

# ARVAL UK PCH CREDIT POLICY

/// This policy covers Personal Contract Hire credit proposals.

## /// Application criteria

The individual making the application must always sign the agreement and be the payer on the account (joint bank account details accepted). Payments from a Business Bank account are not permitted.

The applicant may allow a close family member (defined as husband, wife, child or civil partner) living in the same household to use the vehicle, but the driver must be fully insured (this is not considered to be sub-hire). If the intended driver is not a "close relative" and/or is not living in the same household as the applicant, then this is classed as "Accommodation Leasing" / sub-hire and is not permitted. An applicant can lease more than one vehicle subject to credit acceptance.

**The proposal must only be for a credit line for one vehicle and the requested limit that is pre-calculated by the system and already populated must not be amended. If more than one vehicle is required, then the second vehicle must be proposed separately based on a new quote and after the decision on the original proposal has been received.**

There are no other application restrictions, however certain rules within the scorecard may automatically decline a customer (e.g. unemployed status (including full time education), income below a certain amount, age of applicant, previous defaults).

Consent to search the individual via the Credit Reference Agency must be provided.

The introducer must always ensure that the credit proposal is fully and accurately completed, based on information only the applicant themselves has provided.



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## /// Credit checking criteria

All individuals are run through a web-based consumer decision grid provided by a BNPP subsidiary company called "BNP Paribas Personal Finance".

The decision grid uses various rules and provides a decision of Accept, Refer or Decline. All Refers are automatically referred to an underwriter who will then analyse the application based on various information, including employment income, public notice information, existing credit card and loan commitments, payment history on cards and loans, electoral roll and address history, fraud warnings, and other credit reference agency data.

Occasionally Arval may request additional information, such as personal bank statements or proof of income, to complete the credit check. However, if the application is for a High Value Vehicle (> £45k 'On The Road' (OTR) cost), 3 months' personal bank statements must always be provided.

Arval will not provide the detailed reasons for declining a private individual, and if the individual requires a reason, the sales person / introducer should use the verbal script provided. If the applicant is still not happy, they can contact Arval via email at [NewBusiness.CreditProposals@arval.co.uk](mailto:NewBusiness.CreditProposals@arval.co.uk).

To support an appeal of a Decline decision, it is necessary that the customer provides a copy of their full credit report, as well as the last 3 months' personal bank statements at the time of making this request. A copy of the applicant's Statutory Credit Report can be obtained from either:

[www.equifax.co.uk/Products/credit/statutory-report.html](http://www.equifax.co.uk/Products/credit/statutory-report.html)  
or

[www.experian.co.uk/consumer/statutory-report.html](http://www.experian.co.uk/consumer/statutory-report.html)

Credit limits will always have a 3 month expiry date from the date of application, and the customer will be required to sign their documents during this time period, otherwise a new credit proposal will be required along with fresh credit searches.

If a customer requires an increase in limit during the 3 month validity period, or their monthly rental increases due a change in vehicle specification or upsell of another Arval product, then a new credit search will only be required if either:

- the OTR cost increases by more than 15%, or
- the total monthly rental inc. VAT increases by more than 15% or £50 (if either parameter is hit).

A credit uplift to cover this scenario should be submitted in the usual way, however the application box should be marked to show that the request is not for an additional vehicle.

For a change in terms, where you are requesting an increase of up to 12 months on top of the term already approved (e.g. from an original 36 month contract term to a 48 month term), this can be requested by emailing the sales team, who will then request a review of this by the Arval Credit team.



## /// Payment terms

All customers will be invoiced monthly, with settlement by Direct Debit 15 days after the date of the invoice. Our standard terms are 1 or 3 months Rentals In Advance and this will be invoiced and paid by Direct Debit after vehicle delivery.

The customer may choose to pay a higher number of monthly Rentals In Advance to reduce their monthly rental payments.

## /// Proof of identity

Proof of identity is not required at proposal stage (unless specifically requested by the Arval Credit team). An individual's identity will be confirmed in line with the Arval UK Know Your Customer Guidelines when documents are sent out to the customer. This is done using approved identification verification software.

## /// Exclusions

- ⊗ Vehicles used for driver instruction
- ⊗ Vehicles used for taxi, chauffeur, private hire, public transport or sub-hire purposes
- ⊗ Modified vehicles (rally cars, armoured vehicles, motor hearses, ambulances, fire vehicles, collectors cars, concept cars, cars not permitted for road driving)
- ⊗ Commercial vehicles used to carry large amounts of asbestos (not for testing or measurement)

## /// Service levels

**Automated decisions** – 2 minutes (circa. 70%)

**Manual underwriter decisions** – 8 working hours

**Vehicles over £50k** – 2 working days

**All appeals** – 5 working days

The same service levels apply to new proposals, additional information and change of term requests.

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