

Customer Information Guide

All Fee's are plus VAT (where applicable) unless otherwise stated.

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Who Are Grass Roots (Financial) Limited?

Grass Roots (Financial) Limited is registered in England and Wales No. 5979001 and our registered office address is Building 5, Universal Square, Devonshire Street, Manchester, M12 6JH.

- We provide debt management solutions to consumers struggling with mounting debt.
- We provide claims management services in respect of credit cards, mortgages, secured loans, motor finance and personal unsecured loans.

How to Contact Us

By Phone	0845 117 0125
By Fax	0845 117 0135
By e-mail	claims@grassrootsfinancial.co.uk (claims department) debt@grassrootsfinancial.co.uk (debt management department)
On the web	www.grassrootsfinancial.co.uk
By Post	Building 5, Universal Square, Devonshire Street, Manchester, M12 6JH

Debt Management

As part of our service, our representative will complete an Initial Debt Management and Claims Fact Find. This will help us assess which of our products and services are most appropriate to your needs.

Should this exercise demonstrate that your monthly expenditure exceeds your monthly income we may recommend a debt management solution.

What Debt Management Solutions are offered by Grass Roots?

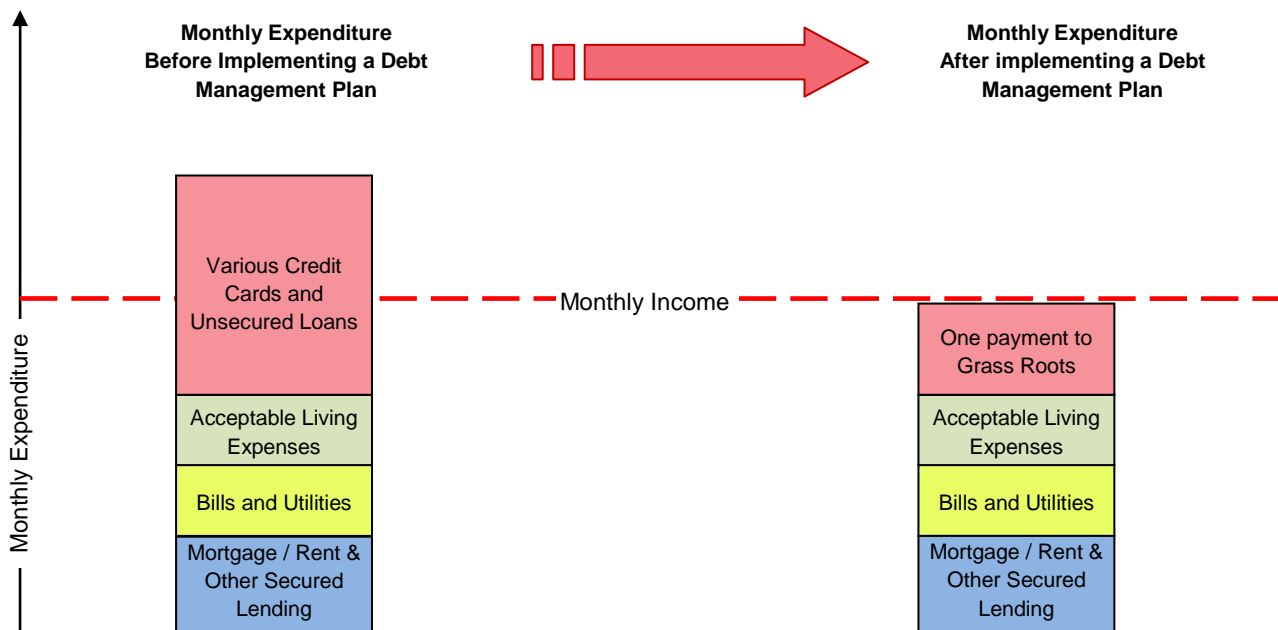
Our most popular debt solution is a Debt Management Plan (DMP). The objective of a debt management plan is to negotiate with your unsecured creditors to accept lower monthly repayments, payments which you can afford to make. All debts will remain outstanding; you will simply be paying a more manageable amount each month.

On occasions, and with your consent, we may refer you to a partner company to set up an Individual Voluntary Agreement (IVA). An IVA is an alternative solution to becoming bankrupt and means that over a period of time, typically 5 years, you will pay a manageable amount to all your creditors with any outstanding amount at the end of the term you will be 'freed' from these debts. Alternatively, bankruptcy may be an option to consider.

Debt Management Plan with Grass Roots

If your monthly expenditure exceeds your income, and unsecured lending repayments make up a portion of this expenditure, then a Debt Management Plan may be the best possible solution for you.

We will negotiate with your unsecured lenders to accept lower monthly repayments from you, the objective being to reduce your monthly expenditure to such a point that it no longer exceeds your monthly income.



Entering into a Debt Management Plan will not alter your monthly outgoings in terms of a mortgage or secured loans. You will maintain your current monthly repayments to these lenders and will continue to pay bills etc as and when they are due.

You will pay one monthly fixed amount to Grass Roots. From this we will pay each of your unsecured creditors the negotiated reduced amount.

Creditors We May Be Able to Negotiate With

Unsecured debts where we will aim to negotiate with the lenders include:

- Credit Cards
- Personal Loans
- Overdrafts
- Catalogue Payments
- Store Cards

In addition, and on a case by case basis, we may be able to negotiate more manageable payments with other creditors such as:

- Arrears on a phone bills, utility bills or similar: We may be able to negotiate for these arrears to be paid off over a manageable period of time
- Minimum contracted amounts: We may be able to negotiate the removal of minimum contracted payments, for example a mobile phone contract or gym membership, should these payments be unmanageable (subject to you no longer using the phone/gym etc)

Costs of the Debt Management Plan

We will calculate how much you can afford to pay in total to your unsecured creditors. This will be the amount you pay to Grass Roots on a monthly basis and will be distributed between your creditors on the basis of our negotiations.

You will be charged a Debt Management Plan Service Fee, this will consist of an Initial Administration Fee of £70 and the 1st two monthly payments or which 100% will be retained by us and not paid to your creditors.

We will retain 17.5% of the monthly payment made to us, this is our Monthly Management Fee, the remaining 82.5% will be distributed between your unsecured creditors.

Implications of a Debt Management Plan

Your ability to obtain credit in the short term will be effected.

When you enter into a Debt Management Plan, your unsecured creditors will usually note this on your credit file which may make obtaining credit in the future more difficult. However, it is important to note that the effect on your credit rating is likely to be no more, or even less severe, than if you missed numerous repayments to your creditors (a likely event if your expenditure exceeds your income) and that the plan will, all things remaining equal, allow you sufficient funds to maintain payments to secured creditors meaning such adverse scenarios as repossession are avoided.

It is important to note that entering into a Debt Management Plan will usually not result in the amount of money you owe being reduced, and that with lower (but more manageable) repayments being made to your unsecured lenders, the total time taken to pay off the debt will often be increased.

Where possible we will attempt to negotiate with your unsecured lenders to either freeze or reduce interests and charges. However, this cannot be guaranteed and should a lender continue to levy interest and charges the total amount owed may increase during the period of the plan.

Financial Claims

IMPORTANT INFORMATION TO CONSIDER BEFORE MAKING A CLAIM

Claiming on a credit card or other financial product should not be seen as a suitable or advisable way of tackling problematic levels of debt. If you are struggling with debt, a Debt Management Plan may be suitable.

A claim for compensation or unenforceability can be a lengthy and complex process, reliant on a number of factors, and a successful outcome cannot be guaranteed. Whilst your claim is being processed, please maintain your monthly repayments (subject to advice from your nominated solicitors), otherwise your credit rating may be adversely affected.

What Does Making a Financial Claim Mean?

Financial claims can be made against various financial products such as credit cards, loans, car finance and mortgages. Depending on the product type, the circumstances surrounding its sale, and the way the credit agreement has been created, a successful review and audit could result in one or more of the following areas of claim being identified:

- **Mis-selling**
- **Unenforceable Credit Agreement (UCA)**
- **Unfair Relationship**
- **Irresponsible Lending**
- **Unfair Charges**
- **Commission Contracts**

Depending on the type of claim you proceed with, Claimant or Defended, a favourable outcome may therefore lead to one or more of the following:

- **Repayment of charges / premiums**
- **Repayment of interest on charges / premiums paid**
- **Compensation**
- **An credit agreement declared unenforceable by a Court**
- **A solicitor confirming that an independent audit has concluded the credit agreement is unenforceable and advising you to cease repayments**
- **A solicitor confirming that the lender has not provided a 'true copy' of a credit and advising you to cease repayments**

What Are Unenforceable Claims?

Where there is a breach of the Consumer Credit Act (CCA) as below, an credit agreement becomes unenforceable. When an credit agreement is unenforceable the lender cannot take enforcement action if you cease re-payments. There are two specific sections of the CCA where a breach could render the credit agreement either redeemably unenforceable or irredeemably unenforceable.

s.78 breach

Where a lender breaches s.78 of the CCA, for example where they cannot produce a 'true copy' of a credit agreement, then the credit agreement is deemed to be a redeemably (temporarily) unenforceable credit agreement. The lender cannot legally take enforcement action to recover the debt (i.e. they cannot use the courts to recover the debt). However, the debt is not removed from your credit record and the lender may attempt to report non-payment to credit reference agencies.

The lender may be able to rectify the breach at a later date, making the credit agreement legally enforceable again. However, your solicitor may advise that the claim can be taken to court in an attempt to have the credit agreement ruled irredeemably unenforceable (see below).

s.61 breach

Where a breach of s.61 of the CCA occurs then a court can rule the credit agreement to be irredeemably (permanently) unenforceable which results in the cancellation of the credit agreement. A s.61 breach cannot be rectified at a later date and any references to the debt on your credit file should be removed.

What Claim Options Are Available?

We offer two distinct claim options; proceeding on a Defended Basis and proceeding on a Claimant Basis. Where you are proceeding with more than one claim, you may choose different options for different claims.

Proceeding on a Defended Basis is only applicable for 'claims for unenforceability'. Where an independent audit has concluded the credit agreement is unenforceable or a lender has failed to provide a 'true copy' of the credit agreement, a solicitor will inform you of this and advise that you to cease repayments in relation to the credit agreement. The lender will either accept the credit agreement is unenforceable, rectify any s.78 breach (e.g. produce what the solicitor believes is a true copy of the credit agreement) or use the Courts to force re-payment if they believe the credit agreement is enforceable.

Proceeding on a Claimant Basis is applicable for all forms of financial claim. Where issues such as breaches or mis-selling etc are identified the lender is informed and advised on how they may rectify, compensate, refund or cancel contract etc. The lender will either accept the claim and commence negotiation regarding a settlement or reject the claim meaning that litigation can be considered. A claim on this basis may ultimately lead to the solicitor commencing proceedings against the lender on your behalf.

Proceeding on a Claimant Basis can therefore be a lengthy process, in particular if litigation commences. Proceeding on a Defended Basis will usually result in you receiving legal advice (i.e. ceasing repayments) at a much earlier stage.

IMPORTANT INFORMATION TO CONSIDER BEFORE PROCEEDING WITH A CLAIM ON A DEFENDED BASIS

A lender may be able to rectify a s.78 breach at a later date, in which case the lender (provider) would expect you to resume repayments. Should the lender argue that there is no s.78 or s.61 breach, they may use the Courts to try and force repayment (at which point a solicitor would be required to defend you utilising the ATE insurance policy already in place). The lender may also attempt to report non repayment to credit reference agencies.

Proceeding With a Claim

If you instruct us to proceed with a claim (or multiple claims), you are thereby accepting our Terms and Conditions for the Provision of Claims Services and a Service Fee of £750 will become payable. This Service Fee payment is only payable once, regardless of the number of claims you proceed with.

If you are only progressing with claims on a Claimant Basis, the Service Fee will be held in a client account until a Settlement Fee or Claims Management Fee becomes payable. If no claims result in, or no claims will potentially result in, compensation, a payment, award or credit agreement deemed unenforceable we will refund the Service Fee to you. If you are progressing with a Defended Claim, we will defer payment of the Service Fee until a Settlement Fee or Claims Management Fee becomes payable.

We will deduct the cost of the Service Fee paid from our Settlement Fee or Claims Management Fee (please see Further Costs).

Proceeding With One or More Defended Claims

If you instruct us to proceed with one or more Defended Claims, you are thereby accepting our Terms and Conditions for the Provision of Defended Claims Services (in addition to the Terms and Conditions for the Provision of Claims Services).

When you instruct a solicitor to progress your claim on a Defended Basis, you are entering into a fixed cost agreement with them to establish if a consumer credit agreement is deemed unenforceable and to inform you and the lender if this is the case.

Currently the Agreed Solicitor Fee is £934.12 inclusive of VAT. The Agreed Solicitor Fee pays for the fixed costs of the solicitor, the audit of the credit agreement, purchase of the Indemnity Guarantee insurance policy (with cover of £1000), purchase of an ATE insurance policy and referral payment to Grass Roots (Financial) Limited. Should no claim be identified, this Agreed Solicitor Fee is refunded by the solicitor.

We deduct the cost of the Agreed Solicitor Fee paid from any Claims Management Fee (please see Further Costs).

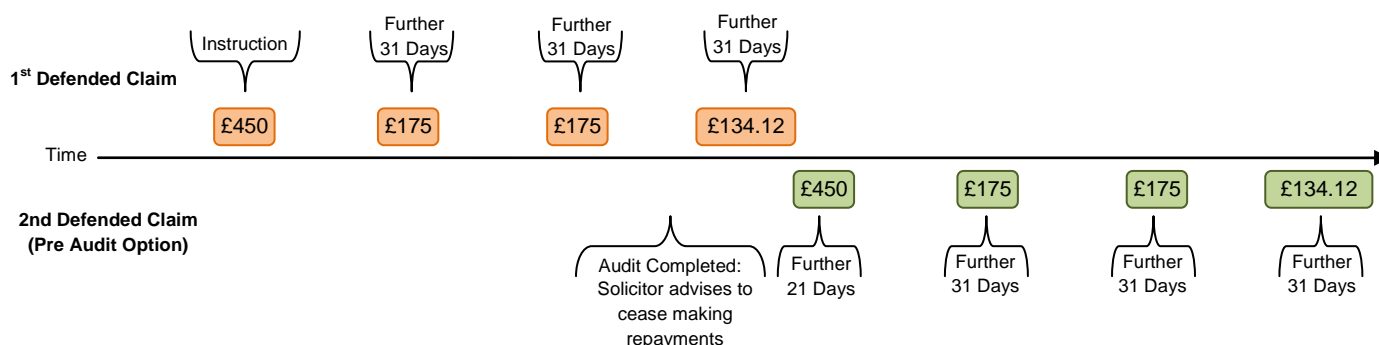
The Agreed Solicitor Fee is to be paid to the solicitor in full at the point signing the Provision of claims Services Agreement, or in instalments on a Staged Basis. If you chose to pay on a Staged Basis, £450 is payable at the point of instruction, 2 further payments of £175 and 1 payment of £134.12 are payable 31, 62 and 93 days later respectively. The method of staged payment (credit card debit form or cheques) must be supplied at the point of instruction.

A Pre Audit Option is available if you have paid, or are currently paying, the solicitor for one or more Defended Claims.

The Pre Audit Option means that further Defended Claims can be audited by the solicitors without any further Agreed Solicitor Fees being paid in advance. To benefit from the Pre Audit Option you must already have paid a Agreed Solicitor Fee of £934.12 in relation to one or more Defended Claims (or be in the process of paying this fee on a Staged Basis).

Your representative will take pre payment, on a Staged Basis, for each further Defended Claim you wish to proceed with on the understanding that the solicitor will only commence debits should they advise you to cease repayments in respect of the credit agreement (following an independent audit concluding the credit agreement is unenforceable or the lender failing to provide a true copy of the credit agreement). The solicitor will inform you of this outcome before making any debits. Should it be concluded that the credit agreement is enforceable no debits will be made.

Illustrated Example: Proceeding with 2 Defended Claims, one via Staged Payment and one using the Pre Audit Option



Please note: Timescales for a conclusion using the Pre Audit Option will vary, the above timescale is used for illustrative purposes only

Proceeding on a Claimant Basis

For all claims progressed on a Claimant Basis you may nominate a solicitor, or a firm of solicitors to conduct your claim should we need to refer the claim. The firm will need to enter into a referral agreement with Grass Roots (Financial) Limited before we can pass the file to them.

We will process certain claims 'in house', either for the full duration of the claim or for certain stages of the claim. When processing a claim 'in house' we will notify you of this and all updates on the progression of the claim will be made to you by the appropriate department within Grass Roots (Financial) Limited.

If a claim proceeding on a Claimant Basis is referred to a solicitor, you will usually enter into a conditional fee agreement with the solicitor. This means you are usually not paying the solicitors fee's in advance or if the claim is unsuccessful. If successful, the solicitor will attempt to claim their fees from the lender.

Depending on the complexity of the claim, a claim progressed on a Claimant Basis may take in excess of 18 to 24 months to complete.

What Happens Next?

Our Representative will explain our services to you on a No Obligation Basis with no charge made at this point. It is important to understand that our Representative is unable to make an assessment as to the prospects of success in relation to any claim.

If you wish to continue with a potential claim, or claims, you must instruct us in relation to each product you wish to proceed with. By signing the Provision of Claims Services Agreement you will enter into a contract with us for the provision of claims management services in respect of your potential claim(s) and the Service Fee will be payable. You will be required to provide proof of your identity and address.

Under your authority we will request the relevant documents from the product provider(s). Should all documentation be provided, we will conduct an initial review of the credit agreement, the sale of the product and the sale of any associated products. Should we believe that a claim has reasonable prospects of success, the potential options are:

- 1) Where you have paid for a claim to be progressed on a Defended Basis, we select the claim that, in our opinion, is most suitable and submit to the solicitors for audit. We consider such factors as prospects of success, overall benefit to you and short term benefit to you. Where you have paid for more than one claim to be progressed on a Defended Basis, we will repeat this process.
- 2) For claims progressed on a Claimant Basis, you can instruct a solicitor to proceed with your claim. The choice of solicitor is yours. However, the solicitor must enter into a referral agreement with Grass Roots (Financial) Limited. If you do not know of a suitable solicitor for the area of potential claim we will, if possible, provide you with details of potential firms who will operate on a 'no win – no fee' basis.
- 3) We may be able to progress your claim 'in-house' on a 'no win – no fee' basis. However, should court proceedings become necessary, you would need to instruct a solicitor.

Should a lender fail to provide the appropriate documents, one or more of the above options may still be viable.

If we do not believe a claim would have reasonable prospects of success, including if a claim is unsuccessful at a later stage, we will inform you of this and:

- i) Where paid, the Service Fee will be refunded or if deferred, the Service Fee will not be payable (subject to Terms and Conditions)
- ii) For claims progressed on a Defended Basis, the Agreed Solicitor Fee is refunded by the solicitor (or from the Indemnity Guarantee insurance policy if the claim is unsuccessful)

Further Costs

All further costs will be dependent on the progression of each individual claim and the notifications we make to you during this time in respect of settlements agreed with your lender, court judgments, lender notifications or solicitor advice.

Should we inform you that a settlement has been agreed with a lender or you have been awarded compensation or similar, then a Settlement Fee will be payable. The Settlement Fee is currently 30% of the total settlement / compensation payable within 21 days. We will deduct the cost of any Service Fee paid from any Settlement Fee.

Should we inform you that credit agreement has been deemed unenforceable, 'written off' or cancelled then a monthly Claims Management Fee equal to 30% of the outstanding balance will become payable. We will deduct the cost of any Service Fee paid and any Agreed Solicitor Fee in relation to the claim and allow you to pay this fee in instalments by monthly standing order.

Where a Settlement Fee or monthly Claims Management Fee, after the deduction of any applicable Service Fee and / or Agreed Solicitor Fee, is negative then the Settlement Fee or monthly Claims Management Fee will be set at £0. Where applicable, the Service Fee will remain payable.

Choosing to Proceed on a Defended or Claimant Basis

	Defended Basis	Claimant Basis
Product Types	Current credit cards, loans or car finance with an outstanding debt	Current credit cards. Current or redeemed loans, mortgages or car finance.
Claims for	Unenforceability	Unenforceability Compensation / award / refund
Initial Costs / Charges	'One off' payment of £750 Service Fee	'One off' payment of £750 Service Fee will be held in a client account
Standard Benefits	IG insurance policy cover £1000 ATE purchased in advance Solicitor fixed costs paid Full independent audit report	Progressed on a No Win No Fee Basis
Optional Benefits	Option to purchase further IG insurance to cover repayments, interest and charges	n/a
Point at which you cease making repayments (if unenforceable)	On advice from acting solicitor	Following settlement offer acceptance or court judgment
Credit Reference Reports	The lender may report this to credit reference agencies	You should not cease repayment without agreement from the lender or a Court judgment

Further Information

Representatives

Our Representatives are self employed and may partake in other employment. Our representatives are not permitted to promote the claim services or debt management services other than those offered by Grass Roots.

Our Representative may be paid a commission by us. Where we refer a potential claim to a nominated firm of solicitors, we may receive a referral fee.

Authorisation and Regulation

Grass Roots (Financial) Limited is regulated by the Ministry of Justice in respect of regulated claims management activities. Our authorisation number is CRM19970 and our registration is recorded on the Ministry of Justice website www.claimsregulation.gov.uk.

Grass Roots (Financial) Limited Consumer Credit Licence No: 0598835

All who provide debt management services, whether on a non-commercial basis or not, are required to be licensed under the Consumer Credit Act 1974 (the Act).

The OFT has a duty under the Act to ensure that applicants for licences are fit to engage in the activities for which they wish to be licensed, and to monitor the continuing fitness of those to whom licences have been granted. In considering fitness the OFT is able to take account of any circumstances which appear to be relevant, and in particular, any evidence that an applicant or licensee, or any of its employees, agents or associates, has engaged in business practices appearing to the OFT to be deceitful or oppressive or otherwise unfair or improper (whether unlawful or not). Where the OFT has evidence of unfair practices, action can be taken to refuse or revoke the consumer credit licence of those concerned.¹

Complaints

Our aim is to provide a first class professional and confidential service. We have internal procedures for handling complaints fairly and speedily and, should a complaint arise, in the first instance you should contact our Customer Services department at our business address:

Building 5, Universal Square, Devonshire Street, Manchester M12 6JH Tel: **0845 117 0125**

Please see our Complaints Procedure (available on our website or by request) for details of how we will handle your complaint. If you remain unsatisfied then you may refer the complaint

- a) For complaints about our Debt Management service:
Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR
website: www.financial-ombudsman.org.uk
email: complaint.info@financial-ombudsman.org.uk
phone: 0845 080 1800 or 0300 123 9 123

- b) For complaints about our Claims Management service:
Claims Management Regulator, 57-60 High Street, Burton on Trent, Staffordshire, DE14 9DP.
website: www.claimsregulation.gov.uk
email: info@claimsregulation.gov.uk
phone: 0845 450 6858 or 01283 233309

The Regulator can review the handling of the complaint and can give a direction on further handling of the complaint. However, he cannot determine a complaint or award compensation.

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