

**Harrington Finance**  
Portman House  
300 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7YE

Date

Dear

## **Engagement Letter**

Harrington Finance is a trading style of Portman Financial Services Limited.

Thank you for your recent enquiry with Portman Financial Services Limited to act as a broker in order to procure so far we are able to do so an offer of finance from one or more of our panel of lenders ("Lenders") for you.

We are therefore writing to you to set out the terms of our relationship and provide key information in respect of our finance products. This letter (the "Engagement Letter") sets out the terms on which Portman will provide its services, subject to any amendments from time to time as agreed between both parties in writing.

There are, of course, some Lenders in the market that we do not deal with. Portman Financial Services Limited is part of the wider Portman Finance Group Limited, and therefore is associated with two of our Lenders, Portman Leasing Limited and Portman Commercial Finance Limited.

**We may not be able to make proposals to Lenders for finance prior to receiving confirmation that you accept the terms of this Engagement Letter. Please therefore confirm, as set out in paragraph 10 below, that you accept the terms of this Engagement Letter.**

References in this Engagement Letter to "we", "our", "the firm" and "Portman" are references to Portman Financial Services Limited and references to 'you', 'customer' or 'the Client' are to you as named above unless otherwise stated.

## **1. COMMISSIONS**

**1.1 We receive commission on lending arranged for you. We are paid commission by Lenders only if a finance offer is made by a Lender to you, and you accept and draw down the finance offer, following our submission to the Lender of a lending proposal. The cost of finance will vary in accordance with the commission that we receive. The commission we receive is, in accordance with our commission policy, a fixed amount of 7.5% of the advance amount (our "Standard Rate"), save for in the circumstances set out below in (i) to (ii):**

- (i) Where a Lender has a commission cap which is less than our Standard Rate; in which case we will receive commission up to any such cap as the total commission payable will be below our Standard Rate; or**

- (ii) **Where a Lender sets and pays a fixed amount of commission which differs from our Standard Rate, we will be remunerated at the Lenders fixed rate. The maximum this could be is up to 10% of the advance amount, and we have no discretion or ability to vary a Lenders fixed commission rate.**

- 1.2 **If you have been introduced to us by a third party, we may pay commission to that third party for the introduction once you have agreed to and activated the finance agreement. Any commission paid to an introducer is taken from the commission we receive from the Lender detailed in clause 1.1 above and therefore does not increase the cost of your finance.**

## **2. CLIENT IDENTIFICATION (FRAUD PREVENTION) AND CREDIT REFERENCES**

- 2.1 The Firm and our Lenders are subject to Anti-Money Laundering and Know Your Customer regulations which require us to have formal, satisfactory evidence of the identities and addresses of our clients before any Finance Offer can be made. We will always comply with our legal obligations, and therefore may require you to supply documentary proof of your address and identification. As is industry standard, we may carry out online e-verification checks against the documents provided which may leave a 'soft footprint' on your credit file.
- 2.2 Where you have applied for credit or where we have agreed to provide credit to you, we and/or our Lenders may from time to time make searches of your record at a credit reference agency ("CRA"). You hereby consent to the processing of your personal data in this manner and warrant and confirm that if you are a joint applicant, such as a partnership, unincorporated association or if you are a body corporate, such as a limited company or LLP or charity, you have obtained specific and relevant consent and authority to authorise us and/or our Lenders to create an identity search against any partner/ trustee /officer/ director/shareholder or beneficial owner (as so required) at the credit reference agencies. If the beneficial owners of your business are not the partners or directors of your business, you hereby confirm that you have notified the beneficial owners that we will also conduct due diligence checks on them to prevent fraud and money laundering. Your record includes searches made and information given by other businesses. Details of our searches will be kept by the agency and will be seen by other organisations that make searches with the agency for the purposes of credit assessment, debt recovery, management of your accounts, prevention of money laundering and fraud, and statistical analysis.

The three main CRAs in the UK (Callcredit, Equifax and Experian) have produced a Credit Reference Agency Information Notice which explains how these agencies use and share personal data which they receive about you. The identities of the CRAs, and the ways in which they use and share personal information, are explained in more detail at [www.equifax.co.uk/crain](http://www.equifax.co.uk/crain)

## **3. STATUS DISCLOSURE**

- 3.1 Portman Financial Services Limited, registered at Portman House, 300 Pavilion Drive, Northampton, NN4 7YE (Company Registration number 14118062). We are authorised and regulated by the Financial Conduct Authority ("FCA") for our credit broking activities (FRN 976903). We are a credit broker not a Lender. The FCA regulates financial services in the United Kingdom and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA's website (<https://register.fca.org.uk/>). Portman has due regard for the FCA's Principles of Business, its regulations and guidance and the business strives to satisfy these through its operational practices.
- 3.2 Lease, Loan and Hire Purchase Agreements with sole traders, partnerships with only 2 or 3 partners and / or unincorporated associations are likely to be regulated by the Consumer Credit Act 1974 unless (i) the total credit or rentals payable over the minimum term is £25,000 or more; and (ii) the goods are wholly or predominantly for business purposes. If you are a "high net worth" individual,

your finance agreement might not be regulated.

## 4. SCOPE OF SERVICES

- 4.1 Portman Financial Services Limited is part of the wider Portman Finance Group Limited that assists customers to obtain finance as both a Lender and finance broker. As part of this activity, Portman Financial Services will include group companies, namely Portman Leasing Limited and Portman Commercial Finance Limited (together “Portman Lending”), for consideration alongside a range of Lenders across the market and assist those customers by undertaking preparatory work and submitting finance applications. Portman Financial Services maintain a panel of Lenders who are reputable and experienced and who can offer products and services which suit a variety of credit strengths and customer needs.
- 4.2 We can introduce you to a limited number of Lenders and their finance products which may have different interest rates and charges. We are not an independent financial advisor. We will provide details of products available from the Lenders we work with, but no advice or recommendation will be made. You must decide whether the finance product is right for you. Whichever Lender we introduce you to, we will receive commission from them.
- 4.3 Portman Financial Services Limited may provide a quotation as part of the application process. Any quotation provided is an accurate reflection of this assessment at the time of publication, however it is subject to full underwriting and fluctuations in interest rates, terms fee, facility type and other factors which may be unforeseen at this initial stage.
- 4.4 In order for us to fulfil our responsibilities to you, you must (i) read the documentation we give to you and let us know if there is anything that is unclear or that does not represent your requirements; and (ii) comply with the terms and conditions of any agreement we arrange for you.

### Lender Selection

- 4.5 When considering suitable providers of finance, Portman Financial Services Limited will take into consideration the specific circumstances and requirements, including but not limited to:
- i. Pricing
  - ii. Requested funding amount
  - iii. Speed of decision
  - iv. Product range
  - v. Credit Strength
  - vi. Availability of Security
- 4.6 Portman Financial Services will endeavour to gain acceptance from a single finance provider where possible, however on occasions, it may be necessary to split a larger transaction into smaller amounts to obtain funding.

## 5. PRODUCTS

- 5.1 We provide access to leasing products, hire purchase and commercial loans. More details about specific products can be found in the suitability section below.

### Product Suitability

- 5.2 It is important that the finance product is suitable for your requirements.
- 5.3 Whilst we will endeavour to understand your needs and assist you in looking for an appropriate

product, we would encourage you to use the information below to ensure that the facility is suitable for your requirements. You will not receive advice or a recommendation on which product is most suitable, however details of the products available to you from our lending panel will be provided.

- 5.4 If you require further information you should seek advice from your accountants or other professional advisors. For the avoidance of doubt, Portman is not an IFA or tax advisor and you should always take your own tax advice from your own accountant or other professional advisors and place no reliance on any information or commentary provided by Portman in respect of taxes.

## **Leasing**

- 5.5 Finance Lease involve the hire of equipment and may also be known by other names such as Lease Rental, a Rental Agreement or a Minimum or Fixed Term Hire Agreement.
- 5.6 The lessee (customer or borrower) will select an asset which the lessor (the Lender) will then purchase.
- 5.7 The lessor retains ownership of the asset, but the lessee gets exclusive use of the asset (providing it observes the terms of the lease) giving the customer the benefits and risks of (economic) ownership.
- 5.8 The lessee will make rental payments for the duration of the lease. The lessee is committed to paying these rentals over the term of the lease and technically, a finance lease is defined as non-cancellable although it may be possible to terminate early by paying the future rentals less a discount.

## **The Benefits of Leasing**

- 5.9 There are several benefits of using leasing to finance new or used assets / equipment, and we have listed some of these below. Of course, we would recommend you seek independent professional advice if you wish to understand in more detail the benefits and how they may apply to you:
- i. Available on nearly all equipment purchases;
  - ii. Spreads the cost of the purchase;
  - iii. Interest rate and payments are fixed throughout the term so that you can plan your finances;
  - iv. Leasing enables you to acquire equipment even if you can't afford to buy it outright;
  - v. VAT is paid on each rental, so you do not need to pay VAT upfront; and
  - vi. Potential tax advantages.

## **At the end of the Lease**

- 5.10 What happens at the end of the primary lease period will vary and depends on the actual agreement, but the following options are usually possible:
- i. Continue to rent the equipment;
  - ii. Return the equipment to the lessor; or
  - iii. Terminate the lease.
- 5.11 If upon terminating the lease you would like to acquire ownership of the equipment this can usually be arranged by us following the payment of an appropriate fee which is typically one monthly rental.
- 5.12 Our Lender panel typically will use a Minimum Term Hire Agreement which means all the options detailed above would be available to you. It is important that you contact the Lender before the end of your primary lease period to discuss your desired option as otherwise a secondary period of rentals will automatically begin.

## **Hire Purchase**

- 5.13 Hire Purchase is a credit agreement linked to a specific equipment purchase and is a way of obtaining the use of an asset before payment is completed.
- 5.14 The payments of the Hire Purchase are in regular (typically monthly) instalments which includes a capital repayment plus interest followed by an option to purchase fee at the end of the term of the agreement which will give the customer ownership of the asset. The payment of the VAT is generally required upfront, at the beginning of the agreement.
- 5.15 The customer selects an asset and the finance company purchases the asset whilst agreeing to sell the asset on credit to the customer by way of the hire purchase agreement.
- 5.16 The customer must make the agreed regular payments for the term of the agreement. However, the customer can buy the asset at any time by giving notice to the owner (the Lender) and paying the balance of the Hire Purchase price less a rebate.

## **The Benefits of Hire Purchase**

- 5.17 There are several benefits of using hire purchase to finance new or used assets / equipment, and we have listed some of these below. Of course, we would recommend you seek independent professional advice if you wish to understand in more detail the benefits and how they may apply to you:
- i. Spreads the cost of the purchase of the equipment;
  - ii. Interest rate and payments are fixed throughout the term so that you can plan your finances;
  - iii. In some instances you can pay off a larger sum or 'balloon payment' at the end of the term to keep the monthly rental amounts lower;
  - iv. Hire purchase enables you to acquire equipment even if you can't afford to buy it outright;
  - v. Confirmed title to the goods; and
  - vi. Potential tax advantages.

## **At the end of the Hire Purchase Agreement**

- 5.18 Ownership will pass to you once an option to purchase fee is paid. The fee varies dependant on the Lender and is disclosed on the Hire Purchase agreement which you should check before signing.

## **Unsecured Loan**

- 5.19 An unsecured loan is money lent from one party to another without any security over a specific asset to secure its repayment. Note, a personal guarantee may be required with an unsecured loan by a Lender.
- 5.20 The Lender advances funds to the customer for a specific purpose.
- 5.21 The customer must make the agreed regular payments for the term of the agreement that cover the cost of the funds advanced plus interest.
- 5.22 The customer can terminate the agreement at any time by giving notice to the Lender and paying the balance of the agreement (which may be reduced by a rebate).

## **The Benefits of An Unsecured Loan**

- 5.23 There are several benefits of using an unsecured loan facility, and we have listed some of these below. Of course, we would recommend you seek independent professional advice if you wish to understand in more detail the benefits and how they may apply to you:
- i. Funding can be used to fund a wide variety of purposes without the requirement for security of a specific asset;
  - ii. Spreads the cost of expenses;
  - iii. Certain products available could be restricted due to the finance purpose, business structure or credit appetite of certain Lenders; and
  - iv. If you have used a loan to fund the acquisition of goods or equipment, you will own the product from the outset.

## **At the end of an Unsecured Loan**

- 5.24 If you have used the loan to purchase any assets or equipment, you will retain ownership of the same at the end of an unsecured loan term and nothing further will be payable. If you have used the loan for working capital, at the expiration of the loan term nothing further will be payable.

## **General Considerations**

- 5.25 For both Leasing and Hire Purchase there will be a requirement to insure the assets and to maintain and keep the assets in working order.
- 5.26 All finance products will typically include a Documentation Fee which is determined by the Lender and usually collected with the first payment.
- 5.27 If a personal guarantee is required, the guarantor will be jointly and severally liable for the full balance of the outstanding debt which they have guaranteed.

## **Suitability of Finance**

- 5.28 When deciding to proceed with a finance product, it is important to consider some key factors:
- i. Is this the right product?
  - ii. How quickly can it be delivered?
  - iii. What are their service standards and reputation?
  - iv. What rates are available to you?
- 5.29 When considering costs, always consider the rental and repayment costs, the frequency of this and the total amount that you are being asked to repay. This will help you to compare costs and to ensure that the repayments meet with any budgeting requirements you may have.
- 5.30 Asset finance (leasing and hire purchase) may not be suitable in certain circumstances. You should be aware:
- i. You will have to continue to pay for the equipment for the agreed period even if you no longer need the equipment or it cannot be used. If your financial situation changes and you can't afford the agreed month repayments, you may lose the asset;
  - ii. If you change equipment during the agreed period, this could lead to higher charges;
  - iii. You will pay more for the asset overall compared to buying it outright; and
  - iv. Asset finance is unlikely to be suitable if you are not sure that the equipment will be maintained and kept in usable condition for the agreed period.

5.31 An Unsecured Loan may not be suitable in certain circumstances. You should be aware:

- i. You may have limited access to Lenders as a material number of our Lenders do not offer unsecured Loan products;
- ii. You will be required to pay the VAT up-front in full on an asset purchase, unlike with a lease where the cost of VAT is spread across the monthly payments;
- iii. You will not be able to benefit from the tax advantages which may be available to you if using asset finance (leasing); and
- iv. You will incur additional expenses compared to the use of available cash.

## 6. CUSTOMER CHECKLIST

6.1 We recommend that customers taking out business finance agreements follow these steps:

- i. Read your business finance agreement carefully before signing it. Never sign a business finance agreement which is not fully complete. Retain copies of all documentation.
- ii. Ensure that the final contract:
  - a. corresponds with any verbal or written quotation on the rental amount and period of hire;
  - b. accurately reflects what you are agreeing to pay for, including any maintenance or services included in the repayments;
  - c. accurately describes the equipment you are expecting to receive (e.g. whether it is new or used) and that its working life is appropriate to the length of the finance agreement.
- iii. Make it clear who has the authority within your own organisation to sign the agreement.
- iv. Make sure you understand and agree with all terms and conditions of the business finance agreement and, if you are unsure, ask for these to be explained or seek advice.
- v. Make sure you understand all the costs involved and whether these will change during the course of the business finance agreement.
- vi. Check that the supplier of the equipment is reputable.
- vii. Understand whether there are any notice period or settlement terms required to terminate the agreement.
- viii. If there is a maintenance or service contract which is separate to the finance agreement, check that the length, start date, notice period and settlement terms of the two agreements is the same, and if not, that you are happy with this.
- ix. If the name of the leasing company contracting with you is not shown on the agreement ensure that you are informed at the earliest possible time.
- x. Check whether the Lender is a member of the Finance and Leasing Association ("FLA"), as all asset finance members adhere to the FLA Business Finance Code.
- xi. If any amendments are made to the business finance agreement or a further agreement is required to replace an existing agreement, do not sign it until you have made the same checks as you did for the original agreement.
- xii. If a new business finance agreement includes an element of refinancing from a previous agreement with a different provider, check that the settlement figure provided by the former provider matches the refinancing figure used by the new provider.

## 7. COMPLAINTS PROCEDURE

- 7.1 We see complaints management as integral to providing the best service levels possible and a way to further improve services and systems.
- 7.2 Your complaint will be fully investigated by Portman Financial Services and you will be dealt with fairly and promptly.

## **Complaints Handling Procedure**

- 7.3 The following is a summary of how Portman Financial Services deals with complaints:
- 7.4 Complaints should be managed quickly and fairly. Where possible, complaints will be resolved within 3 business days using the Early Resolution Procedure. For a complaint to be regarded as resolved we must be satisfied that your complaint has been addressed and resolved to your satisfaction. If this is the case, we will close the complaint and provide you with a Summary Resolution letter confirming the details and contact information for the Financial Ombudsman Service should you subsequently decide that the resolution is not satisfactory.
- 7.5 If it is not possible to resolve your complaint through the Early Resolution Procedure, you will be sent an acknowledgement in writing as soon as possible, and at the latest after 5 business days. Your complaint will be referred to the complaints team, who will investigate the complaint promptly, thoroughly and impartially.
- 7.6 If your complaint refers to the actions of a third party, that party will be asked to investigate and report back. If this occurs, you shall be notified of this and kept updated. In some circumstances where the third party is solely responsible for the complaint, the complaint will be referred to the third party who will respond directly to you. We will notify you in writing that the complaint has been referred. In these circumstances Portman Financial Services will have no further obligation to deal with your complaint in accordance with its complaints procedure.
- 7.7 You will receive a response as soon as possible, and in any event, within 8 weeks of complaint receipt.
- 7.8 In the unlikely event your complaint remains unresolved within eight weeks; Portman Financial Services Limited will advise you in writing why a final response cannot be provided and when they expect to be able to do so. Details of the Financial Ombudsman Service will be provided. This will enable you, if you wish; to refer your complaint to the Financial Ombudsman Service should you be dissatisfied with the delay or the handling of your complaint.

## **Contact**

- 7.9 Here is how you can contact us should you have a complaint:
- i. By phone: 01604 761 276
  - ii. By post: Complaints Officer  
Portman Financial Services Limited  
Portman House  
300 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7YE
  - iii. By email: [complaints@portmanfinancegroup.co.uk](mailto:complaints@portmanfinancegroup.co.uk)
- 7.10 When you write to us, please tell us:
- i. Your name and address, or the name and address of the complainant if you are complaining on someone else's behalf and your relationship to them;
  - ii. Your daytime phone number (where we can contact you if we need to) and any times you would prefer us to contact you;
  - iii. A clear description of your concerns or complaint; and



- iv. Details of what you would like us to do to put things right.

## **Independent Review of your Complaint**

- 7.11 Should you be dissatisfied with our final response, you may, if you wish, refer the matter to the Financial Ombudsman Service. Any referral must be made within six months of the date of our final response. The Financial Ombudsman Service provides a free, independent and impartial service for customers to resolve disputes with financial firms.
- 7.12 The Financial Ombudsman Services say that they will only deal with your complaint if you have given us the opportunity to put matters right, so please contact us first and we will do all we can to help you.
- 7.13 The contact details for the Financial Ombudsman Service are set out below:
  - i. Post: The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR
  - ii. Telephone: 0800 0234 567
  - iii. On-line: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)
- 7.14 Portman Leasing Limited are members of the Finance and Leasing Association (FLA). If you would like to make a complaint directly to the FLA about Portman Leasing Limited, you may send your complaint to them at [business.finance@fla.org.uk](mailto:business.finance@fla.org.uk)
- 7.15 More information can be found at the following:  
<https://www.fla.org.uk/business-information/how-to-make-a-complaint/>
- 7.16 As a first step, the FLA will refer your complaint back to us to review and respond. If you are still not satisfied, the FLA will try to conciliate up to the time the matter is resolved or is decided by the Financial Ombudsman Service or a court.
- 7.17 You will not be entitled to use the FLA conciliation scheme if your complaint has been decided by the Financial Ombudsman Service or a court.
- 7.18 Portman Finance Group voluntarily complies with the National Association of Commercial Finance Brokers ("NACFB") Code of Practice and a copy is available on request from the NACFB or on its website at the following address: [www.nacfb.org](http://www.nacfb.org).
- 7.19 Motor Finance Complaints relating to Discretionary Commission Arrangements.

On 11 January 2024, the Financial Conduct Authority (FCA) announced their intention to review historical commission arrangements across the motor finance industry.

As part of this review, the FCA have confirmed that they are pausing the 8-week deadline for motor finance firms to provide a final response when the complaint is in relation to a discretionary commission arrangement between the lender and the broker. The pause will last for 37 weeks and allow the FCA to carry out a full review and confirm if any further action is needed. The pause is applicable to any relevant complaint received after 11 January 2024 and prior to 25 September 2024.

Consumers with a relevant complaint will have up to 15 months (from the date the firm sends its final response) to refer their complaint to the Financial Ombudsman Service, rather than the standard 6 months. The extension applies to complaints where the firm sent a final response to you in the period beginning 12 July 2023 and ending 10 January 2024, or where the firm sends a final response during the period beginning 11 January 2024 and ending 20 November 2024.

The amendment to the deadline only applies to complaints about regulated credit agreements used to acquire a motor vehicle and does not apply to any consumer hire agreements (Personal Contract Hire).

If we feel your complaint is one where the pause is applicable, we will confirm this in our complaint acknowledgement to you.

To find out more information about the FCA motor commission review, visit their website: <https://www.fca.org.uk/consumers/car-finance-complaints>

## 8. DATA PROTECTION

- 8.1 Portman will comply with all applicable requirements of UK data protection legislation and acknowledges that when carrying out broker services, it is doing so as a controller of the customer's personal data and will act accordingly.
- 8.2 The Portman Privacy Notice which advises you of your rights in relation to your personal data can be found on the website at the [following Link](https://harringtonfinance.co.uk/wp-content/uploads/2024/01/Harrington-Privacy-Notice-Policy-v2.0.pdf) <https://harringtonfinance.co.uk/wp-content/uploads/2024/01/Harrington-Privacy-Notice-Policy-v2.0.pdf>. Alternatively, if you require a hard copy of the notice, please write to the Data team, Portman House, 300 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YE or send an email to [info@portmanfinancegroup.co.uk](mailto:info@portmanfinancegroup.co.uk), or call 01604 761276 The Privacy Notice details the lawful basis for processing data, who we are, how we use the information about you, marketing consent, what information is collected, why the personal data is required, data retention periods and individuals rights to personal data.
- 8.3 A link to the privacy notices of our funders can be found at the following address: <https://www.portmanfinancegroup.co.uk/lenders-privacy-policy/>

## 9. MISCELLANEOUS

- 9.1 You agree to act with the utmost faith in the provision of information and acknowledge that should information be false, it may render any offer of finance void and any finance agreement entered into may be terminated.
- 9.2 You will not withhold any information from Portman which you know or ought reasonably know, would affect the Lender's view of your circumstances or is likely to affect the lending decision.
- 9.3 Portman does not act as agent for the customer and nothing contained within this agreement shall constitute, or be deemed to constitute, partnership or joint venture between Portman and the customer.

## 10. ACCEPTING THIS ENGAGEMENT LETTER

- 10.1 We hope you find the contents of this letter satisfactory. If so, please could you return a signed copy to us.

# HARRINGTON

LUXURY CAR FINANCE

10.2 By providing application information and supporting documents, you consent to Portman making applications for finance for your business. If you do not want Portman to make the applications following the provision of the information or supporting documents, please confirm this in writing to your account manager at the time of provision of the aforementioned information and documentation.

Yours sincerely



**Alex Read**

Chief Executive Officer (CEO) for and on behalf of Portman Financial Services Limited

You agree to the instruction of Portman Financial Services Limited on the terms set out above, and by signing this agreement warrant that you are an authorised signatory capable of binding the named business below.

Signed by \_\_\_\_\_ ) .....

Dated: .....

**PLEASE RETURN AS SOON AS POSSIBLE**