

London Mutual Credit Union

**TERMS AND CONDITIONS
of your Credit Union Loans**



**Terms &
Conditions**

CONTENTS

Terms and conditions of your credit union loans

1. Definitions	3
2. How the agreement between you and London Mutual Credit Union is made	4
3. Repayment of LMCU loans	4
4. Repeat loans	4
5. Renewal of loan	4
6. Cancellation of the loan by the borrower	4
7. Default	4
8. Termination	5
9. Personal information and credit reference policy	6
10. Notices	10
11. Complaints	10
12. Financial Ombudsman Service	10
13. General	11

How to contact us	12
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TERMS AND CONDITIONS OF CREDIT UNION LOANS

1 - DEFINITIONS

- **Lender, we or us** means the London Mutual Credit Union Limited (also referred to as LMCU)
- **Borrower or you** means the member taking the Loan
- **Account** means the Loan account maintained by the Lender for the Borrower in connection with the Loan Agreement
- **Conditions** means these terms and conditions in force which may be varied from time to time
- **Loan** means the loan sum requested by the Borrower in their loan application.
- **Loan Term** means the length of the term that you are offered
- **Loan Agreement** means the agreement appended to these Terms and Conditions which outlines the mutual acceptance of obligations for the Borrower borrowing from LMCU.
- **Annual Percentage Rate (APR)** how interest rates are calculated on a loan
- **Default** means when the Borrower does not make a payment on the agreed day and time when repayment is due

2 – HOW THE AGREEMENT BETWEEN YOU AND LONDON MUTUAL CREDIT UNION IS MADE

2.1 – To qualify for a LMCU Loan, you should be a member of London Mutual Credit Union. If you are applying for a Dual loan, your web application for the loan is also your application for membership of London Mutual Credit Union.

2.2 – The Lender will approve the amount and repayment terms of Loan based on your ability to repay which will be assessed by us and include checks with a Credit Reference Agency (see section 9 below on what we will check and what we will do with the information received).

2.3 – The Lender may offer a different product from the one the Borrower applied for, based on the Lender's Policies and an assessment of the Borrower's current circumstances. The Lender will inform the Borrower of their decision, providing the relevant Terms and Conditions and will seek the Borrower's explicit agreement for the new product offered.

2.4 – Interest rate for LMCU loans will be from 4.5% APR to 42.6% APR. It will never be more than 42.6% Annual Percentage Rate (APR).

2.5 – Once the loan application has been approved:

- If you made an application in person, then you will be required to sign our Loan Agreement before the loan sum is released to you. The agreement between us will come into existence when you sign the Loan Agreement.
- The agreement between us will come into existence if we approve your loan application and accordingly your loan will be released immediately on approval and completion of all required documentation.

All new members will be required to pay a one-off membership fee and in certain circumstances we may ask a member to deposit money into their LMCU account to cover the first loan repayment and agreed savings.

2.6 – The Borrower may repay the outstanding balance of the Loan Agreement at any time without incurring any penalties.

3 – REPAYMENT OF LMCU LOANS

3.1 – The maximum repayment period for the LMCU Loan will be eighty-four months depending on the amount applied for.

3.2 – The minimum repayment period for the LMCU Loan will be one month.

4 – REPEAT LOANS

4.1 – You will be able to apply for further loans, provided that you have maintained your previous loan repayments promptly. We recommend that you reduce your present loan by at least one third of the total balance before applying for a further loan.

5 – RENEWAL OF LOAN

5.1 – The Lender will review your loan account for renewal from time to time either on request of the borrower or where the lender deems it is necessary to do so.

5.2 – The Lender's decision will be final and binding on the Borrower.

6 – CANCELLATION OF THE LOAN BY THE BORROWER

6.1 – Under the Financial Services (Distant Marketing) Regulations 2004 you have 14 days from the commencement to cancel your agreement. You will have to repay all money lent to you within 14 days. If repayment is not made within 14 days interest will be charged at the rate stated on the loan agreement.

7 – DEFAULT

7.1 – The Borrower agrees that if they give or receive notice of termination of their employment the Borrower shall advise the Lender immediately. The Borrower agrees that should they fail to make payment of any amount due to the Lender,

or should their employment end for whatever reason, or should the Borrower set up a Individual Voluntary Arrangement or become bankrupt, the entire balance outstanding will immediately become due and payable, and the Lender shall have the right to recover any sums due to them from the Borrower's final wage or salary payment, including redundancy monies, severance payments, expenses and any other sums due to the Borrower.

7.2 – The Borrower assigns to the Lender all paid shares and payments on account of shares held with the Lender which the Borrower has now, or which the Borrower may have in the future, as security for payment of the balance outstanding and also interest and expenses which may be due or become due, and the Borrower authorises the Lender to apply any or all such paid shares or payments on account of shares towards the satisfaction of any amount which the Borrower may owe to them.

7.3 – If the Borrower is an employee of any employer within the common bond of Lender and has failed to pay of amount due to the Lender, the Borrower authorises his/her employer to deduct, on the termination of the Borrower's employment for whatever reason, any amount due and payable to the Lender from the Borrower's final wage or salary, including from any redundancy money or expenses which are due to the Borrower, and pay such amount to the Lender.

7.4 – The Borrower will be required to repay the Lender's costs, charges and expenses of whatever nature if the Lender is required to take any action to obtain repayment of all sums due under the Loan Agreement, and such sums will be added to the debt on an indemnity basis.

7.5 – The Borrower is aware that the Loan Agreement is a legally binding contract and that if the Borrower fails to comply with any of its terms the Borrower may render themselves liable to further action, which may include Court action. The Borrower will be required to repay the Lender's legal expenses and administration charge if the Lender requires taking Court action to obtain

repayment of all sums due under the Loan Agreement.

7.6 – If the borrower defaults on repayments, information about their outstanding loan may be passed on to the Department of Work and Pensions (DWP) for their consideration of deductions from the benefits that the borrower is currently or will become entitled to. DWP ALRN 01.

8 – TERMINATION

The Lender may terminate the Loan Agreement and demand immediate repayment of all sums due in respect of the Loan Agreement after giving any written notice required by law if:

8.1 – The Borrower shall fail in any material respect to keep any part of the loan Agreement.

8.2 – The Borrower shall have deliberately given false information or given inaccurate information in connection with the Loan Agreement or any other Credit Agreement between the Borrower and the Lender.

8.3 – The Lender may make such enquires about the financial affairs of the Borrower as the Lender may see fit. The Borrower will inform the Lender immediately in writing of any material change in his/her financial circumstances, which is likely to affect his/her ability to repay the loan or if he/she gives or receives notice of termination of his/her employment.

8.4 – The Borrower shall become bankrupt or make or seek an arrangement with his/her creditors or an interim order shall be made under Section 252 (1) of the Insolvency Act 1986 in relation to the Borrower or if any steps or proceedings shall be taken which may lead to the occurrence of any such matters.

8.5 – The Borrower shall be the subject of a Court action which has the effect of taking away from the Borrower's control of the whole or a substantial part of the Borrower's assets.

8.6 – The Borrower shall become incapable in law of managing their own affairs. Should the Lender terminate the Loan Agreement or should

the Borrower default, the Lender is entitled to the repayment of the whole sums due under the Loan Agreement and may retain any monies held by the Lender for the Borrower in any other type of account and apply the said monies held on or towards payment of the balance outstanding in terms of the Loan Agreement.

9 – PERSONAL INFORMATION AND CREDIT REFERENCE POLICY

Your information may be held by us in any form and used by us for the purpose set out below.

9.1 – We may use, analyse and assess your information to maintain and develop our relationships with you. Other organisations may also access and use this information to prevent fraud and money laundering. This may include the following purposes:

- checking details on applications for credit and credit related or other facilities;
- helping us to make credit decisions about you and anyone to whom you are linked financially or other members of your household;
- managing credit and credit related accounts or facilities;
- to consider and implement business, product and technology developments;
- to undertake statistical analysis, financial risk assessment, money laundering checks (which may include telephoning you), compliance and regulatory reporting, fraud prevention and recovering debt;
- checking details on proposals and all types of insurance for you and anyone else linked to your insurance proposal or claim;
- to help us identify products and services which may be of interest to you;
- checking details of job applicants and employees;
- meeting any obligations we may have under the card scheme your card is issued under.

9.2 – When you apply to us to open an account,

the London Mutual Credit Union will:

- a. Check our own records for information on
 - i. Your personal accounts;
 - ii. and, if you have one, your financial associates' personal accounts;
 - iii. if you are an owner, director or partner in a small business we may also check on your business accounts.

In these terms:

- Financial associate will be someone with whom you have a personal relationship that creates a joint financial unit in a similar way to a married couple. You will have been living at the same address at the time. It is not intended to include temporary arrangements such as students or rented flat sharers or business relationships. Financial associates may "break the link" between them if their circumstances change such that they are no longer a financial unit. They should apply for their credit file from a credit reference agency and file for a "disassociation".
 - Small business is defined as an organisation which might be sole trader, partnership or a limited company that has three or less partners or directors.
 - Credit reference agencies may link together the records of people that are part of a financial unit. They may do this when people are known to be linked, such as being married or have jointly applied for credit or have joint accounts. They may also link people together if they, themselves, state that they are financially linked.
- b. Search at credit reference agencies for information on:
 - i. Your personal accounts;
 - ii. and, if you are making a joint application now or have ever done the following we will check your financial associates' personal accounts as well
- previously made joint applications
 - have joint account(s);
 - are financially linked;

- iii. very occasionally if there is insufficient information to enable us to assist you, we may also use information about other members of your family;
 - iv. if you are a director or partner in a small business we may also check on your business accounts;
- c. Search at fraud prevention agencies for information on you and any addresses at which you have lived and on your business (if you have one).

9.3 – What we do with the information you supply to us as part of the application:

- a. Information that is supplied to us will be sent to the credit reference agencies.
- b. If you are making a joint application or tell us that you have a spouse or financial associate, we will:
 - i. Search, link and/or record information at credit reference agencies about you both.
 - ii. Link any individual identified as your financial associate, in our own records.
 - iii. Take both your and their information into account in future applications by either or both of you.
 - iv. Continue this linking until the account closes, or is changed to a sole account and one of you notifies us that you are no longer linked.

So you must be sure that you have their agreement to disclose information about them.

- c. If you give us false or inaccurate information and we suspect or identify fraud we will record this and may also pass this information to fraud prevention agencies and other organisations involved in crime and fraud prevention.
- d. Your data may also be used by us to offer you other products, but only if you have given your permission. That will be on the front of any form that you have completed. You do agree that we can forward any newsletter, statement message, new terms and conditions or information about any changes to the way your account(s) operate to provide information.

9.4 – With the information that we obtain we will:

- a. Assess this application for credit and/or;
- b. Check details on applications for credit and credit related or other facilities;
- c. Verify your identity and the identity of your spouse, partner or other directors/partners and/or;
- d. Undertake checks for the prevention and detection of crime, fraud and/or money laundering.
- e. We may use scoring methods to assess this application and to verify your identity.
- f. Manage your personal and/or business account (if you have one) with ourselves.
- g. Undertake periodic statistical analysis or testing to ensure the accuracy of existing and future products and services.
- h. Any or all of these processes may be automated.

9.5 - What we do when you have an account:

- a. Where you borrow or may borrow from us, we will give details of your personal and/or business account (if you have one), including names and parties to the account and how you manage it/them to credit reference agencies.
- b. If you borrow and do not repay in full and on time, we will tell credit reference agencies.
- c. We may make periodic searches of our own group records and at credit reference agencies to manage your account with us, including whether to make credit available or to continue or extend existing credit. We may also check at fraud prevention agencies to prevent or detect fraud.
- d. If you have borrowed from us and do not make payments that you owe us, we will trace your whereabouts and recover debts.

9.6 – We will disclose information outside the Credit Union only:

- where you have provided your agreement;
- to our agents or subcontractors for operational reasons;
- to any persons, including, but not limited to, insurers, who provide a service or benefits to you

for us in connection with your account;

- to licensed credit reference agencies as set out in these Terms and Conditions;
- to fraud prevention and other agencies to help prevent crime or where we suspect fraud;
- if compelled to do so by law;
- for the purpose of compliance and regulatory reporting (for example to the Banking Code Standards Board) and to confirm your identity for money laundering purposes, which may include checking the electoral register;
- to any person to whom we will or intend to transfer our rights or obligations;
- if your card or PIN are lost or stolen, or to meet any obligation we may have under any card scheme your card is issued under.

9.7 – You agree that your information may be transmitted to, from and/or through any country as a result of your use of your account(s) and any services which form part of your account(s) irrespective of the levels of data protection provided in any particular country and at your own risk. If we transfer your information to an agent or subcontractor who provides a service to us in another country outside the European Economic Area we will ensure they agree to treat your information with the same level of protection as us.

9.8 – You have a right of access to your information held by us. Write to us at London Mutual Credit Union Limited, 4 Heaton Road, Peckham, London SE15 3TH.

9.9 – We may record and/or monitor telephone calls to enhance security, sort out complaints, improve our customer service and for staff training purposes.

What Credit Reference and Fraud Prevention Agencies do

9.10 – When credit reference agencies receive a search from us they will:

- a. Place a search “footprint” on your credit file whether or not this application proceeds. If the search was for a credit application the record of

that search (but not the name of the organisation that carried it out) may be seen by other organisations when you apply for credit in the future.

- b. Link together the records of you and anyone that you have advised is your financial associate including previous and subsequent names of parties to the account. Links between financial associates will remain on your and their files until such time as you or your partner successfully files for a disassociation with the credit reference agencies.

9.11 – Supply to us:

- a. Credit information such as previous applications and the conduct of the accounts in your name and of your associate(s) (if there is a link between you – see 9.5b above) and/or your business accounts (if you have one).
- b. Public information such as County Court Judgments (CCJs) and bankruptcies.
- c. Electoral Register information.
- d. Fraud prevention information.

9.12 – When information is supplied by us, to them, on your account(s):

- a. Credit reference agencies will record the details that are supplied on your personal and/or business account (if you have one) including any previous and subsequent names that have been used by the account holders and how you/they manage it/them.
- b. If you borrow and do not repay in full and on time, credit reference agencies will record the outstanding debt.
- c. Records shared with credit reference agencies remain on file for 6 years after they are closed, whether settled by you or defaulted.

9.13 – How your data will NOT be used by credit reference agencies:

- a. It will not be used to create a blacklist.
- b. It will not be used by the credit reference agency to make a decision.

9.14 – How your data WILL be used by credit reference agencies:

- a. The information which we and other

organisations provide to the credit reference agencies about you, your financial associates and your business (if you have one) may be supplied by credit reference agencies to other organisations and used by them to

- i. Prevent crime, fraud and money laundering by, for example checking details provided on applications for credit and credit related or other facilities.
- ii. Check the operation of credit and credit-related accounts.
- iii. Verify your identity if you or your financial associate applies for other facilities.
- iv. Make decisions on credit and credit related services about you, your partner, other members of your household or your business.
- v. Manage your personal, your partner's and/ or business (if you have one) credit or credit related account or other facilities.
- vi. Trace your whereabouts and recover debts that you owe.
- vii. Undertake statistical analysis and system testing.

9.15 – The personal information we have collected from you will be shared with fraud prevention agencies who will use it to prevent fraud and money-laundering and to verify your identity. If fraud is detected, you could be refused certain services, finance, or employment. For further details of how your information will be used by us and these fraud prevention agencies, and your data protection rights, please visit creditunion.co.uk or ask in branch for the full Fair Processing Notice. How your data may be used by fraud prevention agencies:

- a. The information which we provide to the fraud prevention agencies about you, your financial associates and your business (if you have one) may be supplied by fraud prevention agencies to other organisations and used by them and us to prevent crime, fraud and money laundering by, for example;
 - credit and credit related or other facilities

- Managing credit and credit related accounts or facilities
 - Cross Checking details provided on proposals and claims for all types of insurance.
 - Checking details on applications for jobs or when checked as part of employment
- b. Verify your identity if you or your financial associate applies for other facilities including all types of insurance proposals and claims.
 - c. Trace your whereabouts and recover debts that you owe.
 - d. Conduct other checks to prevent or detect fraud
 - e. We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.
 - f. Undertake statistical analysis and system testing.

9.16 – Your data may also be used for other purposes for which you give your specific permission or, in very limited circumstances, when required by law or where permitted under Data Protection legislation.

9.17 – Your data may also be used to offer you other products, but only where permitted.

9.18 – If you would like further information as to how your personal data may be used by credit reference agencies please request a copy of the Credit Reference Information Notice (CRAIN) from your local Credit Union office, email a request to info@creditunion.co.uk, or download from the LMCU website. You can also contact the CRAs currently operating in the UK; the information they hold may not be the same so it is worth contacting them all. They will charge you a small statutory fee.

- CallCredit, Consumer Services Team, PO Box 491,
- Leeds, LS3 1WZ or call 0870 0601414
- Equifax PLC, Credit File Advice Centre, PO Box 3001, Bradford, BD1 5US or call 0870 010 0583 or
- log on to www.myequifax.co.uk
- Experian, Consumer Help Service, PO Box 8000, Nottingham NG80 7WF

or call 0844 4818000

or log on to www.experian.co.uk

9.19 – Law enforcement agencies may access and use this information.

10 – NOTICES

10.1 – All notices sent by you to us must be sent to London Mutual Credit Union at 4 Heaton Road, Peckham, London SE15 3TH or to loans@creditunion.co.uk. We may give notice to you at either the e-mail or postal address you provide to us in the loan application. Notice will be deemed received and properly served 24 hours after an e-mail is sent or three days after the date of posting of any letter. In proving the service of any notice, it will be sufficient to prove, in the case of a letter, that the letter was properly addressed, stamped and placed in the post and, in the case of an e-mail, that the e-mail was sent to the specified e-mail address of the addressee.

10.2 – The Lender is a data controller of information provided on this form in terms of the Data Protection Act 2018 and the General Data Protection Regulation. In processing the application, this information will be disclosed to recognised credit reference agencies for credit checking. These agencies record this check, which may affect the Borrower's credit rating. The Lender may also consult with other Credit Unions and will take into account information concerning the Borrower's employment prospects which the Lender may have become aware of. If the application is successful, the Borrower's details will be held by the Lender to enable the Borrower's loan to be managed.

Details of any financial transactions involved (such as payroll deduction) will be made by the company or organization concerned.

11 – COMPLAINTS

11.1 – We aim to offer our members consistent, high quality and value for money services. If you have a concern about our services please tell us.

11.2 – If you have a complaint please telephone us, send us an email or write to The Complaints Officer, London Mutual Credit Union Limited, 4 Heaton Road, Peckham, London, SE15 3TH.

11.3 – We aim to deal with your complaint as thoroughly and as quickly as possible. We will acknowledge, investigate and try to resolve your complaint and if you are not satisfied with our final response you may be able to take your complaint to the Financial Ombudsman Service.

11.4 – For more information or if you wish to receive a copy of our Complaints procedure, please visit our website www.creditunion.co.uk, phone us or speak to one of our staff in branch.

12 – FINANCIAL OMBUDSMAN SERVICE

12.1 – The Financial Ombudsman Service (FOS) has been set up by law to help settle individual disputes between consumers and financial firms. The FOS will only look at complaints if the credit union has had the opportunity to investigate the complaint first and provide a response.

12.2 – We have an internal complaints procedure to resolve any issues or concerns. In the event that a member has a complaint that we are not able to resolve, it can be forwarded to the Financial Ombudsman Service, within six months of the credit union's final response letter.

12.3 – If you are not happy with a final response given to a complaint or if no final response has been provided within an eight-week period from the date of initial complaint, you are eligible to contact the Financial Ombudsman Service and request that they investigate the matter on your behalf. No charge is made for this and any decisions made are binding on the financial institution concerned.

12.4 – More information on the Financial Ombudsman Service can be found at: www.financial-ombudsman.org.uk

13 – GENERAL

13.1 – If any court or competent authority decides that any of the provisions of these Terms are invalid, unlawful or unenforceable to any extent, the term will, to that extent only, be severed from the remaining terms, which will continue to be valid to the fullest extent permitted by law.

13.2 – If we fail, at any time while these Terms are in force, to insist that you perform any of your obligations under these Terms, or if we do not exercise any of our rights or remedies under these Terms, that will not mean that we have waived such rights or remedies and will not mean that you do not have to comply with those obligations. If we do waive a default by you, that will not mean that we will automatically waive any subsequent default by you. No waiver by us of any of these Terms shall be effective unless we expressly say that it is a waiver and we tell you so in writing.

13.3 – You may not transfer any of your rights or obligations under these Terms to another person without our prior written consent. We can transfer all or any of our rights and obligations under these Terms to another organisation, but this will not affect your rights under these Terms.

13.4 – A person who is not party to these Terms shall not have any rights under or in connection with them under the Contracts (Rights of Third Parties) Act 1999.

13.5 – These Terms shall be governed by English law and we both agree to the non-exclusive jurisdiction of the English courts.

HOW TO CONTACT US

GENERAL ENQUIRIES

Telephone: 020 3773 1751

Fax: 0207 277 8755

Email: help@creditunion.co.uk

Web: www.creditunion.co.uk

Address for correspondence:

London Mutual Credit Union,
4 Heaton Road, Peckham,
London, SE15 3TH

To get your latest balances

Register for our secure on-line service
CU On-line at creditunion.co.uk or text
bal to 80011.

Mobile app

You can access your credit union accounts on the go with our mobile app. The App is for Apple iPhone and Android devices and you can download it from Apple Store or Google Play. Before you do, make sure you are registered for on-line services – you can do this quickly and easily at creditunion.co.uk

BRANCHES & OPENING HOURS

4 Heaton Road, Peckham,
London SE15 3TH

Opening hours:

Monday-Friday: 9.30am-4.30pm

10 Acre Lane, Brixton,
London SW2 5SG

Opening hours:

Monday-Friday: 9.30am-4.30pm

177 Walworth Road,
Elephant & Castle,
London SE17 1RW

Opening hours:

Monday-Friday: 9.30am-4.30pm

London Mutual Credit Union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN 213248).

*London Mutual Credit Union Loans Terms
and Conditions v2 June 2021*



London Mutual
Credit Union