

Guidance for completing Income and Expenditure details

Overview

CarLease UK are a credit broker and not a lender. We work alongside a limited number of Finance Providers who have been carefully selected by us and who may make payment to us if the Applicant elects to enter into an agreement with them. When an Applicant completes a Proposal Form with CarLease UK we use this information to make an application for credit with the relevant Finance Provider. CarLease UK will only make one application for credit and will always seek express permission when carrying out any further credit searches.

When making a Credit Decision the Underwriters (or the Scorecard) assess the Applicant's Willingness to Pay and their Ability to Pay. These are two distinct considerations.

An Applicant's Willingness to Pay is assessed by looking at how the applicant pays their current credit providers by looking at their payment performance on their existing and settled CAIS accounts.

An Applicant's Ability to Pay is assessed by reviewing the Income and Expenditure (I&E) section of the credit application. The I & E details provide important information that can heavily influence the final Credit Decision.

The Applicant must ensure that the Proposal Form is accurately completed otherwise this can lead to delays as the Finance Provider will raise further queries with CarLease UK. This could include the Applicant providing a driving licence, passport, proof of address (dated in the last 3 months), bank statements or accounting information from a sole trader, partnership or limited company. Until the Applicant provides these details, CarLease UK cannot proceed further (we cannot order a vehicle until this is resolved).

The key point to remember when completing the I&E is that all the information requested is on a **Monthly Basis**. The Applicant must therefore review their **Monthly Income** and their **Monthly Expenditure**.

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The key sections of the I&E statement

The I&E Statement applies to Consumer Applications only.

Individual/ Household Data

With some Finance Providers the Applicant will have the option to provide the monthly figures for their Individual circumstances or for the Household. The default should be individual. Household information should only be provided in the case of financially inter-dependant couples who are living together. Household information should not include parent/child information unless in very exceptional circumstances.

Gross Annual Income/Salary

This is the applicant's Annual Income/Salary before tax and deductions. It should not include any employer contribution for a car. This is a key piece of information for the Finance Provider. It will enable them to assess whether the customer is able to afford the monthly rentals and ensures that they are lending responsibly and protecting against over-indebtedness.

Monthly Net Income/Salary

This is the Applicant's Monthly Income after tax and deductions. It should not include any employer contribution for the vehicle. The Applicant should enter this into the Car Allowance/Contribution section.

Car Allowance

The Applicant should enter their monthly vehicle contribution which they receive from their employer. This should be the amount received after any deductions.

Travel/Fuel

The Applicant should enter their monthly expenditure for any travel or fuel costs. With the onset of electric vehicles (PHEV or pure electric) this may be covered within the utility bills section.

Housing (Rent and Mortgage)

The Applicant's monthly mortgage repayments or rent should be entered here and will include all properties the Applicant is associated with, not just their current address. For example, if the Applicant owns one or more properties that are rented to other people and have an active mortgage, this should also be included in this section.

Other Loans

The total amount of all the Applicant's monthly loan repayments

Credit Cards

The total of the average monthly repayments of all the Applicant's Credit Cards. If expenses are put on credit cards and the balance is paid in full every month, please let us know by placing a zero in this section.

Other Material Expenditure

If the Applicant has any other material expenditure which is not debt related, this should be included on the Proposal Form.

For example:

- Childcare Fees
- School Fees
- Student Loans
- Maintenance

The Applicant should not include details about household bills or similar, as they are covered in the other sections.

Car loan

If the Applicant has one or more vehicles on finance please let us know, as we may need the finance and maintenance costs per month.

The Applicant should tick YES (shown as "Y") for the question on the Proposal Form which asks if the Applicant is replacing a current Financial Commitment with the new Finance Proposal. However, if the Applicant requires an additional vehicle, we may need to indicate this to the Finance Provider

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The Credit Assessment

As part of the Credit Assessment, CarLease UK may need to state to the relevant Finance Provider if the Applicant is aware of any circumstances which may affect their Willingness or Ability to pay. The Applicant should tick YES (shown as "Y") on the Proposal Form if this is the case.

Please also note that if there is a difference between the figures CarLease UK input and the information available to the Finance Provider, the Applicant may need to provide further information. The Applicant must enter the details on the Proposal Form as honestly and accurately as possible to help avoid any unnecessary delays in the credit assessment process.