

Terms and Conditions of Business (Your Copy)

The agreement between you and us is made on the following terms:

1.1 Definition of Terms

'You' - our client, whose name is recorded overleaf (and partner where any of the debts are in joint names).

'Us' Capital Source Finance Limited trading as Debt Legal. Registered Office: Anchorage House, 252 The Quays, Erie Basin, Salford Quays, Salford, M50 3SD. Licensed by the Financial Conduct Authority under Consumer Credit License Number 0569768. Company Registration Number 05381388.

'Creditors' any and all of your unsecured creditors whose details you will provide to us in accordance with section 3.

'Debt Management Programme' a plan of repayments produced by us in accordance with section 4.2.

'Period' the period during which the Debt Management Programme is in operation.

'Fees' the fees to be paid by you to us in accordance with the Debt Management Programme.

'Regular Payments' means the total amount which you agree to pay for each Payment Period to Us throughout the Debt Management Programme.

'Payment Period' means the period between each Regular Payment. If Your Regular Payment is calculated on a weekly, fortnightly, or monthly period your payment period is Monthly.

2. Agreement

You request us and we agree to provide you with a debt counselling advisory and adjusting service in accordance with these terms and conditions. You authorise us to negotiate on your behalf with your creditors. This agreement shall continue until final repayment of the Creditors is made in accordance with the Debt Management Programme, unless it is terminated beforehand in accordance with section 6.

3. Your responsibilities

3.1 You will provide to us on request, truthful information relating to your finances. This will include but will not be limited to details of your income and expenditure, wage slips for the last three months, a recent bank statement, your Creditors and any agreements you have with them, any loans or mortgages you have, your dependants and any judgements made against you or any other enforcement action being taken against you.

3.2 You will sign any necessary forms of authority or any other documents so that we may negotiate with your Creditors on your behalf.

3.3 You will pass copies of all correspondence from your Creditors to us and keep us informed of any dealings you have with any Creditors, whether we are negotiating with them or not. Once the Debt Management Programme has been agreed, you will not make any expenditure over and above your reasonable living expenses as calculated in the Debt Management Programme. You will not use your credit cards nor incur further debts.

3.4 You will consult with us in relation to your Debt Management Programme of repayments and in relation to any alterations to it or reviews of it. Your payments to us will need to be amended to reflect any reasonable changes which your circumstances dictate. You will make payments to us under and in accordance with the Debt Management Programme promptly and without any deductions.

3.5 On occasion your Creditors may not provide us with balances of your accounts due to their own company procedures. If these circumstances arise then you will obtain this information for us and supply us accordingly.

3.6 We cannot be held responsible for any legal action taken against you by your Creditors as a result of fraudulent or incorrect information provided by you at the time of acquiring a loan, HP agreement, credit card or any other form of credit.

3.7 Non-contact from you will not be considered cancellation of the agreement. If any funds are owing to you then written confirmation will be required to release funds owing to you in accordance with section 6 of this agreement.

3.8 You will maintain regular payments in line with your Debt Management Programme. If you do not maintain regular payments we may suspend the Debt Management Programme. Your Creditors may have to be informed that payments are not being maintained. This may result in your Creditors cancelling arrangements and applying additional interest and charges, and pursuing direct collection, proceedings and continuing legal action against you for which we cannot be held responsible.

3.9 You remain responsible for continuing to pay any secured loans, mortgages or Hire Purchase agreements and all household bills (including insurances).

3.10 If you want to transfer your rights or obligations under these terms and conditions to another person, you must get our permission in writing.

4. Our Responsibilities

4.1 We will review your finances, covering your income, expenditure, debts, and assets. These will include all debts secured on property or goods, which we will take into consideration but cannot negotiate reduced payments on. We will calculate your disposable income, based on reasonable living expenses. All financial statements will be reviewed by one of our in-house debt adjustment advisors.

4.2 In consultation with you we will produce a Debt Management Programme by which you can pay off your creditors out of your disposable income at rates you can afford. The Debt Management Programme 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 section 3. It will also take account of the differing requirements of your different Creditors, if there is more than one.

4.3 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 Debt Management Programme and we shall ensure that the periodic payments that we agree with your Creditors on your behalf do not exceed your disposable income (less our fee) as calculated by us for the same period.

4.4 We shall attempt to agree with your Creditors, where appropriate, that they freeze or reduce their interest charges and that they suspend or withdraw enforcement proceedings issued in connection with your agreements with them. In rare instances County Court proceedings may still be actioned against you. In these cases we will assist in completion of all relevant paperwork as required. We cannot guarantee to stop legal action by your creditors.

4.5 We shall make payments to your Creditors in accordance with the Debt Management Programme.

4.6 The payments made to your Creditors will be reflected on the statements you will receive from them. A full breakdown of all payments we have made can be obtained on request. On all Creditors accepting the offers of repayment we will notify you with a breakdown of these. In addition we will issue monthly statements showing all payments and receipts on your account.

4.7 Should your circumstances or any other relevant matter change during the Period, we shall, in consultation with you and your Creditors, review the Debt Management Programme and if necessary shall make changes to it in agreement with you and with any Creditors concerned. If we cannot contact you to complete an Annual Review this could lead to the termination of your account. Please refer to section 6.

4.8 From time to time your Creditors will request an update of your financial situation. We will contact you to review your current financial circumstances and update your Debt Management Programme accordingly. To aid this process we request that payslips are regularly forwarded to us for review.

4.9 All payments to us will be made into our client account. This account is separate to our own business accounts and funds held for distribution to your creditors will be retained for that purpose only. No interest will be payable to you on funds that we hold. At all times funds held for distribution to your Creditors will be classed as client monies. Any monthly payment made by you will be issued to your Creditors within 5 working days.

4.10 During the negotiation process some creditors may continue to charge interest and other recovery charges. We cannot always prevent these charges being levied. These will however be paid off as part of your Debt Management Programme.

4.11 We can only provide advice on the services that we offer.

4.12 If you are not happy with the way in which we have provided the services, you may complain either by calling us on 01617860910 or by writing to us at our address. Please refer to the Complaints Procedure on our website and initial documentation, on how we will handle your complaint.

4.13 Creditors may place a notice on your credit report that you are on a Debt Management Programme. Creditors may also place a default on your credit report or commence legal proceedings against you in respect of any outstanding balances. Further charges may result. Nor can we guarantee interest and charges will be frozen or stopped.

4.14 We can transfer some or all of our rights and obligations under these terms and conditions to somebody else. If we do, we will write to you to let you know. This will not affect your rights, including the right to end our agreement. If the transfer means that somebody else will be providing the service to you, we will try to make sure that they provide the service on the same or better terms

5. How we will be paid

5.1 The initial cost of setting up your debt management plan is to be paid over two to six months depending on your monthly payment. Over these initial months a minimum of 50% of your monthly payment, from day one, will be distributed between your Creditors. The remaining will be deducted as our 'initial fee's' (see below for examples) Following receipt of completed, signed paperwork and your first monthly payment, Debt Legal will make a proportional payment to each Creditor, within 5 working days received payment being cleared.

Example 1: Any monthly payments of £250 and below, 50% of your first 6 initial monthly payments will be retained as a fee.

Example 2: Any monthly payments between £251 and £400, 50% of your first 5 initial monthly payments will be retained as a fee.

Example 3: Any monthly payments between £401 and £500, 50% of your first 4 initial monthly payments will be retained as a fee.

Example 4: Any monthly payments between £501 and £700, 50% of your first 3 initial monthly payments will be retained as a fee.

Example 5: Any monthly payments over £701, 50% of your first 2 initial monthly payments will be retained as a fee.

5.2 Unless we agree otherwise with you we will take from each monthly payment under the Debt Management Programme a gross fee equal to 19.5% of the payment received, subject to a minimum fee of £25.00.

5.3 If this agreement is ended in accordance with section 6, we will return any undistributed funds after having deducted the above fees and you will not have to pay us any more money. This will be made within 14 days of receiving written confirmation in order to allow us time to process all receipts and payments on your account.

5.4 We will distribute client payments to creditors within 5 working days of your payment clearing on our banking system. In the case of weekly and fortnightly payers, payments will be kept in the client account for longer than 5 working days in order to meet the agreed monthly payment schedule. Once this amount is achieved, payment to your creditors will be made within 5 working days of the payment clearing on our system. Please be aware that interest and charges may be added to the balance if all weekly or fortnightly payments are not met in a timely manner, this could cause a delay with meeting payment dates agreed with creditors and lead to your Creditors cancelling arrangements and applying additional interest and charges, and pursuing direct collection/proceedings and continuing legal action against you for which we cannot be held responsible.

5.5 We will send you an estimated fees schedule when we first agree your proposed programme and before we receive any payment from you. Our fee estimate will be based on your estimated creditor balances and will include an estimate of the time necessary to repay your debt, based on the assumption that we are successful in negotiating a freeze on the interest and charges on these debts.

6. Termination of Agreement

6.1 You have the right to cancel this agreement at any time, a full refund is payable if it is cancelled during the first 14 calendar days beginning on the day after this agreement starts. The agreement starts when you confirm acceptance of these Terms and Conditions by returning the completed Letter Of Authority or (if earlier), on the day when we receive the first instalment, in full or in part, of your first monthly payment to the debt management plan from you in cleared funds.

6.2 To cancel this agreement, you can either;

- a) Write to us
- b) Call us on 0161 786 0910

6.3 If you cancel this Agreement in accordance to clause 6.1. We will refund to you any fees already paid to us. If any monies have, by the time of cancellation, already been distributed to your lenders then these will not be refunded to you.

6.4 We may end this agreement by giving you four weeks' notice in writing if any one of the following things happens:

1. You breach this agreement and do not remedy the breach within seven days of our bringing the breach to your attention;
2. A bankruptcy petition is issued against you;
3. You enter into an Individual Voluntary Arrangement/Trust Deed;
4. Where the information provided to us is knowingly incorrect;
5. The information provided by you at the time of acquiring a loan (HP agreement, credit cards or any other form of credit) is deemed incorrect or fraudulent by any creditor; or
6. If we are affected by Force Majeure.

7. Consent

7.1 "I hereby consent to personal data about me being disclosed by a Credit and /or to the other for the purposes of discussing my credit account with such Credit Company and my personal financial situation. I also hereby consent to details of my income, financial obligations, assets and liabilities be disclosed by a Credit Company and to the other for the purpose of rescheduling my debts and /or varying the terms upon which repayment shall be made to that Credit Company by me. I understand that in obtaining this consent for them and also on behalf of each and every Credit Company to whom I have a financial obligation. For the purposes of this consent "Credit Company" means any credit company that has extended credit to me – and to whom, at the date the of this consent, all or part of that credit is outstanding – and any third party with authority to collect any such outstanding sums on behalf of such company"

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Company Reg. No 05381388