



National House | 80 – 82 Wellington Road North | Stockport | SK4 1HW

**CHURCHWOOD FINANCIAL LTD**  
**Terms and Conditions of Business**

## Introduction

Important Note: These Terms and Conditions of Business explain our obligations to you and yours to us. We advise all of our clients to read this document carefully, it describes the services we provide to you, including but not limited to, the setting up of the debt management plan, the analysis of other debt solutions and the ongoing management of your chosen plan. These terms may be added to or superseded by additional terms and conditions which apply to specific services that we provide.

## Definition of Terms

**"Agreement"** means the Agreement between you and us as set out in these Terms and Conditions of Business, your Personal Illustration and any supplementary terms and conditions specific to a particular service we provide to you.

**"Client Authority Form"** is contained in the relevant section of the OneForm which is enclosed with these Terms and Conditions of Business which, when you sign it, gives us authority to contact your Creditors and act on your behalf.

**"Creditors"** means any and all of your unsecured creditors whose details you will provide us with in accordance with condition 4.1.

**"Debt Management Plan"** means the plan of repayments by which you repay your Creditors through us (as may be revised from time to time).

**"Fees"** means the fees payable by you to us as summarised in condition 5. An estimate of the Initial Fee, the Monthly Fee and the total Fees payable by you to us under this Agreement is set out in your Personal Illustration.

**"Initial Fee"** means your first Monthly Payment, which you pay to us as an initial fee for our services, and which is not used to pay to your Creditors. For further details see condition 5.

**"IVA"** means an Individual Voluntary Arrangement.

**"Monthly Fee"** means the monthly fee payable for our services. This is an amount equal to 16.99% of your Monthly Payment subject to a minimum of £37.50 and maximum of £100. The monthly fee becomes payable when your debt management plan agreement commences.

**"Monthly Payment"** means the total amount which is paid every month by you to us throughout the Period. Apart from your first Monthly Payment, which is the Initial Fee, this is made up of the Monthly Repayment to be made to your Creditors, our Monthly Fee, and any other payments as instructed or agreed with you (for example, Variation Fees or courier fees for collection of documents required to set up an IVA or Trust Deed (for residents in Scotland)).

**"Monthly Repayment"** means the part of the Monthly Payment to be paid by us on your behalf to your Creditors.

**"Period"** means an estimate (based on the information you have given us) of the minimum period it will take you to repay your Creditors using the Debt Management Plan assuming that your Creditors agree to freeze interest and charges at the commencement of your plan. The estimate is based on the current information provided and as set out in your Personal Illustration.

**"Personal Illustration"** means the illustration provided with these Terms and Conditions of Business which sets out the estimated Fees, Period and total amount to be repaid under the Debt Management Plan. If during setting up the plan we become aware that these estimates do not adequately reflect your circumstances we will provide you with a revised Personal Illustration.

**"Us"** and **"We"** means Churchwood Financial Limited, whose registered address is National House, Wellington Road North, Stockport, Cheshire SK4 1HW or anyone to whom we transfer our obligations and rights under this Agreement.

**"Variation Fee"** is a fee which will be negotiated with you if a significant change is made to your debt management plan after the agreement commences, e.g. a full review of your circumstances is undertaken and we negotiate new arrangements with your creditors on your behalf or further creditors are added to your plan.

**"Working Day"** means any day which is not a Saturday, Sunday, English bank or public holiday.

**"You"** means the person(s) entering into this Agreement with us. If a joint application is made it means both applicants.

## **1 Appointment**

1.1 You appoint us to act on your behalf to provide debt management solutions and we agree to provide these services.

1.2 This Agreement will commence when you either (a) verbally agree on the telephone or (b) return the signed and completed Client Authority Form or if earlier, the day when we receive your Initial Fee.

### ***What happens if I change my mind?***

1.3 During the period of ten Working Days from and including the day you receive these Terms and Conditions of Business you may cancel the Agreement by (i) telephoning us on the number set out in the covering letter and asking for the Refund Department or (ii) by writing to Cancellations, Churchwood Financial Limited, National House, Wellington Road North, Stockport, Cheshire SK4 1HW. If you cancel during this statutory cooling-off period the Agreement will end and we will refund to you all monies which you have paid to us and which have cleared through our general client account (including your Initial Fee).

1.4 After the cooling-off period envisaged in condition 1.3, you may end this Agreement at any time by giving us 2 weeks' notice in accordance with condition 7.3. In these circumstances we will be entitled to retain the Initial Fee and any Management Fees properly incurred up to the date of termination.

1.5 This Agreement will continue for the Period or until you end it in accordance with condition 1.3 or 7 or we end the Agreement in accordance with condition 8.

## **2 Our services: Advising you on your debts**

- 2.1 Based on the information you provide to us, we will review your finances, including your income, expenditure, debts and assets. We will calculate your disposable income based on reasonable living expenses. In order for us to provide you with appropriate advice you must disclose to us your financial circumstances accurately and in full. The advice we give is based on this information and should any of your circumstances greatly differ from the information you provide our advice may have to be reassessed or may not be valid.
- 2.2 Having considered your financial circumstances we will recommend what we consider to be the best debt management solution from the options available. The services provided will depend on the choice of debt management solution which we consider best suits your circumstances.
- 2.3 The recommendation we make may involve referring you to one of our sister companies who may be able to seek to arrange a loan for you or an IVA or Trust Deed where this is the more appropriate course. You will enter into a separate agreement with any other company we refer you to and will be provided with separate terms and conditions under which additional fees and charges may apply which you will be told about by those companies. Where we identify that an IVA or Trust Deed is appropriate, the agreed Initial Fee will be payable to us for the detailed analysis of your circumstances and the preparation of the information passed to our sister companies.
- 2.4 In some circumstances, following further analysis of your financial situation, we may decide that the initial proposed course of action may no longer be in your best interest. Where such circumstances arise we will inform you and, where possible, offer you an alternative debt management solution. In such circumstances, where we transfer you from one debt solution to another, for example a Debt Management Plan to an IVA or vice versa, you will not be charged a second Initial Fee.

## **3 Our services: operating your Debt Management Plan**

- 3.1 Where this is appropriate, we will provide a Debt Management Plan by which you can pay off your Creditors out of your disposable income at rates of repayment you can afford. We will take into account all debt secured on property or goods, for example any mortgage or hire purchase agreements, but we are unable to negotiate reduced payments on these debts. The Debt Management Plan consists of you making a single Monthly Payment to us from which we will deduct our Monthly Fee and any agreed Variation Fees and then distribute the balance to your unsecured Creditors. The Initial Fee is payable for the analysis of your finances summarised in condition 2.1 and setting up your plan.

PLEASE NOTE: Creditors may place a notice on your credit report that you are on a debt management solution. The fact you are on a Debt Management Plan is likely to affect your credit rating, which could mean you will not be able to obtain credit whilst you are repaying your debt, and may continue to restrict your ability to obtain credit for up to 6 years thereafter.

- 3.2 Once the Agreement has started, we will negotiate with those Creditors with whom we might be able to agree a reduced payment and attempt to agree repayment terms with them for the amounts outstanding. In doing so we shall use the Debt Management Plan 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 Fees) as agreed with you.

- 3.3 We shall attempt to agree with your Creditors, where appropriate, that they freeze or reduce their interest charges and other recovery charges but we cannot guarantee this. If your Creditors continue to charge interest and any other charges these will be added to your balance and will be paid off as part of your Debt Management Plan. This will typically increase the Period.
- 3.4 We shall attempt to agree with your Creditors to suspend or withdraw enforcement proceedings issued in connection with your agreements with them. If your Creditors take or continue to take such action, you may have to pay the costs which they will add to your debt.
- 3.5 Where the original estimates in your Personal Illustration differ from the final payments due under the Debt Management Plan we will provide you with a revised, accurate Personal Illustration.
- 3.6 We shall make payments to your Creditors in accordance with the Debt Management Plan. The payment will be made only on receipt of cleared funds into our client account. Creditors may request their payment by electronic means or cheques. We cannot be responsible for any delays in payments made to your Creditors due to the accounting processes your Creditors choose to use or any disruption to the banking system which delays the crediting of your payments to your Creditors. We will, however, be responsible where the delay in payment is not beyond our control. See condition 6.2 for further details.
- 3.7 All payments to us, excluding your Initial Fee, 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. As this account is a non-interest bearing account 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.
- 3.8 Should your circumstances change during the Period, we shall review the Debt Management Plan and if necessary make changes to it in agreement with you and with any Creditors concerned. It is your responsibility to make us aware of all changes that affect the payment and continuity of your plan.
- 3.9 We shall provide you with periodic statements listing your Creditors, the Monthly Repayments made to them and the Monthly Fee which we have charged you.
- 3.10 We also offer to negotiate Full & Final settlements on behalf of our clients which means your Creditor(s) may agree to reduce your debt if you make a lump sum payment. Our fees are negotiable on a case by case basis and will reflect individual circumstances and case complexities, but will be a maximum of 10% of the total funds paid towards the full and final settlement.
- 3.11 We will keep you regularly updated of our dealings with your Creditors.

#### **4 Your responsibilities**

- 4.1 You will provide to us on request information relating to your finances. This will include, but will not be limited to, details of your income and expenditure, your Creditors and any agreement you have with them, any loans or mortgages you have, your dependants and any judgments made against you or any other enforcement action being taken against you. You must, where possible, send us copies of documents to confirm these details. PLEASE NOTE: We scan documentation and do not store physical paperwork.

- 4.2 You will sign any necessary forms of authority or any other documents so that we may negotiate with your Creditors on your behalf.
- 4.3 You will pay the Monthly Payment in accordance with the Debt Management Plan. As different payment methods have different clearing periods it is your responsibility to ensure that we have your Monthly Payment on or before the agreed date.
- 4.4 You must not ignore any communications from your Creditors and their agents and should forward to us copies of all correspondence from your Creditors and keep us informed of any dealings you have with any Creditors, whether we are in contact with them on your behalf or not.
- 4.5 You should keep copies of all documents you send to us as we only retain computer scanned document images. We will only return important original documentation to you including passports, driving licences, payslips, tenancy agreements or bank statements unless you specifically request otherwise.
- 4.6 Once the Debt Management Plan has been agreed, you must not make any unreasonable or unnecessary expenditure over and above your reasonable living expenses as calculated in the Debt Management Plan. You agree not to use your credit cards nor incur further debts during the Period.
- 4.7 You will consult with us in relation to your Debt Management Plan and in relation to any alterations and/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 full payments to us under and in accordance with the Debt Management Plan promptly as agreed.
- 4.8 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.
- 4.9 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, hire purchase agreement, credit card or any other form of credit.
- 4.10 Lack of contact from you will not be considered cancellation of the Agreement. If you wish to terminate this Agreement you must serve notice on us in accordance with condition 7.3.
- 4.11 You must maintain regular payments to us. Your Creditors may have to be informed if payments are not being maintained and your plan falls into arrears. This may result in your Creditors continuing legal action against you for which we cannot be held responsible.
- 4.12 If your payments are late your Creditors may continue or re-commence adding interest and charges. We cannot be held responsible for these charges.
- 4.13 You remain responsible for continuing to pay any secured loans, mortgages or hire purchase agreements and all household bills (including insurances). It is important that you maintain these payments during the Period.
- 4.14 You must not include secured loans, hire purchase agreements, court fines, Child Support Agency payments or, unless we specifically agree otherwise, any debt that is less than three months old in your Debt Management Plan.

4.15 If you bank with one of your Creditors you should notify us immediately.

## 5 Fees

5.1 You will pay to us the Initial Fee, the Monthly Fee as part of the recurring Monthly Payments and any other fees agreed in writing between you and us for additional services. The Monthly Fee will still be payable if work is carried out during a month that you fail to make a payment.

5.2 **Initial Fee** - This fee is for the initial review and analysis of your finances, identification and recommendation of an affordable and viable solution for you and the setting up of arrangements to distribute your monthly payment amongst your creditors. The Initial Fee is a maximum of twice your monthly repayment and is calculated on level of debt, number of creditors and the complexity of your file. This Fee will be verbally agreed at the outset of your plan. As the Initial Fee does not include any payment to your Creditors, in the first month of your plan, you may fall into (or further into) arrears.

5.3 **Monthly Fee** – This fee covers our work involved in communicating with creditors on your behalf, managing the monthly distributions to creditors, corresponding with clients and creditors and answering their respective letters or enquiries, providing clients with a regular statement of payments made to creditors and provision of ongoing guidance and support.

5.4 **Variation Fee** - This fee will only apply if a significant change is made to your debt management plan after the agreement commences, e.g. a full review of your circumstances is undertaken and we negotiate new arrangements with your creditors on your behalf or further creditors are added to your plan. It will be agreed with you before it is applied.

5.5 We reserve the right to increase our Fees at any time. You will be informed in writing no less than 30 days before your next payment. We will not increase your Fees if the payment to your Creditors would be below their agreed minimum requirements. If we increase our Fees, you will have the option to increase your payment accordingly or have the amounts to your Creditors reduced. If you do not accept the increase you can terminate the Agreement without serving the two weeks' notice required under condition 7.3 and without incurring any extra Fees.

5.6 Where a Full and Final Settlement is negotiated the Fee will be agreed in accordance with condition 3.10.

## 6 How we handle your money

6.1 All payments, excluding the Initial Fee, that we receive from you in cleared funds will be paid directly into our client account. The only deductions which we will make out of our client account are: (a) payment of our Fees; (b) payment of the Monthly Repayments to your Creditors in accordance with the Debt Management Plan; and (c) any other payments as instructed or agreed with you.

6.2 We will distribute the Monthly Repayments amongst your Creditors in accordance with the Debt Management Plan normally within five Working Days of clearance of the Monthly Payment from you. If there is a delay in any payment which is not beyond our control, we shall take the appropriate action to put you in the position you would have been in if the payment had been made within five Working Days and shall make good any additional interest which has accrued and any default charges that have been applied to the account as a direct result of the delay of the payment.

- 6.3 You must ensure that your payment reaches us in sufficient time to be cleared and transferred to your Creditor. Any late payment charges made by the Creditor will not be our responsibility.

## **7 Your right to terminate**

- 7.1 You have the right to cancel this Agreement under condition 1.3.
- 7.2 You may also cancel this Agreement at any time if the total fees payable under the Debt Management Plan increase from the Fees we estimate to you at the commencement of the Agreement provided that this right to cancellation will not be available in the event that such difference in Fees is due to any misrepresentation by you of your finances, including, without limitation, your Creditors.
- 7.3 In addition to your right to cancel under conditions 7.1 and 7.2, you may also end this Agreement at any time by giving us two weeks prior written notice.

## **8 Our right to terminate**

We may terminate this Agreement at any time by giving you two weeks prior written notice if any of the following happens:

- (a) you fail (within a reasonable timescale) to pay in full the Initial Fee;
- (b) you fail to make two successive Monthly Payments;
- (c) you are otherwise in serious breach of this Agreement or have persistently committed a series of minor breaches (even if any one individual breach would not necessarily be regarded as a serious breach on its own);
- (d) you become bankrupt, file a bankruptcy petition, make an arrangement or composition with your Creditors generally, or make an application to a court of competent jurisdiction for protection from your Creditors generally;
- (e) if the information you have given us turns out to be or we suspect that it is materially incorrect, incomplete, fraudulent or otherwise misleading; or
- (f) if we cannot perform our obligations under this Agreement because of something beyond our reasonable control. In this case, we will do everything we reasonably can to let you know as soon as possible.

## **9 Effect of Termination**

When this Agreement ends:

- (a) our duties and obligations under this Agreement will come to an end;
- (b) your liability to your Creditors will continue to the extent that any amounts you owe to your Creditors remain outstanding over and above the repayments made to them under the Debt Management Plan;
- (c) we are entitled to retain any Fees properly incurred up to the date of termination;

- (d) should we hold any outstanding correspondence 30 days after the termination of your Agreement we shall forward this paperwork to you; and
- (e) where we are holding any money on your behalf in our client account we will refund this to you after deducting any Fees owing to us.

## **10 Personal Information**

We agree to keep confidential all information received from or about you. We will not pass this information to anyone else without your permission, except in line with our data protection statement contained in condition 11 or to such of your Creditors as is necessary in order for us to negotiate repayments with such Creditors in accordance with condition 3.

## **11 Data Protection Statement**

### **11.1 Please read this statement carefully as it explains what personal information we collect about you and how we use this information.**

#### 11.2 We collect personal information about you

- (a) directly when you apply for, or enquire about, our services;
- (b) as a result of providing our services to you;
- (c) from your Creditors as authorised by your Client Authority Form;
- (d) as a result of administering your Debt Management Plan;
- (e) from third parties e.g. companies to which you have applied for other products and services;

#### 11.3 We will use your personal information to

- (a) provide and administer the services to you, and in particular to:
  - (i) prepare and issue to you your Debt Management Plan;
  - (ii) negotiate with your creditors on your behalf;
  - (iii) keep you informed about your Debt Management Plan and our services;
  - (iv) refer you to a more suitable debt solution, which may be provided by a third party, where best advice dictates;
- (b) contact you for marketing purposes.

#### 11.4 We may share your information with other parties, for example,

- (a) with other companies with which we are associated (including Group companies) in order to identify and offer appropriate products or services;
- (b) to the extent required or permitted by law, court order or a request by other government or law enforcement authority;

- (c) with any company or other entity to whom we transfer or subcontract any or all of our obligations.
- 11.5 Information may be transferred to third parties who may be located outside the European Economic Area. We will ensure that the information which is transferred is protected to the level of the standards which apply under the Data Protection Act 1998.
- 11.6 If you have agreed, and subject to condition 11.7, we may
- (a) use your personal information to contact you about our products and services and those of other selected third parties;
  - (b) share your information with selected third parties and they may contact you directly to provide you with details of their products and services.

Contact may be made by phone, automated calling, email, text or post.

- 11.7 You have a right to stop us from contacting you for marketing purposes and from sharing your information within our group and with third parties. If you no longer wish to receive marketing please write to the Data Protection Manager at Churchwood Financial Limited, National House, Wellington Road North, Stockport, Cheshire SK4 1HW or email [enquiries@churchwoodfinancial.co.uk](mailto:enquiries@churchwoodfinancial.co.uk).
- 11.8 You have a right to request a copy of the personal information we hold relating to you. You may request a copy by contacting the Data Protection Manager. We will charge the statutory fee of £10 for access.
- 11.9 You may ask us to correct or remove information which is inaccurate by writing to the Data Protection Manager.
- 11.10 Please note that we may record and monitor calls to help us to improve our service.

## **12 Complaints Handling**

We take any complaint regarding our practices seriously. Any complaints can be sent in writing to the Complaints Officer at Churchwood Financial Limited, National House, Wellington Road North, Stockport, Cheshire SK4 1HW or email [complaints@churchwoodfinancial.co.uk](mailto:complaints@churchwoodfinancial.co.uk). Your complaint will be acknowledged within 5 days of receipt and we aim to provide a full response to your complaint within 28 days. If you are not happy with the response to your complaint you may be able to refer the matter to the Financial Ombudsman Service (FOS). Full details of our complaints procedure, including your rights to refer your complaint to FOS, are contained in our Complaints Code of Practice, which is available on request.

## **13 Other Terms**

- 13.1 All fees are exclusive of any applicable Value Added Tax (VAT) or other sales tax. Please note that although the provision of our services is currently VAT exempt, this position could change in the future. If it does change we will notify you and amend your Debt Management Plan accordingly.
- 13.2 We may transfer our rights and obligations under this Agreement by giving you written notice of such transfer.

- 13.3 This Agreement sets out the entire Agreement and understanding between you and us.
- 13.4 We shall not be deemed in breach of this Agreement or otherwise liable to you if we are prevented or hindered from performing our obligations under this Agreement by reason of any event beyond our reasonable control.
- 13.5 If any part of these Terms and Conditions of Business is found to be invalid or unenforceable, that part shall be deemed severed from this Agreement which will otherwise remain in full force and effect.
- 13.6 We may vary these Terms and Conditions of Business from time to time and will write to give you at least 30 days' prior notice of any changes.
- 13.7 These Terms and Conditions of Business are governed by English Law.