

REGULATED FIXED TERM LEASE PRODUCT INFORMATION SHEET

This document is being distributed to all Credo Capital Finance's brokers, dealers, suppliers, and introducers in line with new requirements under Consumer Duty from the Financial Conduct Authority (FCA) under PRIN 2A.4.15R and PRIN2A.3.12R(2).

Under the new requirements of Consumer Duty we have conducted a product, price and value assessment and would like to share our findings with you within this product information sheet.

OUR PRODUCT

PRODUCT	Regulated Fix Term Lease Agreement	
FEATURES AND BENEFITS	Description of a lease:	A regulated fixed term lease is a contract between a lessor (a funder or finance company) and a lessee (your business), where the lessee requires the use of business equipment, vehicles, or machinery. The lessor provides the use of such assets for the pre-agreed amount within the finance agreement.
	End of lease options:	There are several options that may be available to the customer, these include extending the lease term, returning the asset to the lender, upgrading the asset via a new agreement, or the lender relinquishing title for one further payment for soft assets and where the deal is a hard asset we can look to extend the term of the lease for an additional period of 25 years for one further monthly rental.
	Term:	12-60 months
	Borrow:	£1,000 -£25,000 (£25,000 is the total amount repayable)
	VAT repayment:	Applicable to each payment across the duration of the agreement. VAT is not paid upfront
	Equipment Condition	New, Used or refurbished
	Sale and lease back	Within 3 months of the invoice date, from when originally purchased
	Access to chosen asset	The customer has the immediate benefit of the asset whilst making fixed monthly payments

RISKS AND LIMITATIONS	Ownership	The customer will not automatically own the asset at the end of the agreement
	Cancellation Period	There is no cancellation or cooling off period with this product
	Early Settlement	A customer can settle a lease early however there will be charges for this in line with regulatory requirements.
	Maintenance	You are required to maintain the asset under the terms of the finance agreement
	Missed payments	Late or missed repayments will affect the customers credit file and could end in repossession of the asset.

FEES	Documentation fee:	Up to £150.00
	Insurance:	It is a term of the lease agreement to insure the asset. Acquis Asset Protection fee will be charged unless you provide evidence that you have insured the equipment. This fee can be refunded, where evidence is provided.
	Rejected/ Canceled DDM (Direct Debit Mandate)	£35.00 plus VAT
	Late Payment Fee:	£35.00 plus VAT
	Default Fee:	£35.00 plus VAT

DISTRIBUTION	Target market	<ul style="list-style-type: none"> a) A natural person (sole trader); b) A partnership consisting of two or three persons not all of whom are bodies corporate; or c) An unincorporated body of persons which does not consist of bodies corporate and is not a partnership. <p>BORROWING ENTITY HAS TO BE UK BASED</p>
	Why has the target market been selected?	<p>This product is designed to suit the needs of UK based businesses, seeking to lease an asset.</p> <p>The leasing of an asset can make the asset more affordable and accessible.</p>
	Credo's distribution Strategy:	<ul style="list-style-type: none"> • Credo will accept regulated introductions from dealers/ suppliers/ introducers where they hold their own FCA license with a secondary broking permission or are an Introducer Appointed Representative of Credo Capital Finance Limited. • Originations directly from the customer

VULNERABLE CUSTOMERS

Credo's products are designed for numerous customers including vulnerable customers.

A vulnerable customer is a customer who is particularly susceptible to detriment due to personal circumstances. Key drivers of vulnerability include:

- Capability
- Resilience – Low ability to withstand and manage financial or emotional shocks.
- Life Events – examples include bereavement or relationship breakdowns.
- Health – Conditions or illnesses that affect the individual's ability to complete day to day tasks both physically or mentally.

Examples of vulnerable customers include:

- A customer grieving
- Struggling business or a business going into administration
- A customer that is unfamiliar with digital technology

Where you believe the customer maybe vulnerable, please inform us during the proposal/ introduction stage as the customer may require additional support to ensure they understand the information being provided, implications of the agreement and avoid risk of harm occurring.

Credo look to ensure that we achieve good outcomes for vulnerable customers. We do this through the following:

- Vulnerable customer training for all employees
- Suitable communication throughout the customer journey
- Internal policies to support both the employee and the customer.
- Monitoring to ensure that we are meeting the customers' expectations and we are assessing vulnerability.

OUR VALUE ASSESSMENT

In line with the new FCA requirements we have completed a value assessment on our regulated fixed term lease product.

When undertaking the assessment, we considered a number of outcomes including the benefits, price, cost and limitations.

Our assessment conducted by our Product and Value Approval Committee concluded that our regulated fixed term lease product has delivered and continues to deliver fair value to the target market.