

# TERMS OF BUSINESS

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

## 1. Definition of terms

'We', 'us' means Pathfinder Financial Services Ltd (or anyone to whom we transfer our rights and obligations as per clause 10.e.

'You' means the person(s) whose names are listed above.

'Creditors' means all the organisations and people you have told us you owe money and are detailed in the monthly payment plan.

'Monthly payment plan' means a plan of repayment by which you are able to repay your creditors through us.

'Monthly fee' means a monthly charge for our service as detailed in clause 6.b.

'Period' means an estimate (based on the information you have provided) of the minimum period it will take you to repay your creditors in full, through us, by using the monthly payment plan. The period is calculated by dividing your total debt (based on the information you have provided) by your disposable income, less our management fee.

'Force Majeure' means any circumstance beyond our reasonable control.

## 2. Agreement

a. You request us and we agree to provide you with a debt counselling service, a debt repayment service and administration services in accordance with these terms of trading.

b. This agreement will start when we receive these terms of trading signed by you and the first payment into your plan.

c. You may cancel this agreement by giving us notice by post to Pathfinder Financial Services Limited, Barton Hall, Hardy Street, Eccles, Manchester M30 7NB, or by telephoning 0845 274 8000 within 14 days from the date you sign these terms of trading. This agreement will then be at an end and we will refund your payment in full.

## 3. What we will do

a. In consultation with you, we will calculate how much money you have available to repay your creditors each month.

b. We will inform each of your creditors that we are acting on your behalf.

c. When we have received payments from you in cleared funds we will issue payment to your creditors normally within five working days. If you make weekly payments, part of your monthly payment will be held for longer than 5 days.

d. We will conduct a review of your circumstances every 6 or 12 months to ensure you have the best solution available. We will also send you a statement showing the up to date balance owed to each of your creditors. Your statement will show how much has been paid by you in total and how much has been paid to creditors and incurred as fees.

e. If at any time your circumstances materially change we will immediately review your repayment plan.

f. We will ask creditors to accept revised repayments, and to freeze interest and charges and suspend or withdraw any enforcement proceedings which relate to your debts with your creditors. We cannot guarantee your creditors will accept our request and they still have the right to take legal action against you and to issue default notices. If the creditor does not freeze interest and charges, paying a reduced amount may mean it will take longer to repay your debt.

g. The payment we make to your creditors will be pro-rata with each creditor's share of the total debt.

h. When we issue payment to your creditors, we will send you a monthly confirmation of the payments we have made on your behalf.

i. We will adhere to the code of conduct issued by DEMSA (Debt Managers Standards Association).

j. We will adhere to the standards of conduct and operation required by the Debt Management Protocol.

## 4. What we will not do

a. We will not issue payment to your creditors without having first received cleared funds sufficient to make the agreed payment.

b. Whilst we will try to ensure interest and charges are frozen or suspended by your creditors, we cannot guarantee our negotiations will be successful and this may result in an increase in your total debt.

c. We will not withhold any payments due to your creditors as a way of exerting pressure on them to accept a payment offer.

## 5. What you will do

a. By signing this agreement you are giving your consent for us to contact your creditors or their authorised agents on your behalf to let them know of your financial circumstances and our involvement.

b. You will provide us with information relating to your finances which include but are not limited to the following:

i. your income and expenses.

ii. your dependants .

iii. your assets.

iv. your creditors and agreements with them.

v. your mortgages and secured loans.

vi. your County Court Judgements or other enforcement action.

d. You will make payments in full and promptly each month until all your creditors are repaid in full.

e. You will sign necessary forms of authority or other documents so we can carry out our obligations.

f. You will send copies of all correspondence from your creditors and you will let us know of any dealings you have with your creditors.

g. You will not ignore correspondence or other communication from creditors or any person acting on behalf of a creditor.

h. You will continue to make your usual payments in full towards your mortgage or any other secured loan, your utility bills and Council Tax payments.

i. You will not use any existing credit facility and you will not apply for credit from any source.

j. You will tell us of any changes in circumstance which may affect disposable income and your monthly payment plan.

k. You will consult with us when we need to review your monthly payment plan as described in clause 3.d

## 6. How we will be paid

- a. There is a monthly management fee which is equivalent to 15% of your payment under the monthly payment plan with a minimum fee of £30 per month or £2 per creditor whichever is the higher amount.
- b. Unless your creditors agree to reduce or freeze interest and any other charges, this will lead to an increase in the total amount of debt you will have to repay your creditors. This may also affect your credit rating.
- c. Each month you will pay us the management fee.
- d. After the plan is created and where additional creditors are added to the plan we will charge a one off administration fee of £10 for each new debt added to the plan.
- e. We will negotiate full and final settlements with your creditors at your request. We will charge a fee of 15% of the saving we achieve.
- f. Debit card payments will incur a processing charge of £1
- g. We will always distribute a minimum of 50% of every payment to your creditors.
- h. We reserve the right to vary our monthly management fee at our own discretion upon one month's written notice to you.
- i. With your express consent we may refer you to a third party. Under certain circumstances we may receive a commission for the referral.

## 7. Our client account

- a. We hold your monthly payments under your monthly payment plan in a client trust account with our bankers together with money we hold for our other clients.
- b. We will pay your creditors direct from the money we hold in the client trust account. Any money in the client trust account which has not been paid to your creditors may be paid to you at your request.
- c. If there is money in the client trust account and we for any reason are unable to pay it to you, we will write to you to ask your instructions for this payment.
- d. We will keep the client trust account records for seven years from the date of your last monthly payment.
- e. Except for our initial fee you instruct us to use the payments we receive from you into the client trust account to issue payments to your creditors as described in the monthly payment plan, after we have taken off our monthly management fee detailed in clause 6.c.
- f. We will not distribute payments to your creditors under the monthly payment plan until we have cleared funds from you in the client trust account. Cleared funds are any funds that we have received through electronic transfer into our bank account or our client trust account with our bank which we know came from you and which have not been returned unpaid. Cleared funds also include any cash, postal order or banker's draft paid into the client trust account and which we know came from you or any cheque received and banked by us either into the client trust account but only if we have not received notice from our bank that a cheque has been returned unpaid within 5 days.
- g. Because we issue monthly payments to your creditors after receiving payment from you in cleared funds, the date that we make payment to your creditors may not match the date your contractual payments to your creditors are due. We cannot guarantee that your creditors will not charge you interest, penalties and other charges as a result of this.

## 8. Ending this agreement

- a. You have the right to end this agreement as detailed in clause 2c of these terms.
- b. You also have the right to end this agreement at any time for any reason by giving two week's written notice.
- c. We may end this agreement by giving you two weeks written notice for any of the following reasons:
  - i. If you fail to make your monthly payment for 3 consecutive months.
  - ii. If you fail in any way to do what you agree in section 5 'What you will do'.
  - iii. If any of the information you have given us is materially incorrect, incomplete or fraudulent.
  - iv. If the information you gave at the time of acquiring credit was materially incorrect, incomplete or fraudulent.
  - v. If you are issued with a bankruptcy petition.
  - vi. If you enter into an Individual Voluntary Arrangement.
  - vii. If you die.
  - viii. If we are affected by force majeure. In this event all reasonable steps will be taken to let you know as soon as possible.
- d. When this agreement ends, our duties and obligations under this agreement come to an end. We will return any money we may be holding in our client trust account and you will not have to pay us any more money.

## 9. Confidentiality and Data Protection

- a. Information provided to us from you will remain confidential between you and Pathfinder Financial Services Limited. We may use the information you have provided to us to identify and provide you with details of other products or services we feel may interest or be of benefit to you. At no time are your details given to a third party outside the company unless we obtain your consent. Where we do have your consent to refer you to an external service, we may receive a referral fee.
- b. The information you give is confidential. We will not pass this information on without your permission except in line with clause 9.a. and to the creditors you have authorised us to deal with and their authorised agents.
- c. Under the Data Protection Act 1998 you have the right to access information we hold about you. If you require a copy of data we hold, please send your request to The Data Controller at this address. We expect to respond within 40 calendar days of receiving the request.

## 10. Miscellaneous

- a. If you do not make full contractual payments to your creditors, your credit rating will decline.
- b. You should keep copies of all the correspondence you send to us. We will at your request return correspondence you have sent us.
- c. Any notices we or you serve under this agreement will be valid if sent by first or second class post to the address given in this agreement.
- d. As a member of DEMSA (Debt Managers Standards Association) we adhere to the DEMSA code of conduct. A copy of the code can be downloaded from our website [www.pathfinderdm.com](http://www.pathfinderdm.com) if you do not have access to the internet we will send you a copy free of charge upon request.
- e. We may transfer any or all rights and obligations under this agreement. If we do this we will write to you and let you know the details.
- f. We are authorised and regulated by the Financial Conduct Authority and we adhere to all guidelines set out in the Debt Management Protocol.
- g. This agreement is governed by English Law.

## 11. Complaints

If at any time you are unhappy with the service we have given you, you can use our complaints procedure to make a formal complaint. If you want to know more, please ask us to send you a copy of the complaints procedure. A copy of our Complaints Procedure can be found on our website. You can also make a complaint to DEMSA if you are dissatisfied with the service we provide [www.demsa.co.uk](http://www.demsa.co.uk)