



# Premium Credit Limited instalments – FAQs

## 1 Why is AXA moving over to PCL?

AXA will be discontinuing our in-house instalments offering as we're decommissioning our legacy systems.

## 2 What are the number of Instalments, and when are they collected?

PCL will collect 11 direct debit payments in the first year of a PCL loan. The first direct debit will be collected within 5 days of loan agreement being set up.

If the loan is starting in a later month than the policy inception date, then PCL will also collect the direct debit payments for the prior 'missed' months. This could result in several monthly payment amounts being collected at the same time.

## 3 What will it cost my customer?

A PCL loan Quote Tool will be provided where you can input the loan amount and interest rate, this will calculate total cost of loan and show the instalment amounts. The APR figure will be provided, which includes any fees.

## 4 Will the rates be the same, are there any fees/charges that aren't used now?

There are no standard set up or administration fees for the loan. PCL will request the customer to sign a credit agreement, if this is not signed on time PCL will charge a late fee of £25. If the customer misses a payment, PCL will charge a default fee of £25.

## 5 Will brokers need to take a deposit ?

There is no requirement to take a deposit.

## 6 Can we offer different % rates like we do now?

Yes.

## 7 If the customer defaults on a loan for a policy, are AXA advised by PCL and how, what is the cancellation process?

PCL administers loans on behalf of AXA. If a customer misses a payment, PCL will contact the customer with the intention of bringing the loan back up to date. If the customer does not bring the loan back up to date, then PCL will cancel the loan and will advise AXA of the loan cancellation. AXA will monitor loan cancellations and have a process for working with brokers to determine the best course of action for the policy. AXA can cancel an unpaid policy, but this is not automatic.



# AXA to offer instalments through Premium Credit Limited

## 8 Is there a late payment charge?

Yes, PCL will administer a £25 fee for a missed direct debit.

## 9 What credit checks will PCL conduct and are there any tolerance levels?

Premium Credit will use the personal information and the bank details provided, to conduct anti-money laundering checks and credit assessments, which may include a search of records at a credit reference agency. This type of search does leave a footprint that other lenders will be able to see, but not the outcome of the search. For more details on how AXA processes customer's personal data, please see the AXA Data Privacy Policy at [www.axa.co.uk/privacy-policy](http://www.axa.co.uk/privacy-policy).

## 10 Would AXA do a soft search prior to the NB or renewal so we can be sure they will be accepted for instalments?

PCL do not offer this facility.

## 11 Does AXA run a new credit check at policy renewal? Is it a new application each year with PCL?

The customer is not required to fill in a new loan application each year; but should keep their personal details up to date with PCL. PCL will perform additional checks at loan renewal which include a review of how well the customer has paid in the previous year.

## 12 When documents/communications are issued from PCL to the customer, do the brokers also get a copy?

The loan agreement is between PCL and the customer and PCL only send customer communications to the customer. AXA has access to and will monitor PCL loan default reports and cancellation reports.

## 13 What PCL reporting is available to show customer previous credit performance?

PCL do not share their lending criteria or decision rationale.

## 14 Why is the loan application proforma asking for more customer data than PCL's PLaSMA loan application asks for?

PCL continues to develop their systems to collect the right amount of customer data to make lending decisions. While the PCL PLaSMA system only asks for a minimal amount of data, Policy Admin Systems that interface directly to PCL are expected to provide more data. By collecting all required data at the outset, PCL are able to make stronger and faster lending decisions, and this reduces the need for PCL to refer loan applications back to the customer for more information.