

PRE-CONTRACT DISCLOSURE

Herts Business Solutions Ltd

Asset Finance Guide: Finding the right asset finance agreement for you

Introduction	<p>We want to help you to find a suitable asset finance product that meets your needs. This sheet explains factors that you should consider.</p>
Our role	<p>We are independent brokers who work with a panel of asset finance lenders to find a suitable arrangement for you.</p> <p><i>[If appropriate: Sometimes we act as the lender ourselves. We will discuss this option with you if relevant]</i></p> <p>Once we have found a suitable arrangement, we will present the lender's agreement to you to sign. We will discuss this with you and will be happy to explain any terms of the agreement to you.</p>
Do I need asset finance?	<p>The main options for financing newly acquired equipment are:</p> <ul style="list-style-type: none">• Purchase outright for cash• Bank facility• Raise new capital• Rent for a short period (typically less than one year)• Take out an asset finance agreement. A lender will purchase the equipment from the supplier you have selected, at the price you have negotiated. You will then hire or lease the equipment from the lender. <p>In deciding which option to select, relevant factors may include:</p> <ul style="list-style-type: none">• Whether you have the cash to buy outright• How long you need the equipment for• Costs of the different options <p>For more help in deciding whether to select asset finance, see the Government's Business Finance advice (https://www.gov.uk/business-finance-explained/overview)</p>
What types of asset finance are there?	<p>Most asset finance arrangements involve paying a deposit and then monthly payments. The key difference between products is what happens at the end of the agreement and who gets title to the equipment.</p> <ul style="list-style-type: none">• Hire Purchase: At the end of the agreement there is an option to purchase the equipment. If the option is not taken up, the equipment needs to be returned to the lender.• Conditional Sale: At the end of the agreement you automatically take ownership of the equipment.• Lease: At the end of the agreement, there is no option to purchase. The agreement can usually be extended, you may be offered the option to sell the asset on behalf of the lender, or the equipment can be returned to the lender. You do not get title. <p>In deciding which option to select, relevant factors may include:</p> <ul style="list-style-type: none">• How long you expect to use the equipment for• The income or corporation tax, VAT and accounting treatment of the product <p>For more details of these factors, see the Government's Leasing and Asset Finance advice (https://www.gov.uk/business-finance-explained/leasing-and-asset-finance)</p>
Suitability of asset finance	<p>Asset finance may not be suitable in certain circumstances. You should be aware:</p> <ul style="list-style-type: none">• You will have to continue to pay for the equipment for the agreed period even if you no longer need the equipment or it cannot be used.

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- If you change the equipment during the agreed minimum rental period this could lead to higher charges.
- Asset finance is unlikely to be suitable if you are not sure if you will need the equipment for the minimum contract period.
- Asset finance is unlikely to be suitable if you are not sure the equipment will be maintained and kept in a useable condition for the minimum contract period.

For more details of factors affecting suitability, see the Guidance Published by the Institute of Credit Management, *managing cash when it's time to invest* (http://www.icm.org.uk/wp-content/uploads/2013/08/Resources_CFG fla.pdf)

Fees	We are a credit broker and not a lender. We can introduce you to a limited number of lenders and their finance products. We are not an independent financial advisor; we will provide details of products available. We may advise you on the products, subject to your personal circumstances, though you are not obliged to take our advice or recommendation. We do not charge you a fee for our services. Whichever lender we introduce you to, we will typically receive commission from them (either a fixed fee or a fixed percentage of the amount you borrow). For your reassurance, all of the lenders we work with could pay commission at different rates, but the commission we receive does not influence the interest rate you will pay. Our aim is to secure finance for you at the lowest interest rate available from our panel of lenders.
Contact information	We will use the contact information you provide to us to obtain quotations from lenders. We may also use the information to tell you about our services in the future by letter, telephone, email or text message. Please contact us if you do not want your information used in this way.
Complaints procedures	<p>If you have a complaint about our service, please contact us [contact details]. We will acknowledge your complaint within five working days. We aim to resolve complaints within two weeks and to provide a final response to all complaints within four weeks.</p> <p>If your agreement is regulated under the Consumer Credit Act and if after making a complaint you are still unhappy and feel the matter has not been resolved to your satisfaction, please contact the Financial Ombudsman Service (http://www.financial-ombudsman.org.uk/)</p>
Insurance	A condition of taking out an asset finance agreement is that you insure the equipment. [<i>If appropriate</i> : HBS Ltd do not offer you an option for insurance and you may wish to look at alternatives available in the market.]

Customer Signature		Date	
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For Office Use:

Customer	
Source of introduction	
Date quotation provided to Customer	
Date agreement discussed with Customer	
Where placed	
Date agreement signed by Customer	
Agreement number	
Date Pre Contract Disclosure and proposal uploaded to online storage facility	
Other notes:	