

Homeowner Loans Responsible Lending Code of Practice

Our main aim is to treat all customers fairly in all our dealings with you

Responsible Lending Code of Practice

We are authorised and regulated by the Financial Conduct Authority (Firm registration number 720851) and as such, is committed to following the rules and guidance laid down by them as well as all associated laws and regulations such as the Consumer Credit Act, and to this end have devised our Responsible Lending Code of Practice.

This Responsible Lending Code of Practice sets out in a clear, concise and user-friendly format what customers of payday and short term loans should expect from their lender.

In this Code of Practice, we will highlight our key commitments to you and those of the lender we introduce you to. The lender we introduce you to will:

- provide clear information about how the loan works, the price per £100 borrowed as well as the APR, and any charges incurred as a result of missed or late payments and default;
- explain how they will communicate with you and how you can contact them; explain how they assess if you can afford a loan; and
- explain how to complain if there is a problem and signpost you to sources of free and independent debt advice and relevant helplines.

If you wish to complain to us about the lender we introduce you to, you can email us at complaints@homeowner-loans.co.uk

Lending to new or existing customers

Homeowner Loans and the lender we introduce you to will:

- Act fairly, reasonably and responsibly in all their dealings with you.
- Comply with all relevant legal requirements and have regard to relevant rules and guidance produced by the Financial Conduct Authority especially with regard to responsible lending.
- Make sure all advertising and promotional material is clear, fair, not misleading and complies with relevant advertising regulation. Not pressurise you into taking out a payday or short term loan.

In addition, the lender we introduce you to will

- Give you the full name and contact details of the company providing the loan.

Extending/Deferring the term of your loan

The lender we introduce you to will only extend/defer the term of your loan if they believe it is in your best interests and after conducting an affordability assessment:

They will

- not pressurise you to extend/defer the amount you owe.
- only consider extending/deferring the term of your loan if you ask them to and after they have reminded you of the risks of extending a short term loan. If you are in financial difficulties, you should let them know as soon as possible and they can explore new arrangements with you for paying off your debt.
- carry out a sound, proper and appropriate affordability assessment before the term of the loan is extended. clearly explain any additional costs of extending/deferring the term of your loan.

Robust credit assessments

As responsible lenders, the lenders we introduce you to will:

- Tell you that a payday or short term loan should be used for short-term financial needs and is not appropriate for long-term borrowing or if you are in financial difficulties. Check whether the loan is suitable for you, taking account of your circumstances.
- Make sure that all loan applications go through a sound, proper and appropriate affordability assessment and credit vetting which includes your ability to repay your loan in a sustainable manner.
- This assessment may look at a combination of:
 - the amount of credit requested;
 - your income; your age;
 - how you have handled your financial affairs in the past; information from credit reference agencies; your personal circumstances and any changes in the future you have told them about;
 - the results of credit assessment techniques: for example, credit scoring; and information you have supplied, including proof of your identity.

They will explain in general terms what types of information they will consider in making a decision, if you ask them to.

They will not provide you with a payday or short term loan if you have told them you are in financial difficulties or their credit assessment indicates that you may not be able to repay the loan.

Increased transparency about loan repayments to help customers make better informed decisions and making sure that continuous payment authority is not used inappropriately for those in financial difficulty.

The lender we introduce you to will:

- Explain clearly how continuous payment authority works and how payments will be deducted from your bank account. This will help you decide whether this type of repayment is acceptable to you before you take out the loan.
- Make clear to you your rights to cancel a continuous payment authority before you take out a loan. They will remind you that if you cancel, you will still owe any outstanding debt and will need to provide an alternative method of repayment on the due date to avoid going into default. They will give you a contact point should you want to cancel the payment authority directly with them.
- Always notify you by email, text or phone at least 3 days before attempting to recover payment using continuous payment authority on the due date. This communication will ask you to let them know if your circumstances have changed and you have difficulty in repaying the loan.
- Send you further regular reminders when a continuous payment authority is being used and where you have not made repayment on the due date. These reminders will give you a contact point so you can tell them if you are experiencing repayment problems or if you want to cancel the payment authority.
- Repay any amounts we have taken via the continuous payment authority where this has caused you to get into financial difficulty, and you have told them about this.

Help for customers in financial difficulty

The lender we introduce you to are committed to using forbearance in all of their dealings with you. To this end, if you are in financial difficulty, they will:

- Deal with you empathetically and positively and do what they can to help you manage what you owe. This may include making new arrangements about how you will pay off your debt. In doing so, they will consider other debts that you owe.
- Freeze interest and charges if you make repayments under a reasonable repayment plan or after a maximum of 60 days of non-payment.
- Not contact you or take any action to recover the money you owe' them for 30 days, if you are making a genuine effort to agree a repayment plan using either a debt-counselling organisation or a 'self-help' approach (for example, you are suggesting a repayment plan). If you or your adviser provide them with clear evidence that real progress is being made in reaching a repayment plan, but work has not yet concluded, they will extend this 'breathing space' for an additional 30 days.
- Tell you about free and independent debt counselling organisations. These include: Citizens Advice, Step Change, National Debtline or the Money Advice Service. Not allow you to borrow further from them until all outstanding loans with us have been repaid.
- Deal with people whom you have asked to act on your behalf, with your authority, unless those people behave unreasonably.

Data protection and marketing

We and the lender we introduce you to will:

- Follow all relevant privacy and data protection law. Not reveal information we hold about you unless:
- we have your permission to do so; we have to by law;
- we have a public duty to do so; or
- there is a good reason for us to do so (for example, legal reasons such as fraud)
- not specifically target our marketing on groups of people known to be financially vulnerable or credit impaired.

Rigorous complaints procedures

If you want to make a complaint about the service you have received from us, you should contact us by email at complaints@homeowner-loans.co.uk (mailto:complaints@Guarantor-loan.co.uk). We will acknowledge your complaint promptly and in any case within five days of it being received by our Complaints Department. If we need to investigate your complaint further to respond fully, we will tell you and keep you regularly updated.

If you are still not satisfied after receiving our Final Response, you may refer the complaint to the Financial Ombudsman Service and we will give you their details. When you take out a loan, the lender we have introduced you to will tell you about their complaints handling procedure. They will do this:

- in writing – at or immediately after the point of sale (Pre Contract Information (SECCI) and Loan Agreement; by giving you a copy of it, if asked to do so; and
- by giving you a copy of it, if you send them a complaint

Updates and twelve-month review

A review of the effectiveness of our Responsible Lending Code of Practice will be undertaken in October 2019. It may be updated sooner if rules or legislation governing our business requires us to.

Useful contacts

Citizens Advice Telephone: 03454 04 05 06 Consumer Queries: Click here Web: citizensadvice.org.uk	Step Change Telephone: 0800 138 1111 Email: Click here Web: stepchange.org
National Debtline Telephone: 0808 808 4000 Web Chat: click here	Money Advice Service Telephone: 0800 138 7777 Web Chat: Click here