CrediCorp

POLICY

# Default Policy

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**UK direct lender**
Short-term business credit to limited companies & LLPs

**No personal guarantee**
We never ask a director to guarantee the company's borrowing

**100% cost cap**
Total cost of credit is capped at 100% of the amount borrowed

None

## About Credicorp Limited

Company: Credicorp Limited (UK)

Companies House: 16093826

ICO registration: ZC157682

Registered office: Suite Au31848, 9 Skyport Drive, Harmondsworth, West Drayton, UB7 0LB

Business: UK direct lender of short-term business credit to limited companies & LLPs

Official site: credicorp.co.uk

Independent UK business lender. Lending to companies is not a regulated credit agreement within Article 60B of the FSMA 2000 (Regulated Activities) Order 2001. No director personal guarantees; total cost of credit capped at 100% of principal. Verify this document and the company's official domains at **credicorp.co.uk/legal/**.

This policy explains what happens if a loan falls behind, and the order in which we act. The short version: we treat default as a last resort, after forbearance has genuinely been tried.

## How this policy relates to your agreement

This policy describes how we approach arrears and default in practice. It does not vary, replace or add to the terms of your credit agreement. If anything in this policy conflicts with your agreement, the agreement prevails. This policy is not itself a contractual document and may be updated from time to time.

## Arrears and default — what they mean

- **Arrears** — a scheduled payment has been missed but the agreement is still live and we are working with you.
- **Default** — the agreement has broken down: repayment has stopped, forbearance has been attempted and has not worked or has not been engaged with, and a fair warning has been given.

## The steps before default

1. **First missed payment.** A supportive check-in, not a demand — we ask whether there is a reason we should know about, and set out the practical detail.
2. **Forbearance offered.** We actively offer the options in our Hardship & Forbearance Policy. Collections are paused while a request is open.
3. **Fair warning.** If we cannot agree a way forward or reach you, we tell you clearly what will happen next, and by when, before we record a default. We may give this warning by letter, email or through your online account, to the details you have provided, and it is treated as received three business days after it is sent.

## Keeping your details up to date

It is your responsibility to keep your registered contact details, authorised-signatory details and bank/payment details current with us. If we contact you using the most recent details you have given us, that counts as reaching you for the purposes of this policy, even if you have since changed them without telling us.

## Reporting to credit reference agencies

We report to the **business** credit reference agencies (Experian Business, Creditsafe, Equifax Business): a payment more than 30 days past due, and a default if a loan is written off. We also report a successful settlement on a loan that previously fell into arrears, so the company's file can recover. The director's personal credit file is not affected.

Our reporting to business credit reference agencies reflects payment and account information as recorded on our systems, which relies on the details and information the company has provided or confirmed to us. Please tell us promptly if you believe any information we hold or have reported is inaccurate, so we can investigate and correct it.

## Recovery

- We do not pass arrears to a third-party debt-collection agency without first attempting a forbearance arrangement.
- Court action is a genuine last resort. Any claim is against the **company**; we do not pursue the director personally, because there is no personal guarantee.
- Interest on overdue commercial debts may be claimed under the Late Payment of Commercial Debts (Interest) Act 1998. In our own administration of arrears and default we do not apply a default-interest uplift and we do not compound arrears, and the total cost of credit remains capped at 100% of the principal; this does not affect our statutory rights in a formal court claim, which remain subject to the same overall cap.
- Recovery of a simple contract debt is time-limited to six years under the Limitation Act 1980.
- If a company becomes insolvent, recovery is dealt with under the Insolvency Act 1986 through the appointed office-holder.

## The debt while in default

The full outstanding balance remains due and payable throughout arrears and default. If we reasonably incur third-party costs to recover the debt from the company — for example a debt-collection agency's or solicitor's proper fees — the company is responsible for those costs, always subject to the overall cap that your total cost of credit can never exceed 100% of the amount you borrowed.

Where we appoint a debt-collection agency, we require it to treat the company fairly and to follow our instructions. We are not responsible for any act of that agency that is outside the instructions we have given it.

We are not responsible for delay or failure in processing a repayment caused by your bank, card issuer or Open Banking provider. It is your responsibility to ensure your mandate is valid and sufficient funds are available on the due date.

## No waiver

If we choose not to act immediately on a missed payment or default, or we agree forbearance on one occasion, that does not waive our right to act on that default or any future default.

## Complaints and escalation

If you disagree with how we have handled arrears or a default, please use our Complaints Procedure. Because this is unregulated lending to a company, the Financial Ombudsman Service cannot consider the complaint; our final response is the last internal stage and the next step is the courts.

## Governing law

This policy, and any dispute or claim arising out of or in connection with arrears or default handling under it, is governed by the law of England and Wales. The courts of England and Wales have exclusive jurisdiction.

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