

## **TERMS OF AGREEMENT**

### **1 Principal Agreement (Hire-Purchase)**

We agree to hire to you and you agree to take on hire the goods described in 'Other Financial Information' over the page on the terms set out below and over the page.

### **2 Secondary Agreement (Loan)**

We agree to lend to you and you agree to borrow the Amount of Credit shown in 'Key Financial Information' over the page under the Secondary Agreement to finance the purchase of the services described in 'Other Financial Information', on the terms set out below and over the page.

### **3 Payment by you**

- a) You must pay the Deposit (if any) in respect of the Principal Agreement shown in 'Other Financial Information' when, or before, you sign this agreement.
- b) You agree to pay to us:
  - (i) the Total Amount Payable (less any Deposit paid) in respect of the Principal Agreement for the hire of the goods and
  - (ii) the Total Amount Payable in respect of the Secondary Agreement, each as shown in 'Key Financial Information', by the instalments and at the times shown. Any Option to Purchase Fee in respect of the Principal Agreement, included in the final instalment, need only be paid if you want to become the owner of the goods, as set out in Clause 13.
- c) It is essential that you make all payments in full and on time. If you pay by post, you will be responsible for any payment lost in the post.

### **4 Payment Protection Insurance**

- a) If you have chosen, and been accepted as eligible for, Payment Protection Insurance, we will pay the premium shown over the page to the insurer on your behalf.
- b) You authorise us to receive any monies due from the insurer relating to any insurance claim and to use the monies for repayment under the Principal Agreement and the Secondary Agreement.

### **5 Guaranteed Asset Protection Insurance (GAP)**

- a) If you have chosen GAP, we will pay the premium shown over the page to the insurer on your behalf.
- b) You authorise us to receive any monies due from the insurer relating to a GAP claim and to use the monies for repayment under the Principal Agreement.

### **6 Vehicle Warranty Insurance**

If you have chosen Vehicle Warranty Insurance, we will pay the cash price shown over the page to the warranty company on your behalf.

### **7 Selling or disposing of the goods**

You must keep the goods safely at your address shown over the page. You may not sell or dispose of the goods or transfer your rights under this agreement. You may only part with the goods to have them repaired. You may not use the goods as security for your outstanding debts or responsibilities. If the goods are a motor vehicle, you must keep it at your address shown over the page when it is not in use.

### **8 Caring for the goods**

- a) You must keep the goods in good working order and condition at your expense. You are responsible for all loss of, or damage to, the goods even if caused by events beyond your control. However, you are not responsible for loss or damage due to fair wear and tear.
- b) You must not let a repairer, or any other person to whom you owe money, keep the goods as a result of your not paying the money you owe.
- c) You must make sure that any tests or inspections needed by law or by the insurers are carried out.
- d) Unless we have given you permission in writing, you may not make any alterations or additions to the goods (including fixing a personalised or non-original number plate). Any alterations or additions made without our permission will become our property.
- e) You must allow our representative to inspect and test the goods at all reasonable times.

### **9 Change of address**

You must let us know, in writing, within seven days about any change of your address.

### **10 Inspection**

You must allow us or our representative to inspect and test the goods at all reasonable times.

### **11 Insuring the goods**

At all times, you must insure the goods and keep them insured under a fully comprehensive policy with a reputable insurer at your own expense. You must tell us and your insurer about any loss or damage to the goods within 48 hours of the loss or damage happening, and whether you or anybody else will be making a claim under the policy. You agree to hold in trust for us any insurance money

you receive. You authorise us to: negotiate and settle any claim with your insurer; and receive any money from your insurer under the comprehensive policy and any GAP claim. You may not withdraw this authority, and you agree to accept any settlement we may reach with the insurer. You must pay us any outstanding balance under this agreement less any monies received by us under any GAP claim. Unless any of the events referred to in clause 16 happens, this agreement will continue even if the goods are lost or damaged. If you enter into this agreement for business purposes, you must get adequate insurance cover for employer's liability, liability to third parties and liability for negligence and loss, damage or injury arising out of your using and possessing the goods.

### **12 Operator's Licence**

If the Vehicle shown in the Description of the Vehicle over the page is a goods vehicle and you must be licensed under the Goods Vehicle (Licensing of Operators) Regulations 1995, you confirm that:

- a) you hold a valid operator's licence, as shown over the page;
- b) you will not do anything which might result in the loss of that licence;
- c) you will not do anything which might result in the goods being taken away under the Goods Vehicles (Enforcement Powers) Regulations 2001; and
- d) you will send us the licence to inspect and photocopy within seven days of the date of this agreement, and at least once a year if we ask.

### **13 Ownership of the goods**

You will become the owner of the goods only when you have paid us all the instalments under the Principal Agreement shown over the page, together with all other amounts you owe us in respect of the Principal Agreement and you exercise the option to purchase by paying the Option to Purchase Fee shown over the page or, if none is shown, by notifying us in writing of your decision to retain the goods. Until then your rights are only those of a hirer

#### **14.1 Your right to end the Principal Agreement**

(a) You may end the Principal Agreement by taking the steps set out in the notice 'Termination: your rights' shown over the page. You must then (at your own expense) return the goods to us and, in the case of a motor vehicle, the registration document, tax disc and MOT test certificate. You must also pay us any further amount mentioned in the notice.

(b) If you end the Principal Agreement under (a) above we may require you to pay the balance of the Total Amount Payable in respect of the Secondary Agreement, which may be reduced by a rebate.

#### **14.2 Your right to end the Secondary Agreement**

You may end the Secondary Agreement by notice to us and paying the balance of the Total Amount Payable, which may be reduced by a rebate

### **15 Default interest and other enforcement rights**

a) If you fail to pay us any amount you owe under this agreement by the date it is due, we may charge you interest on that amount until you pay it. We will charge interest for each day you still owe the payment, at the relevant rate shown in the section 'Other Financial Information' over the page. We can charge this interest even after we have received a court judgment against you.

b) You agree to pay us any charges or costs shown in 'Key Information' over the page which may become payable by you, including our reasonable legal costs for enforcing this agreement.

### **16 Our right to end the agreement**

**16.1** We will assume that you refuse to comply with the terms and conditions of this agreement, and we will be entitled to end this agreement after giving you a 'default notice', if:

- a) you break any of clauses 3, 7 or 11 of this agreement;
- b) you provided false information to enter into this agreement;
- c) the goods are destroyed or treated as a total loss under any insurance claim;
- d) you are a business and you stop trading, or you are a partnership and the partnership is ended or court action has begun to end it;
- e) you have done something which would allow any of your belongings, property, income or savings to be legally removed to pay off any of your debts; or
- f) any of the following happens: a statutory demand (that is, a written demand for paying a debt of at least £750, which, if not paid in full, may result in bankruptcy proceedings being brought against you) is not paid for 21 days, or any steps are taken by you or anyone else to declare you bankrupt; you take steps to enter into any arrangement or debt management plan with your creditors; a bailiff or other officer controls or seizes the goods or any of your goods following a court order; the landlord of the premises where the goods are situated threatens, or takes steps, to seize or in any other way control the goods or any of your goods.

**16.2** If we end this agreement, we may take back the goods from you and you must pay us:

- a) all payments you still owe us;
- b) the balance of the Total Amount Payable in respect of both the Principal Agreement and the

Secondary Agreement; less any rebate (reduction) of charges you may be entitled to; and any money we receive from selling the goods after we have taken off the costs of recovery, insurance and storage. However, your rights in the notice 'Repossession: your rights' over the page will continue to apply. Where you have been supplied with any of the items financed by the Secondary Agreement you may, subject to the terms of the relevant policy, be entitled to a rebate of part of the premium.

#### **17 Exclusion**

a) If you are dealing as a consumer, as described in the Unfair Contract Terms Act 1977, nothing in this agreement will take away your rights under the Supply of Goods (Implied Terms) Act 1973.

b) In all other cases: you must inspect the goods and use your own skill and judgement to decide whether the goods are of satisfactory quality and fit for their intended purpose; and we will not be responsible for the quality of the goods or whether they are fit for their intended purpose, or whether they match any description or specification.

#### **18 Interpretation and general conditions**

a) References to "this agreement" in the notices "Termination: Your Rights" and "Repossession: Your Rights", over the page are to the Principal Agreement.

b) Where the context permits, "the agreement" or "this agreement" means the agreement comprising the Principal Agreement and the Secondary Agreement.

c) "Goods" means the goods described over the page and includes any replacements, renewals and additions we or any insurers have agreed to.

d) References to any Act or regulation includes any amendments to that Act or regulation.

e) If at any time we allow you to do something which is against any of the terms and conditions of this agreement, this will not prevent us from insisting that you strictly follow the terms and conditions at any later time.

f) If two or more of you have signed this agreement as the Customer, you are liable jointly and severally, that is together as well as separately under this agreement. This means that either of you can be held fully responsible for the responsibilities of the Customer under this agreement.

g) We may transfer our rights and responsibilities under this agreement to another person. This will not take away any of your rights or responsibilities under this agreement. You may not transfer any of your rights or responsibilities under this agreement to another person.

h) English law will apply to this agreement. If you entered into this agreement in Scotland, words that are not in current use in Scotland will have their nearest equivalent meanings.

#### **19 When this agreement comes into force**

This agreement will only come into force when we or our authorised representative have signed it.

#### **20 Rights of other people**

Nothing in this agreement will give any person, other than you or us (or anyone who takes over from us or any person we have transferred our rights to under this agreement), any rights under this agreement.