

Agreement Terms

THE AGREEMENT

The agreement will be between you the applicant (the “client”) and your spouse/partner, if appropriate, and The Debt Advisor Ltd whose address is 18-22 Lloyd Street, Manchester, M2 5WA.

When we receive either a signed copy of our agreement terms or an authority to act from our clients, it will be deemed that the client has read and accepted our agreement terms.

DEFINITIONS

‘Active Debts’ means the number of debts that you have told us you want to include in the plan.

‘Enhanced Fee’ means the one off fee

‘Agreement’ means this agreement between you and us

‘Cleared Funds’ means:

- Any cash, postal order or banker’s draft made payable to us which we receive from you.
- Any monies which we receive into our bank account or client account from you by electronic transfer (such as standing order or bank giro transfer) and which are not returned unpaid within four working days and/or;
- Any cheques which we receive from you and which are not returned unpaid within seven working days of being deposited into our bank account.

‘Client Account’ means the non-interest bearing account in our name where any monies we receive from you (or our other clients) is held by us on behalf of you (or our other clients) and which is not used for the purposes of our own business.

‘Fees’ means the fee for setting up your debt management plan and the fee for the management of the plan.

‘Management Fee’ is the monthly fee that we retain from your payment for the management of the plan.

‘Monthly Payment’ means the total amount of money which shall be payable by you to us each month during the life of your debt management plan.

‘Monthly Repayment’ means the proportion of each Monthly Payment which shall be paid to your creditors by us on your behalf.

‘Debt Management Plan’ means the plan set up by us (based on the information supplied in this consent pack).

‘Services’ means the services that we agree to provide you with under this Agreement, as described below.

‘Significantly More’ means increased by 25% or more.

‘Term’ means the duration of this Agreement commencing on the date of this Agreement and ending on the date upon which we stop providing you with the Services.

‘Us’, ‘We’ and ‘Our’ means or refers to The Debt Advisor Ltd. (Company Number 6248441), having its registered office at 18-22 Lloyd Street, Manchester, M2 5WA.

‘Working Days’ means a day other than Saturday or Sunday or public holiday in England.

‘You’ and ‘Your’ means or refers to you, the person entering into this Agreement and named in the debt management plan.

REGULATION

The Debt Advisor Ltd is authorised and regulated by The Financial Conduct Authority to carry on the business of consumer credit, credit broking, debt adjusting and debt counselling. The Debt Advisor is also authorised for mortgage mediation activity.

OUR SERVICE

We will set up and manage a Debt Management Plan for you, which is an informal arrangement between you and your creditors. This will allow you to repay your debts in full, at a rate you can afford, without further borrowing.

We will:

- Provide your creditors with a financial statement, which asks them to accept a pro-rata offer of repayment and stop interest and charges.
- Keep your payments in a separate, non interest bearing debt management client account and make pro rata distributions to your creditors within 5 working days of receipt of your cleared funds, unless instructed otherwise by your creditors.
- Carry out periodic reviews of your plan, in order to ensure the plan remains suitable for you. Reviews will be conducted at least every 12 months, or more frequently if necessary.

OUR COMMITMENT TO TREATING YOU FAIRLY

Making Sure that Debt Management works for you

We do not provide a loan or a refinancing service. We will not pay a lump sum to your creditors or acquire any of your debts.

It is important that a debt management plan works for you and ultimately helps you to get your debts under control and helps you to become debt free.

We will accurately assess your income and expenditure using recognised budget guidelines which ensure that you make provision for priority payments which we will have discussed in our consultation with you.

We will properly consult and advise you on all appropriate solutions. We will help you to make an informed choice about the debt solution which is in your best interests. We will provide you with details of debt solutions within Section B of this Consent Pack. The Insolvency Service website has helpful information on debt solutions at www.gov.uk/options-for-paying-off-your-debts/overview to support those who find themselves in financial difficulty.

As long as you have provided the required information, your plan will go live and we will notify your creditors within 10 working days that we are acting on your behalf. We then expect each of your creditors to put your account on hold and stop collection activity until arrangements are set in place. They should receive your first contribution within 30 days of your plan going live.

We will produce and present a proposal of how you may repay your remaining creditors and enter into negotiations with them on your behalf.

We will deliver the service with due care and attention and within a reasonable time.

If you receive correspondence from creditors, you will need to either phone us or send it in. You may send this information electronically or we can provide prepaid envelopes to cover the postage. We will promptly deal with your correspondence and if any changes occur to arrangements with your creditors, you will be immediately notified by the team.

Cooling Off period

You have a cooling off period of 14 days from the date you sign your documents. If during this period we have received a payment from you which has not been sent to your creditors (please note that we are obliged to send payments to creditors within 5 working days of receipt), we will refund this to you.

Keeping your funds safe and paying creditors

We will keep your payments in a separate, non interest bearing debt management client account and make pro-rata distributions to your creditors within 5 working days of receipt of your cleared funds, unless instructed otherwise by your creditors.

There may be occasions when we are unable to distribute your payments within 5 working days of receipt of cleared funds. These are likely to be where you have not paid the full amount due. We must warn you that making part payments or missing payments which prevent us from making payment to your creditors could result in your plan with creditors breaking and creditors may charge penalties and/or interest. It is therefore really important that your payments arrive with us on time.

If we are not able to distribute your payments to creditors within the timescale set, we will notify you immediately and will take steps to resolve it. Should there be any financial detriment caused to you by The Debt Advisor Ltd, we would accept responsibility and rectify it so as to put you in the position that you would have been prior to that occurrence. This includes returning any additional interest or default charges that may have accrued.

Compensation may be available from the compensation scheme (FSCS) if there is a shortfall in client money held by our firm.

Periodic Reviews

We will undertake periodic reviews of your plan, in order to ensure the plan remains suitable for you. Reviews will be conducted at least every 12 months or more frequently if necessary. The purpose of the review is to ensure that the plan is still appropriate for you and that your monthly payments are affordable. At the review you will be asked to provide depending on your circumstances, your last income tax return, P60, payslips, bank statements for the 3 months immediately prior to the review, proof of benefit income, latest formal accounts, management accounts, self assessment tax return, VAT return and any changes in expenditure. You'll also need to complete a new income and expenditure to identify any changes in your affordability. If it is identified that the plan is no longer appropriate for you, we will let you know and discuss alternative solutions.

We will provide you with a payment statement at each review confirming how much we have paid to your creditors and the date that your payment was sent out. We will provide details of your remaining balances and the estimated term of your plan remaining. The statements are available on request at any time. You can also access this information via our portal which is available online 24 hours a day. This will help you to monitor progress, make payments and communicate with us. You can upload documentation.

Please note if we cannot carry out a review of your plan, this could leave us no choice but to terminate your plan.

What happens to your private information?

We will keep all of your information confidential except when we are required by law or at your request to disclose your information. By agreeing to these terms you are deemed to have given your permission for us to disclose personal information to your creditors and to use that information for monitoring.

We will electronically copy all documentation received from you and your creditors. All original documentation will be destroyed as confidential material or returned to you on request.

DEALING WITH CREDITORS

We expect creditors to stop further collection activities; however creditors could take legal action against you such as issuing a claim form, which would result in a judgement and potentially could lead to a charging order if you own a property. There are other actions that creditors can take following a judgement including obtaining an attachment of earnings order, petitioning for your bankruptcy or applying for a warrant of execution to seize your goods with a view to sell in order to recover the money owed. We are able to assist and support you through any of these procedures.

In our experience, the majority of our debt management plans are accepted by creditors and they do not resort to action. All you need to remember is to let us know immediately if you receive any threatening calls, letters or any legal documentation so that we can guide you and help you to take action appropriately. If it becomes apparent that creditors are looking to take action, it may be appropriate to consider a formal debt solution such as IVA or Bankruptcy.

There is no guarantee that any current recovery or legal action will be suspended or withdrawn. It is VITAL that we are aware of any actual or threatened action so that we can advise you of the potential outcome.

We expect your creditors to accept your offer of repayment through the debt management plan unless they are aware of information that might impact the suitability of the Arrangement. The creditors are not obliged to accept your offer of repayment through this plan or freeze interest and charges. If they do not, it may take longer and cost more for you to repay the creditors in full due to the possibility of additional fees and charges.

Delayed or missed payments will break the arrangements with creditors which we set up for you and could lead to your debts increasing and creditors taking further action to recover the sums owed to them. If you fall into difficulty, you should contact us immediately so that we can assess your circumstances and take appropriate steps.

EFFECT ON YOUR CREDIT RATING

Entering into a debt management plan may negatively affect your credit rating. You may also have difficulty in obtaining further credit in the short term and may struggle in the medium to long term after the plan has finished. Credit reference agencies retain records including default notices for a period of 6 years. Creditors are also likely to place a debt management plan flag on your credit file for the duration of the arrangement to record your participation in and progress of the plan. We strongly advise that you do not keep any unsecured credit outside of this plan or obtain any further borrowing or any form of credit, as this will alert creditors to the fact that you are paying full contractual payments on some debt, whilst you are asking creditors to accept reduced payments. This could result in creditors refusing to either accept your plan or freeze interest and charges, and could lead to legal action against you, and as such this plan may not be effective in reducing your debt.

PRIORITY PAYMENTS

You must continue to meet your priority payments such as taxes, fines, child support payments, mortgage/rent, rates, utilities and payments due under consumer hire agreements such as hire purchase on a vehicle. If you fail to maintain payments to these priority creditors, they can take action against you or your assets. You could also lose access to services or essential goods or face repossession or eviction. If in doubt about what constitutes essential services, please call the team at The Debt Advisor who will be pleased to help.

REFERRAL FEES

If you have been referred to The Debt Advisor by a third party, there may be a fee payable. This fee is paid by The Debt Advisor and is not an additional fee that you have to pay.

If we refer you to a service provider, we may earn commission.

OTHER IMPORTANT INFORMATION

Creditors will ensure that you are removed from their credit related marketing lists for the duration of the plan.

If a creditor chooses to sell a debt, the buyer must be contractually obliged to honour the existing plan for so long as it operates in accordance with its terms.

We intend to rely on the written terms set out in this Agreement. If you require any changes to this agreement you must ask for these changes to be put in writing by us. In this way we seek to avoid any misunderstanding or problems surrounding what we and you are expected to do.

OUR FEES

As the setup and initial period of your Debt Management Plan are the busiest, we charge an enhanced Fee of £400

This is a one-off fee, and it includes:

Formulating your Income and Expenditure (I&E) budget and calculating the affordable offer of repayment to your debts included in the plan.

Reviewing your draft Payment Plan.

Speaking to your creditors and negotiating monthly debt payments.

Liaising with and providing information to your creditors on your behalf.

Our Enhanced Management Fee will be deducted from your agreed monthly payment (in addition to our Monthly Management Fee) until it is repaid.

Our Monthly Management Fee for new customers will be fixed at £48.95 or 49% of your monthly contribution, whichever is the lower.

This fee represents the ongoing work that goes on behind the scenes to manage your Plan and keep it running, including:

Distributing your payments across your creditors.

Communicating and negotiating with your creditors on your behalf.

Maintaining arrangements which could freeze interest and charges.

Correspondence and general management of your Plan between you and your creditors, including responding to letters and phone calls from creditors on your behalf.

Help and support from our expert Advisors.

Conducting an annual review of your financial circumstances at least every 12 months (or more often, if necessary) to ensure you remain on a solution that's right for you.

All fees are charged are capped at 49% of your monthly payments, so that the majority of every monthly payment goes towards the repayment of your debts.

Example of our Fees.

Mr Example owes £10,000, and having carried out an assessment of their income and expenditure, we have agreed that they can afford to make a monthly payment of £200. This is their disposable income.

For the first four monthly payments of their Debt Management Plan, Mr Example will pay £200 per month. Of this payment, The Debt Advisor will:

Distribute £102 to Mr Example's creditors (51% of monthly payment)

Deduct a Monthly Management Fee of £48.95

Deduct an Enhanced Management Fee of £49.05

On the 9th monthly payment and onwards, Mr Example will continue to pay £200. The Debt Advisor advice will:

Distribute £151.05 to Mr Example's creditors

Deduct a Monthly Management Fee of £48.95

Deduct an Enhanced Management Fee of £0

Following this format, it will therefore take Mr Example 69 months to complete their Debt Management Plan and become debt free; throughout this time, Mr Example will have paid £3,778 in fees to us.

Please note this is dependent on:

Mr Example's disposable income and circumstances remain the same throughout the duration of their Plan
Their debt level doesn't increase
All of their creditors agree not to charge any further interest
Mr Example doesn't miss any payments

YOUR RIGHTS TO CANCEL

Under the Financial Services (Distance Marketing) Regulations 2004:

You have the right to cancel your arrangement with us at any time. Requests to cancel the arrangement can be made verbally or in writing. If you cancel your arrangement within 14 days of agreeing to our Arrangement Terms, we will refund any payments that we have received from you during that time unless a distribution has already been made to your creditors. If you cancel at any time after 14 days, no further charges will apply after the date of cancellation; however any set up and management fees already charged will be retained by The Debt Advisor. We will refund any monies (including management fees) that have not been distributed to creditors at the time your notice of cancellation is received and we will inform your creditors of your decision.

The Debt Advisor Ltd reserves the right to decline an application if it is felt necessary or appropriate to do so.

YOUR COMMITMENT

You agree to appoint us as your agents to act on your behalf when dealing with your creditors.

You agree to our fees as set out under 'OUR FEES' and for these to be deducted from your payments.

You agree to complete an income and expenditure form accurately every 6 months and provide proof that all figures documented are true and accurately reflect your current circumstances.

You agree to provide us with all information and instructions to assist us to carry out our obligations under 'OUR COMMITMENT TO TREATING YOU FAIRLY'.

You agree to provide us with either the originals or copies of all correspondence received from your creditors.

You agree to keep us informed of any other contact between you and your creditors and the consequences of such.

You agree to confirm your identity via our electronic identity check service in order to comply with anti money laundering regulations.

You agree to make your monthly payment to us on time so that it can be distributed to your creditors.

You will provide all requested information within a reasonable time.

OUR RIGHTS TO CANCEL

We reserve the right to cancel an arrangement without prior notice if, in our judgement, you:

- Fail to make payments to us on time as agreed
- Fail to provide information or documentation requested by us.
- Provide false information or deliberately try to deceive us or your creditors

FEEDBACK AND COMPLAINTS

We are committed to providing a quality, professional service with your best interests in mind. We welcome feedback (both positive and negative) from you on the service we deliver. Feedback forms will be sent following the set up of your debt management plan and when we carry out our periodic reviews. We aim to use the feedback to improve the delivery of our service.

We will treat all negative feedback as a complaint. Any complaints should be directed to 'The Complaints Officer' at The Debt Advisor Ltd (Company Number 6248441). Complaints can be raised on the telephone on free phone 0161 868 2500 or national number 0333 999 9600 (Please note that when calling from a mobile phone, charges for these numbers will vary and could be higher than from a landline telephone), via email to clientsupport@thedebtadviser.co.uk or in writing to our registered office at 18-22 Lloyd Street, Manchester, M2 5WA. We will acknowledge all complaints within 5 working days and, following a full investigation, a response will be given within 28 days.

Should this not resolve your complaint to your satisfaction, you can refer your complaint in writing to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR or email to complaint.info@financial-ombudsman.org.uk or telephone 0800 023 4567. A copy of our Complaints Procedure can be requested at any time and is also available on our website: www.thedebtadvisor.co.uk.

DISCLAIMER

It is important to read all documentation that we send to you and ask for clarification on any issues that you do not understand.

I have read the above terms as well as the supporting documents and confirm that all personal information including my income and expenditure and creditors list is accurate. I give consent to The Debt Advisor Ltd to share this information with my creditors.