

UN-REGULATED HIRE PURCHASE PRODUCT INFORMATION SHEET

This document is being distributed to all First Capital Finance Limited's 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	UN-REGULATED HIRE PURCHASE (HP) AGREEMENT	
FEATURES AND BENEFITS	Description of a HP:	Is an Un-regulated Hire Purchase finance agreement which is secured against an asset where title only passes to the borrower when the agreement has ended and all monthly instalments and the option to purchase fee have been paid in full.
	Term:	12-60 months
	Borrow:	<ul style="list-style-type: none"> £1,000 upwards for Limited companies, LLP's and any form of incorporated business not regulated by the CCA (Consumer Credit Act). £25,001 upwards for any customer authorised by the CCA (A natural person (sole trader), A partnership consisting of two or three persons not all of whom are bodies corporate, or an unincorporated body of persons which does not consist of bodies corporate and is not a partnership.
	VAT repayment:	VAT is payable upfront
	Equipment Condition	New, Used or refurbished
	Sale and HP 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 own the asset once all monthly repayments have been made and the option to purchase fee paid.
	Cancellation Period/ Right to withdrawal	There is no right to cancel this agreement.
	Early Settlement	The customer has the right to repay the credit early at any time in full or partially
	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.
	Insurance	It is a term of the finance agreement that the asset must be insured

FEES	Documentation fee:	Up to £300.00
	Option to purchase fee:	Up to £100 plus VAT
	Rejected/ Cancelled DDM (Direct Debit Mandate)	£35.00 plus VAT
	Late payment fee:	£35.00 plus VAT
	Default Fee:	£35.00 plus VAT

DISTRIBUTION	Target market	Where the customer is regulated by the CCA and there is a business purpose the amount financed needs to exceed £25,001 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. OR Where the company is not regulated by the CCA and is an incorporated body (e.g. limited company, LLP) BORROWING ENTITY HAS TO BE UK BASED
	Why has the target market been selected?	This product is designed to suit the needs of UK based businesses, seeking to finance an asset. The financing of an asset can make the asset more affordable and accessible.
	First Capital Finance's distribution Strategy:	<ul style="list-style-type: none"> • First Capital Finance will accept un-regulated introductions from dealers/ suppliers/ introducers. • Originations directly from the customer

VULNERABLE CUSTOMERS

First Capital Finance'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 finance or emotional shocks
- Life Events – examples include bereavement or relationship breakdowns
- Health – Conditions or illnesses that affect the individuals 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.

First Capital Finance 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 Un-regulated Hire Purchase 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 Un-regulated Hire Purchase product has delivered and continues to deliver fair value to the target market.