

# Individual Voluntary Arrangement Terms and Conditions

## TERMS OF BUSINESS

This document sets out the terms of business upon which Pareto Money Management Limited will act on your behalf. This document represents the whole of our agreement.

### 1. Definition of terms

'You' - our client and (partner where any of the debts are in joint names).

'Us' - Pareto Money Management Limited.

'Office' - Unit 10D, Dryden Road, Wavertree Technology Park, Liverpool L7 9PG.

'Creditors' - any and all of your unsecured creditors whose details you will provide to us.

'IVA' - an Individual Voluntary Arrangement is an agreement between you and your creditors to repay your debts.

'Proposal' - a document setting out the terms of your IVA to creditors in settlement of what you owe.

'IP' - Insolvency Practitioner, who will prepare, negotiate and administer an IVA for you to voluntarily repay your creditors.

'Letter of Engagement' - setting out some further details governing our relationship and with our Terms of Business shall represent a contract between us.

'Fees' - the fees to be paid in dealing with the IVA as disclosed in the Letter of Engagement and the Proposal.

'Voluntary Contribution' - is the monthly payment you make in accordance of the Proposal.

'Act' - relates to the Insolvency Act 1986 as amended and the 'Rules' to the 2016 Insolvency Rules.

### 2. Obligations

It is Pareto Money Management Limited's responsibility to:

- 2.1 Practice professionally, competently, conscientiously and objectively, putting the interests of its clients foremost;
- 2.2 Avoid any conflict of interest;
- 2.3 Comply with any relevant legislation, Statements of Insolvency Practice and with the rules of the regulatory body(ies) responsible for regulating its business activities.

### 3. Basis of Instructions

- 3.1 You have already been advised of the alternative solutions available to you and in particular the impact of bankruptcy. We understand that you wish to avoid bankruptcy by agreeing an IVA with your creditors in satisfaction of your debts. We will proceed on this basis in accordance with these terms and conditions. When we consider that the IVA is the right option we will offer you a meeting to discuss the advice you have been given, and confirm that it is right for you.
- 3.2 The Agreement will start as soon as you confirm your acceptance of these Terms by returning the signed Letter of Engagement and the completed Letter of Authority Form. The Agreement will terminate when it is terminated in accordance with paragraph 4 or 8.

### 4. Cooling Off Period

- 4.1 You have the right to cancel the Agreement at any time during the first 14 Days from the receipt of these terms in accordance with the Consumer Protection (Distance Selling) Regulations 2000. This can be done by writing to us at address above (in which case the cancellation takes effect on receipt by us of your letter) or by telephoning us on 0151 252 6260 (in which case your cancellation takes immediate effect).
- 4.2 If you cancel in accordance with paragraph 4.1, any Fees or monies paid by you to us which have been received in cleared Funds will be refunded in full to you.

4.3 Should you cancel after the 14 day cooling off period, or you have waived your right to such cooling off period, then you may be liable for the full Nominees Fee which has been outlined in the Letter of Engagement.

4.4 If you have been deemed liable to pay the full Nominees Fee and any outstanding disbursements, and we cannot agree a payment arrangement with you, or you fail to make payment by the agreed date, we reserve the right to refer your debt to a third party for recovery. You may incur additional costs, should this happen.

## **5. Your responsibilities**

5.1 Whilst preparing your Proposal, you will provide to us on request with information relating to your finances and you will make a full disclosure of your assets and liabilities under the Act and Rules. This will include but will not be limited to details of your income and expenditure, your creditors and any agreements you have with them, any loans or mortgages you have, details relating to your dependants and any judgments made against you or any other enforcement action being taken against you.

5.2 On occasion your creditors may not provide us with balances of your accounts due to their own company procedures. If these circumstances arise then you will obtain this information for us and supply us accordingly.

5.3 You will sign any necessary forms of authority or any other documents so that we may negotiate with your creditors on your behalf.

5.4 You will pass copies of all correspondence from your creditors to us and keep us informed of any dealings you have with any creditors, whether we are negotiating with them or not. All correspondence that is passed to us will be held in accordance Data Protection Act. We will at all times be able to provide copies of the correspondence from your creditors that you have provided to us. Once the IVA has been agreed, you will not make any expenditure over and above your reasonable living expenses as calculated in the Proposal. You will not use your credit cards or incur further debts.

5.5 You will consult with the IP in relation to the IVA in respect of the voluntary contributions you make and in relation to any alterations to it or reviews of it. Your voluntary contributions to the IVA will be amended to reflect any reasonable changes which your circumstances dictate subject to creditors' agreement. You will make voluntary contributions to us in accordance with the terms of the Proposal.

5.6 We cannot be held responsible for any legal action taken against you by your creditors as a result of fraudulent or incorrect information provided by you at the time of acquiring a loan, HP agreement, credit card or any other form of credit.

5.7 If you do not maintain your contributions this will lead to the IVA being failed and may lead to you being made bankrupt. Your creditors will be informed that contributions are not being maintained. This may result in your creditors pursuing you for the amount that is outstanding at that time and may issue legal proceedings against you.

5.8 You remain responsible for continuing to pay any secured loans, mortgages or hire purchase agreements and all household bills (including insurances).

## **6. Our responsibilities**

6.1 We will review your finances, covering your income, expenditure, debts and assets. These must include all debts secured on property or goods, which we will take into consideration but cannot, negotiate reduced payments on. We will calculate your disposable income, based on the Stepchange guidelines.

6.2 In consultation with you we will produce a Proposal for an IVA from the information you have supplied which will form the basis of your offer to your creditors in settlement. An IVA will let you make monthly voluntary contributions to the arrangement, and will take account of your creditors and our fees.

6.3 On approval of your IVA, we will agree the sums owed to your creditors and we shall ensure the periodic distributions are made to the creditors in accordance with the terms of the Proposal.

6.4 A full break down of payments to your creditors can be obtained on request.

6.5 Should your circumstances or any other relevant matter change during the period, we shall, in consultation with you and your creditors review the Proposal and if necessary shall make changes to the IVA in agreement with you and with your creditors.

6.6 We are required to review your current financial circumstances on a yearly basis and update your IVA accordingly. To aid this process we request that pay slips are regularly forwarded to us for review normally every three months.

6.7 All voluntary contributions to us will be paid into 'Pareto Money Management Limited Client Account' with part of the account being designated in your name. This account is separate to our own business accounts and funds held for distribution to your creditors will

be retained for that purpose only. At all times funds held for distribution to your creditors will be classed as client monies.

- 6.8 We can only provide advice in reasonable contemplation of an IVA. Should an IVA not be appropriate we will refer you to a regulated entity to provide further and more appropriate advice.
- 6.9 The company takes any complaints regarding its practices very seriously. Any complaints can be sent in writing to the Complaint Officer at the company who will deal with this in accordance with its complaints procedure.
- 6.10 We can transfer this agreement at any time after providing you with 7 days advanced notice.

## **7. How we will be paid**

- 7.1 All the advice, help and work done by Pareto Money Management Limited in preparing your proposal is paid for out of the assets you contribute to your IVA. Our fees will be agreed with creditors in line with industry wide pricing structures. There is no additional cost to you over and above the contributions you have agreed to make. This is fully explained in the Letter of Engagement and within the proposal.

## **8. Termination of Instructions**

- 8.1 You have the right to cancel the instructions to ourselves at any time and for any reason within our 14 day cooling off period.
- 8.2 Prior to your IVA being approved, we may end this agreement immediately by giving notice in writing if any one of the following things happens:
- i) You fail to provide the information requested in a timely fashion;
  - ii) Where the information provided to us is knowingly incorrect;
  - iii) The Information provided by you at the time of acquiring a loan (HP agreement, credit cards or any other form of credit) is deemed incorrect or fraudulent by any creditor; or
- 8.3 When this Agreement ends:
- i) Our duties and obligations under his Agreement will come to an end;
  - ii) Your liability to your Creditors will continue to the extent that any amounts you owe to your Creditors remain outstanding over and above the distributions made to them by the IP through the IVA.

## **9. Data Protection Statement**

- 9.1 Please read this statement carefully as it explains what personal information we collect about you and how we use this information.
- 9.2 We collect personal information about you both directly and when you apply for our services, and from you creditors as authorised by you on our Client Authority Form. We may also collect further information as a result of supervising your IVA.
- 9.3 We will use your personal information to provide our services to you, and in particular:
- i) Prepare and issue to you your Proposal for an IVA;
  - ii) Negotiate with your creditors on your behalf. and;
  - iii) Keep you informed about your IVA.
- 9.4 Subject to section 9.5, we may also use your personal information to contact you to provide you with details of other products and services which we may think might be of interest to you, including those offered by selected third parties. We may share personal information with these selected third parties and they may contact you directly to provide you with details of such products and services.
- 9.5 You may let us know if you do not want us to use or disclose your personal information as set out above in section 9.4 or if you wish to amend the way we communicate with you.
- 9.6 Other than as set out above, we will only disclose your personal information to the extent required by law, court order or as requested by other government or law enforcement authorities, or to any company or other entity to whom we either transfer or subcontract any or all of our obligations to you under this Agreement.
- 9.7 You may contact our Data Protection Officer in writing at any time at the address given below for further information or if you want to request a copy of the personal information we hold about you or ask us to amend any inaccurate information held by us. If you request a copy of personal information which we hold about you, we will charge you a fee of £10. This will be sent to you within 40 days of

receiving cleared payment of the charge.

9.8 Please note that we may record and monitor your calls to us in order to help us to improve our service.

#### **10. Governing Law and Jurisdiction**

10.1 English law shall apply to the construction and interpretation of our contract with you and the English Courts shall have exclusive jurisdiction to resolve any disputes under it.