

# Regulated Loan



## About this information

You should read this document and all the information we provide to you carefully, so that you can decide whether this product is right for your needs and circumstances.

This document provides key information that will help you understand our Regulated Loan product. It does not contain all the information about the agreement you will enter into with us.

If you have been provided with information on this product by an equipment dealer or finance broker, you are encouraged to take it away and consider it carefully. The dealer/broker does not act as our agent.

## How a Regulated Loan works

Our Loan is an unsecured financing product. We lend you funds with which to buy equipment, goods or services where we cannot take title. No VAT is payable on the loan repayments. You should seek advice from your accountant, financial and, or legal advisor, before entering into any financial transaction.

Loans are provided by De Lage Landen Leasing Ltd (we/us) – a subsidiary of Cooperatieve Rabobank U.A., headquartered in The Netherlands and licensed with the European Central Bank.

**If, after reading this information, you require further information or have any questions, we encourage you to contact us. Details of how to do this are shown at the foot of this document.**

## Product features

- No collateral is usually required.
- Agreement terms are typically fixed 6 to 84 months.
- Minimal documentation.
- Can be used to acquire assets where title must remain with you (e.g., where a government grant is available).
- Straight forward application process.
- An alternative line of credit to your bank.
- Fixed instalment amounts.
- We pay the supplier directly on your behalf (except where you have been approved for a government grant, in which case we may pay the loan to you so you can purchase the equipment, goods or services from the supplier).
- Fixed rate, fixed term aids budgeting.
- Cannot be called in (except if a specified termination event occurs).
- Can be repaid early.

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## Frequently asked questions

### What is a Regulated Loan?

- A loan is a legal agreement between a customer (you) and lender (us) to borrow an agreed amount of money to be repaid over a pre-agreed term at a specified interest rate.
- The loan agreement is regulated by the Consumer Credit Act 1974 (as amended) if:
  - It is a business credit agreement where the total amount borrowed is below £25,000; and
  - You are a sole trader, partnership of 3 partners or less, or an unincorporated body such as a club or society.

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### Can I select the supplier of the equipment, goods or services?

- You control the buying process by selecting the supplier and providing they are approved by us, we pay them for the equipment, goods or services you select, at the price you have agreed (except where you have been approved for a government grant, in which case we may pay the loan to you so you can purchase the equipment, goods or services from the supplier).
- Some manufacturers and dealers support the sale of their products to enable us to provide preferential financing terms.

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### How can the loan be used?

- A loan provides funds for you to acquire equipment, goods or services and pay for them over a fixed period for a known regular payment.
  - The loan must be for approved business equipment, goods or services.
  - Where you need to retain title to the equipment, goods or services or they are consumed in the business (e.g. agrochemicals).
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### What are the benefits of a Regulated Loan?

- Provides funding to acquire equipment, goods or services.
  - Convenient, straightforward application process.
  - Typically, no additional collateral or security is required.
  - Unlike a bank overdraft, a loan agreement cannot be terminated by us unless you are in breach of the terms and conditions of the agreement or a specified termination event occurs.
  - Alternative line of credit for the business to your main working capital facilities.
  - Interest element of the payments can be deducted as a trading expense.
  - Payment amounts are fixed and scheduled so help with budgeting and cashflow.
  - Government grant schemes typically require that title to assets remains with you. A loan enables you to meet that requirement.
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### How do DLL make our decision as to whether to offer a Regulated Loan?

- To help us decide whether to offer you a Regulated Loan we may use:
    - Any information you have given us e.g. business accounts, bank statements.
    - If you have been a customer before, any information we already hold.
    - Information we receive from enquiries.
    - We may also view your credit history with a credit reference agency or ask them to make enquiries for us.
  - If you have been approved for a government grant in relation to the acquisition of equipment, goods or services, you will need to provide us with evidence of such approval.
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### What if I change my mind after signing the agreement?

- You have the right to cancel the agreement within 14 days of receiving either a copy of the signed agreement, or notification that the agreement has been signed by us.
  - If you wish to cancel the agreement, you can do so by contacting us in writing at the address provided below.
  - If you cancel the agreement, please note that you would only be cancelling this agreement and not necessarily any agreement for services you have entered into with the supplier and you may still be liable to make them good on the transaction.
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### Will an agreement with DLL affect my credit rating?

- We will ask your permission before making a check on your credit history with a credit reference agency.
  - Our enquiry will show on your record with them and may affect how others subsequently use this information in granting credit to you.
  - If you fail to make payments on the due dates, we will register this with a credit reference bureau. This may affect how others view your creditworthiness.
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### How do I make my instalment payments?

- To ensure that payments are made on the right date all payments must be made by Direct Debit.
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### How will I know how much I must pay?

- Your loan agreement will clearly state the instalment amounts, number and frequency along with the due dates.
  - If you have been approved for a government grant, we will require you to repay the part of the loan that corresponds to the amount of the government grant in accordance with the terms of the loan agreement.
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### What interest rate will I be charged?

- Interest rates used to calculate the instalments are fixed at the outset and will not change once your agreement commences.
  - Details of the amount of interest and the rate charged (the Annual Percentage Rate) will be detailed on your agreement and it is essential that you read this carefully before deciding whether to accept the terms.
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### Are there fees payable?

- A documentation fee to cover part of the cost of setting up the agreement may be charged on the start date of the loan agreement. The amount payable will be clearly detailed in the agreement and will be taken with the first payment.
  - Fees may be charged for various items during the term, e.g. for rescheduling payment dates, providing copy documentation or changing bank details.
  - Contact us for the current list of charges and fees that may be applicable.
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### Is there any VAT?

- There are no VAT implications on the loan agreement. Any VAT you must pay on the acquisition of the equipment, goods or services, may be funded by the loan amount applied for.
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### Is there any commission payable to the supplier/broker?

- Commission may be payable by us to the supplier of the equipment and/or your finance broker and/or any other connected party.
  - Details of any commission paid, including the amount and how it was calculated, can be obtained from the dealer/broker or us upon request.
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### What if the equipment or goods I buy are faulty?

- In the first instance, you should speak with the supplier to see if they are able to rectify the problem or suggest another suitable remedy.
  - If the supplier is unable to resolve the issue you should contact us and we will take steps to try and resolve the issue.
  - If the cost of the equipment is below £30,000 you may have a right to take legal action against the supplier, or us, or both under Section 75 of the Consumer Credit Act. Speak to your legal advisor or contact us to discuss what your rights are.
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### Is there any security taken?

- No security is normally required.
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### What happens if I miss a payment?

- You can repay all or part of the loan amount at any time. If you wish to do so, contact us as shown below.
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### What happens if I were to miss a loan payment?

- Making timely payments on the due date is a strict condition of the agreement and why we collect payments by Direct Debit from your bank.
  - Failing to make payments on the due dates will mean that you have broken the terms of the agreement.
  - Failing to make a payment on the due date can affect your credit rating. This may have severe consequences on your ability to obtain future credit. It may make future credit more expensive.
  - Full details of the consequences of missing a payment are outlined in the agreement.
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## Contact

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[www.dllgroup.com/gb/en-gb/contact-us](http://www.dllgroup.com/gb/en-gb/contact-us)

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