

123 Debt Solutions Ltd Debt Management Terms & Conditions

123 Debt Solutions Ltd which is authorised and regulated by the Financial Conduct Authority. Interim Permission Reference NO: 600823.

The agreement between you and 123 Debt Solutions Ltd is set out below:

1 Definition of Terms:

"You" means the person whose name is set out overleaf (and the partner of the person where any of the debts 123 Debt Solutions Ltd are to manage are in joint names). **"Us"** 123 Debt Solutions Ltd of 10A Dryden Road, Wavertree Technology Park, Wavertree, Liverpool, L7 9PG. **"Creditors"** those unsecured Creditors whose details you provide to us in accordance with section 3. **"Debt Management Plan"** (DMP) A plan of repayments produced by us in accordance with section 2. **"Period"** The Period during which the Debt Management Plan is in operation. **"Fees"** The fees to be paid to us in accordance with the Debt Management Plan and section 5.

2 The Agreement:

You have requested and we agree to provide you with debt counselling, advisory and adjustment services in accordance with these terms and conditions. To enable us to manage your debts you authorise us to negotiate on your behalf with your Creditors. This agreement shall continue until the Creditors have been repaid or settled in full, unless this agreement is terminated beforehand in accordance with section 6.

3 Your Responsibilities:

- 3.1 Provide us with all relevant information regarding your finances. This will include, but not necessarily be limited to: details of your income and expenditure, your Creditors and any agreements you have with them, your dependents, any judgements made against you or any other enforcement action taken against you.
- 3.2 You will need to provide us with the following:
 1. Your most recent wage slip / benefit letter to verify your income;
 2. An up to date bank statement to verify elements of your expenditure;
 3. Any other information reasonably requested by us to verify your financial circumstances;
 4. A signed a letter of authority (or any other documents reasonably requested) to allow us to negotiate with your Creditors directly;
 5. Copies of all correspondences from your Creditors (and then keep us informed of any dealings you have with them) and
 6. An annual update of your circumstances.
- 3.3 Once your DMP has been agreed you must not make any expenditure over and above your reasonable living expenses as calculated in your DMP. You will not use credit cards or incur further debts.
- 3.4 You must inform us of any changes relating to your financial circumstances.
- 3.5 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. In rare instances County Court Judgements may still be actioned against you. We cannot guarantee to stop legal action by your Creditors.
- 3.6 We only undertake to provide debt management services in relation to unsecured credit and will not usually provide services in relation to secured credit and priority debts. You should always ensure that all payments are maintained towards secured credit and priority debts. Priority debts include (but are not limited to) mortgages, rent, utility bills, Secured loans, secured finance, HMRC, High Court fines, Magistrates fines, parking tickets, charging orders, personal debts, Non UK debts, TV Licence, Council Tax and Court Judgements. Failure to pay priority debts can lead to serious consequences, it is important that you prioritise payments towards these debts before making payments towards your unsecured Creditors via the DMP.
- 3.7 Whilst the agreement remains in force, you must not make any payments directly to the Creditors included in the DMP, unless notification has been given in advance to us that you propose to do so and we have agreed that such payment is appropriate.

4 Our Responsibilities:

- 4.1 We will review your finances on an annual basis, covering your income & expenditure and debts / assets in order to produce a detailed financial statement for your Creditors. This financial review will identify your disposable income (after reasonable living expenses) that can be used to make repayments to them.
- 4.2 We will negotiate with your Creditors pro rata payments based upon your disposable income minus our fees.
- 4.3 Where Creditors refuse to freeze or reduce interest on a debt included within your DMP we will inform you of this outcome.
- 4.4 We will provide you with an Annual Statement detailing repayments made to Creditors, outstanding balances and any Fees paid to us over the previous twelve months.
- 4.5 We will provide you with an Annual Review to ensure that your DMP remains appropriate to your circumstances (based upon a review of the information you provide us with under section 3.2).
- 4.6 We will review your DMP at any time if you notify us that your circumstances have changed in accordance with section 3.4.
- 4.7 All payments made to 123 Debt Solutions Ltd are placed in a separate non-interest bearing Client Account which is independent of our business and office accounts. At all times funds held for distribution to your Creditors are kept in the Client Account.
- 4.8 Payments to Creditors will be made by cheque or BACS within five working days of the receipt of cleared funds from you for your monthly payments (or its equivalent) unless we have your consent to do otherwise.

- 4.9 If you pay weekly or fortnightly, funds will not be disbursed until you have completed your monthly cycle, unless we deem it to be in your interests to disburse sooner.
- 4.10 We will inform you that where we ask you to cancel any payments to your Creditors they may be recorded as missed payments on your credit file. After 3 months a default notice could be registered, which will show on your credit file for the next 6 years, which could affect your ability to obtain credit in the future and further action may still be taken but this is down to individual Creditors' policies.
- 4.11 If you do not make regular payment in to your plan we may suspend all actions on your account. Your Creditors may be informed if you do not keep up repayments on your DMP.

5 How We will be paid:

- 5.1 Details of all our Fees are given in your DMP pack. From your monthly payments to us (or its equivalent) we will deduct:
 1. 17.5% of your monthly payment (subject to a minimum of £30 and maximum £95) as an on-going management fee for the life of the DMP, or any other fee agreed with you in advance; plus
 2. An arrangement fee of 45% of your total contribution is taken from each of your first six monthly payments into the DMP. Up to a maximum of £990.

By way of example - At an estimated plan length of 2 year(s) and 9 month(s), you will be charged £1,485.00 in Fees. These figures will fluctuate based on confirmed balances from you and your Creditors.
- 5.2 If you provide debit card information in order for us to take first payment to start the DMP, you have established a Continuous Payment Authority (CPA) and we will retain this information and debit your card on the requested date each month as your preferred method of payment, unless otherwise instructed by yourself both verbally or in writing.
- 5.3 Following receipt of first payments and based upon the accuracy of information provided by you, we will commence communications with your Creditors within 10 working days. We will prepare and issue the DMP immediately after which will be revised based on information provided by you and your Creditors.

5.4 Associated Fees:

- 5.4.1 The following amounts will be deducted from your monthly payment;
- 5.4.2 A fee of £12 will be taken each time you pay by cheque which subsequently bounces.
- 5.4.3 A fee of £20 will be charged if you cancel a cheque payment or overturn a debit card payment.
- 5.4.4 A fee not exceeding 45% (subject to a maximum of £150) will be deducted from your next monthly contribution should you wish to resume services after the suspension of your plan due to late payment or cancellation. This reactivation fee will only be applied where no payment has been made for at least one month up to a maximum of 90 days. After this period your plan will be terminated.

This reactivation fee will only be charged once every six months. If your plan is suspended again for your payment being late, without prior notice, for more than one month within six months of the reactivation fee being charged, we will not process another payment until we have completed a full account review. This is to ensure that the solution is still suitable for you. Should you wish to resume services after 90 days of no-payment, you will be required to complete a new financial assessment to determine the most appropriate solution.
- 5.4.5 Where it is identified that a Debt Management Plan is not a sustainable solution we will refer you to the Money Advice Service.
- 5.4.6 You will receive prior notice in writing before any of the Associated Fees are applied. We will send you a detailed breakdown of all fees charged over the previous 12 months within your annual statement.

6 Termination of Agreement:

- 6.1 You have the right to cancel this agreement at any time and for any reason within the statutory 14 day cooling off Period as required by the Consumer Protection (Distance Selling) Regulation 2000. The 14 day Period starts as of the day we receive your signed letter of authority. If any Fees are taken during this Period and you cancel they will be returned to you. Any money sent to your Creditors on your behalf will not be returned to you.
- 6.2 After the 14 day cooling off Period you may end this agreement by giving us 28 days' notice in writing.
- 6.3 To cancel your agreement within 14 days please send a written letter of cancellation to 123 Debt Solutions Ltd, 10A Dryden Road, Wavertree Technology Park, Wavertree, Liverpool, L7 9PG.
- 6.4 You may cancel the agreement at any time, if the Fees detailed in the DMP differ significantly from the Fees estimated in the original DMP. In the event of cancellation pursuant to this clause 6.3, we reserve the right to retain the fee payable in the month of cancellation pursuant to clause 5.1.
- 6.5 We may end this agreement by giving you 28 days' notice in writing if any one of the following occur:
 - 6.5.1 You fail to make 3 successive payments
 - 6.5.2 You breach this agreement and do not remedy the breach within 7 days of us bringing this to your attention.
 - 6.5.3 A bankruptcy petition is issued against you;
 - 6.5.4 You enter into an Individual Voluntary Agreement (IVA) or Trust Deed (PTD);
 - 6.5.5 Where the information provided to us is knowingly incorrect or inaccurate, and
 - 6.5.6 The information given by you at the time of acquiring a loan (HP agreement, credit card or any other form of credit) is deemed incorrect or fraudulently by any Creditor
- 6.5.7 Factors outside of our control – If we are, or anticipate, that we will be prevented or hindered from fulfilling our obligations under this agreement we shall notify you immediately. You will be entitled to cancel or suspend the agreement by giving us notice in writing.

- 6.6 When this agreements ends:
 - 6.6.1 Our duties and obligations under this agreement end;
 - 6.6.2 We will inform your Creditors that the DMP has ended and;
 - 6.6.3 Your liability to Creditors will continue to the extent that any amounts you owe to them remain outstanding over and above the repayments made to them by us.
 - 6.6.4 Responsibility for cancelling or amending any monthly payment instructions from your Bank for the DMP will rest with you.

7 How We Use Your Information:

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

- 7.1 We collect personal information about you both directly and when you apply for our services. By signing the Letter of Authority you also authorise us to collect information about you from your Creditors.
- 7.2 We will use your personal information to provide our services to you, and in particular:
 - 7.2.1 Negotiate with your Creditors on your behalf;
 - 7.2.2 Prepare your Financial Statement and DMP and;
 - 7.2.3 Keep you informed about your DMP and our services.
- 7.3 Subject to 7.4, we may also use your personal information to contact you to provide you with details of other products and services we may think might be of interest to you including those offered by selected third parties. These selected third parties might contact you directly to provide you with details of such products and services.
- 7.4 If you agreed to this previously, you may let us know if you do not want us to use or disclose your personal information as set out above in section 7.3 or if you wish to amend the way we communicate with you.
- 7.5 Other than as indicated above within 7.3 & 7.4, we will only disclose your personal information as required by law or to any company or other entity to whom we either transfer or subcontract all of our obligations to under this agreement.
- 7.6 You may contact the Compliance Department in writing at any time at the address provided below for further information or if you want to request a copy of the information we hold about you. There is a statutory charge of £10 for requesting this information and once cleared payment has been received this will be sent to you within 21 days.

8 Complaints:

- 8.1 The Company takes any complaint regarding its practices very seriously and any complaints can be sent to the Complaints Department in writing or you can call 0151 252 6288.
- 8.2 Complaints in writing should be addressed to The Complaints Department, 123 Debt Solutions Ltd, 10A Dryden Road, Wavertree Technology Park, Wavertree, Liverpool, L7 9PG. Our Complaints Department will acknowledge the complaint within 5 working days. You will receive a written full and final response within 8 weeks of receipt of your complaint.
- 8.3 If you are not satisfied with the outcome of the response, you may be eligible to refer the matter to the Financial Ombudsman Service (FOS). This is free of charge and to make a complaint to the FOS please contact: Phone: 0800 023 4567 or 0300 123 9123. Email: complaint.info@financial-ombudsman.org.uk

9 Warranty:

- 9.1 You warrant to us that all information supplied by yourself in relation to the agreement is accurate and truthful and you further acknowledge that we have only entered the agreement on the strict understanding that such information is accurate and truthful.

10 Severability:

- 10.1 If any provision of the Agreement is found by any competent authority or a court of law to be invalid or unenforceable for any reason, the remainder of the Agreement shall continue in full force and effect.

11 Governed by English Law:

- 11.1 The Agreement is governed by English Law. You and we both agree to submit to the non-exclusive jurisdiction of the English Court. However, if you are a resident of Northern Ireland you may also bring proceedings in Northern Ireland.