



Commercial & Asset Finance Ltd.

PRE CONTRACT DISCLOSURE

Asset Finance Guide:

Finding the right asset finance agreement for you.

If you enter into a finance agreement, we will not charge you any fee. We will be paid a commission by the lender. For motor vehicles, the commission will be a fixed amount per agreement or a variable amount depending on the size of the loan. For other assets, the commission will be a variable amount depending on the interest rate you are offered and the size of the loan, with higher rates and larger loans resulting in higher commissions.

We may also receive a fixed payment for handling documentation on behalf of the lender. These arrangements help to ensure that the commission we earn fairly reflects the work we will carry out to meet your requirements. We are happy to discuss further details including the amount of commission we earn upon request.

This document sets out how we will deal with you in the provision of services for Credit Broking. Commercial and Asset Finance Ltd is authorised and regulated by the Financial Conduct Authority (FCA). The FCA regulates financial services in the UK and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/registeror or by contacting the FCA on 0800 111 6768

Introduction

We want to help you to find a suitable asset finance product that meets your needs. This sheet explain factors that you should consider.

Our role

We work with a panel of asset finance lenders to find a suitable arrangement for you. Once we have found a suitable arrangement, we will present the lender's agreement to you to sign. We will discuss this with you and will be happy to explain any terms of the agreement to you.

Do I need asset finance?

The main options for financing newly acquired equipment are:

- Purchase outright for cash
- Bank facility
- Raise new capital
- Rent for a short period (typically less than one year)
- Take out an asset finance agreement. A lender will purchase the equipment from the supplier you have selected, at the price you have negotiated. You will then hire or lease the equipment from the lender.

In deciding which option to select, relevant factors may include:



- Whether you have the cash to buy outright.
- How long you need the equipment for.
- Costs of the different options

For more help in deciding whether to select asset finance, see the Government's Business Finance advice <https://www.gov.uk/business-finance-explained/overview>

What types of asset finance are there?

Most asset finance arrangements involve paying a deposit and then monthly payments.

The key difference between products is what happens at the end of the agreement and who gets title to the equipment.

- **Hire Purchase:**

At the end of the agreement there is an option to purchase the equipment. If the option is not taken up, the equipment needs to be returned to the lender.

- **Conditional Sale:**

At the end of the agreement you automatically take ownership of the equipment.

- **Lease:**

At the end of the agreement, there is no option to purchase. The agreement can usually be extended, you may be offered the option to sell the asset on behalf of the lender, or the equipment can be returned to the lender. You do not get title.

In deciding which option to select, relevant factors may include:

- How long you expect to use the equipment for
- The income or corporation tax, VAT and accounting treatment of the product.

For more details of these factors, see the Government's Leasing and Asset Finance advice <https://www.gov.uk/business-finance-explained/leasing-and-asset-finance>

Suitability of asset finance.

Asset finance may not be suitable in certain circumstances.

You should be aware:

- You will have to continue to pay for the equipment for the agreed period even if you no longer need the equipment or it cannot be used.
- If you change the equipment during the agreed minimum rental period this could lead to higher charges.
- Asset finance is unlikely to be suitable if you are not sure if you will need the equipment for the minimum contract period.
- Asset finance is unlikely to be suitable if you are not sure the equipment will be maintained and kept in a useable condition for the minimum contract period.

For more details of factors affecting suitability, see the Guidance published by the Institute of Credit Management, *Managing cash when it's time to invest*.

http://www.icm.org.uk/wpcontent/uploads/2013/08/Resources_CFG fla.pdf



Fees

You are aware that We are required to disclose the nature of Commission in Our communications, as well as when making a recommendation to You. The existence and nature of Commission arrangements where the Commission varies depending on the Lender, product or other permissible factors will always be disclosed. We don't make a charge to you for helping you to find a suitable asset lender. We will receive a payment from the lender for our work. Different lenders may pay us different amounts.

Contact information

We will use the contact information you provide to us to obtain quotations from lenders. We may also use the information to tell you about our services in the future by letter, telephone, email or text message. Please contact us if you do not want your information used in this way.

Complaints procedures

If you have a complaint about our service, please contact: laura@commercialandasset.co.uk
We will acknowledge your complaint within three working days. We aim to resolve complaints within two weeks and to provide a final response to all complaints within four weeks.

If your agreement is regulated under the Consumer Credit Act and if after making a complaint you are still unhappy and feel the matter has not been resolved to your satisfaction please contact the Financial Ombudsman Service <http://www.financial-ombudsman.org.uk/>

Insurance

A condition of taking out an asset finance agreement is that you insure the equipment.

Customer Signature Date

DATA PROTECTION

When we provide services to you we will need to gather information about your personal circumstances. The information you provide to us will be subject to the Data Protection Act 1998 (the "Act"). By signing this document you consent to us or any company associated with us processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, lenders or statutory, governmental or regulatory bodies for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact The Data Protection Officer on 0141 258 7064 or in writing to privacy@commercialandasset.co.uk.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purpose. Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

