

# How settlement figures are calculated

## 1. Unregulated Agreements

All finance agreements regulated by the Consumer Credit Act, state at the top "REGULATED BY THE CONSUMER CREDIT ACT 1974". If these words do not appear, then your finance agreement is not regulated by the Consumer Credit Act, and the Early Settlement explanations in number 2 will not apply to your agreement.

For further information in relation to settling your unregulated agreement early, please contact us by:

- **Visiting** our website: [www.vcfsuk.co.uk/volvo](http://www.vcfsuk.co.uk/volvo) and accessing your account.
- **Writing** to us at the address in the footer of this leaflet and requesting a settlement figure in a signed letter.
- **Calling** us on 0800 085 1541\* (calls from UK landlines and mobile phones are free).

## 2. Regulated agreements

### The right to settle in full

In accordance with the Consumer Credit Act 1974, you have the right to repay your agreement early, at any time prior to the date of your final instalment, also known as your maturity date.

Early settlements are calculated according to the rules of the Consumer Credit Act 1974. This means that you may be entitled to a rebate of some of the interest charged had the agreement run to the maturity date.

### Obtaining an early settlement figure

In order to repay your agreement early, it is important that you request a settlement figure from us. An early settlement figure can be obtained by:

- **Visiting** our website: [www.vcfsuk.co.uk/volvo](http://www.vcfsuk.co.uk/volvo) and accessing your account.
- **Writing** to us at the address in the footer of this leaflet and requesting a settlement figure in a signed letter.
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**Should you wish to settle, please ensure that the payment reaches us at least five working days prior to your normal monthly payment date. Settlements received after this date may result in an additional payment being taken.**

### Payment methods

Settlement payments can be made on our website or by telephone using a Debit or Credit Card, alternatively you can pay by bank transfer (BACS) or cheque.

### Our bank details

Please ensure that your agreement number is quoted as the payment reference.

	Sort Code	Account No.
<b>Payee Name</b>	Volvo Car Financial Services UK Ltd (Agreements starting with '650')	
<b>BACS</b>	09 06 80	10933673
<b>TT/CHAPS*</b>	09 02 22	10933673

\*Please note your bank may charge a fee for this payment service

### Clearance Times

Debit or Credit cards clear within one day, BACS take 3-5 working days, and cheques clear in 8-10 working days.

### Your payments

If you are part exchanging or privately selling your vehicle with the intention of settling your finance, please be aware that the agreement remains in your name and the repayments remain your responsibility until settlement has been completed. As such, it is important that you maintain payments until we provide written clearance from the finance agreement.

Should your agreement fall into arrears whilst we await the settlement transaction, you risk late payments being recorded on your credit file, and fees being applied to your agreement. This can be avoided by leaving your direct debit, standing order, or other method of payment in place until Volvo Car Financial Services UK Ltd have confirmed that the agreement is fully clear.

Any overpayments that we receive whilst waiting for your settlement figure will be automatically refunded to you, provided the settlement amount is received in full before the validity date expires.

### Calculation

The early settlement calculation contained in the Consumer Credit (Early Settlement) Regulations 2004 means that we defer the proposed settlement date by 28 days from the date of your request on an agreement that had an original term of 12 months or less, and by 58 days on an agreement with an original term of greater than 12 months.

Your settlement figure is therefore valid for 28 days for a 12 month agreement and 58 days for an agreement with a term greater than 12 months, this is known as the validity period. If you wish to repay after the validity period, you will need to request a new settlement figure from us.

### Customer Services

Volvo Car Financial Services UK Ltd, 86 Station Road, Redhill, Surrey RH1 1SR.

**Telephone:** 0800 085 1541 (calls from UK landlines and mobiles are free)

**Email:** [customerservices@vcfsuk.co.uk](mailto:customerservices@vcfsuk.co.uk)

**Website:** [www.vcfsuk.co.uk/volvo](http://www.vcfsuk.co.uk/volvo)

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### Rebate

When you request an early settlement figure, we calculate your settlement figure by adding the interest due up to the settlement date to the current capital balance outstanding as well as the deferred interest calculated as per the 'Calculation' section above. The difference between this figure and your outstanding balance is the interest saved and is known as a rebate of interest.

When you request a settlement figure you will also receive the information in writing. Receiving an early settlement figure in writing does not mean it must be paid; it is only for your records. Should you choose not to pay the amount early, you need not do anything further and continue to make the payments under the agreement.

### Allocation of interest charges

It's important to note that in line with the Consumer Credit Act 1974, you do not pay the same ratio of interest to capital each month. Every monthly payment you make consists of both capital and interest, as your balance decreases the amount of interest you pay within each instalment also decreases while the capital element increases.

The example below, based on a loan of £10,000.00 over a period of 48 months with no balloon payment, illustrates this, and also shows that the interest you pay at the beginning of your agreement is higher than that nearing the end. **Should you require specific details of your agreement, please contact us as shown below.**

Month	Monthly Payment	Interest Element	Capital Element
0	£0.00	£0.00	
1	£250.00	£77.01	£172.99
2	£250.00	£75.68	£174.32
3	£250.00	£74.34	£175.66
⋮			
46	£250.00	£5.69	£244.31
47	£250.00	£3.81	£246.19
48	£250.00	£1.91	£248.09

For further early settlement information, please follow the link below:  
<https://www.fla.org.uk/business-information/documents/repaying-your-loan-early-ccd-2019/>

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