

## **Terms and Conditions of Refresh Debt Services Relating to Debt Management Plans**

### **1. Agreement**

1.1 These Terms and Conditions set out to “You” (the consumer) Your obligations, if You decide to instruct “Us” (Refresh Debt Services Limited) to deal with Your financial affairs via a Debt Management Plan (DMP).

1.2 If any of these Terms and Conditions are unclear, please telephone Us on 028 41752062. Calls to this number are charged at the standard rate when calling from a landline. If calling from a mobile number this will cost You more. Alternatively please write to Us or email Us with Your specific questions to [info@refreshdebt.co.uk](mailto:info@refreshdebt.co.uk). If You subsequently receive additional advice from Us regarding the potential for You to consider another form of debt relief such as an Individual Voluntary Arrangement or a Protected Trust Deed then at that stage We will inform You what additional obligations will be placed on You and Us.

1.3 Please take Your time in reading and understanding this document so that You fully understand the obligations upon You and the level of service that You can expect from Us. If there is anything that You are unclear on and need help and assistance with then please telephone Us on the above number.

1.4 These Terms and Conditions are not intended to be exhaustive, insofar as they will not cover every point applicable to Your case, on the basis that every case is different. In addition to these Terms and Conditions You will also receive communication from Us which will set out in detail the issues relevant to Your particular circumstances.

1.5 These Terms and Conditions are governed by Northern Irish law, written in English language and English will be the contractual language in which We will communicate through our agreement.

### **2. Our Regulatory Position**

2.1 We are regulated by the Financial Conduct Authority (FCA). You can access the website of the FCA by logging onto [www.fca.org.uk](http://www.fca.org.uk)

2.2 Refresh Debt Services Ltd provides various forms of debt advice to consumers in the UK. Being regulated by the FCA We are obliged to comply at all times with the Principles for Business (PRIN) as laid down by the FCA (which includes the obligation to treat You fairly). At the end of this document You will find details of our company, including our address, email address, web address, and other regulatory information that may be of interest and importance to You.

### **3. Your Responsibilities**

3.1 You will provide Us with information relating to Your finances. We can only act upon the instructions that You provide to Us. We will only discuss Your DMP with You, unless You instruct Us otherwise. If You are happy that We can discuss Your DMP with a third party then We will require Your consent to do so. This consent can be provided by You either in writing, over the telephone or electronically.

3.2 It is vitally important that You inform Us of all aspects of Your financial situation, relating to Your income, assets, expenditure and debts, both secured and unsecured and any judgments made

against You or any other enforcement action being taken against You. When providing information to Us, You should be truthful and accurate to the best of Your ability.

#### **4. Our Responsibilities**

4.1 When taking Your initial instructions We will attempt to ascertain the full picture of Your financial situation. When We do so We will be in a position to advise You as to the options that are available to You. We will gather information as to who You owe money to on a secured and an unsecured basis although only Your unsecured debts will form part of a DMP.

4.2 During our assessment of Your financial situation We will determine, based on the information that You provide Us with what Your monthly disposable income is. This figure will determine the offer that will be made to Your Creditors, on a monthly basis and will also determine the level of the fees that We will charge You. The fees that We will charge You will represent the work that We will carry out on Your behalf in setting up and managing Your DMP. At the conclusion of our financial assessment We will recommend to You the solution which We believe, based on the information available to Us at the time, best suits Your position.

4.3 When You instruct Us to deal with Your financial affairs We will negotiate with Your Creditors on Your behalf. Our agreement shall continue until final repayment of the Creditors is made in accordance with the DMP, unless it should have been terminated beforehand in accordance with Clause 13 below.

4.4 We will aim to persuade Your Creditors to freeze interest, to stop laying late payment charges, to stop contacting You and to stop enforcing recovery action against You. We cannot however guarantee any of the above.

4.5 You should be aware that if We advise You to stop making payments direct to Your unsecured Creditors, but instead to Us via Your DMP, then Your debts may increase for a period of time and You may fall into, or further into, arrears. However, We do our best to persuade Your Creditors to freeze interest on the basis that You have instructed Us.

4.6 Your disposable income must be paid by You into our Client Account on a weekly/monthly basis. This Client Account does not attract any interest from the bank involved. This Client Account is kept ring-fenced and is separate to our other company bank accounts. In order for Us to act on Your behalf We must receive Your weekly/monthly payment in a timely manner as and when expected by Us.

4.7 If You fail to make a weekly/monthly payment to Us, then We cannot make a payment to Your Creditors and We reserve the right to issue to You a Notice of Termination of the agreement. In such circumstances any agreements and/or concessions that We have agreed with Your Creditors are liable to lapse. This is clearly not in Your interest. If You believe that You cannot make Your payment on the agreed date then You should contact Us without delay so that We can advise You of what steps You and We can take in such circumstances. If We have to send You a Notice of Termination, then We will at the same time inform Your Creditors that We can no longer act on Your behalf.

4.8 From Your disposable income We will determine how much We will pay to Your Creditors. From Your disposable income We will deduct our fees. We will only deduct our fees after We have distributed Your payments to Creditors.

4.9 Based on the unsecured debt balances you have provided us with and on the basis that you will

make your reduced payment on time every month, we estimate that it will take you <<ClientTimeToPayDebtMonthsAndYears>> months to pay off your debts with a Debt Management Plan and the estimated total fees over the life of the plan will be <<ClientTotalFees>>

## **5. How We Will Be Paid**

5.1 As We will be charging You fees You should be aware that our service is profit-seeking and that We can only act on Your behalf when We are able to take fees from Your disposable income.

5.2 At the commencement of our relationship with You, We will advise You of the fees that We will charge to You. We will inform You of this over the telephone and We will also inform You in writing/email what the fees are.

5.3 From the first month that You make a payment to Us We will distribute a percentage of this to Your Creditors. This percentage that We distribute to Your Creditors will always be in accordance with the obligations imposed on Us by our Regulator, The Financial Conduct Authority. The amount that We distribute will depend upon the individual circumstances of Your case, and We will advise You specifically of this over the telephone and subsequently by post/email.

5.4 During the first six months of Your DMP the fees that We will charge will be higher than in month seven onwards. This will be to take into account the fact that over the first six months We will recover the fees associated with the setting up of Your DMP. From month seven onwards the monthly fee that We will charge You should remain the same over the course of Your DMP. However, our fees may change if Your payments to Us change.

5.5 At the start of Your DMP, We will advise You as to our estimate of the length of Your DMP, and the total fees that We will charge You across the length of Your DMP. Over time the length of Your DMP may increase and decrease. When this happens We will let You know of the changes. We may inform You of these changes over the telephone, electronically or via the postal service.

5.6 The estimated length of Your DMP may increase or decrease depending if Your disposable income increases or decreases, or if the balances of Your debts are different to those envisaged. The length of Your DMP may also need to increase or decrease if Your personal circumstances change. If they do You should contact Us immediately to inform Us about these changes.

## **6. Our Fees Explained**

6.1 The fees you pay cover the following work:

Reviewing your initial draft proposal, calculating your payments to creditors, the production of a financial statement and proposals for your creditors as well as the initial negotiation with creditors by phone, letter and email to set up your agreements for reduced payments.

On-going communication with both creditors and yourselves, continuing active negotiation to reduce interest and charges wherever possible, distribution of your payments, creditor harassment complaints and annual reviews of your plan.

Online access to your personal log in area which has updated information on your plan including a summary of your budget, creditor correspondence and a negotiation report showing the status of each agreement.

6.2 No upfront fees are taken by Refresh Debt Services to cover the set up costs of the plan. Instead the set up costs have been spread over the first 6 months of the plan. This prevents a delay in payments reaching creditors, but means the first 6 payments to creditors will be reduced slightly.

6.3 Refresh Debt Services will charge you a monthly management fee for the running the debt management plan.

6.4 The first 6 months management fees are higher due to level of work required in the initial months including the collating of relevant information, preparing proposals to creditors and negotiating the freezing of interest and charges.

6.5 The normal on-going monthly management fee will be 17.5% of the monthly payment with a minimum of £32 and a maximum of £100.

6.6 For the first 6 months of the plan you will be charged 35% of the monthly payment with a minimum of £50 and a maximum of £200.

6.7 To ensure 'significant payments' are made to creditors at all times and to ensure the fair treatment of customers, we will reduce fees on a case by case basis and where the monthly payment is lower than average.

6.8 Where appropriate, we also negotiate informal settlements where clients are able to generate lump sums to pay towards all or some of the debts. Such informal settlements which achieve some level of write off negotiated by Refresh Debt Service are charged at 10% of the amount saved.

## **7. How We Handle Your Money**

7.1 We will pay Your disposable income to Your Creditors within 5 days of Us receiving it as cleared funds into our bank account. There may, however, be exceptions to this, such as when We are unable to do so because You have not provided a Creditor account number to Us, or where You have done so it transpires that the number is incomplete and/or wrong. We will make payments to Your Creditors on the basis of the amount of Your disposable income compared to the debt that You owe a particular creditor. We will explain in more detail how We do this when We speak to You on the telephone.

7.2 Furthermore, there may be occasions where You instruct Us to negotiate on Your behalf a payment in Full and Final Settlement of Your debts. In such circumstances We may hold Your money longer than 5 days, but only with Your consent and on Your instructions. If We fail to obtain Your consent We may remove incomplete Creditor information to ensure that payments can be made to Your other Creditors. If You choose to enter into a process with Us to deal with Your unsecured debts by way of a Full and Final Settlement then We will write to You separately setting out the obligations of Us and You.

## **8. Consequences And Effect Of The DMP**

8.1 The fact that You have entered into a DMP may be recorded on Your credit file. This may make it more difficult for You to obtain credit at some point in the future. However, it may well be the case that at the time that You instruct Us Your credit file may have already been marked with adverse references. Normally, the fact that You have entered into a DMP will be recorded on Your credit file for a period of 6 years.

8.2 If You should at any time enter into an Individual Voluntary Arrangement with Us, or other debt relief program such as a Debt Relief Order or in Scotland a Protected Trust Deed, then Your personal information will be entered on a public register.

8.3 Your DMP is intended to deal only with Your unsecured debts.

8.4 Please be aware free and impartial advice about how to deal with your creditors and free debt counselling, debt adjusting and providing of credit information services is available from the Money Advice Service.

## **9. Your Continuing Obligations In Relation To The DMP**

9.1 When You enter a DMP with Us, if You are contacted by any of Your Creditors You should advise them that We are acting on Your behalf and You should ask that they contact Us. If You receive any correspondence from Your Creditors You should first read this Yourself and then send this to Us. You should never ignore letters, text messages, emails or telephone calls from anyone that You owe money to.

9.2 If You feel that You wish to do so then please be aware that You can contact and deal with Your Creditors at any time. We would however ask that You inform Us of any discussions/correspondence as this may have an effect on Your DMP. If one of the Creditors in Your DMP is the bank that You carry out Your normal day to day banking with, You should be aware that in such circumstances the bank concerned may withdraw the bank account from You. In those circumstances We will advise You of the course of action that You should adopt in order to open a new account.

9.3 When You enter into a DMP, managed by Us, You should always ensure that You maintain any and all payments that You should make towards priority debts. When We refer to Priority Debts We mean payments such as Mortgage, Rent, Council Tax and Utility Bills, as well as Court Judgments. It is crucial that payments towards these bills/debts are prioritised so that You pay these before You pay Your unsecured debts/Creditors, as failure to do so could have very serious consequences for You. In addition You should always ensure that You maintain payments in relation to taxes due, child support and/or maintenance payments and other payments which if You failed to keep up repayments may result in the loss of access or loss of use. An example of this may include payments under a Hire Purchase agreement of a vehicle which You use for work.

## **10. Our Continuing Obligations In Relation To The DMP**

10.1 At least once a year We must carry out a review of Your financial situation. The purpose of this review is to determine if Your financial situation has changed for the better or the worse.

10.2 In order to complete a full review of Your circumstances You must cooperate with Us when We contact You in order to allow Us to complete a review of Your situation.

10.3 We may ask that You make Yourself available for a telephone appointment. In addition We may ask that You provide Us with documentary evidence as to certain aspects of Your income and expenditure. If You cannot do so, or fail to do so then this may result in Your Creditors rejecting our request for concessions to be applied to Your account which may result in the failure of Your DMP.

10.4 We will also carry out a review if We become aware that there has been a change in Your financial circumstances which means that the terms of Your DMP should be reviewed.

## **11. Online Access To DMP**

11.1 As part of the service that We provide to You, We will provide You with access to the Refresh Debt Portal.

11.2 By logging onto the Portal, You will be able to gain online access to Your DMP, in that You will readily see the most recent balances on Your debts (so far as We have been reasonably able to gather these from Your Creditors and/or You), the payments that You have made to Us, the fees that We have charged You and the distributions that We have made to Your Creditors.

11.3 You will also be able to see which Creditors have granted You Concessions, such as the freezing of interest. We will regularly monitor Your plan. By using the Portal You will also see if and when Creditors change or cease Concessions.

11.4 Via the Portal We will inform You of any material changes between You and Your Creditors.

11.5 When We post additional information on the Portal regarding Your case We will alert You to these changes, for example by sending You a simple text message asking that You log onto the Portal.

## **12. Creditor Action Against You**

In circumstances where one of Your Creditors seeks to recover their debt from You by way of formal legal means, such as taking You to Court, You should be aware that We will NOT act as Your legal representative in such proceedings. We cannot be held liable for any legal proceedings taken against You by Your Creditors and cannot guarantee that any existing or threatened proceedings will be suspended or withdrawn.

## **13. Termination Of The DMP**

13.1 You can cancel the agreement with Us at any time by giving Us notice by post or telephone.

13.2 In order to fully update our records We would ask that should You wish to cancel the agreement that You do so by telephoning Us on 028 41752062. There is no period of notice that You must give Us if You wish to cancel the agreement.

13.3 In relation to the work that We carry out on Your behalf and the fees that We charge You, We will only be liable to refund fees, if You cancel the contract within 14 days of taking it out. This is called the "Cooling Off" period. The 14 days that make up the "Cooling Off" period will commence with the date that our agreement commences which will be the date that You requested Us to begin carrying out our service for You.

13.4 If you cancel your Debt Management Plan and we have a payment on your client file which has not yet been paid to your creditors we will endeavour to return this payment to you. When you terminate your debt management plan it is your responsibility to cancel any standing order mandate you have set up to pay your debt management plan each month.

13.5 We do not charge any cancellation charges or penalties

## **14. Personal Data**

14.1 We will process Your information in accordance with the Data Protection Act 1998 and other associated legislation which We must comply with.

14.2 Unless We have Your prior consent, We will not pass Your details onto any other 3rd party. We will only recommend to You the services of a 3rd party if We believe that such a party will be of assistance to You. In such circumstances We will always identify to You the identity of that party/professional, why We are referring You to them and where You can get in touch with them.

14.3 As to the information that We have on our systems about You, You have a right to see this. If You would like to see a copy of this information then please submit a Subject Access Request to our office address, for the attention of the Compliance Officer, enclosing the fee of £10.

## **15. Complaints**

15.1 We hope that You do not have a reason to make a complaint about the service that You receive from Us. However, if for any reason You feel dissatisfied with our service We would ask that You telephone Us on 028 41752062. We will listen to Your complaint and will try to do everything that We can to resolve it. If You would rather email Us about a complaint or issue then please do so to the email address [info@refreshdebt.co.uk](mailto:info@refreshdebt.co.uk).

15.2 If You wish to make a formal complaint We will supply You with a copy of our formal complaints procedure. We will do our utmost to deal with Your complaint in-house.

15.3 If after having raised Your complaint with Us, You are still not satisfied then You can take the matter further by contacting the Financial Ombudsman [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## **16. Variations**

At some point We may have to change these Terms and Conditions. If We do so We will send You notification and/or provide access to the changes. Before We make such changes We will give You 7 days' notice. If You do not wish to accept the proposed changes then You can exercise Your rights to cancel the agreement under Clause 12 above.

## **17. Refresh Debt Services Limited Contact Details**

Company details:

Refresh Debt Services Limited

Milltown House

Milltown Industrial Estate

Warrenpoint

BT34 3FN

Refresh Debt Services Ltd is a company registered in Northern Ireland – company registration number NI055582.

We are authorised & regulated by the Financial Conduct Authority, No. 674160

Telephone Number 028 41752062

Email – [info@refreshdebt.co.uk](mailto:info@refreshdebt.co.uk)