

Commutation Loan Terms and Conditions

Please also refer to the general loan terms and conditions.

This is an interest-only loan, and you must settle your balance in full once you retire and receive your commutation entitlement.

1. Account name

1.1 Commutation Loan

2. Eligibility

2.1 You must be aged 18 or over and a UK or Isle of Man resident.

2.2 You must be in paid employment or have a regular income.

2.3 Only members of the Credit Union can obtain a loan (you can apply for membership within your loan application if necessary).

2.4 You must be expected to retire within 24 months of submitting your loan application.

3. Interest rates

3.1 Please see the website for up-to-date interest rates: <https://www.no1copperpot.com/loans/commutation-loan/>

4. What can I apply to borrow for?

4.1 You can use a commutation loan for all sorts of things. For example, you could use it to buy a car, make home improvements or to consolidate your debts. It can be for just about anything, but there are some restrictions. **We can't** lend you money for:

- a. Speculative purchases, e.g., gambling, investments, and share purchases,
- b. Any illegal purposes.

4.2 These limits apply whether you want to borrow money for yourself or to support someone else.

4.3 This list is not exhaustive and if you have any queries about your loan purpose, please contact us.

5. Can No1 CopperPot change the interest rate?

5.1 No, the interest rate is fixed for the life of the loan. Interest accrues daily and is charged monthly.

5.2 This is an interest-only loan, and you must settle your balance in full once you retire and receive your commutation entitlement.

6. How do I open and manage my account?

6.1 Loans can be applied for on the website, face to face or over the telephone.

6.2 You can manage your account via telephone, email, or the members area.

7. Repayment information

7.1 You will make a fixed monthly payment equivalent to 31 days of interest on the total sum borrowed. This ensures that you always cover the maximum amount of interest that will be charged in any one month. Where payments are made in months of less than 31 days the additional amount will be paid off your outstanding loan balance.

7.2 You can repay your loan by payroll deduction or Direct Debit.

7.3 When you apply for a loan, we'll tell you how much your repayments will be. It also includes any interest charged. We'll start taking the payments the month after you apply.

7.4 To find out the cost of your monthly repayments prior to application please contact us. As we do not use representative APR the figures provided will be the correct payments if you are approved.

7.5 Please be aware that if approved the repayment amount on your loan agreement may differ slightly from the loan quote provided depending on the date your loan is approved and the selected repayment date.

8. Repayment period

8.1 The loan term will not exceed 24 months. Once you receive your commutation entitlement, you will be expected to repay the original loan advance and any outstanding interest in full directly from your debit card.

9. Amount of loan available

9.1 You can borrow up to 50% of your commutation or up to £50,000 - whichever is the lower amount.

9.3 Top up loans are available on this loan but will be done at the prevailing rate at time of application and subject to a new loan application.

10. Application/Arrangement Fee

10.1 No application or arrangement fees apply.

11. Default/Missed payment Fees

11.1 None.

11.2 If you fail to pay any amount due under this Agreement or breach the terms of this Agreement in some other way, we will seek to enforce our legal rights under the Agreement. Any reasonable costs, charges, and expenses of whatever nature, incurred by No1 CopperPot as a result of enforcing this Agreement, will be added to your liability on an indemnity basis.

11.3 We charge interest daily at the fixed Annual Interest Rate, on the amount outstanding on your loan. This means we will charge interest at the fixed Annual Interest Rate on the amount you haven't paid and on any interest that has already been added to that amount.

11.4 If you don't pay us any amounts you owe us when you should, we may use funds in your savings accounts you have with us to repay these. We will only do this in line with any regulation we are governed by.

11.5 There may also be other impacts of missing your repayments, these include:

- A lower credit rating which means you may find it difficult or costs you more to borrow money in the future
- Legal action may be taken against you and you will be expected to pay our reasonable costs of doing this. For example, we may seek a charging order against you which means that if you sell your home, we will be paid out of the proceeds; or
- You may have to repay your loan early in full

11.6 Please see the general loan terms and conditions for further details on this, as well as our use of the right of set off.

12. Early settlement

12.1 You can repay the loan, fully or partially, and there are no penalties or fees for doing so.

12.2 If you repay your loan in full you are required to pay any accrued interest. This is calculated from the date of the last repayment to the date of settlement.

13. What does APR mean?

13.1 APR stands for annual percentage rate. You'll see it as a percentage.

13.2 It's not just about the interest you'll pay. APR factors in both interest and any fees that are automatically charged to your account. This gives you a good idea of the overall cost and is useful if you're comparing loans or credit cards.

13.3 We do not charge representative APR.

14. Are there any risks?

14.1 **You may wish to speak to a Pensions Adviser or your pension department before deciding on commuting part of your pension.**

14.2 We allow members to use our Commutation Loan as a means of consolidating existing borrowing.

14.3 If you apply for any credit product this will show on your credit file as an application. This could affect your credit score.

14.4 Your overall debt levels could increase if you take a loan for consolidation then continue to use your credit products.

14.5 It may increase your total amount payable (you may pay more in interest or pay interest over a longer period), or the period, over which it is to be paid. **If you are unsure of what to do, please seek independent financial advice.**

15. Cancellation period

15.1 You have 14 days from the date that your loan funds were received within which to cancel it. This is your cooling off period. If you wish to cancel, please contact us by phone, email, in person, or by writing to us. You can call us on 0161

741 3160, write to us at Slater House, Oakfield Road, Cheadle Royal Business Park, Cheadle, Stockport, SK8 3GX, or email us at info@no1copperpot.com.

16. Other information

16.1 This loan is not a regulated consumer credit product. This does not affect your Financial Ombudsman rights.

17. Complaints

17.1 If you are unhappy with our service, please let us know to give us the opportunity to rectify it. You can make a complaint in person, by phone, or by email. We will always aim to resolve complaints immediately but in some cases, we may need to investigate further.

By day 5

If we have not managed to resolve your complaint by the close of business on the third business day following the day on which it was received, we will contact you with an update/acknowledgement.

4 weeks

If we are still investigating your complaint in 4 weeks, we will contact you to let you know.

8 weeks

We will send you a final response within 8 weeks, however our aim is to resolve your complaint well before this.

No1 CopperPot Credit Union is a member of the Financial Ombudsman Service, which offers an independent review service. If you are not happy with the outcome of your complaint, you can ask the Financial Ombudsman Service to look at your case for free.

The Financial Ombudsman Service, Exchange Tower, London, E14 9SR

Telephone: 0800 023 4 567

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk