

Terms and Conditions

1. PARTIES ETC

- (a) In these terms the customer(s) named overleaf are called "you" and the owner, "we" or "us". Our address is Albion Street, Chorley, PR7 3AA
- (b) Clauses 1-14 cover your agreement with us. Clause 14 only applies if maintenance is stated to be included on page 1.

2. YOUR PAYMENTS

- (a) If you have not already paid them, you will pay us the initial or advance payment as soon as we have signed this agreement.
- (b) Rentals during the hire period are payable in advance as stated on page 1.
- (c) You must make each payment including any Value Added Tax on it without any other demand from us. All sums due under this agreement must be paid on time without any set-off or deduction. Punctual payment is essential. If you fail to pay a rental this will mean that you no longer intend to comply with this Agreement (This is called repudiation). If that happens then we will be entitled to accept this and terminate this Agreement as set out in clause 11.
- (d) The rentals on page 1 have been calculated making assumptions that the rates of tax and of capital allowance we can set against tax, and the rules governing tax and the purposes and uses for which capital allowances can be claimed, remain the same as are known to apply on the date of this agreement. If they change to our detriment we may adjust your rentals to put us in the same after-tax position as if the change had not been made.
- (e) You also warrant that you are, and will during the period of this agreement remain, tax resident in the United Kingdom and that the Goods will be used during all that period for a purpose that qualifies us to claim capital allowances. You will not claim such allowances yourself.
- (f) If any sums on page 1 do not include VAT, you will pay this additionally. Payments will change if the rate of VAT changes.
- (g) The rentals on page 1 have been calculated assuming the rate and relevant rules for VAT applying to our sale of the Goods at the end of this agreement are the same as are known to apply when the agreement is made. We may adjust your rentals if the VAT rate or rules change so as to reduce our after-tax rate of return for the purchase, hiring or disposal of the goods. We can make this adjustment during the hiring or when we come to dispose of the Goods after the hiring has ended.
- (h) If we adjust your rentals under clause 2(d) or 2(g) we can either increase the rental shown overleaf immediately, or we can require you to pay them as a lump sum at or after the end of the hiring, or we can take part immediately and the rest later.
- (i) You must on demand pay interest calculated on a daily basis on all overdue sums at 3% a month.
- (j) You must on demand pay our costs resulting from your not complying with this agreement. You must pay a charge of £25 for each unpaid, rejected or cancelled cheque, standing order or direct debit, and for each reminder letter, notice or call we make to you.
- (k) If you fail to make any payment, or part of any payment, on time we will appropriate anything you pay then or later in the following order: interest under clause 2(i), charges under clause 2(j), arrears of maintenance payments, further maintenance payments, arrears of rentals, further rentals and other payments due to us.

3. THE GOODS AND OWNERSHIP

- (a) The Goods are described on page 1. The term "the Goods" includes everything delivered to you, anything that is later added to them, or any replacement of them.
- (b) We have a right to replace the original Goods at any time with Goods that are at that time similar to them. This agreement will then apply to the replacement. But this will not affect any existing rights you or we had in relation to the original Goods.
- (c) We will always own the Goods during this agreement. You must not claim you own them, try to sell them, create charges over them, permit others to obtain rights over them, try and change the registration number, or do anything else that is inconsistent with our ownership.
- (d) We will retain the Vehicle's registration document. You must not seek to obtain a duplicate or replacement of it.

4. DATE OF AGREEMENT AND COMMENCEMENT OF HIRING

- (a) Once we have both signed this will be a hire agreement. In it we agreed to buy the Goods described on page 1 and hire them to you. You agree to take those Goods on hire from us for the period and on the terms on this page and on page 1.
- (b) This agreement will begin on the date we sign it. The hiring will begin on the date of delivery of the Goods to you.

5. RESTRICTION OF OUR LIABILITY

- (a) We exclude liability for any loss you suffer as a direct or indirect result of any delay in delivery of the Goods. You should inspect the Goods on delivery and ensure they are of satisfactory quality before accepting them.
- (b) You have selected the Goods. Accordingly, we exclude any express or implied term or condition that the Goods comply with any description which has been given of them, that they are fit for any purpose, or that they are or will remain of satisfactory quality. These exclusions do not apply if you are dealing as a consumer or if this is a consumer contract under the Unfair Contract Terms Act 1977. In that case, this hiring is subject to sections 8, 9 and 10 of the Supply of Goods and Services Act 1982 during the primary hire period and your statutory rights are not affected.
- (c) Any dealer, operator, broker or manufacturer (even if described as an agent) who has been involved in this transaction is not our legal agent, and we are not responsible for anything they have said, done or not done unless we have specifically authorised it in writing or unless the law otherwise makes that person our agent.
- (d) We and our agents are not responsible for any direct or indirect loss, costs, damage or loss that you or others suffer:
- as a result of the condition or functioning of the Goods or your inability to use them,
 - in connection with the maintenance services stated to be included on page 1 unless directly caused by our failure or that of our sub-contractors to comply with obligations under them.
- (e) These exclusions and limitations of our liability in this clause 5 do not apply to death or personal injury resulting from our negligence.

6. JOINT CUSTOMERS

If more than one customer is named, you are each separately responsible for keeping all the terms of this agreement. If either of you does not keep to them, we can take action against either or both of you, singularly or together.

7. YOUR INSURANCE OBLIGATIONS

- (a) You must insure the Goods comprehensively from delivery for their full value and produce current evidence of this insurance to us on request.
- (b) You must tell your insurer that we own the Goods.
- (c) You agree that if the Goods are stolen or become a total loss:
- the insurer should tell us when you make a claim;
 - all insurance money then due is assigned to us and the insurer is to make payment to us and we may agree the amount of the claim with the insurer on your behalf;
 - you will if we request it immediately pay us the sum described in clause 12, less what we receive from your insurer;
 - the hiring will not be terminated until we receive the payments in clause 7(c)(iii), and you will continue to make all payments due under it.
- (d) Your interest in the insurance policy will pass to us if this agreement or the hiring is terminated by us or you, and we will be entitled to the benefit of it and all claims under it.
- (e) The above obligations also apply to any replacement Goods under clause 14.

8. YOUR OTHER OBLIGATIONS

- (a) You must take reasonable care of the Goods.
- (b) You must maintain the Goods properly and have them serviced by the manufacturer's appointed dealers at the intervals the manufacturer recommends. You must ensure the service manual is filled in. You must make good all damage or defects however caused. This includes dents, scratches or chips to the bodywork or glass; stains, burns or tears on the seating, linings or carpets; non-functioning of any mechanical or electrical parts; and tyres not being in legal condition.
- (c) Unless maintenance is stated to be included on page 1, you must promptly pay for any work required under clause 8(b). You must not tell anyone that we will pay for it.
- (d) You must not permanently remove the Goods from the United Kingdom or take them outside the European Union or Switzerland without our prior written permission.
- (e) You must never without our previous written consent charge other people to use the Goods out of your day to day control.
- (f) You must pay all fees, fines (including all speeding, parking and any traffic congestion charge) and other sums and meet all liabilities arising from your possession or use of the Goods. We may charge you £25 for each demand that is referred or sent to us. If you do not pay or do anything required of you, we may do it and charge you. If we do this, we may charge you a further £25 for each charge that we pay.
- (g) You must tell us if you move. If we ask, you must tell us where the Goods are and let us inspect them on reasonable notice.
- (h) The following applies if the Goods are for use at work. Because we have not selected the Goods, it is your responsibility to ensure they will be safe and without risks to health when properly used at work. You will carry out all testing and examination of the Goods reasonably necessary to ensure this. You will also ensure that adequate information about the use of the Goods is available to those using them at work. This includes information to ensure that, when used properly the goods will be safe and without risks to health. You will indemnify us in connection with any claim made against us alleging our failure to comply with s.6 of the Health and Safety at Work etc Act 1974.

9. RETURN OF GOODS

- (a) You must return the Goods to us when the hiring under this agreement ends.
- (b) The Goods must be returned at your expense to any location in the United Kingdom that we reasonably specify. They must be in good condition (fair wear and tear excepted).
- (c) Any excess mileage that is due under clause 14 must be paid when you return the Goods.
- (d) You must return with the Goods all tools, optional extras, instruction manuals, keys (including engine management or red keys), mats, codes and other items (other than disposables) that were supplied with them or later. If you do not, we may charge you the cost of replacing any missing items.
- (e) If the returned Goods are not in reasonable condition for their age and mileage, you must also immediately pay us the cost of putting them in that condition or (if we choose) the reduction in their value caused by them not being in reasonable condition.
- (f) If you fail to return the Goods when required, clauses 3(c), 7 and 8 will continue to apply. You must also continue to pay us sums equal to the rentals that applied immediately before the termination of the hiring.
- (g) No refund will be offered part or whole in respect of any payments made on or before the date of cancellation

10. DEFAULT- If:

- you breach this agreement in any way; or
- you have given us or any intermediary false information; or
- you present or have presented against you a petition for a bankruptcy order or scheme of arrangement or an application for a voluntary arrangement or are apparently insolvent; or
- the Goods are seized by anyone having legal authority to do so; or
- you abandon, part with day to day control of, sell or attempt to sell the Goods without our authority;

We have the right to take any of the actions described in clause 11.

11. OUR RIGHTS ON YOUR DEFAULT

- (a) If any of the events in clause 10 occurs we may;
- terminate this agreement and/or the hiring under it without written notice; or
 - if you have repudiated this agreement, we may accept your repudiation.

- (b) As soon as we terminate the hiring or accept your repudiation of this agreement you will no longer be in possession of the goods with our consent and you must return them to us immediately. If you do not do so we may repossess them immediately.
- (c) Our rights will not be affected if we have relaxed or not previously enforced this agreement or by any delay or attempt to recover overdue amounts.
- (d) When we recover possession of the Goods, you authorise us on your behalf to cancel any insurance of the Goods and any refund is assigned to us.
- (e) We may keep any refund of license duty when we sell the recovered Goods. If we find the Goods contain property owned by you or someone else we will notify you. You must collect it within seven days. If you do not we may dispose of it or sell it and put the net amount we receive against anything you owe us.

12. LIABILITY ON TERMINATION

- (a) If under clause 11, we terminate this agreement or accept your repudiation of it, you will immediately pay us:
- (i) all unpaid sums that are already due;
 - (ii) as compensation or liquidated damages for breach of this agreement
 - (a) all rentals specified on page 1;
 - (b) damages for any cost or loss we have suffered as a result of your breach;
 - (c) the cost of tracing you and the Goods and recovering possession of the latter.
- (b) When you have returned the Goods and paid us the sums in clause 12(a), we will pay you (to reflect early settlement (i) any amount by which the value of the Goods on their early return in our reasonable opinion exceeded the value they would have had if the hiring had not ended early, and (ii) a rebate of 4% a year on rentals that have not yet become due.

13. LICENSING AND REGISTRATION

You will pay in advance for the annual vehicle excise licence. The fee for this is calculated at the rate applying on the date of this agreement. We will reimburse you if the fee goes down in later years; or you will on demand pay us the extra amount if it goes up.

MILEAGE

- (a) The Goods (including any mileage of relief vehicles) must not exceed:
- (i) the maximum contract mileage shown on page 1;
 - (ii) and the maximum annual mileage shown on page 1.
- (b) You must pay us the charges shown on page 1 (plus any VAT) for each excess mile or part mile. We can require you to pay this at any time if the mileage covered exceeds a proportionate part of the total allowed.

- (c) You must inform us immediately if the milometer fails and of the period during which it was not working. You will accept our reasonable calculation of mileage during that period and it will be added to the recorded mileage you must get the milometer repaired or replaced as soon as possible
- (d) If we terminate this agreement early, the maximum mileage will then be reduced proportionately and the excess mileage charge will be calculated accordingly.

14. MAINTENANCE

This clause only applies if maintenance is stated to be included on page 1.

- (a) We will pay for the following things:
- (i) Servicing recommended by the Manufacturer.
 - (ii) Work required to keep the Goods in good repair provided such work arises from fair wear and tear.
 - (iii) If the accident and/or breakdown relief vehicle services is stated to be included on page 1, a relief vehicle of approximately similar size and type (but not necessarily make) whilst accident and/or mechanical failure (as opted for) make your goods unfit for use for at least 24 hours and for no more than 4 weeks at a time. You must insure the relief vehicle on the terms in clause 7 and return it as we specify and pay any hire and other costs if you do not.
 - (iv) If it is stated to be included on page 1, a national UK emergency recovery service by a provider we specify.
- (b) The work in clause 14(a)(i) and (ii) will be carried out by one of the our appointed dealers / agents.
- (c) Our obligations in clause 14(a) will not apply if the Goods are outside the UK, the Channel Islands or the Isle of Man; or if it arises from accidents, frost damage, misuse, negligence or deliberate damage by you or others, or failure to have faults seen to or the Goods regularly serviced. Windscreen and other glass damage is excluded. We must authorise any work before it is carried out.
- (d) All services under clause 14(a) will be performed with reasonable care and skill. Any higher standard of care or skill is excluded.
- (e) You must:-
- (i) at your cost deliver the Goods for servicing, repair or testing
 - (ii) pay for fuel and oil, grease, engine and battery fluids, anti-freeze, tuning and other consumables required between regular services, and for anything not covered by clause 14(a)
 - (iii) Replacement tyres including replacements caused by impact damage and punctures.
- (f) You must follow the procedures for obtaining maintenance or repair services that we inform you of from time to time.

USE OF YOUR INFORMATION CREDIT REFERENCE AGENCIES

In considering your application we will search your record at credit reference agencies.

They will add to your record details of our search and your application and this will be seen by other organisations that make searches. Searches will also be made in respect of directors and partners of firms applying for credit. Information held about you by the credit reference agencies may already be linked to records relating to other people with whom you have a financial association. In connection with your application you may be treated as financially linked with them and assessed with reference to any such associated records.

If you are a joint applicant or if you have told us of some other financial association with another person, you are declaring that you are entitled to:

- disclose information about your joint applicant and anyone else referred to by you
- authorise us to search, link or record information at credit reference agencies about you and anyone else referred to by you.

We will use a credit scoring system when assessing your application.

We will also add to your record with the credit reference agencies details of your agreement with us, the payments you make under it and any default or failure to keep to its terms and any change of address you fail to tell us about where a payment is overdue. It is important that you give us accurate information. We will check your details with fraud prevention agencies and if you give us false or inaccurate information and we suspect fraud, we will record this.

These records will be shared with other organisations and used by us and them to:

- Help make decisions about credit and credit related services such as insurance for you and members of your household:
- Trace debtors, recorded debt, prevent money laundering and fraud, and to manage your accounts.

For these purposes we or they may make further searches. Although these searches will be added to your record, they will not be shared with others.

We and the credit reference agencies and fraud prevention agencies will also use the records for statistic analysis about credit and about other insurance and fraud.

Fraud prevention agency records will also be shared with other organisations to help make decisions on motor, household, credit, life and other insurance proposals and insurance claims, for you and members of your household.

Please telephone us on 01257 266662 if you want to have details of those credit reference and fraud prevention agencies from whom we obtain and to whom we pass information about you. You have a legal right to these details.

SHARING YOUR INFORMATION WITH OTHERS

We will keep information about you and about your agreement on a Group database. Any company in our Group with which you have an agreement or which receives an application form you may use and update this centrally held information for the purposes of such agreement and application, to help establish your identity, to recover amounts owing and to prevent fraud.

We may pass information about you and your agreement to anyone we have appointed to help administer your agreement, to your credit insurer for administration, claims handling and fraud prevention (which could include passing it to other insurers), to insurance companies or to recover amounts owing or to anyone to whom we transfer the agreement. We may discuss your agreement with you with the supplying dealer.

We may give an early settlement quotation to the supplying dealer or to any other dealer who, with your consent, asks us for one.

You have a right to receive a copy of the information we hold about you if you apply to us in writing. A fee will be payable.

USING YOUR INFORMATION FOR MARKETING PURPOSES

We may use your information in order to select and tell you about products and services available from us or from other companies in our Group and the Lloyds Banking Group of companies which may be of interest to you and we may share your information with them for analysis of marketing purposes or so that they may contact you about their products and services. We may also use your information to tell you about products and services which we can introduce from selected businesses outside our Group. We may pass your information to the supplying dealer, any other same franchised dealer, or importer or the manufacturer and all companies within the manufacturer group for possible further business with you and to agencies conditioning market research for us and to selected insurers who may use it for marketing purposes.

Telephone calls

Some telephone calls may be monitored or recorded but for the purposes only of maintaining and improving our service standards or for training our staff.

The companies in our Group include MDC Autos