

## Pre contractual explanations

It is important that you read these pre-contractual explanations for the Premium Credit finance agreement carefully.

You should also read the pre-contract credit information provided with the credit agreement. These documents explain the key features of the credit agreement to help you decide whether their product is suitable for your needs and financial situation.

### 1. What the loan is for

The credit agreement can only be used to finance insurance premiums and any other amounts payable for changes to your insurance arranged through your insurance intermediary. You may use it to pay the premiums under more than one insurance policy and to renew existing insurance policies.

### 2. Payments

The monthly minimum payment you will have to pay and the transaction fee are both shown in the representative example. If there is another transaction while there is a balance on your account, each remaining payment will be increased by adding an amount calculated by dividing the amount of the new transaction and the associated transaction fee by the number of remaining payments.

Premium Credit will charge £12.50 for each payment made by any method other than by Direct Debit and they may pay a commission to us for introducing you to them.

### 3. Features of the credit agreement that you should be aware of

Your credit limit is the maximum amount you can borrow at any one time. Premium Credit may change the limit at any time but will give you notice before doing so. In assessing your application Premium Credit will search the information a credit reference agency holds about you. The credit reference agency will add details of the search to their records whether or not the application for credit proceeds. This and other information may be used to make credit decisions about you and to undertake checks for the prevention and detection of money laundering.

They will take security over any monies payable to you under any insurance policies which are financed by the credit agreement. This means they can use any money you would normally receive under those insurance policies or under the Financial Services Compensation Scheme to repay all or part of the outstanding balance under the credit agreement.

Premium Credit may change the transaction fee and any other fees and charges under the credit agreement at any time to take account of any changes in:

- Interest rates made by the Bank of England, Premium Credit's funding costs or other costs in administering your account, their systems or their products and services; and to ensure their business is run prudently;
- External factors, such as interest rates, stock markets, labour costs, new technologies, other innovations or changes in general economic conditions;
- The legal or regulatory obligations which affect them; or
- The amount of commission they pay to us for introducing you to them.

If Premium Credit have to remind you to provide a signed credit agreement, you may be charged £10.00. If you wish to change the payment date, this may be subject to a £5.00 fee.



#### 4. Consequences of non payment

Failing to make a payment when it is due is a breach of the terms of the credit agreement and Premium Credit will take action to recover this amount from you. It may result in cancellation of the credit agreement and any insurance policies which are financed by the credit agreement. In addition you will be charged:

- £20.00 each time a Direct Debit from your account is returned unpaid; and
- all their reasonable costs, charges and expenses (together with all legal costs recoverable against you) incurred by Premium Credit enforcing their rights under the loan.

Missing payments could have severe consequences including, for example, legal proceedings being taken against you and making it more difficult to obtain credit in future. Premium Credit may report non-payment to credit reference agencies and this will adversely affect your credit rating (which most lenders consult when assessing any borrowing application).

If you fail to repay what is owed they may obtain a judgment from the court. This is often called a CCJ and is likely to make it more difficult to obtain further credit.

#### 5. Right of withdrawal

You have the right to withdraw from the credit agreement before the end of 14 days beginning with whichever is the later of the following:

- The day after the day on which the credit agreement is made; or if later
- The day on which you receive Premium Credit's terms and conditions and all required information or on which they inform you the agreement has been executed in identical terms to the copy provided to you.

To exercise this right you must **notify Premium Credit by writing to them at Operations Centre, Premium Credit House, 60 East Street, Epsom, Surrey, KT17 1HB or calling 0344 736 9836.**

You must pay the whole balance in full without any undue delay and no later than 30 days after notifying them you wish to withdraw from the credit agreement. If you do, no interest is payable on the balance. Payment must be by debit or credit card over the phone by calling the number provided above or by cheque made payable to Premium Credit Limited sent to the Accounts Department at the address above.

If you exercise your right to withdraw from the credit agreement you will need to find alternative means to pay for the insurance paid for by the credit agreement or there is a risk that the insurance policy may be cancelled.

#### 6. Get more information

If you have any questions about your credit agreement, please contact us or Premium Credit on the number above.

You may also wish to take advice from an independent financial adviser, charity (for example, Citizens Advice) or not-for-profit organization.