authority) and the Law (The Equality Act 2010) requires us to have in place procedures and policies to effectively help any of our clients who are particularly vulnerable/disabled and provide additional support where needed. A person has a disability or is vulnerable if he/she has a physical or mental impairment that has a substantial and long-term adverse effect on this/her ability to carry out normal day to day activities. An individual may suffer from mental health issues such as depression and anxiety, psychiatric disorders (such as bi-polar disorder) or a range of other mental health issues which may be variable or temporary in nature or more permanent. Additionally/alternatively mental health issues could stem from a situation where an individual loses mental capacity. This will require a trusted friend or relative taking care of the said person's financial affairs usually by way of a Lasting Power of Attorney. Loss of mental capacity could include such conditions as dementia and Alzheimer's disease which renders a person incapable of making decisions regarding their finances. The definition of vulnerable could include physical disability (for example cancer, respiratory and heart problems) or mental health problems and other cognitive problems including people who have suffered a recent bereavement or for whom English is not their first language. One can be vulnerable for other reasons for example if one has addictions of any kind e.g. drugs, alcohol and gambling. These lists are 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 personal life on a day to day basis, work or manage your finances or pay your creditors or affects in any way the way we communicate with you please tell us as soon as possible. We will endeavour to assess how such a condition would impact your ability to work, pay

your debts and communicate with us and we will tailor our services accordingly. We care about providing a high quality of service that meets your needs. 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 ability to make financial decisions about the management of your debts. It is therefore in your interests for us to provide this information to your creditors as this will enable them to properly implement their own procedures and provide you with the time you will need to put an appropriate action plan for your recovery and subsequent repayment plan for your debts. Your creditors will have specialist teams in place who have the skills and experience to review cases more efficiently and effectively and have discretion to make management decisions about your account. If creditor contact is causing you further upset or stress we can ask your creditors/collection agencies to forward all communication to us. If you would like us to write to your creditors in these terms please let us know. We will ask you for medical evidence to confirm any medical condition from which you may be suffering. Your creditors expect us to provide this to them before they are able to implement their own policies This could include copies of any letters you have received from your GP or treating hospital. When we ask you for such evidence we will ask for your permission to forward this to your creditors where appropriate. We will ask your creditors to suspend any further action so as to give you time to secure the information that we will need to advise you and if appropriate implement your Debt Management Programme or some other debt solution on your behalf. They are under a duty to act sympathetically to such requests. We will treat any information you give us about your statement of health as Sensitive Personal Data (see paragraph 7) and we will only record any information you give us or disclose information regarding your health with your express approval. We will not assume that you are unable to make an informed decision for yourself. We will do all that we can in order to ensure you understand the advice we give you and that you are able to properly weigh up the options available to you. We will always act in your best interests and treat you fairly. If you are suffering with a condition that impacts on your ability to manage your affairs and you would prefer for us to liaise with a family member, friend or support worker regarding your finances please confirm to us the identity of your preferred contact and their relationship to you. We will need your express written approval to discuss and liaise with a third party regarding your finances. We will issue all communications to you in English. If you would prefer to converse in a language other than English, please let us know and we will advise you whether this is going to be possible. If you have any special requirements please tell us and again we will advise you if it will be possible for us to accommodate those requirements, for example, if you prefer for us to communicate with you in a particular way for example by telephone, post or email, text messaging, WhatsApp etc then please tell us. Sometimes a change in circumstances can arise whilst you are a client of our company. We would like to reassure you that we will listen, be flexible and provide you with a tailored response that is appropriate and responsive to your needs. If for any reason we are unable to help you as a result of any changes that you advise to us, we will refer you to another provider with specialist experience who will be able to help you. We are committed to promoting equality and diversity in all our dealings with our clients, third parties and employees. A copy of our Equality and Diversity policy is available on request. If you would like to discuss our Equality and

Diversity policy, please do not hesitate to contact us in the strictest confidence. If you are not sure about whether we can provide additional support to you, please ask us.

When we are calculating what your disposable income you have available for the repayment of your debts, we will have regard to all of your particular circumstances and any disabilities /vulnerabilities. If you are in receipt of disability benefits it is a matter for you to decide whether or not you wish for any part of that benefit entitlement to be used for the repayment of your debts. For example, you may form the view that for example disability benefits are paid to compensate you for the extra cost associated with your disabilities for example any additional mobility needs. We will ensure that you have sufficient sums each month to cover all of any such outgoings. It is essential that we canvass fully what these additional needs might be and take account of them in the income and expenditure schedule that we prepare for you in order to ensure if any of your benefit entitlement is to be used for the repayment of debt that you have sufficient money from which to pay all of your bills and service all of your needs. Wherever possible we would encourage you to include all income for the purposes of calculating what is available to creditors each month. We believe that subject to your particular needs and circumstances the repayment or some other resolution to the debt that you have should be prioritised and we would where possible encourage you to use part of any award to repay the debt. Clearly over time if your benefit entitlement is reduced then we will contact you again for a full review to be undertaken in order that we can assess the affordability of your monthly payment and reduce the same if necessary. In addition, we will update our advice to you and the information we have provided to your creditors. It makes sense to try to reduce the size of the debt while you are in a position to do so.

41. MONEY LAUNDERING REGULATIONS

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

42. YOUR RIGHTS TO CANCEL OUR INSTRUCTIONS

This agreement will start when you sign and return to us the Form of Authority and the Acknowledgement Form to say that you have received our Terms and Conditions, Client Care Booklet and associated documents. If we have sent our pre contract information to you by post and you then sign the Form of Authority and Acknowledgement Form at home, if you wish to cancel your Debt Management Programme or your instructions to us, you are entitled to do so at any time within 14 days and not provide us with a reason if you do not wish to do so. If you have already made the first payment to us we will only refund this to you if you have provided us with notice to cancel within 14 days of the commencement date which is the date of our receipt of your signed authority. This initial 14 day period of time is the “cooling off period” to give you an opportunity to consider your position and make any further enquiries that you deem appropriate regarding your options. If you provide us with

notice within 14 days we will provide you with a full refund within 5 days of receipt of your notice. Upon receipt of your intended cancellation we will regard any earlier authority we have received from you for dealing with your creditors as withdrawn and your creditors will continue to deal with you directly. We will notify your creditors that we are no longer acting for you if 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. The 14 days cooling off period applies only to documents you sign at home.

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

If you do not cancel your agreement for us to act on your behalf we will start to deal with your affairs and implement your instructions as set out in 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 the Terms and Conditions.

43. TERMINATING THIS AGREEMENT

43.1 Our Right to Terminate

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

- (i) You have knowingly provided us with incorrect or misleading information.
- (ii) If we have been affected by force majeure i.e. an unexpected event
- (iii) If you fail to commence payments into your programme or if you stop your payments to us due under the programme. We will refund any undistributed funds to you less our charges subject to you providing us with 4 days' notice from the date of your last payment.
- (iv) We reserve the right to terminate this agreement at any time giving you seven days' notice at our discretion.
- (v) If you breach any of your responsibilities to us as set out in paragraph 44
- (vi) If you do not accept our advices to you and we cannot agree between us an appropriate way forward to resolve your debt problems.
- (vii) If you ask us directly or indirectly to mislead your creditors as to your true financial position.
- (viii) You do not provide us with the information we have requested in order to properly advise you.
- (ix) If you fail to co-operate fully with our Company's review procedures. See paragraph 32.

43.2 Your Right to Terminate

You may terminate your Debt Management Programme at any time by giving us seven days' notice however you would not be entitled to a refund of the fees you have paid to us unless we have acted in breach of our terms and conditions or if we have

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

- (i) The Debt Management Programme failing,
- (ii) Interest and late payment charges being applied to your account
- (iii) Default Notices under the Consumer Credit Act 1974 may be issued and Court action may be commenced against you. Adverse entries may be made on your credit file which could adversely impact your ability to access financial services in the short to medium term
- (iv) Your creditors will resume their attempts to collect payment directly from you either directly themselves or through the appointment of debt collectors or other agencies acting on their behalf.

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

44. YOUR RESPONSIBILITIES TO US

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

- (i) Provide us with prompt, clear and accurate instructions when requested to do so.
- (ii) Provide us with all the documentation and information we require to finalise or review your financial statement and negotiate with your creditors.
- (iii) Provide us with the account numbers for all your outstanding creditors.
- (iv) Look after any documents which we will need for the management of your programme. These will include documents proving your income and your expenditure (i.e. payslips and bank statements) which we will need to see in order to update our records, your creditors, our advices to you and to complete your financial review at least every twelve months.

- (v) Advise us of any changes in your circumstances for example if you have been awarded a pay rise at work or if you lose your job.
- (vi) Assist us when requested to do so in the furtherance of your programme.
- (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 payments into your Debt Management Programme on time and on a regular basis unless there is very good reason for you not doing so (please see paragraph 13 and 25).
- (x) Co-operate with the Company's review procedures at least annually and as required by your creditors or by a change in your circumstances.
- (xi) Maintain regular contact with us so that we can monitor and review your financial position and circumstances.
- (xii) Reply promptly to our letters and telephone messages.

Please note that upon notice of a breach of any of these requirements we will give consideration to the termination of your programme. Your fullest co-operation is therefore required at all times. Please see paragraph 32 (h).

Our Regulatory body, requires us to take steps to verify your place of residence and identity (see paragraph 41), your income and outgoings and the identity and correct reference details for your creditors (see paragraph 1). We require your fullest co-operation in this regard. We cannot mislead your creditors whether deliberately or by omission. We will ask to see copies of the letters and statements from each of your creditors in order that we can verify account numbers. If you provide us with incorrect account numbers this is likely to cause delays in setting up your Debt Management Programme and may result in further interest and charges being added to your account. It is very important that you provide us with the correct information as soon as possible. We cannot process monthly payments to creditors for whom we do not hold account numbers. Please see paragraph 3.

45 FAILURE TO MAKE PAYMENTS INTO YOUR FINANCIAL MANAGEMENT PROGRAMME

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

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

- (v) They may make further adverse entries on your credit file with consumer credit reference agencies.

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

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

If you are about to miss a payment under the programme we ask that you tell us as soon as possible so that we can advise you further and notify your creditors of your position and endeavour to defer further action by your creditors which would only serve to increase the duration of your programme and the size of your debt.

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

46. SICKNESS AND REDUNDANCY DURING YOUR FINANCIAL MANAGEMENT PROGRAMME

Should you fall ill or if you are made redundant or experience any adverse changes in your circumstances that impact your ability to make payments or manage your Debt Management Programme you should tell us as soon as possible. At the outset we will give consideration as to whether we should deal with your programme from that moment onwards under our vulnerable client policy (see paragraph 39) In the case of illness if you are likely to miss any payments under the programme it is preferable that we provide your creditors with notice of what payments you are likely to miss and the reason before the payment is missed or as soon as practicable thereafter. We can where it is appropriate to do so request a payment holiday in order to give you an opportunity to get back on your feet before having to reinstate payments to your creditors under the programme. Creditors often ask for copies of any sick notes so if you can provide us with a photocopy of any sick notes we can supply the same to your creditors if they ask to see them. They will in such circumstances be more sympathetic to your situation and are more likely to agree to you having a payment holiday.

If you are made redundant or if you are about to be made redundant, unless you are due to receive a significant lump sum redundancy payment, the chances are, that you

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

Payment of your priority debts should be prioritised over payments to your unsecured creditors. See paragraph 8.

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

One thing is clear your creditors are more likely to help you and be patient and sympathetic if they are informed what the problem is and when you anticipate being able to reinstate your payments into the programme if at all. It is therefore important that you provide us with the up to date information regarding your position as and when changes happen so that we can help you and better manage your creditors expectations of you and your programme. All such data is managed in accordance with our Data Protection obligations.

47. SERVICE STANDARDS

Our responsibilities to you are that we will:

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

- xii. Advise you as to whether your chosen debt solution is and continues to be suitable for your needs.
- xiii. Provide your creditors with information about your situation which is accurate and realistic

48. ADDITIONAL CREDIT COMMITMENTS

The Debt Management process will enable us to help you restructure the repayment of your outstanding credit commitments where you have experienced difficulty in meeting the required monthly contractual payments. Your creditors will expect that after making proper allowance for your reasonable monthly outgoings the entirety of your surplus income will be paid into the programme. Once your Debt Management Programme is in place your creditors will expect that no other credit commitments will be taken out by you for the duration of the programme; in other words you will not take out further borrowings of any kind. This includes further credit cards, store cards, catalogue purchases on credit or loans. If contrary to our advice you take out further borrowings this may compromise the viability of your Debt Management Programme as you may not be able to meet the required repayment under the Debt Management Programme and the contractual repayments due to any new creditors. If you feel that you need to seek further credit during your Debt Management Programme you must speak to us urgently as this is a fairly good indicator that the debt management programme is not working in the way that it should for you. We will carry out a review of your circumstances in light of the reasons for your considering further credit and we will revise our advices to you and/or the level of your repayments. We will also notify your creditors of any matters that will impact on the Debt Management Programme. It is important that you keep us informed at all times. Additional debt outside of the Debt Management Programme is likely to extend the time you spend in debt and may impact the advice we give you on options for paying off your debts.

49. COMPLAINTS

We sincerely hope and expect that you will be totally satisfied with the advice and the service you receive from us. However, if you are unhappy with any aspect of the service provided it is important that you raise any concerns that you have initially with the Administrator dealing with your case. Your advisor will at the outset endeavour to investigate the subject matter of your complaint and try to reach a mutually beneficial/acceptable resolution. 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 a copy of our Complaints Handling Policy, carry out an investigation and do their best to address any concerns that you have promptly. He/she will write to you with his/her preliminary findings. If you are happy with the Customer Services Manager's response to your complaint you can treat this as our final response on the issue. In the unlikely circumstance that he/she cannot deal with your complaint or you are not satisfied with his/her findings you may raise your concerns directly with Elizabeth Beesley a Director of the Company. On

receipt of your complaint Elizabeth Beesley, will carry out a full investigation also and provide you with a final written response as to how we intend to deal with your complaint and what remedial action we intend to take to remedy the issues you have raised.

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

We will provide you with a copy of such material when we send you a copy of our complaints handling policy upon acknowledgement of our 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 is also available on our website at www.moneysolve.co.uk. Debt management is not an area of work which is presently covered by the Financial Ombudsman's Service Compensation Scheme.

50. 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 or <https://www.gov.uk/government/publications/guide-to-bankruptcy/guide-to-bankruptcy>. If you are a Scottish resident the Scottish Government produces a leaflet headed "Debt Advice and Information Package" (DAIP) 63 2010. This leaflet can also be accessed on our web site.

We are a commercial organisation and we make a charge to you for using our services. However, not-for-profit organisations such as the Citizens Advice Bureau and the Money 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 directly. 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 in any event. We will also do this if we feel that you are unable to fund the cost of using our services

51. ABOUT US

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

52. CREDITOR DUTIES

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

Strictly speaking they are not permitted to contact you directly once we have notified them that we are acting for you. We may be able to raise a complaint on your behalf against any of your creditors who are causing you anxiety or distress. Please see paragraph 24.

53. SHARING OF OFFICE

MoneySolve Limited, 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 where it is necessary for us to provide accurate advice and help to you We will always act in your best interests. All employees of all the companies have received training and understand the importance of client confidentiality and preserving your data security.

54. REFERRAL ARRANGEMENTS

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

55. INDEMNITY INSURANCE

Our professional indemnity insurers are Omnyy Underwriting LLP. Our territorial coverage is worldwide and extends to acts or omissions wherever in the world they occur. Our liability to you in respect of any claims for negligence, breach of contract and breach of data protection legislation arising out of any matter which we handle on your behalf are limited to a maximum amount of £250,000. This amount shall include

any damages, costs (save our costs of defending such actions) and interest that may be awarded against us. This term does not seek to limit to exclude liability for death or personal injury caused by negligence, or for fraud or fraudulent misrepresentation.

57. 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.

58. UNPAID BALANCES

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

In circumstances where you terminate your instructions to us we will return any uncashed or unreconciled payments to you directly or if we do not have a current address for you or in the event that we lose contact with you we will make a payment for the sum we hold for you to your largest creditor before closing our file. We trust that this is acceptable to you.

59. JOINT DEBT MANAGEMENT PROGRAMME

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

assume we can act on the instructions of one of you. If you are not happy about this either at the outset or during the course of your Debt Management Programme, it is important that you contact us urgently.

60. WINDFALLS

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

61. PENSION FUNDS

If at any time during your Debt Management Programme you intend to release sums from your pension in order to repay debts or for some other purpose we would advise you to firstly speak to us in order that we can consider and advise you on how best any lump sums can be utilised to repay your debts. Thereafter we would advise you seek independent and impartial advice before doing so from an Independent Financial Advisor who is regulated by the Financial Conduct Authority who are authorised and regulated to give pension and investment advice. It would not be in your best interests to proceed to use pension funds without checking your rights and interests first. We can recommend an Independent Financial Advisor who may be able to help and advise you if you wish us to do so. The following providers can also provide you with free pensions advice:

Pension Wise, telephone number 0800 138 3944

Pension Advisory Service, telephone number 0800 011 3797

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

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

If you opt to pay your council tax monthly to your Local Authority either by Direct Debit or Standing Order the entire years charges would normally be payable over a ten month period. When we assess what your surplus disposable income figure is that can be made available to your creditors each month either at the outset or on review we will state the amount of the monthly payment you make on your Income and

Expenditure schedule. In reality this means that for two months of the year your council tax has been paid in full for that year and you do not need to make a monthly payment to the Local Authority you could if wanted to make a top up payment into your Debt Management Programme for those two months. The advantage to you of doing this is that it would serve to reduce the time you spend in debt. We would advise that all your surplus disposable income and any windfalls be used to repay your debt unless there is a good reason for not doing so. Please see paragraph 60.

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 from which you can expect to receive compensation.

Bankruptcy

This is a formal debt solution which enables a person in debt or their creditors to apply to the court for a Bankruptcy Order which essentially declares that the person in debt is unable to pay their debts as and when they fall due. Where a Bankruptcy Order is made all the debtors assets vest in the Official Receiver. 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 processing your personal data and acting for you.

County Court Judgement

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

Creditors

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

Credit Rating

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

Credit Report

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

Debt Management Programme

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

Debt Relief Order also known as “bankruptcy light”

This is a formal insolvency procedure designed for those with debts not exceeding £20,000, assets with a value less than £1000 and a low surplus income each month (less than £50). Once the Debt Relief Order is in place, debt write off is possible.

Debtor

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

Default Notice

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

Distribution to Creditors

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

Financial Statement

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

Joint and Several Liability.

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

Late Payment Charges

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

Legal Action

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

Liabilities

This is the total amount of your outstanding debts.

Monthly Management Fees

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

Individual Voluntary Arrangement.

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

Interest

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

Outcome Statement

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

Periodic Review

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

Preferential Creditors

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

Priority Debts

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

Regulator or Regulatory Body

The Financial Conduct Authority

Secured Loans

These are a type of loan that is provided to a borrower on the basis that the bank will have security in respect of those sums. Types of secured loans include Mortgages and

Second/Third charges. Sometimes loans can be secured on motor vehicles or furniture household goods. Such loans are known as hire purchase agreements or conditional sale agreements.

Sensitive Personal Data

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

Setup Fees

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

Unsecured Loans

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