

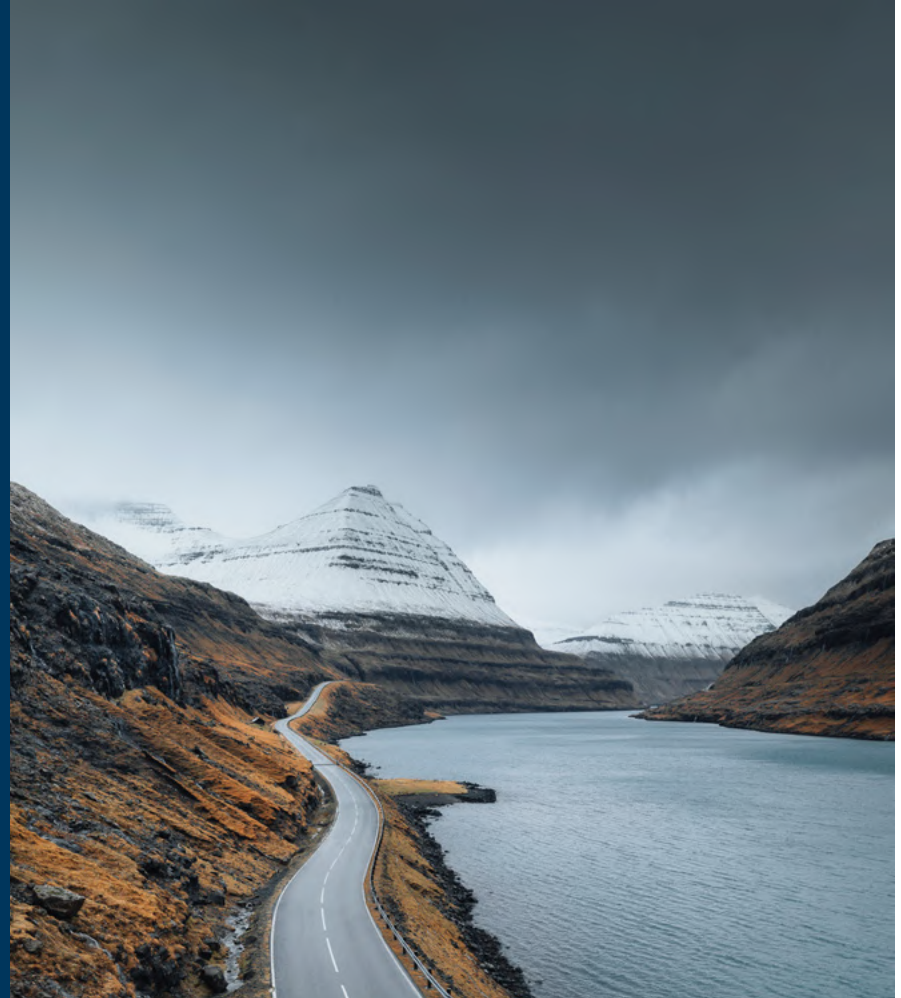
Remote & Distance Transactions

northridgefinance.com

The information contained within this document is considered true and correct at the time of publication (1/10/2020)

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Our responsibility

Please be aware that the advice contained within this document refers to Northridge Finance agreements only.

The information provided in this document is intended for best practice usage, so shouldn't be seen as any form of legal advice.

Before agreeing any remote or distance agreements with your customers, we recommended that you review your processes and seek independent legal advice.



Supporting vulnerable customers remotely

It can be difficult to recognise vulnerable customers, especially when transacting with them remotely with no face to face contact. Try and stay vigilant to the following behaviours, which could signal a vulnerable customer:

- Multiple applications.
- The customer is requesting you speak more slowly or to speak louder.
- Basic spelling errors. (e.g. They cannot spell their own name)
- It may take a long time for the customer to answer.
- Incorrect information submitted by the customer. (e.g. Wrong address, incorrect employer information)
- You can hear someone directing the customer what to do.
- There may be a language barrier.
- The customer appears confused or has a lack of understanding.
- The customer may appear irate, upset or distressed.
- By actively listening you may pick up on other things such as bereavements and illnesses.
- The customer's speed and tone of speech does not sound right.
- They may appear breathless.

Best Practice Tip

It is a good idea to regularly ask your customer to repeat and confirm the information that you have given to them, so you can check customer understanding around what is being discussed.

If you have any worries around your customer's vulnerability and on the basis that the customer is comfortable to do so, suggest that they visit your business premises or offer to continue the discussion in the presence of a friend or relative.

Distance Marketing Regulations (DMR)

Cancellation rights apply to remote contracts in excess of £60,260

Consumer Credit Act (CCA)

Cancellation rights apply to remote contracts in excess of £60,260

Consumer Credit Directive (CCD) withdrawal rights

A customer can legally withdraw from a credit agreement (where the credit is not in excess of £60,260) within 14 days from the day of agreement execution. However this does not give them the right to cancel the sale of goods.

Consumer Rights Act

If the goods are not of satisfactory quality, fit for purpose or as described, the consumer can potentially 'reject' the goods and request a full refund. How this refund is applied, and what can be requested, depends on how much time has passed since they took ownership of the goods.

Who do the regulations apply to?



Private individuals



Partnerships



Sole Traders

The information contained in this document assumes that all agreements are less than £60,260.

Contract classifications

What is a distance contract?

A contract concluded between a trader and a consumer under an organised distance sales or service-provision scheme without the simultaneous physical presence of the trader and the consumer, with the exclusive use of one or more means of distance communication up to and including the time at which the contract is concluded.

What does this mean?

The contract has been concluded with no face to face contact between the retailer and the consumer.

Example

A consumer orders a vehicle on the retailer's website. The retailer calls the consumer to agree the sale. The finance agreement and sales agreement are signed at home by the consumer. The vehicle is then delivered to the consumer.

Please be aware that 'Click and Collect' agreements- where the customer pays a deposit or signs finance agreements prior to seeing the vehicle in person, are also likely to be distance sales.

What is a remote contract?

A contract between a trader and a consumer which is any of these:

1. a contract concluded in the simultaneous physical presence of the trader and the consumer, in a place which is not the business premises of the trader.
2. a contract for which an offer was made by the consumer in the simultaneous physical presence of the trader and the consumer, in a place which is not the business premises of the trader.
3. a contract concluded on the business premises of the trader or through any means of distance communication immediately after the consumer was personally and individually addressed in a place which is not the business premises of the trader in the simultaneous physical presence of the trader and the consumer.
4. a contract concluded during an excursion organised by the trader with the aim or effect of promoting and selling goods or services to the consumer.

What does this mean?

There has been some face to face contact between the retailer and the consumer at some point during the sale, but the contract has been concluded away from the retailer's premises.

Example

A consumer visits a retailer's showroom to view a vehicle, and the consumer goes away to think about it. The consumer then calls the retailer to agree the sale and arranges for the vehicle to be delivered. Contracts are then emailed to the consumer who signs at home.

What is an on-site contract?

A contract between a trader and a consumer which is neither a distance contract nor a remote contract.

What this means in practice

A contract that has been concluded between an intermediary and a consumer, on a face to face basis, at the intermediary's main or regular place of business.

Example

The consumer has been into the retailer to view the vehicle, order the vehicle and propose finance. The consumer signs the finance agreement on retailer premises and drives away.

Customer classification

Applicable Northridge agreements (regulated HP/PCP agreements with balances of £60,260 and under) cancellation rights

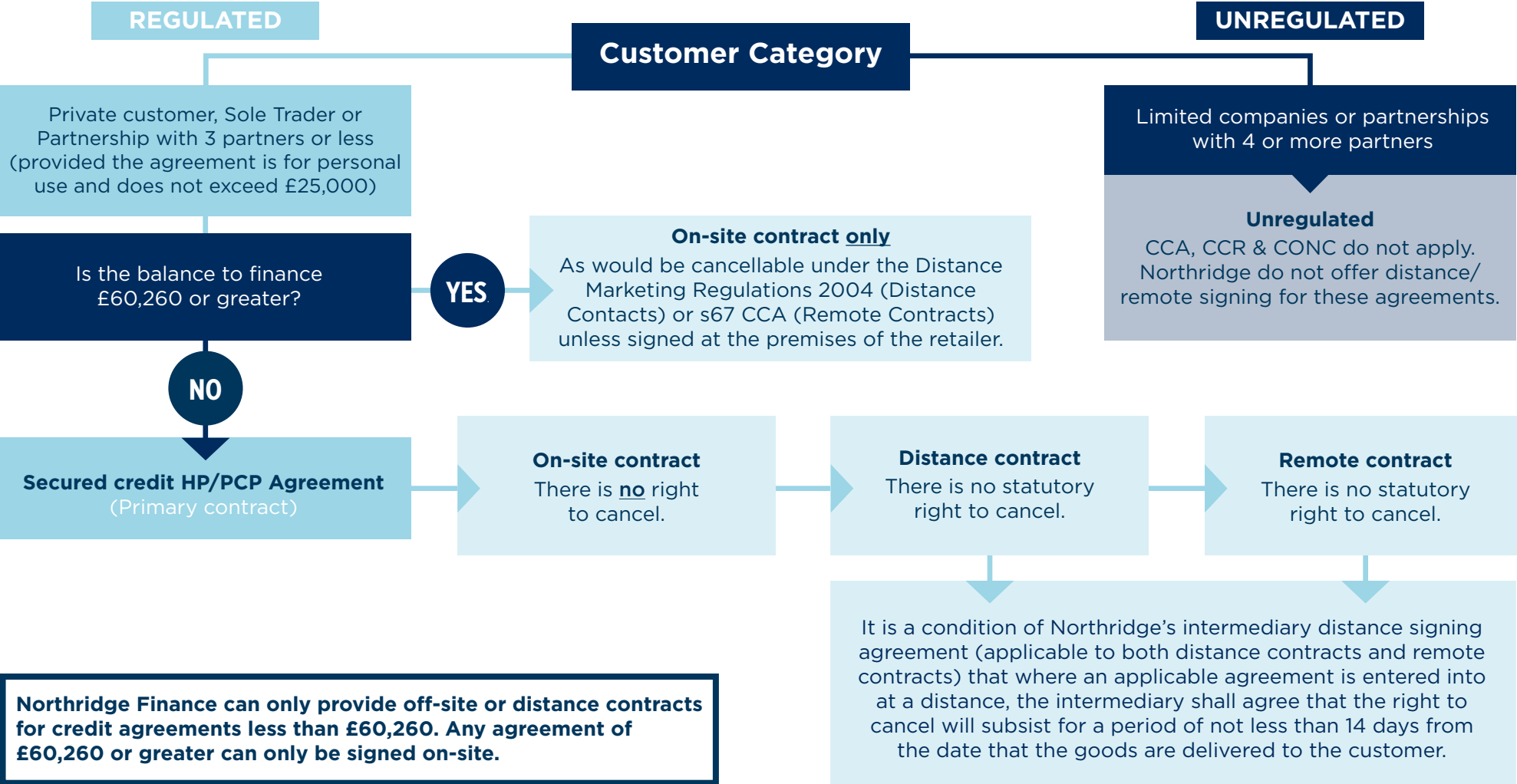
There is no statutory right to cancel.

However, in order to improve customer outcomes, it is a condition of Northridge's intermediary distance signing agreement that where an agreement is entered into 'at a distance or remotely', the intermediary shall agree the following conditions:

1. to grant the customer the right to cancel their agreement and return the goods to you, if a customer request the same
2. that the right to cancel will subsist for a period of not less than 14 days from the date that the goods are delivered to the customer
3. that where a cancellation right is exercised by the customer, you will pay to us an amount equal to all sums owing to us under the finance agreement with that customer within 7 days of the cancellation right being exercised, and we will treat the agreement as having been withdrawn.



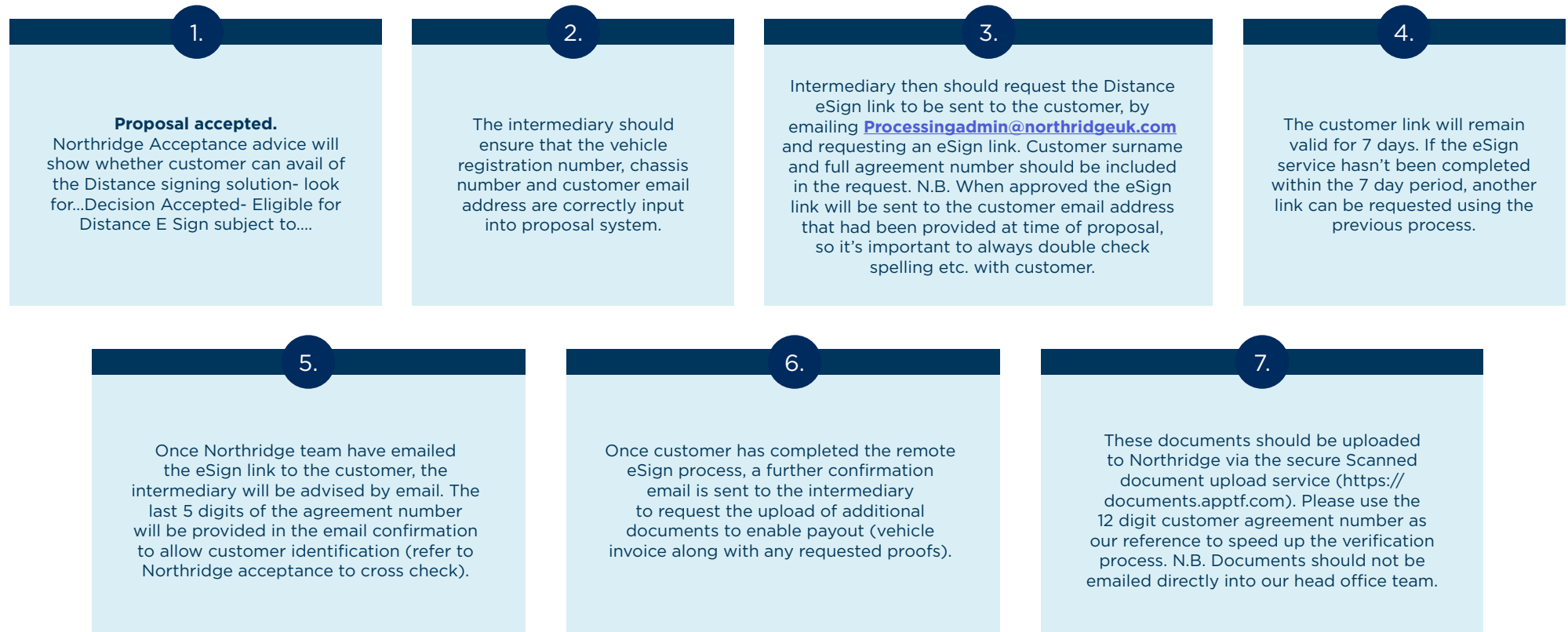
Decision Flow chart



Northridge Finance can only provide off-site or distance contracts for credit agreements less than £60,260. Any agreement of £60,260 or greater can only be signed on-site.

Northridge process route

Process to complete a distance or remotely signed contract





Goods should be delivered to customers at one of the following addresses only: a) Their home address, as shown on the finance agreement, b) intermediary premises directly connected to the introducing intermediary (e.g. part of same group/business), and c) an authorised handover centre



Whilst taking delivery and checking the vehicle for any defects, the customer should be asked to present their current valid driving licence to the Intermediary or their agent if applicable. This should be closely checked and the customer likeness compared against the photographic driving licence to the customer.



Only the customer on the finance agreement can take delivery of the goods, and must sign for the delivery.



A copy of the Driving licence should be retained by the intermediary. Should your GDPR policy state you will not hold a copy of Driving Licence for a period of time, you must submit a copy to Northridge along with the invoice (using the scanned document upload service). Ensure your privacy notice is compliant with this.



Wherever possible, the intermediary must take steps to ensure that their customer has the confidence to use and fully understand the vehicle controls.



Delivery confirmation- Remember that we require our intermediaries to complete and retain a record of customer signed **proof of delivery form** and **photographic ID**. The delivery form can be the intermediaries own, or the Northridge 'Delivery Confirmed' form provided by your Territory Manager/Head office support team.

Future actions

So what's next?

Please make sure you fully understand the regulations, definitions, and Northridge Finance processes for remote and distance contracts.



We strongly suggest you take specialist legal advice before agreeing to facilitate remote and distance contracts through your business.



Your Territory Manager/Head office support team will be available to answer any questions you may have about Northridge Finance processes.



Providing you are fully comfortable with these processes, the Northridge team will be in touch with you to take you through our "Distance & Off-Site Contract side letter", allowing you to provide distance & remote signing contracts to customers.



Once up and running, please make sure you adhere to the Northridge Finance processes at all times. If you have any queries or concerns, please get in touch with our team.

