

CHURCHWOOD FINANCIAL GROUP

Terms and Conditions of Business

Introduction

Important Note

These Terms and Conditions of Business explain our obligations to you and yours to us.

Definition of terms

“**Agreement**” means the agreement between you and us made mainly on these terms and conditions of business.

“**Creditors**” means any and all of your unsecured creditors whose details you will provide us with in accordance with section 3.

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

“**Fees**” means the Initial Fee and the Monthly Fee (as defined below) payable by you to us in accordance with section 4.

“**Initial Fee**” means your first Monthly Payment, which is paid by you to us as an initial fee for preparation of the Debt Management Programme, and which is not used to pay your Creditors. This is subject to a minimum of £250 unless authorized by a manager to be reduced.

“**Monthly Fee**” means the monthly fee payable by you to us for the Services. This is an amount equal to 15.0% or 17.625% of your Monthly Payment subject to a minimum of £29.38 depending on the number of creditors we have to deal with, apart from your first Monthly Payment which is the Initial Fee,

“**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.

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

“**Period**” means the period during which the Debt Management Programme will operate.

“**Services**” means the services we agree to provide you with under this Agreement.

“**Terms of Business**” means these terms and conditions of business.

“**us**” and “**we**” means Churchwood Financial Limited, whose registered address is 6th Floor Kingsgate, Wellington Road North, Stockport, SK4 1LW or anyone to whom we transfer our obligations and rights under this Agreement.

“**you**” means you, whose name is recorded overleaf (and your partner where any of the debts are in joint names).

1. **Appointment and Period** This is a binding document, and we advise our clients to read it carefully

1.1 You appoint us and we agree to provide the Services (as defined below).

1.2 This Agreement will commence the day you verbally conclude the contract in accordance with the Distance Selling Regulations 2000 section 12. The information we are required to send you is always sent that day or the day after at the latest after the contract was concluded and proof of postage is always obtained in order to prove that we have complied with Section 8 of the Distance Selling Regulations. By returning the completed client authority form enclosed with these Terms & Conditions of Business you are complying with Data Protection requirements as you are not required to sign any document in accordance with the Distance Selling Regulations 2000 to conclude the contract. The day we receive the Initial Fee from you may not be the same day you have received the T & C's - the payment date will not affect the commencement of your plan or your ability to cancel.

1.3 This Agreement will continue for the Period unless ended earlier by you as set out in sections 1.4 and 6 or by us as set out in section 7.

1.4 You have the right to cancel your Debt Management Programme under section 12 & 13a of the Distance Selling Regulations 2000, at any time but if cancelled during the first seven working days from the day after the contract was concluded (in other words 11 days from when you agreed the plan or 12/ 13 days if it covers a bank holiday) and that you were in receipt of the paperwork you will get a full refund if payment has been made. You must cancel in writing to us at Churchwood

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CANCELLATIONS 6th Floor Kingsgate Wellington Road North Stockport SK4 1LW which is in accordance with the Distance Selling Regulations 2000 section 10.

1.5 Refunds: A refund will only be considered if:

Payment has been cleared (this can take up to 5 days after it has left your account)

Full Refund

Cancellation has been made within the statutory cooling off period and work was not commenced on your instruction. The cancellation date will be the date of postage as on the envelope, which will be scanned for future reference.

2. Services

2.1 We will review your finances, covering your income, expenditure, debts and assets. These must include all debts secured on property or goods, which we will take into consideration but can not negotiate reduced payments on. We will calculate your disposable income, based on reasonable living expenses. We may on investigation deem that the Debt Management Programme is not best advice and in this case we will refer you to our sister company Kingsgate Insolvency. In the event of being referred to an Insolvency Practitioner the Initial fee is for the detailed analysis of your circumstances and whether you decide to proceed with the IVA or Trust Deed application that fee will not be refundable after the seven day cool off period as per section 1.5. The initial fee on referral to an Insolvency Practitioner will not qualify for partial refund due to the level of work that is carried out from the outset.

2.2 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.

2.3 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 Fees) as calculated by us for the same period. We cannot guarantee they will freeze your interest and charges if the level of payment you can afford is below your creditors' minimum level of acceptance. The payment you make may not off set any charges your creditor chooses to add to the opening balance.

2.4 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.

2.5 We shall make payments to your Creditors in accordance with the Debt Management Programme. This payment will be made only on cleared funds into the clients account. Creditors may request their payment by electronic means or cheques. Churchwood cannot be responsible for any delays made to your creditors accounts due to the accounting processes your creditor chooses to use or any delay in banking or crediting your payments to your account with your creditor.

2.6 Should your circumstances change during the Period, we shall review the Debt Management Programme 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 programme.

2.7 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.

2.8 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 be added to your balance and be paid off as part of your Debt Management Programme. We draw your attention to section 2.3.

2.9 We also offer to negotiate Full & Final settlements on behalf of our clients. Our fees are negotiable but will be a minimum of 10% of the saving.

2.10 We take any complaint regarding our practices seriously. Any complaints can be sent in writing to Complaints Officer at Churchwood Financial Limited, 6th Floor Kingsgate, Wellington Road North, Stockport, SK4 1LW. Your complaint will be acknowledged. A response to your complaint will be made within 14 days. If you are not happy with the response your complaint will be escalated to the Compliance Officer and all communication regarding the complaint will only be in writing. You will receive a copy of our Code of Conduct and Complaints procedure.

2.11 Any Data Access requests must be completed on our company access request form and accompanied by a fee of £10. This request must be made in writing only by the data subject.

3. Your responsibilities

3.1 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 dependents and any judgments 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 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 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 during the Period.

3.4 You will consult with us in relation to your Debt Management Programme 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 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, hire purchase agreement, credit card or any other form of credit.

3.7 Lack of contact from you will not be considered cancellation of the Agreement.

3.8 If you do not maintain regular payments we will suspend any action and payments on your account. Your Creditors may have to be informed that payments are not being maintained. This may result in your Creditors continuing legal action against you for which we cannot be held responsible

3.9 If your payments are late your creditors may continue or re-commence adding interest and charges. We cannot be held responsible for these charges.

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

4. Fees

4.1 You will pay to us the Initial Fee, the Monthly Fee and the recurring Monthly Repayments 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.

4.2 Initial Fee

This fee is for the setting up of your programme. It may not be set at the same level as your monthly repayment figure, which is based on affordability. The fee can be as much as ten times your monthly repayment and this 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 programme. No work will commence on your file until this payment has been received & cleared unless a manager has agreed in principle that work can commence sooner. If the initial fee has been split, work will commence on your file after the seven day cool off period whether the full initial fee has been made or not.

4.3 Should we refer you to Kingsgate Insolvency or MacGregors we reserve the right to retain the Initial fee only after the seven day cool off period. This fee is for the work carried out in assessing your case and preparing it for inspection by the Insolvency Practitioner. Once referred to the Insolvency Practitioner who accepts your case whether you choose to proceed or not the fee will then not be refundable.

4.4 We reserve the right to increase our fees at any time. You will be informed in writing no less than 28 days before your next payment. We will not increase your fees if your programme has not run for a complete 12 months. We will not increase your fees if the payment to your creditors would be below their agreed minimum requirements. You will have the option to increase your payment accordingly or have the amounts to your creditors reduced.

5. How we handle your money

5.1 All payments 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 Programme; and
- (c) any other payments as instructed or agreed with you

5.2 We will distribute the Monthly Repayments amongst your Creditors in accordance with the Debt Management Programme 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 in cleared funds and shall make good any additional interest which has accrued and any default charges that have been applied to the account as a result of the delay AND BASED ON THAT SUM ALONE.

5.3 You must ensure that your payment to us reaches us in sufficient time to be cleared & transferred to your creditor. Any late payment charges made by the creditor will not be the responsibility of Church wood.

6. Your right to terminate

6.1 You have the right to cancel this Agreement under section 1.4.

6.2 You may also cancel this Agreement at any time if the total Fees payable under the Debt Management Programme increase from the fees (4.3) we estimated 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. In the event of cancellation under this section 6.2, we reserve the right to retain the Initial Fee.

6.3 In addition to your right to cancel under sections 6.1 and 6.2, you may also end this Agreement at any time by giving us [two] weeks prior written notice which you may serve at any time whether or not you believe we may have been in breach of our obligations under this Agreement. In the event of cancellation under this section 6.3 we reserve the right to retain the Initial Fee.

7. 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 to make two successive Monthly Payments; or
- (b) 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); or
- (c) 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; or
- (d) we are temporarily prevented from fulfilling our obligations by reason of a disaster beyond our control- *that means for example if the building burnt down or an airplane crashed into the building* it would prevent us through loss of personnel or systems to be able to fully honor our contract with you until our emergency business plan was fully implemented and thereby it would cause a temporary delay in our services.

8. 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 Programme; and
- (c) should we hold any outstanding correspondence 30 days after the termination of your Agreement we shall forward this paperwork to you, all other paper documents will be shredded and disposed of in accordance with the terms and conditions of the Data Protection Act 1998. All "files" maintained by Churchwood are electronic and we do not store paper files all paper is destroyed and most creditor contact is done by telephone or email the electronic file will be kept in accordance with .

9. Personal Information

We agree to keep confidential all information regarding your Debt Management Programme 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 section 10 or to such of your Creditors as is necessary in order for us to negotiate repayments with such Creditors or in accordance with section 21.

10. Data Protection Statement

10.1 Please read this statement carefully as it explains what personal information we collect about you and how we use this information

10.2 We collect personal information from you both directly when you apply for our Services and from your Creditors as authorised by your client authority form. We may also collect further information as a result of administering your Debt Management Programme.

10.3 We will use your personal information to provide the Services to you, and in particular to:

- (a) prepare and issue to you your Debt Management Programme;
- (b) negotiate with your Creditors on your behalf; and
- (c) keep you informed about your Debt Management Programme and our Services.
- (d) best advice dictates that we refer you to a more suitable debt solution

10.4 Subject to section 10.5 we may also use your personal information to contact you to provide you with details of other products and services which we think may be of interest to you, including those offered by selected third parties. We may share personal information with these selected third parties and they may contact you directly to provide you with details of such products and services.

10.5 You may let us know if you do not want us to use or disclose your personal information as set out in Section 10.4 above either by indicating via the opt-out box provided in the client authority form or by writing at any time to the Data Protection Manager at our address given above.

10.6 Other than as set out above we will only disclose your personal information to the extent required by law, court order or as requested by other government or law enforcement authority, or to any company or other entity to whom we either transfer or subcontract any or all of our obligations to you under this Agreement.

10.7 You may contact us by writing at any time to the Data Protection Manager at our address given above for further information, or if you want to request a copy of the personal information which we hold about you or to ask us to amend any inaccurate information held by us. We do not store any paperwork. All documents are shredded once they have been used. Only passports, driving license, payslip, tenancy agreement, loan agreement or bank statement will be returned to you all other documents are destroyed. If you require the return of any documents other than those stated you must inform us when you send the documents and send a stamped addressed envelope for their return.

10.8 Please note that we may record and monitor your calls to us to help us to improve our service.

11. Other Terms

11.1 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 Programme accordingly.

11.2 We may transfer our rights and obligations under this Agreement by giving you written notice of such transfer.

11.3 This Agreement sets out the entire agreement and understanding between you and us. See section 1

11.4 You acknowledge that you have entered into this Agreement in reliance only on the representations, warranties and promises specifically contained or incorporated in this Agreement and, except as expressly set out in this Agreement, we shall have no liability in respect of any other representation, warranty or promise made prior to the start of this Agreement unless it was made fraudulently.

11.5 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.

11.6 These Terms and Conditions are governed by English Law.