



March 2023

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Specialist Motor Finance Limited is authorised and regulated by the Financial Conduct Authority for consumer credit activities with Firm Reference Number 723813. Registered in England with company number 05544622. Registered Office: The Gate, International Drive, Solihull B90 4WA.
Telephone calls may be monitored and recorded for security and quality control purposes.



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Getting in touch

Telephone

01244 200766

Payout

Select Email (Option 1)
motoroperations@SMFmotor.com

Opening Hours (except Christmas Day and Easter Sunday)

Monday – Friday	9am	-	6pm
Saturday	10am	-	5pm
Sunday	Closed		
Bank Holidays	10am	-	1pm

Underwriting

Select Email (Option 2)
SMFunderwriting@SMFmotor.com

Opening Hours (except Christmas Day and Easter Sunday)

Monday – Friday	9am	-	7pm
Saturday	9am	-	5pm
Sunday	11am	-	5pm
Bank Holidays	10am	-	1pm

Customer Services

Select Email (Option 3)
customerservices@SMFmotor.com

Opening Hours (except Christmas Day and Easter Sunday)

Monday – Friday	9am	-	5pm
Saturday	Closed		
Sunday	Closed		
Bank Holidays	9am	-	1pm



The product

SMF only offer a Hire Purchase (HP) product.

Table 1 below details our product terms analysed by each risk-based tier:

Table 1 | Product terms

	Tier	1	2	3	4	5	6	7
Loan Criteria	Maximum loan advance	£25,000	£25,000	£22,500	£22,500	£20,000	£20,000	£20,000
	APR (from)	18.9%	19.9%	22.9%	24.9%	27.9%	29.9%	32.9%
	Minimum Loan Advance	£3,000						
	Minimum customer age (at the start of the agreement)	21 years						
	Maximum customer age (at the end of the agreement)	80 years						
	Employment	Full / Part-time						
	Minimum loan term	36 months						
	Maximum loan term	60 months (48 months for loan advances of £3,000-£3,999.99)						
	Minimum net earned income for main hirer	£900						
	Maximum monthly payment to income	25%						
	Maximum loan to value (Used)	110% GGRV						
	Maximum loan to value (New) (List Price)	100%						



The customer

Our target customer is in the Near-prime segment which we define as customers with some historic adverse credit but now able to show some stability in their finances to be able to fund responsibly and support the customers current needs.

Lending decisions will be made based on a risk grade score and approved customers will have an APR set by SMF. A credit limit based on their income and outgoings will also be provided to you alongside any additional proof requirements. This information can be compared with decisions from other lenders on your panel to ensure you are providing the best outcome for the customer.

To maintain efficiencies and make sure we keep within our target segment we have both a higher and lower score cut-off. If you would like to use these in your system to filter applications, please contact your account manager to discuss this further.

Table 2 below details our standard customer criteria:

Table 2 | Customer eligibility criteria

Age	<ul style="list-style-type: none"> ✓ 21 – 75 years at the start of the agreement
Residential status	<ul style="list-style-type: none"> ✓ England, Scotland, Wales (mainland Great Britain plus Anglesey) ✓ Minimum 3 years continuous address history ✗ Northern Ireland, the Isle of Wight, and UK remote islands cannot be accepted
Income	<ul style="list-style-type: none"> ✓ Minimum £900 net income for main hirer ✓ Can be made up of a combination of salary and occupational pension scheme ✗ Benefits are not accepted
Employment	<ul style="list-style-type: none"> ✓ Permanent full-time employment ✓ Permanent part-time employment (minimum 16 hours) ✓ Armed Forces for Tiers 1 to 6 ✗ Agency/zero hours/seasonal/casual workers ✗ Temporary and fixed term contracts ✗ Unemployed customers ✗ Foster carers (<i>unless their income can be evidenced by printed payslips showing deductions for Tax and National Insurance</i>) ✗ Taxi drivers/driving instructors ✗ Self-employed ✗ Companies, Partnerships, Charities, and Trusts
Insolvency status	<ul style="list-style-type: none"> ✗ Individuals currently engaged in an IVA, Bankruptcy, or who have third parties operating debt management plans on their behalf



The car

The main audience for our products are customers who have a vehicle need in their day to day lives, as such the core vehicles we finance are practical for their needs.

Table 3 below details our standard vehicle criteria:

Table 3 | Vehicle criteria

Criteria	Policy
Loan to Value – Max Advance % GGRV	110% Glass's Guide Retail Value
Maximum mileage	120,000
Vehicle age	15 years at the end of the agreement
MOT Status	MOT required for all cars over 3 years
Fuel type	Petrol, diesel, hybrid or electric
Minimum loan term	36 months
Maximum loan term	60 months

Vehicle restrictions

Table 4 below details vehicles which we are unable to finance:

Table 4 | Vehicle restrictions

✘ No imports	✘ No insurance category C or D write offs
✘ No caravans or motor-homes	✘ No motorbikes
✘ No left-hand drive vehicles	✘ No commercial vehicles
✘ No modifications to colour or specification	



Standard proof requirements

Entitlement to drive and proof of ID

All deals require the main applicant to have a full UK driving licence and the customer must not be presently banned from driving. Customers can only have finance for vehicles they are entitled to drive e.g. category 'B auto' means they can only buy an automatic vehicle.

All deals also require proof of ID.

Both entitlement to drive and proof of ID can be satisfied by a clear scan, photocopy or photograph of a photo-card driving licence.

If the address on the driving licence photo-card has not already been disclosed to us as part of the application, the application will need to be referred to SMF Underwriters.

If the customer has recently passed their test and is not yet in possession of their full UK driving licence then we will require a copy of their test pass certificate, a unique driving licence check code issued by DVLA and a passport proof.

If the customer has misplaced their driving licence photo-card we will require a unique driving licence check code issued by DVLA and a passport proof.

The passport proof must be the photo page of an unexpired passport which must be a clear scan, photocopy or photograph.



Additional proof requirements

SMF Underwriters may require proof of income and/or proof of address for some applications.

Proof of income

The customer's monthly finance repayment is based on our initial affordability assessment.

Where we have been unable to verify income electronically, the acceptable proof of income is:

- ✓ **Most recent weekly or monthly wageslip** showing the applicant's name, date issued and their employer's and/or occupational pension scheme's name(s). We will ask for this where our electronic verification has been unable to find any reliable income data for the applicant.

Not acceptable

✗ Handwritten wage slips	✗ Benefits
✗ Customers paid in cash	✗ Lump sum pension income

Processing wage slips

Where a proof of income is required, this should be submitted with the payout or sent to payslips@smfmotor.com. Should you wish to check if the income is acceptable prior to submission, you can do so on the customer agreement in Traffic by completing the required fields (see below.)

Gross Annual Pay Year to Date:	<input type="text" value="0"/>
Tax & National Insurance Year to Date:	<input type="text" value="0"/>
Please select Monthly	<input checked="" type="radio"/> Monthly
or Weekly Pay:	<input type="radio"/> Weekly
Number of Months/Weeks:	<input type="text" value="1"/>
Deductions for current pay period	
Attachment of Earnings Order (ATEO):	<input type="text" value="0.00"/>
Court Order:	<input type="text" value="0.00"/>
Maintenance:	<input type="text" value="0.00"/>
Pension:	<input type="text" value="0.00"/>
Other deductions on the payslip:	<input type="text" value="0.00"/>
Calculated Net Monthly Income:	<input type="text" value="0.00"/>
	<input type="button" value="Update"/>

Should you have any questions on how to do this please contact your account manager.



Additional proof requirements (cont.)

Proof of current address

Where we have only been able to partly verify a customer's address electronically, any driving licence photo-card supplied as a Standard proof (see page 5) must be at the current address or SMF Underwriters will need to be provided with one proof from Table 5 below:

Table 5 | Acceptable proofs of current address

Document	Pages Required
Utility bill or statement (gas/electric/water)	Front page
Bank statement	Front Page
Mortgage statement	Front page
Credit card statement	Front page
Student loan statement	Front page
Annual statement of account from a bank or building society relating to a credit facility (e.g. personal loan) or savings account (e.g. ISA)	Front page
Telephone/Media bill (e.g. Sky, Virgin Media etc.)	Front page
Council tax bill	Front page
Housing association tenancy agreement/local authority tenancy agreement	Full agreement
Notification of entitlement to state/local authority benefits/tax credits	Front page
HMRC correspondence/notice of tax coding	Front page

The document must have been issued within 90 days of the customer's application.



Checklist for payout

- ✓ The invoice from the supplying dealer must meet the following criteria:
 - The invoice must include a seller margin scheme declaration (e.g. “This invoice is for a second hand margin scheme supply” or “Scheme – Second hand goods”)
 - The invoice must say invoiced to Specialist Motor Finance Ltd and have our full postal address of International House, Kingsfield Court, Chester Business Park, Chester, CH4 9RF
 - The delivered to address must have the full customer name and postal address
 - The invoice must show the full dealer postal address and telephone number
 - The invoice must show the vehicle details (make, model, Registration number, full 17 digit VIN number, date of registration, mileage)
 - The invoice must show a date
 - The invoice must show a number, this can state invoice number/sales number/order number/stock number, this number has to be a sequential number which uniquely identifies the document
 - The financial figures must match the Hire Purchase agreement (show any deposit/part exchange/Settlement of existing HP/VAT/Extras)
 - The invoice must show the VAT registration number of the supplying dealer
- ✓ E-signed hire Purchase Agreement
- ✓ Deposit Dispersal Form signed by the customer if the supplying dealer has sold any Ancillary Products to the customer
- ✓ Dealer Declaration signed by the supplying dealer
- ✓ Standard proofs as set out on page 5
- ✓ Additional proofs, if requested by SMF Underwriters, as set out on page 6 and 7
- ✓ Any other documents requested by SMF Underwriters
- ✓ A valid employer telephone number which can be verified by the Payouts team

All vehicles must have a valid MOT at the time of funding.

Completed documents should be uploaded to Traffic.

Any requests for further information will be sent via email. We will not actively chase pending deals following this.



Other matters

Deposits

- The deposit source (e.g. part-exchange or cash) if the supplying dealer has not sold the customer any Ancillary Products should be shown on the invoice. Otherwise this should be shown on the Deposit Dispersal Form
- High cash deposits (€10,000 or above) will be investigated to comply with anti-money laundering guidelines
- Cash deposits equivalent to €10,000 or more can only be accepted if the supplying dealer is registered with HM Revenue and Customs as a High Value Dealer
- If the cash deposit is equivalent to €10,000 or more then proof of payment method may be requested if the supplying dealer is not registered with HM Revenue and Customs as a High Value Dealer
- Deposits must be paid by the customer

Settlement of existing car finance

- If the supplying dealer is settling an existing car finance agreement for the customer, this must be shown on the invoice if the supplying dealer has not sold the customer any Ancillary Products. Otherwise this should be shown on the Deposit Dispersal Form

Fees

- A £10 Option to Purchase Fee will be added to the customer's final instalment.

Approvals

- The approval and conditions will be updated on Traffic
- Valid for 28 days, after this time a new application will need to be submitted
- If an applicant has been approved for more than one Dealer or Broker then only one agreement will be activated. We will honour the agreement which is activated first.

Fraud prevention & anti-money laundering checks

All applications submitted to SMF are subjected to fraud prevention and anti-money laundering checks. In most cases the checks will be completed by the time the application is received for payout, however, if satisfactory checks cannot be completed, the deal will not be paid out and you will be notified.

Product exclusions

- | | |
|--|--|
| ✘ Any additional products (regulated or non-regulated) including but not limited to Road Fund, Dealer or Broker fees, Warranty, or Insurance, will not be financed and must be paid from any part-exchange allowance and/o cash deposit and documented on a Deposit Dispersal Form | ✘ Funding of negative equity is not permitted |
| | ✘ Deposits paid by 3 rd parties are not permitted |

Dealer Requirements

Supplying dealers must have the FCA permissions for Debt-Adjustment if part-exchange vehicles with existing finance, which the supplying dealer therefore needs to settle, are being accepted.

Supplying dealers must have been incorporated for a minimum of 12 months and have accounts filed at companies house.