

Principles for lending

Application

Below are the overarching principles that registered firms which lend, and/or undertake associated debt collection activities, to personal customers should use to govern their relationship with their customers.

The principles for lending and Standards of Lending Practice apply to:

- Credit card, charge card, overdraft and unsecured loan products.
- Registered firms and any third parties that retail and service the lending products listed above on behalf of a registered firm.
- In the event that a third party takes over responsibility for any products the customer has with a registered firm, the existing consumer protections will continue to apply.

Registered firms will ensure that their customers:

- a. Are told about the lending products the firm has to offer. They will not face unreasonable barriers to accessing these and will be provided with clear information to enable them to choose a product that meets their needs.
- b. Will be assured that firms are committed to promoting their products responsibly.
- c. Are provided with clear information about how to apply for the different lending products a firm offers, what the application process entails, any implications for their credit rating, along with any other requirements a firm may have.
- d. Are aware of the high-level basis on which the firm will make its decision to lend to them. If the customer's application is declined the main reason for this will be provided.
- e. Will be provided with clear and understandable documentation along with information which clearly sets out both parties' rights and obligations during the lifetime of the product.
- f. Will be supported if they anticipate, or a firm becomes aware, that they will have or are experiencing difficulty in repaying their borrowing.
- g. Will know what happens when they have repaid their borrowing or do not require it any longer.