

# ADEQUATE EXPLANATIONS

Premium Choice Limited (PCL) has produced this document to provide you with additional information relating to your finance agreement arranged through PCL and or Premium Choice Limited trading as (t/as) A Choice, and our selected Lender, Close Brothers Limited t/as Close Brothers Premium Finance.

## Your finance arrangement explained

By opting to pay your insurance premium by instalments, you are obtaining credit from Close Brothers Premium Finance (the Lender) in the form of a Running Account Credit Agreement which is regulated by the Consumer Credit Act 1974. By entering into the agreement with the Lender, you will be agreeing to repay the amount of credit by way of monthly repayments. The Lender will provide your Pre Contract information by way of a Welcome Pack. The documents within the pack will clearly articulate the key details about your agreement including:

- the pre-contract credit information.
- the cost of the credit agreement.
- the minimum monthly payments.
- the dates payments are due.
- the terms and conditions of the credit agreement.

It is important that you read and understand this information and consider what is involved in entering into the agreement. If you have any questions about the information you should contact the Lender.

In consideration you should assess:

### 1. If the finance arrangement is suitable?

The running account credit agreement gives you an easy way to spread the cost of your insurance premium over a period of time, allowing you to manage your cash-flow more easily over the life of your insurance policy. It is specifically designed for the repayment of insurance premiums and isn't suitable for any other use. If you are considering paying for the insurance policy premium upfront in one payment, the finance arrangement may not be suitable for you.

### 2. How much it will cost?

PCL will have already provided you with details of the number and amount of repayments you will have to pay under the agreement including the interest rate applicable and the total amount you will have to pay over the duration of the agreement. These details will also be set out in your Running Account Credit Agreement under the "Payments and Repayments"; and "Interest and Charges" sections.

### 3. If you fail to keep up the repayments?

You should consider your ability to repay the agreement. By way of example, you should calculate if you have sufficient income taking into account your existing routine and regular monthly financial commitments. You must ensure you keep your repayments up-to date. If you are unsure about your ability to afford and repay, we recommend the use of a Money Calculator or that you seek independent advice.

If you miss any payment, the Lender may terminate your finance agreement after giving you any notice required by law. If this happens and you fail to pay the outstanding amount due, your insurance policy may also be terminated. If you miss a payment this may lead to the amount you owe the Lender under the agreement increasing.

This is because the Lender may charge you interest on any unpaid amount from its due date until the date of actual payment together with costs the Lender might incur in enforcing the agreement. Missing a payment may make obtaining credit more difficult in the future as the Lender may report non-payment to credit reference agencies (which most Lenders check against when assessing any borrowing application).

### 4. If you stop repaying the agreement?

If you experience difficulties repaying the agreement you should contact the Lender as soon as practicable. The Lender will give you reasonable time to repay what is owed. If you cannot come to an agreement with the Lender you should contact PCL. If you fail to contact the Lender or PCL and stop repaying the agreement your insurance policy and the agreement with the Lender will be terminated. Your insurance company may issue a refund of premium paid where appropriate. In any event Legal proceedings may be commenced against you to recover any amounts still owed by obtaining a judgment (decree in Scotland) against you from the court.

### 5. The cancellation rights?

You have 14 days to withdraw from your agreement. The 14 day period shall start after the day you receive a copy of your agreement from the Lender. If you wish to withdraw you must provide notice to the Lender either by:

- telephone: [0333 321 8566](tel:03333218566).
- email: [customerservicespf@closebrothers.com](mailto:customerservicespf@closebrothers.com); or
- post: Close Brothers Premium Finance, Wimbledon Bridge House, 1 Hartfield Road, London, SW19 3RU.

The Lender will treat the credit agreement as if it was never entered into but you must repay any amount of credit within 30 days beginning with the day after the day you notified the Lender of your intention to withdraw. You will not have to pay the lender any interest or charges but you will have to make alternative arrangements to pay for your insurance policy. Otherwise, your insurance policy may be cancelled.

## 6. The features of the loan agreement and adverse impact of them?

Your insurance policy forms the security of your credit. If you fail to meet your repayment obligations or choose to cancel your finance agreement your insurance policy is at the risk of cancellation. Your insurance company may issue a refund of premium paid where appropriate. In any event Legal proceedings may be commenced against you to recover any amounts still owed by obtaining a judgment (decree in Scotland) against you from the court.

## 7. If you require more information before deciding?

You should contact PCL or the Lender if you have any questions about the agreement. You can contact PCL by calling: [0330 127 4500](tel:03301274500) or you can contact the Lender on: [0333 321 8566](tel:03333218566).