

Business Finance Code

Setting standards of best practice



About FLA

FLA is the main representative organisation for the UK consumer credit, motor finance and asset finance sectors, and the largest organisation of its type in Europe. FLA members include banks, subsidiaries of banks and building societies, the finance sections of leading retailers and manufacturing companies, and a range of independent firms. The facilities they provide include hire purchase, conditional sale, personal contract purchase plans, personal lease plans, secured and unsecured personal loans, credit cards and store-card facilities.

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NB. Words highlighted in bold are defined in section 2 of the code.

Section 1

Introduction

This Code sets out standards of best practice for business finance activities

- 1.1 This Code sets out standards of best practice for **business finance** activities.
- 1.2 This Code is intended to assure all those who obtain **business finance** from **members** that they are dealing with reputable organisations. It sets out **key commitments** with which **members** are expected to comply, and practical **guidance** to help **members** comply with the Code. **Members** must comply at all times with legislation and the objectives of **FLA**.
- 1.3 This Code updates and replaces the Business Code of Practice 2004 and previous **FLA** codes of practice, relating to **business finance**. It covers all **business finance agreements** including agreements acquired by **members** after the date of inception ("**assigned agreements**").
- 1.4 A separate FLA code of practice (The Lending Code) governs the activities of **members** when dealing with individual consumers.
- 1.5 **FLA** operates a **conciliation** procedure for complaints made under this Code, irrespective of the amount involved, and offers an independent **Mediation Scheme**.
- 1.6 Compliance with the Code is a condition of **FLA** membership.
- 1.7 A list of **members** and further copies of the Code are available from **FLA**.

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Guidance for members

Guidance for members is set out in indented boxes throughout the Code and is practical **guidance** only, to help **members** comply with the **key commitments**.

It is expected that **members** will comply with the Code's **Guidance** in most instances and at all times within the spirit of the **Key Commitments**, however it is recognised that **members** may implement the **Key Commitments** in a manner other than that indicated by this **Guidance**. Where this is the case, the **member** must review their departure from the **Guidance** carefully, ensure that their implementation of the **Key Commitments** is supported by secure and reliable systems and be able to demonstrate compliance.

This **Guidance** has been developed with the input of finance industry practitioners.

There is not a **Guidance** note for every section of the Code. Where there is no **Guidance** for a particular section **members** should implement procedures compliant with the Code provision.

Section 2 Definitions

These definitions explain the meaning of words and phrases used in this Code

2.1 In this Code the words below have the following meanings unless inconsistent with the context:

Advisor – (generally operates within the **public** sector, including NHS) a person/company who is/are appointed directly by the **customer** to work on their behalf, often paid on retention, and who acts solely in their **customers'** interests.

Asset – any business goods or equipment which is purchased or leased by the **customer** by way of a **business finance agreement**, wholly or predominantly for the purpose of a business carried on, or intended to be carried on, by them.

Assigned agreements – **business finance agreements** acquired on an assignment or “purchase of receivables” basis by **members** after the date of their inception.

Broker – a person/company who introduces **customers** to (or arranges on their behalf) sources of **business finance**, but who is not a provider of **business finance**, or a **supplier** as defined below (they may receive commission from the **business finance** provider or **customer**). In some instances, a **customer** will enter into the **business finance agreement** with the **broker**, and the **agreement** will be **assigned** (as defined above) to the **business finance provider** following inception.

Business finance – finance and leasing arrangements between **members** and **customers**.

Business finance agreement – a financing agreement entered into by a **customer** wholly or predominantly for the purpose of a business carried on, or intended to be carried on, by them.

Captive – a **member** which is a subsidiary of, or otherwise controlled by, another company which is a manufacturer or **supplier** of **assets**.

Check-list for business finance customers – the list set out at Appendix 1.

Conciliation – form of dispute resolution operated by FLA to handle complaints under this Code (as described in sections 3.13 – 3.14).

Copiers – equipment which has a photocopying facility.

Councils – local authorities, including all bodies subject to the Local Government Act 2003, or any amending or succeeding legislation or similar or related legislation in Scotland or Northern Ireland.

Customers – business **customers** (including **councils** and the **NHS**).

FLA – Finance & Leasing Association.

Guidance – non-binding **guidance** (as set out in boxes throughout this Code), on how **members** may implement the **key commitments** of the Code.

Intermediary – as per “**broker**”.

Key commitments – requirements with which **members** must comply.

Mediation Scheme – form of dispute resolution designed to handle complaints made under this Code, operated for FLA by the Chartered Institute of Arbitrators.

Member – **FLA member** covered by this Code.

Multi-functional device – equipment which combines a **copier** function with one or more of the following: printer; fax; scanner.

NHS – the National Health Service, including Foundation Trusts and the **NHS** Purchasing and Supply Agency.

Office equipment – equipment normally used for business purposes in an office (for example, telephones, security equipment, vending machines, information technology), furniture and fittings (including **copiers** and **multi-functional devices**).

Residual value rights – any rights to the net value, if any, of the **assets** at the end of the lease term of the **business finance agreement**.

Services – equipment maintenance, supplies of consumables and any other support services.

Supplier – an individual or business which supplies goods and/or **services** financed by a **business finance agreement**.

Section 3

Key commitments to customers – general

All members will comply with all relevant laws, regulations and sector specific commitments in this Code and trade fairly and responsibly

3.1 All **members** will comply with this section (section 3) or, in the case of **assigned agreements**, take reasonable steps to ensure this section has been complied with.

Members will be required to take reasonable steps to ensure that they apply the spirit of the Code to **assigned agreements** and undertake the appropriate due diligence when acquiring agreements after the date of inception.

General

3.2 All **members** will:

3.2.1 comply with all relevant laws, regulations and sector specific commitments in this Code and trade fairly and responsibly.

3.2.2 not knowingly misrepresent facts to a **customer** concerning any aspect of their **business finance** activities and will take reasonable steps to ensure that **brokers, suppliers** and any other **intermediaries** when acting on their behalf, do not misrepresent facts regarding such activities to a **customer**.

3.2.3 satisfy themselves about the identity of **customers** in order to assist in protecting **customers**, members of the public and themselves against fraud and money laundering. This will also include taking reasonable steps to check that signatories to **business finance agreements** have authority, on behalf of the **customer** they claim to represent, to enter into the agreement.

3.2.4 respect confidential information supplied to them in the course of their business.

3.2.5 provide adequate training for their staff, bringing this Code to their attention and requiring them to carry out their duties in accordance with it.

Business finance agreements

3.3 All **members' business finance agreements**, and variations of such agreements, must:

3.3.1 embody all the relevant terms and conditions concerning their and their **customer's** rights and responsibilities.

Members should also make the following information available to **customers** in writing (whether in the body of the agreement or otherwise):

- minimum number of rental payments to be made by the **customer**;
- period of hire (or minimum/initial period of hire);
- the frequency and number of rental payments;
- the amount or amounts of each payment to be made by the **customer** (excluding any payments upon default);
- any right of the **member** or **supplier** at any time to increase the amount of rentals or charges (such as through a tax variation clause) and/or to impose additional rentals or charges (other than for default or non payment);
- any increase in the amount of any rentals or charges which will occur without any action or notice by the **member** or **supplier**, other than by reference to changes in VAT;
- any period of notice required to be given by the **customer** in order to terminate the agreement;
- any payments or charges payable by the **customer** upon early termination of the agreement;
- the amount of the rental payments attributable to charges for **services** and these need not be shown separately from the finance payments where the agreement is inclusive of those items; and
- any escalation of charges payable in respect of **services**.

If the **business finance agreement** provides for the hiring, leasing or bailment of equipment then the agreement should be clearly described as a "hiring", "leasing" or "rental" agreement even if the agreement also provides for other supplies or **services**.

3.3.2 be easy to read and clearly laid out.

3.3.3 make clear the full financial commitments of the **customer**.

Members' business finance agreements should allow for the following:

- All payments must be shown inclusive of VAT, or alternatively it must be stated next to each payment that VAT is payable in addition to the amount shown or not as the case may be.
- That **members** should supply to a **customer** a termination figure upon their request to terminate the **business finance agreement** early.

3.3.4 make it clear whether the asset to be leased or hired is new at the time when the **business finance agreement** is made.

3.3.5 set out the fixed or minimum period of hire.

3.4 All of the information set out in sections 3.3.3 to 3.3.5 above must be set out in close proximity to the **customer's** signature.

- **Members** should interpret the "close proximity" requirement in line with their business requirement, but as a guide this should be taken to mean as close as possible to the **customer's** signature and, where possible, at least on the same page (and not detachable from this) as the signature.
- It is recognised that in certain larger transactions **members** may also take other steps to ensure that the customer is aware of their commitments.
- In addition, where **business finance agreements** are written on a **customer's** standard **agreement**, **members** should ensure as far as possible that the above information is provided to the **customer**.

3.5 **Members** must take reasonable steps, either directly or through an intermediary, to ensure the **customer** is provided with an opportunity to read the **business finance agreement** before signing.

- Reasonable steps should be defined by **members**. Where a **member** is operating through an intermediary (such as a **supplier**), this can be defined as the existence of a provision in the **member's** trading agreement with this **supplier** that they ensure the **customer** is provided with this opportunity.
- It remains the responsibility of the **customer** to read their **agreement** carefully before signing.

Assets financed

3.6 **Members** must ensure that minimum periods of hire are no longer than a period which is reasonable in relation to the expected working life of the **assets** financed by a **business finance agreement**, provided they are maintained in accordance with the manufacturer's recommendations.

3.7 **Members** must take reasonable steps to check that prices paid for the purchase of **assets** to be hired or leased shall be fair and reasonable, having regard to market values, enhancements and other facilities, **services** and items of which the **customer** is or has been made aware.

Membership obligations

3.8 **Members** shall inform **customers** that they are **members** of **FLA**, that they comply with this Code and, when appropriate, provide details of the **conciliation** and **Mediation Schemes**.

3.9 **Members** shall notify **FLA** of any matters which might adversely affect the reputation of the industry or of **FLA**, unless prohibited from doing so by reason of client confidentiality.

3.10 Any instance of non-compliance shall be drawn to the attention of the **member** concerned by **FLA**. In the event of continued or repeated non-compliance **FLA** shall take such action as it deems appropriate, including a warning or expulsion from **FLA** membership.

Financial difficulties

- 3.11 **Members** will:
- 3.11.1 consider cases of financial difficulty sympathetically and positively; and
- 3.11.2 where applicable, tell **customers** where they can get help from debt counselling and business support organisations.

Complaints

- 3.12 **Members** shall deal promptly and at an appropriate management level with **customer** complaints. They should have in place the appropriate complaints procedures which will include referring complainants to **FLA** at an appropriate stage.
- 3.13 If a **customer** makes a complaint to **FLA** about an existing **business finance agreement** with a **member**, **FLA** shall refer the written complaint to the Chief Executive (or similar) of the **member** for consideration. He/she will instigate an investigation and send a response to the complainant within 21 days of receiving the letter from **FLA**.
- 3.14 **FLA** shall endeavour to conciliate between the **customer** and the **member** and to restore communication between the **customer** and the **member** where this has broken down. **FLA** shall accept complaints for **conciliation** made against full **members** and their subsidiary companies; and, for associate **members** who are **brokers, advisors or intermediaries** in relation to complaints arising from a relevant Section of the Code.
- 3.15 If **conciliation** fails, the complaint may be referred to **FLA's** independent **Mediation Scheme**, with the agreement of all parties. A fee will be payable by all parties. The Rules of the **Mediation Scheme** are available on request.
- 3.16 Nothing in this Code restricts or is intended to restrict the rights of a complainant or a **member** to pursue remedies through the courts.
- 3.17 The **conciliation** and **Mediation Schemes** shall not be invoked where a **customer's** complaint has already been considered under any other Ombudsman Scheme, other relevant Codes of Practice, or where the complaint has been the subject of a judicial decision.

Section 4

Key commitments to customers – sector specific

Office equipment



Key commitments to customers – Office equipment

- 4.1 In addition to section 3, **members** who provide **business finance** for **office equipment** must also comply with the following additional commitments (under this section, section 4) where the value of the **assets** financed under the **business finance agreement** does not exceed £50,000 and where the **member** has been introduced by the **supplier** of that **office equipment** either directly or through a **broker** or other **intermediary**.

For clarification, **captive** finance companies are covered by the **key commitments** of section 4 of the Code.

Before Concluding Business Finance Agreements

- 4.2 Before a **business finance agreement** is made, **customers** should be provided with the **Check-list for Business Finance customers** (see appendix 1) together with the agreement.

To demonstrate compliance with this provision, **members** may find it useful to require **customers** to sign to say they have read and received the **checklist**.

- 4.3 Where a **member** is aware that a **business finance agreement** is intended to replace another, they must notify the **customer** of any amount required to settle the current agreement (irrespective of the lender involved).

Office Equipment Business Finance Agreements

- 4.4 **Members** must clearly describe any details, in the **business finance agreement**, relating to any date or period for equipment change, equipment upgrade, review of period of hire or other date or period (which may alter the amount of repayments).

This must include a statement about whether such date or period is or is not the period of hire. Alternatively, the expiry date of the period of hire must be clearly shown and described as such.

- 4.5 The **member's** name and address must be clearly shown on the **business finance agreement**.

4.6 It must be clear to the **customer** who their **business finance agreement** is with – particularly where there may be similarity between the name of the **member** and the **supplier**.

- This section does not apply to undisclosed agreements.
- Where the **member** is a separate company from the **supplier**, then the full name of the **member** should be prominently shown on the page which the **customer** signs (except where the **business finance agreement** is designed for the supply or placement with one of a number of alternative lessors). Where there is similarity between the name of the **member**, or its trading name, and the name of the **supplier** or manufacturer, then wherever the **member's** trading name appears in the agreement, the name of the parent company of the **member** or the name of the group to which the **member** belongs should be shown with no less prominence than that trading name of the **member** in each place.
- Where a **business finance agreement** or attachment is branded with the name of the **supplier** or manufacturer then, wherever the name of the **supplier**/manufacturer appears, the name of the **member** or the name of the group to which the **member** belongs should be shown with equal prominence.

Universal agreements

4.7 Where a **business finance agreement** is designed for placement with one of a number of potential alternative lessors, then:

4.7.1 that fact shall be disclosed to the **customer** in close proximity to the **customer's signature** or by declaring this fact within the document with no less prominence than the **supplier's** name.

Members should interpret the “close proximity” requirement in line with their business requirement, but in this instance should be taken to mean just above the place where the **customer** signs.

4.7.2 the name of the **member** who has acquired the **business finance agreement** shall be disclosed to the **customer** as soon as possible following the making of the agreement.

Cost-per-unit agreements

4.8 Where:

- payments under the **business finance agreement** are set out as a cost-per-unit used or consumed or for each time the **office equipment** is used; and
 - the **business finance agreement** provides for a minimum level of usage or consumption,
- these matters and the resulting minimum amount payable per payment period must be shown clearly.

4.9 These agreements should not be actively marketed or offered other than to those potential **customers** for whom they are suitable and **members** shall, in any event, take reasonable steps, either directly or through an intermediary, to ensure that the **customer** understands the extent of their financial commitment under the **business finance agreement**.

- **Members** should consider how they will determine the suitability of **customers** who should be offered these agreements and should have their own internal guidelines on this. In any event, the full extent of the **customer's** financial commitment should be made clear within the content of the **business finance agreement**.
- It remains the responsibility of the **customer** to read their **agreement** carefully before signing.

Services

4.10 Where the **business finance agreement** is inclusive of **services**, then this will be clearly stated and separate from the information required under section 4.8.

This should include:

- the period during which such supply will continue if that period is different from the period of hire or minimum/initial period of hire;
- any limitation on the amount or volume of such supply or **services**;
- the details of any commitment by the **customer** to take and pay for the supply of such **services** after the end of any such period or after any such limitation has been exceeded; and
- where the **business finance agreement** combines the services with the finance rental then the **business finance agreement** must also clearly show how the services and finance rentals are broken down. This does not apply where the **customer** has entered into a “bundled agreement” with a captive finance company, whereby they have explicitly agreed to the total charge being stated as a single amount.

Hire period and termination

4.11 Where the **business finance agreement** is inclusive of **services**, except for the maximum amount provided in 4.12 below, the termination figure should exclude the price of any of those **services** which will not be required following termination.

4.12 Where the duration of the contract for support **services** exceeds 12 months, the **customer** may be charged an amount for such **services**, representing up to 6 months charges to the **supplier** of providing or arranging the provision of such **services**, or (in the case of contracts which have run for less than 6 months since inception) the balance of contracted support service costs for the first 12 months.

- 4.13 Where the **customer** is required to give notice in order to terminate the hiring at the expiry of a minimum/initial period of hire, **members** shall provide a reminder to the **customer**. This reminder should:
- 4.13.1 clearly explain that requirement and specify the level of rental following that period if the hiring is not terminated; and
- 4.13.2 be sent:
- in writing or any other durable medium.
 - not more than 3 months nor less than a month prior to the last date for the **customer** to give notice.
- 4.14 Where the **business finance agreement** continues beyond a minimum/initial period of hire, the **customer** must be given the right to terminate the agreement by giving not more than 3 months notice at any time.
- 4.15 Where the **customer** requests terms for the early termination of the **business finance agreement**, a termination sum should be quoted including a discount to reflect accelerated receipt of future rentals (excluding any part of such rentals attributable to charges in respect of **services**).

Such discount should not be less than the contractual rate of discount for liquidated damages on default, provided that all costs incurred by the **member** are recovered.

Copiers and multi-functional devices

- 4.16 Where the provision of finance is for a **copier**, or **multi-functional device**, the following additional commitments also apply:
- 4.17 Key provisions of the **business finance agreement** must be presented to the **customer** before that agreement is made. **Members** must ensure that the cost price of the **copier/multi-functional device** is clearly set out and is no greater than the manufacturer's recommended price. Other key provisions should include or enable the **customer** to calculate:
- 4.17.1 any amount required to settle an existing **business finance agreement** which, to the knowledge of the **member**, will be replaced by the prospective **business finance agreement**;

- 4.17.2 the rate of rental to be applied by the **member** to the **business finance agreement** expressed as a rate per £1,000 cost price of the equipment; and
- 4.17.3 the total of the rentals to be payable under the **business finance agreement** during the period of hire (or minimum/initial period of hire) which should make clear whether maintenance/service is included.
- 4.18 The information detailed above (in section 4.17) shall be provided either:
- in a document headed “Lease Proposal Sheet” or “Lease Calculation Sheet”, which is signed by the **customer**; or
 - together, in one place in the written agreement in close proximity to the **customer’s** signature.

Members should interpret the “close proximity” requirement in line with their business requirement, but as a guide this should be taken to mean as close as possible to the **customer’s** signature and, where possible, at least on the same page (and not detachable from this) as the signature.

- 4.19 **Members** must ensure that minimum/initial hire periods for **copiers/multi-functional devices** do not exceed a term of 5 years.

This provision relates to **copiers/multi-functional devices** only. This period is not inclusive of any daily rental charged for the period between the date of delivery and the first rental period, (which period shall not exceed 1 month unless expressly agreed by the **customer** in writing).

Section 5

Key commitments to customers – sector specific

Agreements with public sector including NHS



Key commitments to customers – Agreements with public sector including NHS

- 5.1 Where the provision of **business finance** is to **councils**, the **NHS** or any school or educational establishment in respect of any **asset** of any value (including **copiers** and **multi-functional devices**) the following additional commitments apply in respect of **members** who are introduced to **business finance** transactions by **advisors**. **Members** shall, where relevant, take reasonable steps to deal only with those **advisors** who agree to adhere to this section (section 5) and shall provide them with a copy of this section of the Code.

Before entering into business finance agreements

- 5.2 Before a **business finance agreement** covered by this section is made, **members** must disclose to the **customer** written particulars about their agreement, as outlined in Appendix 2 (page 29).

Tendering for business

- 5.3 Nothing in this section (section 5) shall affect the rights and obligations of **members**, **customers** or third parties under the law on public procurement.
- 5.4 **Members** may co-operate with one another, in joint tenders, joint ventures or other combinations, providing that they are consistent with competition law. Where such **members** deal jointly as principals, they shall be identified in writing to the **customer**.

Expiry of the business finance agreement

- 5.5 At the expiry of every **business finance agreement** where the **member** retains **residual value rights**, **members** will consider any reasonable requests by the **customer** to:
- 5.5.1 retain possession/use of the asset for an appropriate period; and
 - 5.5.2 agree a new **business finance agreement** at a fair market rate.
- 5.6 Where **residual value rights** are sold to another **member**, the latter will also consider such requests.

Advisors

- 5.7 **Members** will take all reasonable steps to ensure that **advisors** will comply with the following sections.
- 5.8 When dealing on behalf of a **customer** or a **member**, if a fee is paid to the **advisor** by the **customer** or by the **member**, the **advisor**:
 - 5.8.1 must inform the **customer** and the **business finance** provider that it is receiving a fee from the other party or, if applicable, from both;
 - 5.8.2 must obtain the **customer's** consent to pay a fee in writing.
- 5.9 Any fee paid to the **advisor** by the **customer** where the customer is an **NHS** Trust or Foundation Trust must be explicitly disclosed, particularly where it is incorporated into a mandatory secondary rental charge.
- 5.10 The **advisor** will inform the **business finance** provider(s):
 - 5.10.1 that it is acting as an **advisor**;
 - 5.10.2 when it has been paid a retainer by the **customer**; and
 - 5.10.3 whether it has a financial or personal interest in either the **supplier's** or the **customer's** business.
- 5.11 In addition, the **advisor** will, where applicable, inform the **business finance** provider(s) and the **customer**:
 - 5.11.1 that it is submitting written credit applications to more than one finance provider and the number of such applications; and will inform the **customer** that a record of each search will be stored; and
 - 5.11.2 that it has an interest in the **residual value** of the **assets** financed.

Appendices

Appendix 1 Checklist for business finance customers
Appendix 2 Agreements with public sector including NHS

Appendix 1

Checklist for business finance customers

Customers who are introduced to lease agreements by office equipment suppliers are recommended to take the following steps:

- 1 Make it clear within your own organisation who can sign such agreements.
- 2 Ensure that the **supplier** of any **office equipment** involved is reputable and an accredited **supplier** of the equipment involved.
- 3 Check the name of the leasing company, and where relevant its parent company, on the page of the lease agreement which you sign and whether this company is a **member** of FLA. **Members** are required to ensure that their contracts are clear and unambiguous.
- 4 Ensure with the **supplier** that the **office equipment** is new, or if not that you are content that used or refurbished **office equipment** is suitable.
- 5 Always ensure that the completed contract corresponds with any verbal or written quotation and, for **multifunctional devices** and **copiers**, key information required to be given by **FLA's** Code has been given to you in writing before an agreement was made.
- 6 Read your **business finance agreement** carefully before signing it and ensure it is correct, particularly in respect of the rental amount and the period of hire. Never sign a **business finance agreement** which is not fully completed.
- 7 Make sure you understand and agree with all terms and conditions of the **business finance agreement** and, if you are unsure, seek advice.
- 8 Make sure you understand the costs involved and whether the **business finance agreement** allows for any automatic increases in charges.

- 9 Check the period of hire and any notice period required for its termination and the settlement terms to be applied on early termination.
- 10 Ensure that the length of the **business finance agreement** is not longer than the expected working life of the equipment involved.
- 11 Check whether the **business finance agreement** includes the supply of service(s) and whether this will continue after any minimum or initial period of hire. If you are entering into a separate contract for the provision of service you should check its terms carefully.
- 12 If any amendments are made to your contract or a further contract is required to replace an existing agreement – do not sign until you have made the same checks as you did for the original agreement.

Appendix 2

Agreements with public sector including NHS

Before a **business finance agreement** covered by section 5 of the Code is made, **members** must disclose to the **customer** written particulars of:

- the rental costs (expressed, when an **business finance agreement** is made, as £ rental per £1000 of **asset** cost); and, where such rental cost is subject to adjustment, the assumed cost funds and adjustments (expressed as +/- 1% movement);
- the amount or amounts of each payment – the ‘rental profile’ – to be made by the **customer** (other than for default or non-payment);
- the amount of any charges, such as administration, in addition to the rental, payable by the **customer** to the **member** on entering into the **business finance agreement** (other than for default or non-payment). **Members** reserve the right to charge separately for these and to change their charges, and the range of **services** which may be provided, from time to time. The **customer** will be informed of these charges, as fixed when the parties enter into the agreement, at the same time as the information set out above; and the **customer** must be informed of any subsequent changes at the appropriate time;
- the amount or amounts of any commission, fee or other payment payable by the **member** to any third party acting on behalf of the **customer** or **member**, itemised as advised or invoiced by the third party except where the commission, fee or payment is made to a vendor, or broker acting on behalf of a vendor rather than the **customer** direct;
- the identity of a third party, where the **member** has made any residual exposure they may have to the equipment the subject of an arrangement with any third party; and
- where the **member** is acting as a **broker**, the nature of any mandates or agency agreements entered into between the **member** and the lessee which relate to the transaction.

The information detailed above must be contained:

- in a document headed “Lease Proposal Sheet”, which is signed by the **customer**; or
- together in one place in the written **business finance agreement** in close proximity to the place for the **customer’s** signature.

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