

## Information for Distributors of Oodle’s Hire Purchase Product:

This summary document is being provided to you to fulfil our responsibilities as a ‘Manufacturer’ of financial products under PRIN 2A.4.15R and PRIN 2A.3.12 R (2).

It is designed to provide you with information that you might need to comply with your responsibilities under PRIN 2A.3.16 R and PRIN 2A.4.16 R. Please note that you are responsible for meeting your obligations under ‘The Consumer Duty’. If you require any further information from us, please let us know.

Within this document you will find:

1. A declaration that our products and services offer fair value to customers
2. A definition of our target market and the typical characteristics of our customers
3. An overview of our product and how it meets those customers’ needs
4. A summary of our price and value assessment for our product
5. Additional considerations for customers with characteristics of vulnerability

This information is for intermediary use only and should not be provided to customers.

### 1. Our Declaration:

We have assessed that:

- Our Hire Purchase product continues to meet the needs, characteristics, and objectives of customers in our target market.
- Our pricing approach and distribution strategy remains appropriate for customers within that target market.
- Our product continues to provide fair value for those customers.

However, it is important to note that:

- This assessment does not include any fees, charges or other costs you require the customer to pay to you for any products or services you provide that are separate or in addition to the product or services we provide.
- You are responsible under the Consumer Duty for assessing those products or services.
- If you believe that the customer is not receiving fair value in respect of these products or services, you must inform us.

### 2. Our Target Market:

We describe our target market below. This information should enable you to recognise the different needs of our customers so that you can tailor the service you provide when distributing our product. There are three primary **drivers** of our target market:

Target Market Drivers	Description
Used Vehicles	We focus on customers who want to buy a used vehicle (up to ten years old) from our approved intermediaries or our digital marketplace and who will need finance to do so
Fair to Good Credit Scores	Our customers have fair to good credit scores and earn UK market median salaries but might not be able to access finance from banks or manufacturer finance houses
Hire Purchase Agreements	We provide these customers with a Hire Purchase product. This is typically a five-year agreement.

Within this target market, we have assessed our typical customers as having the following **needs**:

Customer Needs	Description
<b>Access to affordable finance</b>	Our customers need firms such as Oodle to offer them affordable finance to purchase the used vehicle of their choice.
<b>Access to mobility</b>	The finance that we offer means that our customers can purchase a car which improves their access to work, upward mobility, a way to support their families, and an enhanced quality of living.
<b>Support for potential financial difficulties</b>	A proportion of our target customers will experience financial difficulty during their agreement with us and will require additional support in the form of forbearance (as prescribed in TSG 1.11).
<b>Multiple distribution channels</b>	We offer our customers both 'vehicle first' and 'finance first' finance through multiple distribution channels (both direct and via intermediaries) to give our customers flexibility in their purchasing journey.
<b>Exit options from the agreement</b>	Customers may want to exit their agreement with us early- they may do so via their statutory rights of early settlement or voluntary termination. We are also developing a more flexible exit option which will allow customers to voluntarily surrender the vehicle and end the agreement early.

In this context, our customers tend to have consistent **characteristics** - you might want to consider these when discussing and distributing our product:

Customer Characteristics	Description
<b>Gender and Age</b>	<ul style="list-style-type: none"> <li>Our customers' declared gender split circa 70% male and 30% female.</li> <li>The median age of our customers is circa 41 years old</li> </ul>
<b>Financial Resilience</b>	<ul style="list-style-type: none"> <li>The median income of our customers is circa £41k p.a.</li> <li>Our customers have typically had some sort of finance before and a proportion of those will experience financial difficulty during the lifetime of their agreement with us.</li> </ul>
<b>Employment Status</b>	<ul style="list-style-type: none"> <li>All our customers are employed, or self-employed at the inception of their agreement.</li> <li>Some of our customers may face volatility of income during the life of their agreement.</li> </ul>
<b>Indicators of Vulnerability</b>	At any one time we expect circa 15% of all our customers to have an indicator of vulnerability.

### 3. Our Product:

At a high-level, our product has the following features:

The Product	Vehicle Condition	Vehicle Maintenance	Option to Purchase
Our product is a Hire Purchase agreement regulated by the 'Consumer Credit Act 1974' for a term of up to five years to fund new and existing	Vehicles should not be older than 15 years at the end of the agreement nor the mileage exceed 100,000 miles at the time of proposal (16	Costs associated with the vehicle are the sole responsibility of the customer, including insurance, tax, and MOT.	We charge an option to purchase fee, payable at the end of the agreement. Oodle own the vehicle until all monthly payments and the

customers seeking to purchase a used car from yourselves.	years and 110,000 miles if we deem the risk to be lower).		option to purchase fee has been paid.
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In some pre-agreed circumstances, we also provide finance for add-ons and part exchange negative equity within our customer agreement. Your dedicated Account Manager can provide more guidance on our criteria for this arrangement.

The specific features and benefits of our Hire Purchase product have been designed to meet the above-identified needs of our target market – which is summarised in the table below:

Customer Needs	Product Features and Benefits
<b>Access to affordable finance</b>	<ul style="list-style-type: none"> <li>We offer a typical APR range of 10-30% but this will fluctuate in line with our own borrowing costs</li> <li>We set a fixed maximum customer flat rate (which will also fluctuate in line with our borrowing costs).</li> <li>We carry out robust affordability checks during onboarding and during any subsequent periods of identified financial difficulty that occur during the life of the agreement.</li> </ul>
<b>Access to mobility</b>	<ul style="list-style-type: none"> <li>We offer finance from £2,500 to £50,000.</li> <li>Our interest rates and monthly repayments are fixed for the lifetime of the agreement.</li> <li>We offer our customers a maximum loan amount based on their credit and affordability profile with a maximum 'loan to value' (currently 125%).</li> </ul>
<b>Multiple distribution channels</b>	<ul style="list-style-type: none"> <li>We offer customers the option to come to us 'vehicle first' or 'finance first'.</li> <li>In both instances customers have access to our online car marketplace – meaning that we can match them to vehicles that might be more suited to their budget, or from one of our approved dealers.</li> </ul>
<b>Support for potential financial difficulties</b>	<ul style="list-style-type: none"> <li>We provide customers with multi-channel access to discuss instances of financial difficulty with us.</li> <li>We sympathetically and professionally explore the reasons for financial difficulty and seek to provide tailored, sustainable solutions that enable the customer to achieve the best possible outcome.</li> <li>We actively encourage customers to access third party support (such as Debt Advisory Services) to help them manage their finances.</li> <li>We reserve the right to apply fees and/or charges to customers, as set out in our agreement.</li> </ul>
<b>Exit options from the agreement</b>	<ul style="list-style-type: none"> <li>We have designed our product to meet the requirements of the 'Consumer Credit Act 1974', which provides for exit options for customers:</li> <li>Customers have the option to pay the finance to completion.</li> <li>Customers can fully or partially early settle the agreement.</li> <li>Customers have the right to voluntarily terminate their agreement at any time before their final payment falls due. We plan to add an additional option of voluntary surrender this year.</li> </ul>

Our product is not designed for customers with the following characteristics:

- People outside the age range of 20-70 years old.
- Non-UK residents and non-UK bank account holders.
- People wishing to purchase a vehicle for trade purposes, other than individuals and sole traders and in some cases subject to our permission.

#### 4. Our Price and Value Assessment:

Our 'Pricing Committee' discuss and ratify our approach and any changes to our pricing structure. We seek to provide competitive pricing whilst considering the recovery of costs associated with our business and our return requirements. We have several pricing principles that are adhered to for all pricing decisions:

- Our pricing proposition for your business has several product categories (currently A1 to D1) with a pricing range set for each. Customers are allocated to one of these product categories based on their **risk profile**.
- Oodle establish a **maximum flat rate** chargeable to customers. This may vary over time in line with movements in our funding costs.
- Oodle may pay you commission based on the above structure and the commercial terms published to you separately.
- Under 'CONC', you are responsible for ensuring customers are aware of both the price they will pay and that you will receive a commission payment from us.

We are confident that these principles mean we can offer our target customers a product at a price that is fair and proportionate to the benefits they receive from our hire purchase product.

**Our overall value proposition at Oodle is therefore simple – we offer customers mobility at a fair price – mobility that they might not otherwise be able to access.**

However, price is not the only lever we have considered when assessing the fair value of our product. In addition, we consider the following services part of the services that our customers can expect:

Our Services	Description
<b>Payment Support</b>	For Customers that experience financial difficulty, we have a dedicated Payment Support Team who can: <ul style="list-style-type: none"> <li>• Take the time to understand the customer's circumstances.</li> <li>• Conduct an income and expenditure assessment and, if appropriate, set an affordable payment plan.</li> <li>• If the customer has affordability concerns, lay out the exit options from their agreement with us.</li> <li>• Be able to identify indicators of vulnerability and refer to a separate team for bespoke management.</li> </ul>
<b>Aftercare</b>	For customers who have an issue with their vehicle, we have a specialist team who: <ul style="list-style-type: none"> <li>• Work with yourselves and customers on any quality issues raised with the vehicle immediately after the agreement start date.</li> <li>• Coordinate delivery and any arising issues with receipt of a customer's vehicle.</li> <li>• Implement customers' right to withdraw from the agreement, within the withdrawal period (i.e. 14 days of execution).</li> </ul>
<b>Complaints</b>	For all other issues during the lifetime of a customer's agreement we have a dedicated Customer Relations Team to manage complaints the customer may have about our product or service.

<b>Customer Services</b>	<p>We have a dedicated Customer Service Team who can manage all day-to-day queries relating to a customer's account, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Changes to payment dates, address and bank details.</li> <li>• Outstanding balance queries and settlement figures.</li> </ul> <p>This team can provide support over the phone and via webchat.</p>
<b>Self-service Channels</b>	<p>For customers who would rather communicate with us over a different channel, we have the following self-service options:</p> <ul style="list-style-type: none"> <li>• An online web portal where all customer services requests can be fulfilled without talking to an agent.</li> <li>• A mobile app for iOS and Android, containing the same customer services functionality.</li> <li>• An online FAQ.</li> </ul> <p>We know that it can be difficult to speak in person with an agent about financial difficulties, we therefore have the following self-serve functionality for customers with missed payments:</p> <ul style="list-style-type: none"> <li>• The ability to do an online income and expenditure assessment to send to our Payment Support Team.</li> <li>• The ability to check outstanding balances and make a payment towards either the agreement or a payment plan both through our app and online.</li> </ul>

## 5. Considerations for Customers with Indicators of Vulnerability:

We recognise that the breadth of our target market, as described in the first section of this document, means that we are likely to have customers who show characteristics of vulnerability at some point during the product lifecycle.

Vulnerability can be temporary, sporadic, or permanent.

We understand that any of our customers can become vulnerable at any time, but most commonly see how we deal with some common vulnerabilities that we see within our customer base:

- **Physical Health:** our range of forbearance tools allow us to cater for customers with short-, medium- and long-term health implications.
- **Life events:** we can work with customers in this category to find a sustainable way to manage their agreements.
- **Mental health:** many of these can be managed within our standard Payment Support processes but might require support if out of work.
- **Financial resilience:** we terminate agreements as a last resort and only after all other possible solutions have been exhausted, but it can be appropriate where there are poor indicators of future affordability.

Consumer Duty places new requirements on us to jointly identify and respond to customer vulnerabilities during the purchase process. We will work with you to determine how to administer these requirements.

Our Customer Support Team can provide bespoke communications and other engagement processes and approaches for customers with indicators of vulnerability. In this way, we can be confident that customers with indicators of vulnerability receive the same level of service and fair value from our product as those without.

You should continue to comply with your FCA obligations to ensure you treat customers in vulnerable circumstances fairly delivering the right customer outcomes, flexing journeys to suit their needs.

## **Results of our assessment**

Our assessment concluded that the Product continues to deliver fair value for customers within our target market, including those with indicators of vulnerability.