

REGULATORY COMPLIANCE GUIDE FOR INTERMEDIARIES: PREMIUM CREDIT

This premium can be paid by direct debit, administered by Premium Credit Ltd (PCL). The interest rate for Private Client and Ultra policies is currently 4.1% (7.7% APR) and increasing to 4.6% (8.7% APR) from 4th January 2023. The interest rate for Smart Home is currently 6% (11.5% APR) and increasing to 6.27% (12% APR) from 4th January 2023. If the client wishes to pay by direct debit, please ensure the figures given accurately reflect the interest rate charged.

Customers must be provided with information that is **clear, fair, and not misleading**, and their interests must be your priority.

Ensure that the customer understands:

- That they are entering into an arrangement for credit
- The key provisions, and that they have had time to consider the agreement
- The cost of credit
- That you will be passing their data to the credit provider for arranging and facilitating the loan, and that the data will be held on the grounds that it is legitimate for them to have it in order to provide the finance requested.

You must also ask the customer if they have a preferred collection date for their repayments.

CREDIT REFERENCE SEARCHES

In assessing applications PCL will search public information credit reference agencies hold about your client. These agencies will add details of the search and the application to their record about your client whether or not the application proceeds. This and other information about your client may be used to make credit decisions about your client and undertake anti-money laundering checks. The search should not have a detrimental effect on the credit rating of your client.

PCL will write to the customer if the application for credit is declined. The customer also has a right to ask PCL to review its decision and such reviews should be submitted to appeals@pcl.co.uk

Please ensure that this is brought to your client's attention if they wish to pay by direct debit, in line with the Consumer Credit Directive.

KEY REGULATORY CONSIDERATIONS

Administration Fees: You must not charge any administration fee to the customer specifically for arranging credit.

Default/termination: If your client defaults, PCL will continue to work with the customer to rectify defaults; but if they cannot be resolved, PCL will terminate the credit agreement. Default charges may be applied to the account.

Policy cancellation/credit agreement withdrawal: If a customer requests policy cancellation, you must notify PCL immediately who will terminate the transaction under the credit agreement. Customers must also be provided with relevant information following the acceptance of the credit agreement, including the right to withdraw within 14 days after it has been made.

Recovering debts: You are not authorised to chase the customer for PCL's debts and care should be taken in terms of customer communications if you do not hold specific debt collection permissions. In particular, you must not contact the customer regarding missed payments or proactively chase payments under their credit agreement.

The FCA rules require PCL to take reasonable steps to ensure that the producers with whom they work comply with the Consumer Credit handbook (CONC). As such, we may request evidence of FCA compliance from you, including file audits, and examination of your regulatory policies and procedures.

The full guide can be read here

<https://www.premiumcredit.com/regulatory-compliance-guide-ipf-producers>

Insurance provided by

