



Information for distributors of the V12 Vehicle Finance Prime Hire Purchase (HP) and/or Personal Contract Purchase (PCP) Products



April 2023



Products & Services Outcome and Price & Value Outcome

This information is intended for intermediary use only and should not be provided to customers. It includes the following sections:

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1. Overview

This communication includes important information that you require to distribute the V12 Vehicle Finance Prime Hire Purchase (HP) and/or Personal Contract Purchase (PCP) Products.

This summary document is being provided to you to fulfil our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12R (2).

It is designed to support you to comply with your responsibilities under PRIN 2A.3.16R and PRIN 2A.4.16R . Please note that you are ultimately responsible for meeting your obligations under 'The Consumer Duty'.

FCA policy statement (PS22/9) and the Final Guidance (FG22/5), sets out the full expectation of firms for Consumer Duty. You can find this on the [FCA website](#).

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2. Summary of our assessment

We have assessed that:

- Our V12 Vehicle Finance Prime HP and PCP products continue to meet the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy remains appropriate for the target market.
- The Products provide fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

This assessment does not include any fees, charges, or other costs you require the customer to pay to you for any products or services you provide that are separate or in addition to the products or services we provide. You are responsible under The Consumer Duty for assessing the products or services you provide. If you believe that the customer is not receiving fair value in respect of those products or services, you must inform us.

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3. General product information

Target Customer	This product is targeted towards new and previous customers. There are limits on the total overall lending we will provide to a single customer at one time.
Vehicle Condition	This product is for used cars. (For clarity, UK cars which have been First Registered)
Is maintenance included?	No, the customer maintains and fully insures the car.
Option to purchase	Yes, a customer can take ownership of the car, either by making a full early settlement, or at the end of the term by making all repayments which include a £10 option to purchase fee in the last repayment. PCP agreements also include the Guaranteed Minimum Future Value (GMFV) in the last repayment.



4. Product characteristics & benefits

The products are designed to meet the needs of the following target groups.

ALL V12 Vehicle Finance Prime Products

The Target Market for V12VF Prime Products:

- UK residents of a broad age range, holding a valid Full UK driving licence, who need access to a car.
- They wish to borrow to fund a used car, having insufficient savings or access to other funds, or do not wish to use available funds to purchase outright.
- They may be employed, self-employed, in receipt of benefits, or retired, with no or minimal negative credit information, consistent with a prime profile.
- They wish to source the car through trusted motor dealers or brokers, giving confidence in car quality, a regulated product offering and a convenient and informed sales process. They want to arrange finance at point-of-sale; on-site or through distance selling.
- Therefore, they want an understandable finance product with the cost of credit, repayments, and charges clearly explained.
- They want the assurance of fixed monthly payments over a set period that is affordable within their monthly budget and avoids any unexpected costs.
- Customers will have options to react to a change in their circumstances during the term of their agreement and be able to contact their lender easily.

V12 Vehicle Finance Prime HP

Customers want certainty of ownership on completion of their repayments.

V12 Vehicle Finance Prime PCP

Customers want the flexibility of having options to own, exchange or return the vehicle at the end of the agreement.

They may value lower monthly repayments when compared to standard HP products or having access to a higher value car.

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The product(s) features and criteria are designed to support these needs.

V12 Vehicle Finance Prime Products		
The Vehicle		
Product Features	V12VF Prime HP	V12VF Prime PCP
UK passenger cars	Cars that have been First Registered (generally referred to as Used Cars)	
Fuel Type	All Petrol, Diesel, Hybrid, Plug-In Hybrid	
	Battery Electric Vehicles (BEV)	BEV excluded from PCP
Specific Exclusions See our procedural guide for a full list of exclusions	All other Alternative Fuels BEV variants introduced prior to 2018.	
Maximum age of car at start of agreement	up to 10 years old	Up to 5 years old
Maximum mileage of car at start of agreement	125,000 miles	108,000 miles
Maximum age of car at end of agreement	15 years old	9 years old



The product(s) features and criteria are designed to support these needs.

The Finance Agreement		
PRODUCT FEATURES	V12VF Prime HP	V12VF Prime PCP
Agreement term length	24 to 60 months	24 to 48 months
Contractual annual mileage	None	6,000 to 30,000 per annum
Deposit required	No minimum or maximum	No minimum 40% maximum
Minimum Loan Amount	£3,000	
Maximum Loan Amount	£55,000 Subject to credit and affordability assessments of the customer	
Maximum LTV	Up to 120% of our Retail Valuation	
Allowance of other value-added products on loan agreement See 8.1	Warranty (including roadside assistance), paint protection, seat protection.	
Additional add-ons to sale price See 8.2	Dealer fitted accessories, car tax, delivery cost of car to customer, administration or dealer fee.	
Fixed monthly repayments	Yes	
Ability to reduce monthly repayments. See 10.1	Yes, overpayments can be made as partial early settlements. The overpayment plus any rebate of interest (if applicable) may reduce future monthly repayments. The term length remains as per the original agreement.	
Ownership of car <u>during</u> agreement	No, V12VF buys the car from the distributor and owns for the duration of the finance agreement.	
Ownership of car at <u>end</u> of agreement	Yes, customer owns the car when monthly repayments have been made in full,	
	which includes a £10 option to purchase fee in the final payment	which includes a £10 option to purchase fee (OTPF) and the Guaranteed Minimum Future Value (GMFV) in the final payment
Option to Part Exchange car at dealer at end of agreement	Customer owns the car, so can part-exchange for replacement car at dealer. (No V12VF involvement)	Customer can arrange with dealer to pay the final payment (GMFV & OTPF) to V12VF. Customers responsibility for the full amount due to be paid.

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The Finance Agreement		
PRODUCT FEATURES	V12VF Prime HP	V12VF Prime PCP
Return of car at end of agreement See 10.2	Yes, the customer does have the right to return the car and not pay the £10 Option to Purchase Fee	Customer can choose to hand back the car to V12VF and NOT pay the final payment (GMFV and OTPF)
		Charges may be made for damage or missing items.
		following an inspection using BVRLA Fair Wear & Tear Guidelines See 10.3
		Excess Mileage charges may apply where over maximum mileage allowed See 10.4
Early Settlement See 10.5	Yes, customer can make an Early Settlement, which may include a rebate of interest. On full payment of the early settlement amount, the customer owns the car.	
Option to Part-Exchange car at dealer on early settlement See 10.6	Yes, customer can request early settlement and make arrangement with dealer to settle customers account directly with V12VF. It is the customers responsibility for the settlement amount and all due payments to be made	
Voluntary Termination See 10.7	Yes, customer can exercise Voluntary Termination and hand back the car to V12VF. They must have paid or remain liable for half of the Total Amount Payable.	
	Charges may be made for damage or missing items, following an inspection using BVRLA Fair Wear & Tear Guidelines. See 10.3 (BVRLA – British Vehicle Rental and Leasing Association)	
	There is no charge for the inspection and collection of the car	
		Excess Mileage charges may apply at pence per mile where over a pro-rated maximum mileage allowed See 10.4
Change of mind – Right of Withdrawal	Yes, can withdraw from the agreement without reason within the first 14 days, ending the finance agreement. Customer repays the Amount of Credit (loan amount) of the agreement (including any other products) and accrued interest within 30 days.	
Satisfactory Quality of car (SQ)	Yes, customer has SQ rights. As the lender we will work with the distributor to resolve any issues.	

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The Customer	
PRODUCT FEATURES	ALL V12VF Products
Suitability for Product See our procedural guide for more detail on decline rules	These finance products are designed for customers with a prime profile who can afford the repayments over the term. V12VF will undertake a creditworthiness assessment and (subject to acceptance) offer the rate applicable to the Terms of Business agreed between the distributor and V12VF
Customer Age at start of the agreement	21 to 75 years
Residency Status	Homeowner or tenant, with 3 years traceable residency in UK
Driving Licence	Must be a full UK driving licence holder
Employment Status	Permanent employment (full or part time) Minimum time in job: 3 months, except: -6 months - working on contract if employed by an agency. -12 months - if self-employed If customer is a director of a LTD company and there are less than 3 directors (one of which is the customer) the customer will be class as self-employed In receipt of benefits Retired
Excluded Occupation/Employment Status See our procedural guide for a full list of exclusions	<ul style="list-style-type: none"> • Less than 3 months employment • Temporary contract less than 6 months • Zero hour contract • Less than 12 months self employed
Choice of monthly payment date	Can contact Customer Services during agreement to request a change of payment date.
Car insurance requirements	Customer must have full and comprehensive insurance on the car
Registered keeper of vehicle	V5 will be registered in the customer's name
Excluded Deal Types	Excluded where vehicle is being used for the purposes of income generation (e.g., Taxi Driver, Courier, Delivery Driver, Accommodation Deals)

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5. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the Product(s), recognising their different needs to enable you to tailor the services you provide when you distribute the Product(s).

Customer needs and objectives	Customer Characteristics
The customer needs access to a used car.	Applicable to a broad age range. A UK resident, holding a full valid driving licence.
Where the customer does not have access to a car, the customer needs to borrow to fund the car.	Insufficient savings or access to other funds or equity in existing vehicle or does not wish to use available funds towards the outright purchase of a car.
The customer would benefit from avoiding unexpected costs.	Insufficient savings to cover unexpected costs.
The customer needs finance that is appropriate for their financial situation, and that that they are likely to be accepted for and can afford.	No or minimal negative entries on their credit file.
	Limited outright purchase options or have assigned alternate uses for their savings/other finance.
Customer wants assurance of paying a clear fixed amount over a set period that is affordable within their monthly budget.	Employed, self-employed or in receipt of benefits or other income sufficient to repay borrowing on selected car.



Customer needs and objectives	Customer Characteristics
<p>The customer wishes to have the option to source a used car through motor trade, in a convenient and informed sales process, with arrangement of the finance agreement at point-of-sale, being able to drive away the car asap after signing.</p>	<p>Looking to avoid unexpected costs or quality issues, including repairs, given lack of savings across UK households.</p>
<p>The customer needs to be presented with product and contract information that is clear and easy to understand.</p>	<p>A basic level of financial literacy – able to understand the impact of interest and the need to keep up repayments or car will be repossessed.</p>
<p>HP specific: The customer wants HP, over PCP. They value ultimate ownership of a vehicle with a retained value at the end of the agreement, and/or no restrictions on their annual mileage.</p>	<p>Wants certainty of ownership at end of term and certainty of no charges for excess mileage or damage charges.</p>
<p>PCP specific: The customer wants PCP, over HP. They value flexibility to choose whether to take ownership at the end of the agreement.</p> <p>They may value lower monthly payments or having access to a higher value car.</p>	<p>Like to change their vehicle regularly or believe they will want to change their vehicle at the end of the agreement. May expect their financial position to improve over the period of the agreement or want lowest available monthly payments now, and will re-finance the GMFV at end of term, or return.</p>
<p>The customer needs to have options to react to a change in their circumstances.</p> <p>The customer will want to be able to contact STB easily if necessary.</p>	<p>Customer whose circumstances may change, positively or negatively, during the term of the agreement.</p>



The Product(s) are not designed for the following customers:

- aged less than 21 or over 75 (at point of application)
- students and unemployed (not in receipt of benefits).
- in job less than 3 months (6 months if agency contract)
- who have been self-employed less than 12 months.
- are non-UK residents or UK residents with less than 3 years traceability.
- are without full driving licence
- those who require the vehicle for income generation (examples taxi driver, courier, delivery driver)
- those who have a near-prime or sub-prime credit score or credit history.
(A near-prime HP product is available – Moneyway HP)
- who may not be able to afford repayments (responsible lending assessment)
- unable to make personal financial assessments or decisions.



Distribution strategy

These Products are distributed through motor dealers and brokers who are FCA authorised firms. The Products are designed to offer prime, point-of-sale finance for used car purchases in the UK market, whether physical on site or distance selling.

You are required to:

- Have distribution arrangements for the product(s) which avoid causing foreseeable harm to the customer, support management of conflicts of interest and ensure the needs, characteristics and objectives of the target market are taken into account.
- Understand the product(s) you are distributing.
- Identify or create your own strategy for the distribution of the product(s) and ensure it is distributed in accordance with the identified target market.



6. Customers with characteristics of vulnerability

The broad target market described as suitable for the Products is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

A vulnerable customer is anyone who requires additional support, due to social circumstances, physical or mental disability or impairment or suffering a traumatic event. Or they require additional support due to their financial capability or resilience to make an informed decision in relation to a financial product. Customers can be deemed vulnerable based on both personal characteristics as well as personal circumstances.

All customers are at risk of becoming vulnerable and this risk is increased by characteristics of vulnerability related to 4 key drivers:

- Health – health conditions or illnesses that affect ability to carry out day to day tasks
- Life events – life events such as bereavement, job loss or relationship breakdown
- Resilience – low ability to withstand financial or emotional shocks
- Capability – low knowledge of financial matters or low confidence in managing money (financial capability).
Low capability in other relevant areas such as literacy or digital skills



At V12VF we have vulnerability policies and procedures to support vulnerable customers throughout the lifetime of their finance agreement. We have a range of ways we will work with and support vulnerable customers which we have included in our assessment of the design of our products to ensure they are suitable for vulnerable customers. These include:

- Training for all staff
- A Specialist Support Team to handle contact with the customer
- Authorising 3rd parties to help manage customer accounts
- Sending tailored communications specific to the customers circumstances
- Providing alternative contact channels
- Providing tailored forbearance options
- Signposting to external support

All firms in the distribution chain (including you and us) must treat customers fairly, even if they don't have a direct relationship with the customer.

You should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly.



Likewise, V12 Vehicle Finance has an obligation to support customers who move in or out of vulnerability or have protected characteristics which is delivered through our vulnerability policy, procedure guidelines, trained staff, and a Specialist Support Team.

You should share individual customer vulnerabilities identified during the sales process with us and have procedures and policies in place to gain explicit consent and meet UK GDPR. You are reminded that you should not continue with any application for finance where you have concerns regarding the customer's mental capacity, for example, if they appear unable to understand the financial information presented to them. Please contact our New Business Team on **0330 303 0564** to provide us with vulnerable customer information or for advice before proceeding.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the Product(s).

7. Our assessment of value

We have developed a comprehensive and robust assessment process that evaluates several aspects of our business to determine the value of these Products. This analysis is used to ascertain whether the Products delivers fair value for customers.

The outcomes of the assessment process are presented to both the Vehicle Finance and Secure Trust Bank Group Executive Committees, allowing for challenge and further investigation before we sign off the outcomes and share the summary of our assessment with you.

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Our fair value assessments have considered the following:

For V12 Vehicle Finance Prime Hire Purchase (HP)

Review assessment	Key data assessed	Summary
Product (including any product limitations)	<ul style="list-style-type: none"> Product features Expected price of product Percentage of portfolio expected to run full term Value added Products 	<p>Our assessment concludes that V12 Vehicle Finance HP Product offers customers in the identified target market fair value.</p> <p>We encourage the dealers and brokers we work with to continue to comply with our Procedural Guides.</p>
Target market and distribution (including characteristics of vulnerability)	<ul style="list-style-type: none"> Characteristics of customers in the target market - objectives, interests, needs and characteristics Customers for whom this product is clearly not intended for Characteristics of vulnerability in the target market and considerations required for vulnerable customers as part of the: (i) design; (ii) distribution; and (iii) on-going servicing of this product. 	<p>Our assessment concludes that V12 Vehicle Finance HP Product offers customers in the identified target market fair value.</p> <p>Dealers and brokers we work with must continue to ensure that their distribution strategy is aligned with our identified target market.</p>
Price (including any fees, charges, and non-financial cost)	<ul style="list-style-type: none"> Costs incurred in manufacturing the product. Fees and charges applied. 	<p>Our assessment concludes that V12 Vehicle Finance HP Product offers customers in the identified target market fair value.</p> <p>Dealers and brokers we work with must continue to ensure that any additional costs they add offers fair value for the service the distributor provides and/or the value of any add-ons.</p>
Customer benefits	<ul style="list-style-type: none"> Key qualities of the product. Risks are associated with the product and mitigations in place to prevent foreseeable harm. Product limitations and clarity of customer explanations. Research, testing and feedback. 	<p>Our assessment concludes that V12 Vehicle Finance HP Product offers customers in the identified target market fair value.</p> <p>Dealers and brokers we work with must continue to ensure that they align their distribution strategy with our identified target market.</p> <p>We continue to work with these dealers and brokers to obtain and assess information, and agree actions as required, to ensure the ongoing value of this product.</p>
Competitive positioning	<ul style="list-style-type: none"> Market rate and charges for a comparable product. 	<p>Our assessment concludes that V12 Vehicle Finance HP Product offers customers in the identified target market fair value.</p>

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For V12 Vehicle Finance Personal Contract Purchase (PCP)

Review assessment	Key data assessed	Summary
Product (including any product limitations)	<ul style="list-style-type: none"> Product features Expected price of product Percentage of portfolio expected to run full term Value added Products 	<p>Our assessment concludes that V12 Vehicle Finance PCP Product offers customers in the identified target market fair value.</p> <p>We encourage the dealers and brokers we work with to continue to comply with our Procedural Guides.</p>
Target market and distribution (including characteristics of vulnerability)	<ul style="list-style-type: none"> Characteristics of customers in the target market - objectives, interests, needs and characteristics Customers for whom this product is clearly not intended for Characteristics of vulnerability in the target market and considerations required for vulnerable customers as part of the: (I) design; (ii) distribution; and (iii) on-going servicing of this product. 	<p>Our assessment concludes that V12 Vehicle Finance PCP Product offers customers in the identified target market fair value.</p> <p>Dealers and brokers we work with must continue to ensure that their distribution strategy is aligned with our identified target market.</p>
Price (including any fees, charges, and non-financial cost)	<ul style="list-style-type: none"> Costs incurred in manufacturing the product. Fees and charges applied. 	<p>Our assessment concludes that V12 Vehicle Finance PCP Product offers customers in the identified target market fair value.</p> <p>Dealers and brokers we work with must continue to ensure that any additional costs they add offers fair value for the service the distributor provides and/or the value of any add-ons.</p>
Customer benefits	<ul style="list-style-type: none"> Key qualities of the product. Risks are associated with the product and mitigations in place to prevent foreseeable harm. Product limitations and clarity of customer explanations. Research, testing and feedback. 	<p>Our assessment concludes that V12 Vehicle Finance PCP Product offers customers in the identified target market fair value.</p> <p>Dealers and brokers we work with must continue to ensure that they align their distribution strategy with our identified target market.</p> <p>We continue to work with these dealers and brokers to obtain and assess information, and agree actions as required, to ensure the ongoing value of this product.</p>
Competitive positioning	<ul style="list-style-type: none"> Market rate and charges for a comparable product. 	<p>Our assessment concludes that V12 Vehicle Finance PCP Product offers customers in the identified target market fair value.</p>

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Our assessment concluded that the Products are designed to meet the needs of the identified target market, are sold transparently, customers are able to exercise their right to early repayment, overpay and are properly supported through our customer services and partner on boarding. The V12 Vehicle Finance HP and PCP Products therefore offer fair value to customers of the identified target market (including vulnerable customers). We are also satisfied that they will continue to do so for a reasonably foreseeable period.

8. Value Added Products, and additional add-ons

8.1 Value-added products

V12VF does identify some value-added products as being suitable for inclusion on loans for these Products.

- Warranty (which may include roadside assistance), up to value of £1,000.
- Seat or Paint protection, up to value of £500.
- Maximum fundable VAPs on an agreement is £1,000.

(Note: GAP insurance is no longer eligible for inclusion on V12VF loans)

V12VF is not the manufacturer or distributor of these value added products. However, there are requirements (regulatory and/or of V12VF's choosing) which you must comply with, to allow their inclusion on a V12VF loan.



If you apply or wish to apply value-added products to the loans associated with V12VF products:

- a) You must identify whether the product is regulated and have the necessary insurance distribution permissions where applicable.
- b) You must be able to explain to us on request the product and your sales process, including:
 - the overall value and benefit of the product to the customer
 - the Pre-sales disclosure to the customer
 - the explanation to the customer of the length of cover versus the term length of loan (where not the same)
 - that there is clear transparency on the cost to the customer of adding the VAP to the V12VF loan. (e.g. adding £1000 to your loan will cost £x over the term).
 - That a Quality Assurance process is in place to monitor transparency and disclosures in the sales process.
- c) You must identify the VAP(s) as required on V12VF agreements
 - You identify the details and cost of the (agreed) VAP(s) where customer chooses to take and fund the product on the V12VF agreement (not just added to the sales price)
 - In the proposal submission (via Calms system or integration fields)
 - On the invoice
 - You retain and make available for audit any documents relating to the sale of VAP(s) on a V12VF loan.
 - You will share complaints data with V12VF where they are concerned with the VAP or the sales process.



Eligible VAP Suppliers – Subject to satisfying the requirements to add VAPS to a V12VF loan, VAP Products from the following suppliers can be added to a V12VF loan:

Warranty and Roadside Assistance	AA, RAC, Greenflag, Car Care Plan, Auto Protect, The Warranty Group, RAC Warranty, Network Q Warranty, Motor Easy, Warranty Direct, Click 4 Warranty, Customer Protect, Momentum Warranties, AA Warranty, Warranty First, BNP Paribas, Auto Guard, WMS Group Warranty, Warranty 2000.
Seat and Paint Protection	Diamond Brite, SuperGuard, Gard X, Williams Paint Protection, Gen-83 Glasscoat, Scotts Safeguard Paint Protection, AutoGlym Lifeshine

Cancellation of VAPS

<p>The customer can exercise their cancellation rights on the value added product, but not on the Hire Purchase Agreement.</p> <p>(HPA applies to HP and PCP Products)</p>	<p>In such circumstances you should:</p> <ol style="list-style-type: none"> pass funds if cancelled or unwound to V12VF who will apply as a partial early settlement to the HP Agreement. You inform the customer of the financial implications if the funds are not passed to V12VF for a partial early settlement to be applied.
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8.2 Add-ons to vehicle sales price

V12VF will allow the following additional items to be funded on the loan associated with these Products.

- Dealer fitted accessories.
- Car Tax
- Delivery charge
- Administration Fee/ Dealer Fee or similar – up to a maximum of £199 inc. VAT.

(Note: Fuel is no longer an acceptable addition to a V12VF loan)



If you apply or wish to apply any of these add-ons to the loans associated with V12VF products:

- a) The total credit charge of any add ons to the loan must be presented to the customer.
- b) You must be able to explain to us on request the sales process (advertisement, presales disclosure, application to the loan etc)
 - evidence the disclosure to the customer (advertisement, pre-sales disclosure, application to the loan)
 - explain the criteria for applying (how, who, when).
 - It must not be a charge for the arrangement or introduction of finance to the customer.
 - You identify the details and cost of the add-ons where funded on a V12VF agreement so it can be identified separately, as well as being included in the total sales price.
 - In the proposal submission (via Calms system or integration fields, using the DFO fields)
 - On the invoice
 - You retain and make available for audit any documents relating to the sale of add-ons on a V12VF loan.
 - You will share complaints data with V12VF where they are concerned with the add-ons of sales process.



9. Contact Information

For queries on Consumer Duty please contact: consumerduty@v12vf.co.uk

Please ensure you include your V12VF Account Name / ID in any communication.

You can contact your Account Manager with any queries relating to this information or the requirements under Consumer Duty.

Please note: You may receive further communications from us in the run up to and following the commencement of the Consumer Duty. This may include requests for information that we require from you in order to meet our regulatory obligations. We appreciate your prompt response to any such requests.

✓ **Checklist:** In line with the details in this letter, you should;

	Understand the key features of the V12VF Product(s), the customer's needs, objectives, and characteristics in the target market that it is designed for, and its fair value, and be able to explain to them.
	Have your own vulnerability policy and procedures so that you are able to share with us individual customer vulnerabilities identified in the sales process, having gained explicit consent, and respecting GDPR.
	Understand the value-added products and add-ons to sales price which V12VF allow, and your requirements when applying them to a loan associated with V12VF Product(s).



10. Appendices

10.1 Partial Early Settlements

A customer can make overpayments at any time. If they request a partial early settlement, they may be entitled to a rebate of interest on their account. Section 94 of The Consumer Credit Act 1974 and The Consumer Credit (Early Settlement) Regulations 2004 lay out a formula to calculate any interest due.

The customer has 28 days from requesting the partial early settlement to make the overpayment. The overpayment plus any rebate of interest due will reduce the outstanding balance of the customer's account. The length of the agreement remains unchanged, and future monthly repayments will be reduced accordingly.

There are no charges for a partial early settlement.

10.2 Returning the car to V12VF at the end of agreement (PCP)

The customer will be asked three months before the end of the PCP agreement (and again at one month) whether they wish to return the car or part exchange at a dealer, instead of making the final payment. If the customer chooses to hand back the car, they must inform V12VF of their intention to avoid a Direct Debit call for the full final payment. The customer is then not required to pay the final payment (which is the Guaranteed Minimum Future Value and option to purchase fee). The customer is responsible for ensuring all payments have been made in full (with the exception of the final payment).

Damage and Excess Mileage costs may be charged.



10.3 Damage charges on Voluntary Termination and PCP returns.

For Voluntary Terminations (HP and PCP) and Vehicle Returns at the end of the agreement (PCP), an inspection of the car in line with BVRLA Fair Wear & Tear Guidelines will take place at point of collection.

The customer will be charged for damage or missing items.

10.4 Excess mileage charge on PCP returns (end of agreement or Voluntary Termination)

The customer chooses an annual mileage when they enter into their PCP agreement. This calculated mileage over the term plus the mileage of the car at the start of the agreement (mileage on delivery) is shown on the customers agreement as the Maximum mileage allowed (at the end of the agreement).

If the customer exceeds the maximum mileage allowed on the agreement, a pence per mile charge (which is presented on the agreement at the outset) calculates the excess mileage charge for each mile over the maximum mileage allowed. The pence per mile has been calculated for the specific vehicle variant and age so that the excess mileage charge represents the reduced value of the car at its mileage versus the mileage at which the Guaranteed Minimum Future Value was calculated on (the maximum mileage allowed).

If a customer returns a vehicle before the end of the agreement (so Voluntary Termination), the maximum mileage allowed will be reduced proportionately, and the pence per mile calculated and charged as above if appropriate.

10.5 Full Early Settlements - customer

A customer can settle their V12VF HP or PCP agreement at any time by paying their outstanding balance. They can request a Full Early Settlement figure, which may include a rebate of interest on the outstanding balance. Section 94 of The Consumer Credit Act 1974 and The Consumer Credit (Early Settlement) Regulations 2004 lay out a formula to calculate any interest due.

The customer has 28 days from requesting the full early settlement to make the settlement payment. On making the settlement payment in full (including any payments due in the 28 days), the customer will own the car.

There are no charges for a full early settlement.

10.6 Full Early Settlements – part exchange at dealer

A customer can ask a dealer at any time for a part-exchange valuation. At the discretion of the dealer, they can make the payment to V12VF on the customer account to cover the settlement amount in full (or in part, if for instance their valuation of the car is less than the settlement). The customer must request the Full Early Settlement figure (9.7) in the first instance and is responsible for the payment of the full settlement figure within the 28 days, making up the difference between the settlement figure and dealers part exchange valuation if applicable.

There are no charges for a full early settlement.



10.7 Voluntary Termination

A Voluntary Termination is a customer right under Section 99 of the Consumer Credit Act to hand back the vehicle at any point in the agreement with the requirement that they must pay, or have paid, at least half of the total amount payable which is set out in their contract under "Termination: Your Rights."

If the customer has paid half of the total amount payable but is in arrears, they are required to pay these.

V12VF will arrange for the car to be inspected at point of collection, in line with BVRLA Fair Wear & Tear Guidelines. Damage costs (HP and PCP) and Excess mileage (PCP) may be charged.

The customers credit file will show that they have Voluntary Terminated their agreement.

For further information on the key information and guidance from the FCA regarding Consumer Duty, please follow the link below:

[More Guidance](#)

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