

Blu Debt Management Limited

Terms and Conditions of Trading

1. Definition of terms

- 'You' our client, whose name is recorded overleaf (and any partner where any of the debts are in joint names).
- 'Us' Blu Debt Management Limited, Registered in England and Wales number 06699233, Licensed by the office of fair trading under Consumer Credit Licence Number 630838.
- 'Creditors' any and all of your unsecured creditors whose details you will provide to us in accordance with section 3.
- 'Debt Management Programme' a plan of repayments produced by us in accordance with section 4.2.
- 'Period' the period during which the Debt Management Programme is in operation.
- 'Fees' the fees to be paid by you to us in accordance with the Debt Management Programme.

2. Agreement

You request and we agree to provide you with a debt counselling advisory and adjusting service in accordance with these terms and conditions. You authorise us to negotiate on your behalf with your creditors. This agreement shall continue until final repayment of the creditors is made in accordance with the Debt Management Programme, unless it should have been terminated beforehand in accordance with section 6.

3. Your responsibilities

- 3.1. You will provide to us on request with information relating to your finances. This will include, but will not be limited to, details of your income and expenditure, your creditors and any agreements you have with them, any loans or mortgages you have, your dependants and any judgements made against you or any other enforcement action being taken against you.
- 3.2. You will sign any necessary forms of authority or any other documents so that we may negotiate with your creditors on your behalf.
- 3.3. You will pass copies of all correspondence from your creditors to us and keep us informed of any dealings you have with any creditors, whether we are negotiating with them or not. Once the Debt Management Programme has been agreed, you will not make any expenditure over and above your reasonable living expenses as calculated in the Debt Management Programme. You will not use your credit cards or incur further debts.
- 3.4. You will consult with us in relation to your Debt Management Programme of repayments and in relation to any alterations to it or reviews of it. Your payments to us will need to be amended to reflect any reasonable changes which your circumstances dictate. You will make payments to us under and in accordance with the Debt Management Programme promptly and without any deductions.
- 3.5. On occasion your creditors may not provide us with balances of your accounts due to their own company procedures. If these circumstances arise then you will obtain this information for us and supply us accordingly.
- 3.6. We cannot be held responsible for any legal action taken against you by your creditors as a result of fraudulent or incorrect information provided by you at the time of acquiring a loan, HP agreement, credit card or any other form of credit.
- 3.7. Non contact from you will not be considered as cancellation of the agreement. If any funds are owing to you then written confirmation will be required to release funds owing to you in accordance with section 6 of this agreement.
- 3.8. If you do not maintain regular payments we will suspend any action and payments on your account. Your creditors may have to be informed that payments are not being maintained. This may result in your creditors continuing legal action against you for which we cannot be held responsible.
- 3.9. You remain responsible for continuing to pay any secured loans, mortgages or hire purchase agreements and all household bills (including insurances).

4. Our responsibilities

- 4.1. We will review your finances, covering your income, expenditure, debts and assets. These must include all debts secured on property or goods, which we will take into consideration but cannot, negotiate reduced payments on. We will calculate your disposable income, based on reasonable living expenses. All financial statements will be reviewed by our consultants.
- 4.2. In consultation with you we will produce a Debt Management Programme by which you can pay off your creditors out of your disposable income at rates you can afford. The Debt Management Programme will let you make monthly payments to us and will take account of your creditors and our fees. It will not take account of any matters you have not told us about in accordance with section 3. It will also take account of the differing requirements of your different creditors, if there is more than one.
- 4.3. We will negotiate with your creditors and attempt to agree repayment terms with them of the amounts outstanding. In doing so we shall use the Debt Management Programme and we shall ensure that the periodic payments that we agree with your creditors on your behalf will not exceed your disposable income (less our fee) as calculated by us for the same period
- 4.4. We shall attempt to agree with your creditors, where appropriate that they freeze or reduce their interest charges and they will suspend or withdraw enforcement proceedings issued in connection with your agreements with them. In rare instances county court proceedings may still be auctioned against you. In these cases we will assist in completion of all the relevant paperwork as required. We cannot guarantee to

stop legal action by your creditors.

- 4.5. We shall make payments to your creditors in accordance with the Debt Management Programme.
 - 4.6. The payments made to your creditors will be reflected in the statements you will receive from them. A full break down of payments we have made can be obtained on request. On all creditors accepting the offers of repayment we will issue you with a break down of these. In addition we will issue monthly statements showing all payments and receipts on your account.
 - 4.7. Should your circumstances or any other relevant matter change during the period, we shall, in consultation with you and your creditors, review the Debt Management Programme and if necessary shall make changes to it in agreement with you and with any creditors concerned.
 - 4.8. From time to time your creditors will request an update of your financial situation. We will contact you to review your current financial circumstances and update your Debt Management Programme accordingly. To aid this process we request that payslips are regularly forwarded to us for review.
 - 4.9. All payments to us will be made into our Blu Debt Management Limited client account. This account is separate to our own business accounts and funds held for distribution to your creditors will be retained for that purpose only. No interest will be payable to you on funds that we hold. At all times funds held for distribution to your creditors will be classed as client monies.
 - 4.10. During the negotiation process some creditors may continue to charge interest and other recovery charges. We cannot always prevent these charges being levied. These will however be paid off as part of your Debt Management Programme.
 - 4.11. If a particular creditor refuses to deal with Blu Debt Management Limited, then we shall advise you as soon as we become aware of the fact.
 - 4.12. We can only provide advice on the service that we offer.
 - 4.13. The company takes any complaints regarding its practices very seriously. Any complaints can be sent in writing to the directors of the company and will be dealt with personally by them. The directors of the company will return correspondence within 14 days.
- ### 5. How we will be paid.
- 5.1. Unless we agree otherwise with you we will take from each monthly payment under the Debt Management Plan a gross fee equal to 20% of the periodic payment under the Debt Management Programme.
 - 5.2. Because most of our work for you will be done at the start of the period, we will retain as a fee the first two monthly payments to cover the cost of implementing your Debt Management Plan.
 - 5.3. Even though some of your creditors may take several months to accept any proposals put forward, we will make payments to them when you pay us, whether or not any proposals have been accepted by them.
 - 5.4. If this agreement is ended in accordance with section 6, we will return any undistributed funds after having deducted the above fees and you will not have to pay us any more money. This will be made within 30 days of receiving written confirmation in order to allow us time to process all receipts and payments on your account.
 - 5.5. In the case of weekly payments, this shall equate to the required annual total payment divided by fifty two.
 - 5.6. In the event that Blu Debt Management Limited negotiates full and final settlement with any of your creditors, Blu Debt Management Limited shall charge a fee equivalent to 20% of the difference between the balance outstanding and the negotiated settlement figure, subject to a minimum charge of £250.00.
- ### 6. Termination of agreement
- 6.1. If for any reason you wish to cancel we offer a seven-day cooling-off period from the date of this letter in which we offer a full refund of any fees which we have taken.
 - 6.2. After the seven day cooling-off period you may end this agreement by giving us four weeks notice in writing.
 - 6.3. If, with your agreement, we have begun to perform the contract during the cooling off period, then the cooling off period shall not apply.
 - 6.4. We may end this agreement by giving you four weeks notice in writing if any one of the following things happens:
 1. You breach this agreement and do not remedy the breach within seven days of our bringing the breach to your attention;
 2. A bankruptcy petition is issued against you;
 3. You enter into an Individual Voluntary Arrangement / Trust Deed;
 4. Where the information provided to us is knowingly incorrect;
 5. The Information provided by you at the time of acquiring a loan (HP agreement, credit cards or any other form of credit) is deemed incorrect or fraudulent by any creditor; or
 6. If we are affected by Force Majeure.

Blu Debt Management Limited, Company Number 06699233
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