

## Terms and Conditions of Business

Our aim at Refresh Debt Services is to help you on your way to financial recovery. We aim to be transparent in all our dealings with you so that you understand every aspect of your Debt Management Plan. The Terms and Conditions of Business therefore explain our obligations to you and your commitment to us, so please take time to read them carefully.

### Definition of terms

**“Agreement”** means the agreement between You and Us made in these Terms and Conditions of Business.

**“Cleared Funds”** means (i) any postal orders or bankers drafts made payable to Us which We have received from You; (ii) any monies which We have received into our Client Account from You by electronic transfer (such as by standing order, direct debit or credit transfer) and which have not been returned unpaid within four working days, and/or (iii) any cheques which We have received from You which have not been returned unpaid within seven working days.

**“Client Account”** means the account where any monies held on behalf of our clients are deposited and which is not used for the purpose of our own business.

**“Authority to Act Form”** means the form enclosed with these Terms and Conditions of Business which We ask You to sign to give Us authority to contact your Creditors and to act on your behalf.

**“Creditors”** means all of the people or businesses You have told us You owe money to and who are included in your Debt Management Plan.

**“Fees”** means the Set Up Fees and the Monthly Fee.

**“Set Up Fee”** means 50% of the Initial 6 Months Contributions, which is paid by You to Us as an initial fee for our Services and which is not used to pay you Creditors.

**“Monthly Fee”** means the Monthly Fee payable for our Services which becomes payable from month 7 until the end of the plan. This is an amount equal to 17.5% of your Monthly Contribution, , subject to a minimum of £32 and a maximum of £300.

**“Monthly Contribution”** means the total amount which is paid every month by You to Us throughout the Debt Management Plan. This is made up of the Monthly Repayment to be made to your Creditors, and our Monthly Fee and any other payments as instructed or agreed with You.

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

**“Debt Management Plan”** means the plan of Monthly Contributions by which You repay your Creditors through Us and pay for our Services, prepared by us based on the information provided by You, as revised periodically.

**“Services”** means the services We agree to provide You with, under this agreement as debt advisors and debt managers.

**“Term”** means the period running from the start of this Agreement as defined in Section 1.2 until we stop providing You with Services. An estimate of how long the Term will last is set out in your Debt Management Plan as issued by Us in accordance with clause 2.1

“Terms and Conditions of Business” means these terms of business.

**“Us”** and **“We”** means Refresh Debt Services, whose registered office is at 14 Rathgannon, Warrenpoint, Co. Down BT34 3TU; Company Registration No NI055582 or anyone to whom we transfer our obligations and rights under this Agreement.

**“You”** means you, the person entering into this agreement named in the Debt Management Plan.

### 1. Appointment and Term

1.1 You appoint Us and We agree to act on your behalf and provide the Services.

1.2 This agreement will start when You confirm your acceptance of these Terms and Conditions of Business by returning the completed Authority to Act Form and the day when We receive the Initial Fee from You in Cleared funds.

Clients Copy

1.3 This Agreement will continue for the Term, unless ended earlier by You or by Us as set out in section 5.

1.4 You have a right to cancel this agreement at any time during the first 14 days of the Term. "Days" here includes Saturdays, Sundays and public holidays. You can do this by writing to us at the above address. We will then refund to you any Fees already paid to us that are Cleared Funds.

## **2. Our Obligations to You**

2.1 Based upon information provided by You to Us, We will review your income, outgoings and living expenses and prepare and send You a Debt Management Plan based on the debts to be included in your plan. This will indicate a Monthly Contribution which we believe You can afford and an estimate of how long it will take You to repay your Creditors.

2.2 Once the Agreement starts We will notify your Creditors of our involvement and will attempt to agree with them revised payment terms on your behalf. We will attempt to persuade your Creditors to accept reduced monthly repayments from You, not to charge interest and to either suspend or withdraw any recovery, or similar proceedings, which they may already have taken against You or may have threatened to bring against You. Whilst We will attempt to agree revised payment terms with your Creditors We cannot stop your Creditors from continuing to charge You interest and other charges, or from continuing any current, or bringing any future, recovery proceedings against You if they want to do this. If Your Creditors continue to charge You interest or other charges during the Term of your Debt Management Plan it may be necessary for you to make additional payments at the end of your Debt Management Plan to clear you debt to your Creditors.

2.3 If your circumstances change and you are unable to meet the payments set out in the Debt Management Plan, We will attempt to re-negotiate with your Creditors and arrange with you a revised Debt Management Plan. We will in any event periodically review your situation, normally every twelve months or earlier if your Creditors insist, and We will prepare and issue a revised Debt Management Scheme with You and your Creditors if this is appropriate.

2.4 We shall keep you informed of all material communications between your Creditors and Us, and We shall deal with all communications from your Creditors to Us (or to You and provided by You to Us) appropriately.

2.5 We cannot provide credit or lend you money.

2.6 We cannot provide Services in relation to secured debts such as mortgages or hire purchase, nor can We provide Services in relation to arrears of tax, including council tax, arrears of rent or utility bill payments.

2.7 A Debt Management Plan may have a detrimental affect your credit rating and may affect your ability to borrow money in the short term; there is some likelihood that this may extend to the medium to long term.

## **3. Your Obligation to Us**

3.1 You must provide Us with full, accurate and honest details on the form We provide to You of your net income, outgoings, Creditor and dependants and You must also provide Us with details of any outstanding judgments against You or any actual or threatened court proceedings. You must where possible send to Us copies or originals of documents to confirm these details.

3.2 You must make the agreed Monthly Contribution Payments to Us in accordance with the Debt Management Plan. These contributions will pay for the Set Up Fee, the Monthly Fee and the Monthly Repayments to your creditors.

3.3 You must allow Us to negotiate on your behalf with your Creditors.

3.4 You must send Us originals or copies of all correspondence You receive from Your Creditors so that We can deal with them on your behalf. Your correspondence will be scanned and stored by us as an electronic image or kept on file. If originals are provided we can only return them to You if You request this prior to posting.

**Clients Copy**

3.5 During the Term You must not make any payments directly to Your Creditors unless You have notified us in advance that You propose to do so and We have agreed that such payment can be made.

3.6 You must tell Us if your circumstances change so that you are or may become unable to maintain the level of Monthly Contribution Payments or if there has been an improvement in your circumstances so that You are able to increase your level of Monthly Contribution Payments. We will require two weeks notice from You to make any amendments to any direct debit or standing order arrangements You make for payment of the Monthly Contribution payments to Us.

3.7 During the Term You must incur no further debts, whether on credit or otherwise, other than those relating to your normal living expenses.

#### **4 Your Contributions**

4.1 All Contribution Payments that We receive from You in Cleared Funds will be paid directly into our client Account. The only payments which We will make out of our Client Account are: (i) payment of our Fees; and (ii) payment of the Monthly Repayments to you Creditors in accordance with the Contribution.

4.2 We will distribute the Monthly Repayments amongst your Creditors in accordance with the Debt Management Plan normally within five working days of receipt of the Monthly Contribution from You in Cleared Funds. If there is a delay in any payment to Creditors which is not beyond our control for more than 21 days We shall take 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.

#### **5. Termination of this Agreement**

5.1 You have the right to cancel this Agreement under section 1.4

5.2 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 5.2, We reserve the right to retain the Set Up Fees.

5.3 We may end this Agreement at any time by giving you two weeks prior written notice if any of the following happens: (i) You fail to make two successive Monthly Contributions Payments; or (ii) 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 (iii) 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.

5.4 When this Agreement ends: (i) our duties and obligations under this Agreement will come to an end; (ii) 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; and (iii) You may within 30 days of the end of this agreement request Us to send You copies of all paperwork received from You or your Creditors that has been retained by Us as a retained image or on file.

5.5 If your financial circumstances change during the term of this Agreement we may refer you to our debt advisors, insolvency practitioners or financial services advisors to identify a financial solution which better meets your needs at that time.

#### **6. Personal Information**

6.1 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 section 7 or to your Creditors as is necessary in order for Us to negotiate repayments with such Creditors.

6.2 If you have opted to receive information from us by text messaging or email, You are responsible for the security of your mobile telephone or personal computer – and must take all

**Clients Copy**

reasonable precautions to prevent anyone else from accessing your information, including using all security features available to you – and for informing us immediately if your mobile or personal computer is lost or stolen, your number or email address changes or if you suspect someone may have access to the information We send You.

## **7. Data Protection Statement**

7.1 Please read this statement carefully as it explains what personal information We collect about You and how We use this information.

7.2 We collect personal information about You both directly from You when You apply for our Services and from your Creditors as authorised by your Authority to Act Form. We may also collect further information as a result of managing your Debt Management Plan.

7.3 We will use your personal information to provide our 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; and (iii) keep You informed about your Debt Management Scheme and our Services.

7.4 Subject to section 7.5 We may also use your personal information to contact You to provide You with details of other products and services which We think maybe 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.

7.5 You may inform Us now if You do not want Us to use or disclose your personal information as set out in section 7.4 or if you wish to amend the way we communicate with you.

7.6 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.

7.7 You may contact us by writing at any time to the Data Protection Officer 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. If you request a copy of the personal information which We hold about You we will charge You a fee of £10.

7.8 Please note that we may record and monitor your telephone calls to Us to help Us improve our service.

## **8. Other Terms**

8.1 All fees are exclusive of any applicable value added tax (VAT)

8.2 We may transfer our rights and obligations under this Agreement by giving You written notices of such transfer.

8.3 This agreement sets out the entire agreement and understanding between You and Us and supersedes all prior agreements, understandings or arrangements (whether written or oral) in relation to the provision of the Services.

8.4 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 the 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.

8.5 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.

8.6 This agreement is governed by Northern Irish Law.

## **9. Warnings**

9.1 You must continue to pay the agreed amounts to taxes, fines, child support payments and any other debts which could result in loss of access to essential goods or services or repossession of or eviction from your home. Only the debts specified in the draft plan you have received are going to

**Clients Copy**

be placed in the Debt Management. Any debts which are not on these documents must be maintained in accordance with any prior arrangements or credit agreements you have with the creditor.

9.2 By entering into a Debt Management Plan you will no longer be making repayments as agreed under your credit agreements or consumer hire agreements. This may result in legal or enforcement action which we may not be able to prevent.

9.3 You should not ignore correspondence from your lenders or those acting on behalf of your lenders. We recommend that you open and read all correspondence and then refer it to Refresh Debt Services. You can do this by ringing your client liaison officer on 02841754200 or sending the correspondence to us in the freepost envelopes we have provided you with. Ignoring correspondence could have serious consequences for you.

9.4 As a result of your Debt Management Plan action to recover debts may be commenced by your lenders which may involve further cost to you.

9.5 We cannot guarantee that by entering into a debt management plan any current recovery or legal action will be suspended or withdrawn

10. IVA and Trust Deeds (If you are entering into a Debt Management Plan this section does not apply to you)

10.1 If your IVA or Trust Deed fails there is a risk of bankruptcy

10.2 If you are a homeowner you may need to release equity from the value of your home to pay off debts; the remortgage of your property may attract higher interest rates and if no remortgage is available, an individual voluntary arrangement may be extended for 12 months.

10.3 There are restrictions on the expenditure of a person who enters into an Individual Voluntary Arrangement or Protected Trust Deed

10.4 Your lenders may not approve the Individual Voluntary Arrangement or Protected Trust Deed

10.5 Only unsecured debts included within the Individual Voluntary Arrangement or Protected Trust Deed may be discharged at the end of the period and unsecured debts not included remain outstanding

## **Debt management fees**

There are two fees payable for entering into a debt management plan with us: your debt management set up fee and ongoing monthly fees.

### **Set Up Fee**

We do not charge up front initial fees, we spread the cost of setting up your Debt Management Plan over the first 6 months of the plan. We charge 50% of your first 6 months payments, the other 50% is distributed to your creditors on a pro rata basis. This is to ensure that your creditors receive a payment as soon as possible.

The set up fee covers the work involved in arranging your debt management plan. This includes putting together your repayment plan and negotiating with your lenders.

### **Monthly fee**

From the seventh month onwards, you'll start paying monthly fees. These fees are included in your monthly payments and make up 17.5% of each payment you make, subject to a minimum of £32.00 and a maximum of £300.00.

These fees cover the cost of managing your debt management plan on a month-to-month basis. This includes handling payments and carrying out regular reviews of your circumstances to ensure your debt management plan remains suitable for your circumstances.

Top of page

## **IVA fees**

There are three fees associated with an IVA: an initial assessment fee, followed by a nominee's fee and supervisor's fees once your IVA has started.

### Nominee's fee

Your first few monthly payments will make up your nominee's fee. This covers the legal costs and other costs associated with arranging an IVA. This fixed fee will **not** affect your monthly payments, or the duration of your IVA in any way.

### Supervisor's fees

Once your nominee's fee has been paid, you will pay ongoing supervisor's fees as part of each monthly payment. This covers the ongoing work involved in looking after your IVA and ensuring it runs as smoothly as possible.

The supervisor's fees will take up a fixed percentage of each monthly payment you make. They will not affect the amount you pay each month, or the length of your IVA.

<b>A breakdown of typical payments and fees on an IVA:</b>	
You pay each month	<b>£220</b>
Total amount paid (60 months)	<b>£13,200</b>
<ul style="list-style-type: none"> <li>• includes one-off Nominee's fee</li> <li>• Ongoing Supervisor's fees</li> <li>• and Supervisor's costs</li> </ul>	(£1,500) (£1,900) (£400)
Total debt written off on completion	<b>£17,600 (65%)</b>

*This example is based on a typical client – a consumer with approximately £31,000 of unsecured debts who completes an IVA lasting 5 years and has no equity in a home.*

For a more detailed breakdown, speak to our experts on **0800 121 48 63**.

### Trust Deed fees

A proportion of each monthly payment you make will be payable to us as your monthly fee. The proportion can vary from case to case, depending on what is agreed with your lenders. The fee will not affect how much you pay each month, as you will only ever pay what you can realistically afford.

The monthly fee covers the month-to-month running costs of your Trust Deed, including handling payments and reviewing your case on a regular basis to make sure it is still the right solution for you.

Here's an illustration of a typical Trust Deed:

<b>A breakdown of typical payments and fees on a Trust Deed:</b>	
You pay each month	<b>£220</b>
Total amount paid (36 months)	<b>£7,920</b>
<ul style="list-style-type: none"> <li>• includes our fees</li> <li>• and Trustee disbursements</li> </ul>	(£4,140) (£450)
Total debt written off on completion	<b>£19,680 (85%)</b>

*The example is based on a typical client – a consumer with approximately £23,000 of unsecured debts who completes a Trust Deed lasting 3 years and has no equity in a home. Fees shown are inclusive of VAT where applicable.*

For a more detailed breakdown, speak to our experts on **0800 121 48 63**.

### Bankruptcy Assistance Service

**What you will get with our service:**

- The service will assist in taking some of your concerns away; as we will be help you through every step of the process and providing technical as well as moral support in the run up to and the general period of the Bankruptcy.
- 1 years telephone support where you will be able to get advice on any issues with regards to your bankruptcy
- Your own dedicated Bankruptcy Consultant who will go through the whole process with you, including filling in the Statement of Affairs.
- We will contact all your creditors to advise them of your intention to petition for your own bankruptcy. This should help minimize the contact from your creditors during this transition.

**The fees for petitioning for bankruptcy:**

£525	Deposit	This is the cost of administering your bankruptcy and goes towards paying the Official Receiver's costs
£115	Court Fee	This is means tested so may not have to be paid (assessed on an individual basis)
£7	Affidavit	if you swear the statement of affairs in the High Court or before a solicitor
£500	Refresh Support Service Fee	For assistance and advice when applying for bankruptcy – <b>*can be paid by instalments</b>

\*Each married couple pays a separate fee