

Early Settlements

What is an Early Settlement?

Your Bank of Ireland UK Loan is regulated by the Consumer Credit Act 1974 (CCA) which gives you certain protections and entitlements when entering into a credit agreement. One of these entitlements is that you can choose to repay your loan either partially or in full before the end of the term you originally signed up for.

What is the difference between a Partial and Full Early Settlement?

- **Partial Early Settlement** – This is where you make a payment towards the sum you owe to us which is over and above your normal contractual monthly repayment amount. There is no limit to the number of early settlements you can make during the term of your loan and there is no minimum or maximum amount you can pay.
- **Full Early Settlement** – This is where you pay the full amount you owe to us and clear your loan before the end of the original agreed term.

In both cases, you will be entitled to a rebate (further information on rebates can be found below).

How do I request an Early Settlement?

You can request a Partial or Full Early Settlement by either contacting us on 0345 600 2703 or writing to us at Bank of Ireland UK Loans, PO Box 303, Lowton Way, Sheffield, S98 1SY.

You will have 28 days from the day after you contact us to make your payment. If you don't make the payment within this timeframe you will need to contact us again so that we can provide you with up to date information - you then have a further 28 days from the day after this date to make your payment. Remember that if you change your mind you are under no obligation to proceed.

Some points to note:

- If you want to make a **Partial Early Settlement** you can choose to either reduce the term of your loan or your monthly repayment amount. If you ask us, we can tell you how both options would affect you to help you decide what to do. If you don't tell us which option you want to take, we will automatically reduce your term meaning your monthly repayment would stay the same.
- If you want to make a **Full Early Settlement** we will tell you how much you need to pay us to clear your remaining balance completely and then confirm this to you in writing.
- If you have any unpaid charges or arrears on your agreement, these will be cleared first and then the remaining amount will be used against the full or partial settlement to your loan.

How do I make a payment?

You can make a payment in either of the following ways:

- By telephoning us and using your debit card
- By Bank Transfer using the following details (it is important that you include your agreement number as a reference on your payment so that we can apply the payment to your loan correctly)
 - Account Name: Bank of Ireland
 - Sort Code: 301607
 - Account Number: 30027669

What is a rebate?

Before you take out a loan with us we will calculate what interest charges you need to pay based on the applicable fixed rate, the amount borrowed and the original term of your agreement. The interest is added onto the amount you're borrowing and the total is then divided by number of months over which you have chosen to repay your loan – this gives you your monthly repayment amount. If you make an Early Settlement you will be entitled to get some of this interest back and this is known as a rebate.

- If you're making a **Partial Early Settlement** we will deduct the rebate amount from your remaining balance. This will be taken into consideration when calculating what your new monthly repayment amount or new final payment date will be, as applicable*.
 - *The amount of your rebate will depend on which option you take.
- If you're making a **Full Early Settlement**, we will deduct the rebate from the amount you need to pay to clear off your loan balance.

How is the rebate calculated and do I have pay any charges or penalties?

When calculating your rebate we use a formula as prescribed by the Consumer Credit (Early Settlement) Regulations 2004 which takes into consideration information such as how much you are repaying each month, how long you still have to pay on your loan and the settlement date.

The settlement date determines how much the rebate will be and, if you're making a Full Early Settlement, how much you owe us. The settlement date we use is as follows:

- 28 days from the date you notify us¹
- **Plus** an additional deferment of 30 days²

This means that when we calculate your rebate we will use a date which is 58 days from the date you notify us.

The regulations also entitle us to claim compensation from you in certain circumstances if you make an Early Settlement, however, we don't do this or apply any other charges or penalties.

How long does it take for you to process an Early Settlement?

- **Partial Early Settlement:**
 - **If you choose to reduce your contractual repayment amount** this will take effect 58 days from the date you notify us, so for example, if you notified us on 1st October and your normal monthly payment date is the 15th of each month, then your first reduced payment would be on 15th December.
 - **If you choose to reduce the term of your loan** we will tell you what the new end date for your loan will be when you notify us.
- **Full Early Settlement** – We will close your loan agreement within 2 days of receipt of your payment. Once this has been completed we will provide confirmation to you in writing.

Do I need to cancel my Direct Debit when I make a Full Early Settlement?

We will automatically cancel your direct debit once your loan has been settled. If you want to cancel it with your bank you should wait until we have confirmed to you that your loan agreement with us has been closed. If we receive any payments after your loan has closed we will return these to your bank.

Questions

If you have any questions please contact us on 0345 600 2703.

¹ The Consumer Credit (Early Settlement) Regulations 2004 – section 5

² The Consumer Credit (Early Settlement) Regulations 2004 – section 6