

TERMS OF TRADING

Clause 1. (Definition of terms)

- 1.1. "The company", "us" or "we" means Debt Correct as shown above
- 1.2. The "client" or "you" mean's the person(s) named in the documents sent to you
- 1.3 "Creditors" means any person or organisation that you have informed us that you owe money to which is unsecured and that is referred to in your debt management plan
- 1.4. 'Priority expenditure' or 'Priority debts' mean outgoings or debts that carry serious consequences if you do not meet the payments. These include but are not limited to rent, mortgages, secured loans, hire purchase agreements, council tax, TV licence, utility bills, court fines, income tax, national insurance, student loans, child maintenance and Value Added Tax.
- 1.5 "Monthly payment plan" means your agreed monthly payments as outlined in the pack you received. 1.6. "Fees" means our fees under this agreement in accordance with clause 12.1
- 1.7. "Period" means the period during which the Monthly Payment Plan is in operational
- 1.8. "Cleared funds" means payments made by you which have cleared in our client account. This could be any electronic payment (such as Standing order, BACS, Direct debit, credit transfer) or any payment made by debit card, cheques, postal order or any other recognised form of payment.
- 1.9 The "contract" or "agreement" when signing and returning the "Authority to act" form you have entered into a contract/agreement with Debt Correct as out lined by these terms & conditions

Clause 2. (Agreement)

2.1 You request us and we agree to provide you with a debt counselling advisory and adjusting service in accordance with these Terms of Trading. You authorise us to negotiate on your behalf with your Creditors.

Clause 3. (Our commitments to you)

- 3.1. We will consider the state of your finances, including your income, expenditure, debts, loans, credits and assets. We will calculate your disposable income, having first calculated the amount reasonably necessary as your living expenses.
- 3.2. In consultation with you we will produce a Monthly Payment Plan by which you can pay off your Creditors out of your disposable income at rates you can afford. The Monthly Payment Plan will let you make monthly payments to us and will take account of your creditors and of our fees. It will not take account of any matters you have not told us about in accordance with clause 5. It will also take account of the differing requirements of your Creditors, if there is more than one.
- 3.3. We will negotiate with your Creditors and attempt to agree repayment terms with them of the amounts outstanding. In doing so we shall use the Monthly Payment Plan, and we shall ensure that the periodic payments that we agree with your Creditors on your behalf do not exceed your disposable income as calculated by us for the same period.
- 3.4. We shall attempt to agree with your Creditors, where appropriate, that they freeze their interest rates and that they suspend or withdraw enforcement proceedings issued in connection with your agreements with them.
- 3.5. We shall make payments to your Creditors in accordance with the Monthly Payment Plan. Creditors will be paid at the earliest opportunity. This will normally be within 5 working days of the agreed payment being cleared in our client account (with the exceptions of clause 12.4)
- 3.6. Should your circumstances or any other relevant matter change during the period, we shall, in consultation with you and with your Creditors, consider the Monthly Payment Plan and if necessary shall make changes to it in agreement with you and with any Creditors concerned. These amendments may be subject to an administration fee of £50, and in some conditions require a full new plan.
- 3.7. We can review the Monthly Payment Plan in consultation with you every six months whether or not relevant circumstances have changed.
- 3.8. Annually we will send you a statement showing your debts still outstanding for which there will be no additional charge.
- 3.9 Annually will review your circumstances and complete a new income and expenditure form. 3.10 We will deal with correspondence promptly and inform you of any major developments in any arrangements with your creditors.

Clause 4. (What we cannot guarantee or cannot do)

4.1. We cannot insist your creditors refrain from contacting you or guarantee acceptance of a reduced payment. We cannot guarantee they will stop or reduce your interest charges. If your creditors do not agree then this may mean that you will repay the debt over a longer period of time which will increase the total amount to be paid.

4.2 We cannot guarantee that any threatened or proposed action will be stopped. Your lender may issue a default notice and we cannot guarantee to prevent this from happening. If these actions are taken by your creditors they may incur costs which are added to your debt.

4.3. We cannot maintain your Debt Management plan if you fail to make your agreed monthly payment within 7 days of your payment plan. (Unless you have made a prior arrangement)

4.4. We cannot alter your plan once we have submitted your full financial plan to your creditors unless there is a change to your financial situation.

4.5. We cannot include priority debts within your Debt Management Plan and it is therefore important that you continue to meet these commitments

Clause 5 (Your commitment to us)

5.1. Complete and return the enclosed documents.

5.2. Provide a full and accurate income and expenditure and creditor list. If your circumstances change including your income, expenditure, address, employment and or contact detail, you must inform us right away. Failure to comply with this may result in cancellation of your plan.

5.3. Make your monthly payment to us on your agreed due date.

5.4. Respond promptly to any phone calls or letters from Debt Correct to ensure we can give you the best service.

5.5. You must continue to make payments in respect of all priority debts and priority expenditure 5.6. Do not ignore correspondence or contact from your creditors. You may instruct your creditors to contact us to enable us to deal with them directly on your behalf. And forward any relevant information on to us.

5.7 Provide proof of your income and expenditure

5.8 We will endeavour whenever possible to verify all balances in writing with your creditors before making any payments.

5.9 Acceptance of these Terms of Trading confirms you have received the following documents from us: (A) Welcome letter (B) Suitability Statement (C) Income and expenditure statement, (D) Creditor list, (E) Customer authority form (F) Standing order mandate.

5.10 You are required to complete a 12 monthly review. This review will require full disclosure of your current circumstances to ensure you are on the correct plan. If we cannot contact you or you do not respond to our request for you to contact us we will terminate your plan.

5.11 If you feel you are not liable for a debt, for any reasons such as malpractice, you must make Debt Correct aware of this.

5.12 If, after your Financial Review, your payment amount changes then it is your responsibility to amend the payment amount to us with your bank. If you fail to do so, we will distribute your payments accordingly with clause 3.5 and retain a relevant fee as per clause 11.1.

Clause 6 (How you can the end agreement)

6.1. You have the right to cancel this agreement within Fourteen days of receipt of the contract. Following the Financial Services (Distance marketing) Regulations 2004. Cancellation can be made verbally as well as in writing to the address and/or telephone number above and must be received by the fourteenth day. After Fourteen days you can cancel the agreement at any time by giving us Fourteen days notice and we will be entitled to retain any fees paid or due within the Fourteen day notice period. Any monies paid/sent to creditors cannot be refunded.

6.2. If a cancelation is made inside the cancelation period but work has started on the account we reserve the right to charge what we consider reasonable for the amount of work that has been carried out.

6.3. Any cancellation needs to be verbal or in writing to confirm closure of the account.

6.4. You may withdraw where, following the signing of the contract, the total fee differs significantly from the estimate given prior to the contract or where the company has offered more than it can deliver.

Clause 7 (How we could end the agreement)

- 7.1. We can cancel our contract if payments are not received from you within seven days of the agreed due date.
- 7.2. We can cancel our contract if you have knowingly failed to provide full and accurate information to allow us to negotiate with your creditors.
- 7.3. We may cancel this agreement in the event of circumstances beyond our control which prevent us from providing the services within a reasonable period of time.

Clause 8 (How to complain)

Debt Correct follows a written complaints procedure, in accordance with Financial Ombudsman Service requirements. Should you have cause to complain about our product and or services, you should in the first instance contact customer services at debt correct. Alternatively contact Debt Correct in writing to The compliance Department, Debt Correct, 6 Hind Hill Street, Heywood, OLIO 1JZ. Our complaints procedure can be viewed on our website at www.debtcorrect.co.uk if available or a copy can be sent to you on request

Clause 9 (Privacy Policy)

- 9.1. We will use the information you provide to carry your debt management plan. We may also use it to inform you of any other product we or our affiliates may offer unless you tell us otherwise.
- 9.2. If we contact you using SMS, email or any electronic method then you must inform us if these devices have been hacked, stolen or the contact details for any such devices change.
- 9.3. If you are in a joint plan we may share your information with the other party involved in the joint plan.
- 9.4 Debt Correct may share your information with third parties, where appropriate.
- 9.5 Our full Privacy Policy can be requested by contacting us at 6 Hind Hill Street Heywood OLIO 1JZ or by email to contactus@debtcorrect.hubsolv.com

Clause 10 (Other important information to consider)

- 10.1. The information on your credit file may also affect their wellbeing in other ways, for example it may be requested by potential and or current employers. If unsure you should seek advice from the relevant HR department(s)
- 10.2. Default notices are kept by credit reference agencies for six years from the date of the default. Your creditors may record a default if you fail to make their contractual payment.
- 10.3. If you cancel your contract with us you risk your creditors revoking any arrangement and requesting you to pay the full balance and or adding interest and charges onto the balance of your debt. Also the creditor may take further action including court action.
- 10.4. Entering into a debt management plan may have an adverse effect on your ability get credit in the future.
- 10.5 We do not give legal advice. If you require any advice you should contact a qualified individual
- 10.6 These terms and conditions are written in accordance with UK law.
- 10.7 Paying Debt Correct to make reduced reasonable payments to your creditors will cause you to fall in arrears with your creditors.

Clause 11. (Fee's)

11.1 In the first 6 months of your monthly payment plan, we charge £42.00 of your agreed monthly payment. This is for the setting up of your plan. This is on top of your monthly management fee detailed below. This is capped at 47.5% of your calculated disposable income.

Thereafter we charge just your monthly management fee, depending on the number of creditors we are dealing with on your behalf, until your plan ends.

Monthly management fee charges are:

1-5 creditors	£40pm
6-10 creditors	£45pm
11-15 creditors	£50pm
16-20 creditors	£55pm
21+ creditors	£60pm

However your fee will never exceed 47.5% of the monthly payment you make on your plan.

11.2 If you fail to make your agreed monthly payment we may reduce the amount we take as a fee to ensure that your creditors receive a significant proportion of that payment.

11.3 If you are paying weekly we will distribute to your creditors once 4 full weekly payments are received and cleared into our client account.

11.4 If you are paying weekly you agree that we can keep monies collected for more than 5 days, and only distribute your pro-rata payment to your creditors when you have paid 4 weekly payments.

11.5 We reserve the right to increase our fees at any time during your debt management plan. We will inform you of this by letter.

11.6 Funds received are held, pending payment to your creditors and our fees, in a client account which is not assessable in use for our business.

11.7 Should your plan be closed and you continue to make payments we will return any payment to you by cheque to the last address we hold, minus an administration charge. There will be no reissue should you choose not to present the cheque to your bank in 30 days.

11.8 If you do not provide up to date address changes the overpayment will be returned to the last address on file and as 12.7 will not be reissued.

11.9 Should your plan end and you continue to make payments if all avenues have been exhausted to contact the client, Debt Correct will retain the funds in the client account and continue to attempt to contact the client to return the payments. Once a payment is returned, having taken reasonable actions to locate the client, Debt Correct's liability will end.

Clause 12. (Term of Plan)

The full estimated term and cost of plan are included in your Information Pack.