

A Guide to your **Life Plan**

Financial services for a debt-free life



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Call us on: 08000 433 433

Visit our website: www.moneyvillage.com

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Clockwork Finance Ltd is a registered in England company whose number is 6042318 and whose VAT number is 907 155824. Clockwork Finance Ltd has a registered address at Suite 1E, Gladhow Mount Mansion, Roxholme Grove, Leeds, LS7 4JJ and a trading address at Digital World Centre, 1 Lowry Plaza, Salford Quays, Manchester, M50 3UB.

Welcome to Money Village®



When money becomes a major problem it can be hard to find your way back to financial health on your own.

A supportive community, where expert advice is readily available, can provide you with the tools you need to make that journey.

Money Village® has been built to provide you with those tools, to help you create a blueprint of the financial future you want and point you in the right direction as you move towards a debt-free life.

As with most of life's most challenging experiences, facing the fact that there's a problem with your finances is the first step towards that recovery.

This guide explains, clearly and concisely, how you can reach your goal.

It will take you through the options available to reduce your debts, the ways in which you can reduce your outgoings and explain how you can begin to improve your credit rating.

In these pages you will find valuable information about the routes to a debt free life - debt management plans, bankruptcy and individual voluntary agreements or IVAs - what they are, how they work, the advantages and disadvantages of each, enabling you to make decisions that are right for you.

Learn, too, how to reduce your bills and take control of your money.

The Family Protection Pack

To welcome you to the Money Village® community we are giving you two valuable financial products to safeguard you and your family.

Especially for you, we've sourced two insurance policies designed to eliminate the stress caused by the unexpected.

Family legal insurance

A policy that eliminates the anxiety of unexpected legal costs that may arise for any number of reasons - personal injury or employment disputes for example.

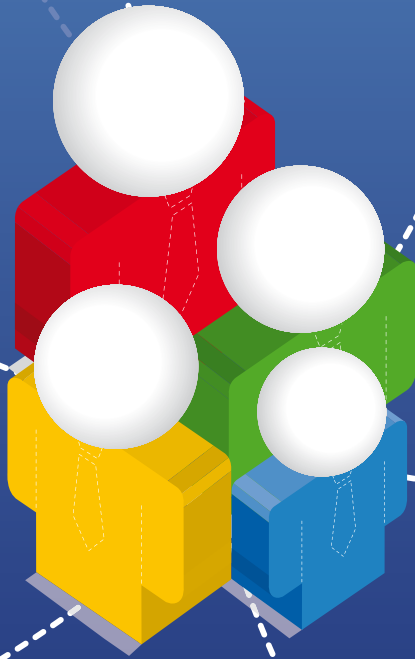
Motor legal insurance protection

With this policy, one call to the number on the key-fob provided will take care of everything that needs doing if you're involved in a motor accident.

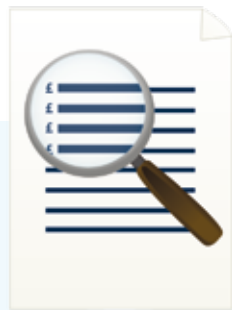
A panel of expert solicitors will handle it all, from negotiating the best settlement from your insurance company to claiming costs from a third party and, if necessary, representing you in the case of personal injury.

Call 0845 459 5959 now to activate your FREE family protection pack.

Free product for all
customers worth £150



Debt Management



When you find yourself in debt and unable to pay what you owe, there are a number of options available, some of which you may already have explored.

Before making any final decision about your financial future, our experienced advisor will carefully review all your finances, making sure that you know everything you need to be sure you're taking the right road.

If refinancing is an option, we will help you to do that. If not, the alternatives of bankruptcy, IVA (individual voluntary arrangement) and debt management plans, will be reviewed.

An IVA is a formal agreement between you and your creditors and offers an alternative to bankruptcy, though if it fails, you will be made bankrupt. To qualify, you must owe at least £15,000 to three or more creditors, and 75% (by value) of those creditors must agree to the IVA.

Bankruptcy is a legal way to clear your debts when all other options have failed. It can offer an escape from overwhelming debts and allow you to make a fresh start, but the impact of bankruptcy on your life can be serious and long-lasting. It can involve the loss of your home, your assets, including pensions, and your credit rating.

If you don't qualify for either an IVA or bankruptcy or you prefer to avoid taking either route, debt management can offer the ideal solution.

In challenging circumstances, a debt management plan offers a solution that eases the stress by providing a structured repayment programme, giving you back a sense of control and the knowledge that you can live a debt-free life.

What happens next?

Once you decide that a debt management plan is the route you want to take and your creditors agree, the process is simple, straightforward and you'll be supported all the way. All you will have to do is make a single, affordable payment each month.

1. **You will have access to a team of personal advisors** who will all have expert knowledge of your circumstances.
2. **An advisor will go through your income and expenditure** in detail with you to establish how much you can afford to pay each month.
3. **Your creditors will be contacted** and asked to freeze or reduce the interest on your accounts. In the majority of cases they will agree.
4. **An advisor will handle all further negotiations** with your creditors and deal with all correspondence.
5. **You pay a single affordable sum** to the debt management company each month and they pay your creditors the amounts that have been agreed.
6. **Your situation will be regularly reviewed** and further advice offered if it's needed.

"I really didn't know where to turn. Since my husband lost his job earlier this year, things just seemed to spiral out of control. At first, I ignored any official looking letters, hoping it would all just go away. Of course it didn't, it just got worse, because I didn't do anything about it. I am now working with you to pay off my creditors and feel that our lives are worth living again. Thank you so much!"

Mrs S, Yorkshire

The Bill Shrinker

Shrink bills effortlessly

Imagine saving hundreds of pounds...
with someone else doing all the work.
What's stopping you now?



Moving to new utility providers, changing your mobile phone contract or opting for a different insurance policy can save hundreds of pounds every year, but doing the money-saving work can be time-consuming and stressful.

Register with us and your personal financial assistant will discuss your outgoings in detail, research the market and deliver the ideal money-saving solutions - and once you've completed your registration form, you can say goodbye to form-filling, computer crashes and stress.

What makes The Bill Shrinker so different?

The personal touch is what makes us stand out in the switching crowd -

you'll be given your own personal financial assistant who'll do it all for you. If you want to save, but don't have the time or the energy to trawl through dozens of sites or you're not confident of finding the very best deal, The Bill Shrinker offers a real solution by providing you with someone who will take the stress out of searching and switching.

With dozens of sites and thousands of prices researched and compared daily, you can be sure that the deals your assistant finds are the best ones for you.

A decision based on price alone can leave you without the cover you need, or without some elements of the services you're looking for.

The Bill Shrinker guarantees to find you not just the cheapest options, but the options that meet your needs exactly.

And we'll keep on checking every day, so that you can be confident that you're always making the maximum savings on your bills.

What's the catch?

The Bill Shrinker offers all the pluses of switching, none of the minuses and the added bonus of someone to do it all for you. There are no catches and no costs.

In common with all switching services, providers pay commission to The Bill Shrinker, ensuring that the service is free to you, the customer.

What they say about us

Thousands of people are already making savings thanks to the simple solution offered by The Bill Shrinker:

*"Thank you Money Village®. It was fantastic to realise that people are there to help, the service has been great and to date **you have saved me £418.76**. I can't wait to see how much better off you make me throughout the next 12 months."*

Mrs M, Angus

*"Absolutely brilliant. Nothing seems to be too much trouble. The agent did so much work on my behalf, even staying after his working hours to ensure my case had been dealt with. I feel much more confident with my money now. I can't believe I had been paying so much for my utilities and insurances - **thanks for saving me £853.30**."*

Mrs W, Wigan

Credit Rating

One of the major effects of being in debt is that your credit rating will fall, making it difficult to obtain credit.



Getting out of debt is one of the best ways to improve your credit rating, although other things have an effect on how lenders view your creditworthiness.

These include:

Your age

As you get older, age is taken into account and slightly raises your score, but not enough to outweigh the effects of an already poor credit rating.

Marital status

Most scoring systems award higher ratings to a married person than to a single person. In their view, marriage and dependents are an indicator of stability and therefore creditworthiness.

Your home

If you own your property rather than

rent it, it implies a stable and traceable account history. Owning your home also means that you may have equity in the property. This equity can in some cases, be used as security for a loan.

Bank account

Not having a bank account has a large impact on your credit rating and may mean that, in a lot of cases, you won't be offered credit. Most lenders insist on payment being made by direct debit. This is not possible without a bank account. If you've been with the same bank for a number of years, this will slightly improve your rating.

Cheque account

The number of checks that a bank carries out before opening a cheque account provides other credit companies with an indication of your creditworthiness.

Telephone

A landline tells a lender that you have been accepted by another company for credit and that you are paying a regular bill.

Electoral roll

Lenders use the electoral roll to confirm your present and past addresses. If you move make sure you let the local authority know.

Employment

If you are unemployed you will find it harder to get credit as you have no income to guarantee payment. The longer you have been with your employer, the higher your credit rating.

Credit cards

If you have credit cards already and are up to date with payments you are more

likely to be offered credit than if you don't.

Payment history

If you have missed payments or have accounts in arrears this will contribute to a poor credit rating. This will not necessarily mean no credit, but it will reduce your options and your access to the best rates and products.

"I just wanted to thank you for all your support and the advice you have given me in relation to my financial situation. Your professionalism and caring approach made it so much easier for me to talk more openly about things. It's not easy admitting to a complete stranger that you've got money problems. It took me long enough to admit it to myself!"

Mr B, Essex

Customer Charter

Money Village® firmly believes in delivering an excellent service.



We will always communicate clearly with customers - what we will do for you, what we don't do, the services we offer, the standard of those services, and what you can do if you believe we haven't delivered.

What we do for our customers

1. We accept that the information you provide is accurate.
2. We provide expert knowledge and professional service.
3. We will make sure that you understand your options and the service we provide.
4. We recommend what we believe is the most suitable product for you, but leave you the freedom to choose from any of the available options.

5. We administer the plan you have chosen on your behalf.
6. We will give you regular updates on your plan, ensuring that you are always fully informed.
7. If we make a mistake at any point, we promise to do our best to fix it.

What we don't do

1. We don't provide our service free
2. We don't promise to write off your debts.
3. While we promise to negotiate with your creditors, we do not promise to stop interest and charges on your debts.

Our Service

Fact Find

This is the most important part of the whole process and is where it all starts. We will spend as long as it takes with you, either on the phone or face-to-face, to obtain all the relevant information about you and your financial situation.

It is essential that you continue to pay your 'priority debts', such as your mortgage, rent and utility payments. The information we gather is then used to recommend the most suitable solution for you.

We believe we have a solution for everyone. Where we don't have a solution for you, we'll try and help you find someone else to help you.

Debt Management Plan

If a debt management plan is the recommended solution, once your application has been received by our team of Personal Advisors they will prepare your financial statement and send this to your creditors, together

with the offers of repayment that we have calculated based on your individual personal situation and monthly disposable income.

At this stage we advise your creditors that we are dealing with your financial affairs and we ask them to freeze interest and charges on your debts, although no organisation can guarantee that they will agree to this.

Creditor Negotiation

There is quite often a series of negotiations that takes place with some or all of your creditors before they will accept the reduced offers of repayment.

We will deal with all of this negotiation for you. As we receive notification from each creditor, we will advise you of the outcome and let you know the next course of action.

In the unlikely event that a creditor refuses to negotiate with us, we will let you know (creditors are legally bound to accept the payments from us, but they may refuse to negotiate with us and continue to pursue yourself).

Payments to creditors

It is essential that you maintain your monthly payments to us so that we in turn can make regular payments to each of your creditors.

Phone calls and letters from your creditors are much more likely to lessen or stop if they are receiving regular payments on time.

Regular reviews

We will carry out a regular review of your financial situation. If your income increases, you should be able to increase your regular payment to reduce your debts more quickly. After your regular review, we will write to your creditors with an updated financial statement and revised offers of repayment if applicable.

Individual Voluntary Arrangement

Where an Individual Voluntary Arrangement (IVA) is identified as an appropriate solution, either at the initial Fact Find stage or later on following a regular review, one of our IVA specialists will call you and discuss the advantages and disadvantages of

that solution with you. If you decide to proceed, we will support you as an Insolvency Practitioner works with your creditors to come to an agreement.

Whilst this process is underway, we will continue to support you in your debt management plan, if you have started one, so that creditors continue to receive regular payments.

Our service standards explained

We aim to provide a professional service at all times and a Personal Advisor aims to meet the following service levels.

Incoming Post

We aim to deal with and/or reply to any incoming correspondence within 5 working days of receipt.

In most instances, we receive a copy of any correspondence that your creditors send to you, so you don't need to send us every piece of post that you receive from them.

Generally we only require letters that refer to legal or court action, but if you are in any doubt then speak to a Personal Advisor who will be able to help you.

Email

Wherever possible, it is best to email us if you have a general query that does not require an immediate answer by telephone. We aim to respond to emails within 48 hours.

Telephones

We do not operate a large inbound call centre, but instead prefer to use small teams of highly skilled Personal Advisors who can deal with all aspects of your case. Our advisors work in teams which means that there should always be a Personal Advisor available who knows your case and can help with your enquiry.

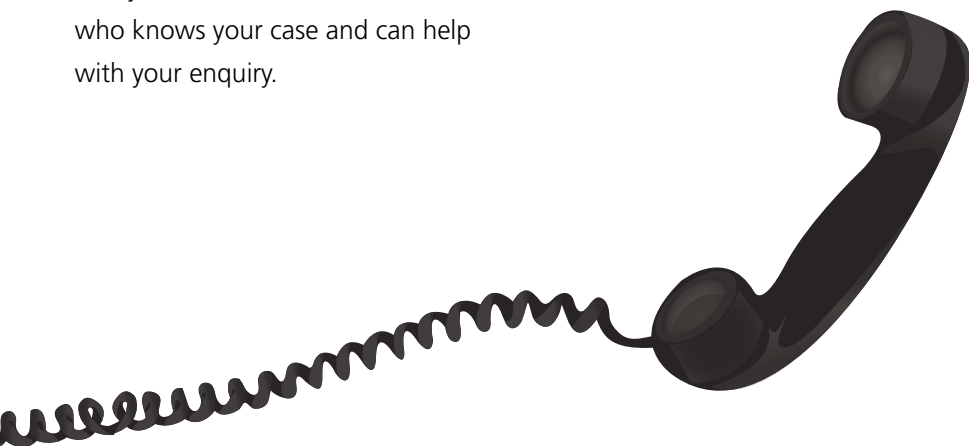
Voicemails

If you call us outside normal office hours, or choose to leave a message rather than wait for a Personal Advisor, we will return your call by the end of the next working day.

What to do if you are not happy with our service

We are committed to providing a professional and ethical service to all our customers, but if you are unhappy with any of the services we provide or with any other aspect of our business, we want to know.

If you would like to give us feedback or want to make a complaint, please contact a Personal Advisor for information on how to proceed.



Fees Explained

Money Village® aims to be totally transparent in its fees and charges.

Money Village® recognises that customers have a wide range of choice across both public and private sector organisations offering debt help.

An Initial Instruction Fee equal to 3 times your monthly disposable income (£299 minimum fee) is payable to cover the costs of setting up the Lifeplan. This can be paid in one lump sum, or spread over a period of up to 10 months, interest free.

Where the payment is spread over a number of months, this will result in lower repayments being made to your creditors for that period.

There is a Monthly Management Fee to cover the cost of administering payments to creditors, providing a dedicated Personal Advisor, and dealing with subsequent queries from creditors. This fee is £30 if you have between 1 and 4 debts and £35 if you have 5 or more debts.

Typical Examples

The following are examples of typical debt management plans and outline the length of time it will take to repay your debts, together with the total amount of fees that would be payable.

Example 1

Tracey has 4 separate debts totalling £9,500. Money Village® has performed a detailed assessment of Tracey's financial circumstances, leaving her with appropriate allowances for expenses. After this Fact Find, Money Village® has calculated that Tracey can comfortably afford repayments of £180 each month.

Tracey's Initial instruction fee is £540 (3 times her monthly disposable income of £180), which she chooses to spread over 10 interest free payments of £54, and her monthly management fee will be £30 as she has 4 debts.

In this example it will take Tracey 67 months to repay her debts. She will pay Money Village® Initial Instruction Fee of £540 and Monthly Management fees totaling £2010.

	Monthly Payment	Initial Fee amount	Monthly Management Fee	Amount paid to creditors
Payments in 1st 10 months	£180	£54	£30	£96
Payments from month 11	£180	£0	£30	£150

Example 1

Example 2

John has 7 separate debts totalling £12,500. Money Village® has performed a detailed assessment of John's financial circumstances, leaving him with appropriate allowances for expenses. After this Fact Find, Money Village® has calculated that John can comfortably afford repayments of £140 each month.

John's Initial instruction fee is £420 (3 times his monthly disposable income of £140), which he chooses to spread over 10 interest free payments of £42, and his monthly management fee will be £35 as he has more than 4 debts.

In this example it will take John 123 months to repay his debts. He will pay Money Village® an Initial Instruction Fee of £420 and Monthly Management fees totaling £4305.

	Monthly Payment	Initial Fee amount	Monthly Management Fee	Amount paid to creditors
Payments in 1st 10 months	£140	£42	£35	£63
Payments from month 11	£140	£0	£35	£105

Example 2

In both examples, for illustrative purposes, we assume that interest and charges are frozen by the creditors. There is no guarantee that interest and charges will be frozen, however, and no company in the UK should state that this is the case.

Full and Final Settlements

Money Village® will negotiate with your creditors in the event that you can afford a full and final settlement.

A full and final settlement is an offer by you to make a lump sum payment to your creditor, in return they will write off the balance after the payment.

For example;

Scott receives an inheritance from a distant relative - £12,160 in cash.

Money Village® negotiates with Scott's creditors, who by this time have an outstanding debt of £19,000, and they accept a lump sum of 60% of the amounts outstanding as full and final settlement.

Money Village® charges a fee of 10% of the amount saved. The creditors are prepared to accept 60% (£11,400) to settle Scott's debts. Money Tailor has therefore saved Scott £7,600 so charges a fee of 10%, £760.

Things to Consider

Cooling Off Period

You have an initial cooling off period of 14 days from the date you signed your contract, during which you can change your mind and receive a full refund of any monies paid to us. If you wish to cancel your plan at any time after this, then an assessment of the work we have undertaken against the fee payments received will be carried out. You will be notified of the outcome of this assessment. Any fees that are due to be refunded will be done so within 14 days.

Your Credit Record

If you have maintained all of your monthly debt repayments (for example the minimum payments due on your credit cards and loans) in full before entering a plan, your credit record is very likely to be adversely affected by entering the plan. This is because under the plan, you will not be paying the full monthly debt repayments, and this information is shared with credit record agencies, who keep this information for at least 6 years.

Companies look at an individual's credit record to assess whether potential customers are 'good risks'. Examples might be mobile phone companies, as well as banks and building societies. If companies do not believe you are a 'good risk' they may not allow you to access their goods and services, or require some sort of deposit before they do. In general, no company - including Money Village® - can guarantee that your credit record will not be adversely affected.

Priority Debts

Your Debt plan does not include your 'priority debts'. Payments such as your mortgage, utility bills and council tax should be paid by you – they will not be paid as part of this plan.

Payments

Where customers choose not to pay their Instruction Fees up front, we allow fees to be paid in up to ten equal installments. During this period, reduced payments are made to creditors. As a result of making reduced payments, it is possible that an account can go further into arrears, as creditors are not obliged to accept them. Where creditors decline to freeze charges and interest during this

period, or indeed during the plan, one consequence is that the amount owed may actually increase and therefore the length of time required to repay your debts may increase.

All companies that offer debt counselling should tell you this, and no-one should guarantee to you that this is not the case.

Creditor Activity

Once customers have been in a plan for a few weeks, most of them experience a reduction in the number of phone calls and letters from creditors, in fact reducing creditor 'hassle' is one of the key benefits of joining Money Village®.

Whilst in your plan, you should never ignore letters from your creditors. Your personal advisor will always be on hand to advise you if you do not understand why you have received a letter from your creditor.

Money Village® - like every organisation offering debt counselling - cannot guarantee that collection actions, including default notices and litigation, can be avoided; and that default notices may incur costs that will be added to a customer's debt.

What happens next?

Once our advisor has concluded the initial meeting with you, or you have returned the paperwork to our offices, you have taken the first step.

To help you, we have detailed below a few of the next events, together with expected timescales. These are approximate timescales and are based on your first payment (or deposit) being paid on Day 1.

Time	Activity
Day 1	<p>Your signed contract, and associated paperwork is sent to our offices.</p> <p>Your 14 day cooling off period commences.</p> <p>Your first payment needs to be made to us as soon as possible.</p> <p>If your current bank is one of the creditors, it is recommended that you change bank accounts, and we need details of your new bank account as soon as possible.</p>
Day 1-3	<p>When your case is received by us, we will contact you to confirm this. We will let you know the name of your Personal Advisor, and will arrange a convenient time for them to carry out a Welcome Call.</p>
Day 1-5	<p>We will start to process your application, but your creditors will not be contacted yet. There are 4 main things we need before we can begin to act on your behalf:-</p> <ul style="list-style-type: none">▪ A signed contract from yourselves▪ Your first fee payment▪ Details of the bank account from which regular payments are to be made▪ Correct account references for each of your Creditors. <p>Your Personal Advisor will make their initial Welcome Call to confirm the above, let you know exactly what the next steps are, and guide you through the first few weeks of setting up your Life Plan.</p>



Day 1-5	<p>You will also receive a call from Money Village®, who will look start the Bill Shrinker process - reviewing your various outgoings to see where savings can be made.</p>
Day 15	<p>At the end of your cooling off period, we will write to each of your creditors, asking them to confirm the balance outstanding on your account, and will ask them to freeze all interest and charges.</p> <p>It is possible that other companies, similar to ourselves, may try to contact you and persuade you into taking up their services. We suggest you simply tell them you have already taken advice and don't require their help.</p> <p>At this stage, you may still receive contact from your creditors - until they have received our offer of repayment, they may try to obtain payment directly from you. Again, we suggest you simply advise them that you have taken advice and that Money Village will be in touch with them to discuss your account.</p>
By day 28	<p>Once we have received a response from all your creditors, we will write to them with the Offer of Repayment, which is based on your monthly disposable income and the balance outstanding on each account - the creditors with a higher balance will receive a proportionally higher payment.</p> <p>Your Plan is now fully set-up - all you have to do is maintain the regular payments to us and we will do the rest.</p> <p>As we receive a response from each of your creditors, we will advise you as to whether or not they have accepted our Offer of Repayment. Even if they don't accept our Offer, we will still send payments to them (which they must credit to your account) and continue to negotiate with them on your behalf.</p>

Your checklist

To help with the completion of your income and expenditure sheet it would be advisable to have the following paperwork and information to hand:

- A copy of your latest bank statement
- A recent wage slip
- Documentation of any other income or earnings (e.g. family tax credits)
- Information on any pensions in force
- Your most recent mortgage statement or
- Your rental agreement
- Your council tax bill
- A recent gas bill
- A recent electricity bill
- A recent water bill
- A recent telephone bill and mobile telephone bill
- Any internet or digital TV bills
- Any paperwork regarding hp agreements (e.g. car)
- Your buildings and/or contents insurance schedule
- Your car insurance schedule
- Any other insurance schedules that you regularly pay (e.g. life insurance, pet insurance)
- Any correspondence from your creditors

Don't worry if you do not have all of this immediately, the advisor will take you through the process step-by-step to make sure nothing is forgotten.



Call us on: **08000 433 433**

Visit our website: **www.moneyvillage.com**



The Lifeplan is brought to you by Money Village® who administer the services apart from the following: Debt Management Plans, IVAs, Trust Deeds, Bankruptcy. These services are provided by Money Tailor.

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