

# Fees

The UK Debt Expert is a trading style of Argyle Financial Services & Planning Limited.

Below details information about the fees charged entering and managing the debt solutions provided.

### **Individual Voluntary Arrangement (IVA): Fees and costs**

Argyle Financial Services & Planning Limited will only charge fees if an IVA is subsequently approved by your creditors and our fees are only taken from your monthly payments or asset realisations paid into your arrangement. We also offer, as part of your proposal, to start distributing a percentage of the payments made by you from month three of your arrangement or in some cases earlier, which means the balances owed to your creditors are starting to reduce. In some cases, creditors amend the terms of the IVA so that we are not required to make payments to them until the Nominees fees and disbursements have been repaid.

In an IVA there are three different types of cost charged by the Insolvency Practitioner.

#### **1. Nominee's Fee**

This fee covers the setting up and preparation of your IVA. This includes assessing your current financial situation and your repayment offer to creditors, issuing the Proposal to your creditors, the administration and facilitation of the creditors' decision process used to consider the IVA, and any negotiations with creditors during this process.

The Nominee's fee is generally a minimum of £1,000

#### **2. Supervisor's Fees**

These fees are charged for the ongoing administration of the IVA which includes collecting and distributing your monthly repayments, dealing with any queries raised by you or your creditors, completing an annual review of your financial circumstances, reporting annually to you and your creditors about the progress of the IVA, and dealing with the closing formalities.

The Supervisor's fee is generally based on a percentage of any monies paid into the arrangement and ranges from 15 – 20% of the payments made. In some cases a flat fee may be charged.

#### **3. Disbursements**

These are costs paid by the IP to third party companies for software licences, insurances, and registrations that are required as part of the arrangement. These may also include payments made for the provision of additional services to provide the best return for your creditors.

Typically the disbursements of the arrangement equate to around £1,200 per case.

Below is a typical example of the costs and fees charged in an IVA, where the client has £18,000 worth of unsecured creditors and is making monthly repayments of £150 in the IVA (£9,000 in total over 60 months)\*.

The Nominee's fee : £1,000

The Supervisor's fee\*\*: £1,200

The Supervisor's costs: £1,200

Total repaid to unsecured creditors: £5,600

Total written off by unsecured creditors: £12,400

\*This example is for illustration purposes only and actual repayment amounts and debt write off will be dependent on individual financial circumstances.

\*\*15% of further monthly payments once the Nominee's fee has been satisfied

### **Debt Arrangement Scheme: Fees and costs**

If you enter into a Debt Arrangement Scheme (DAS) Debt Payment Programme through us, there will be fees payable by you and your creditors.

#### **Initial fee**

The first two payments you make into your DAS will be taken as an initial fee to cover the work that is involved in setting up your Debt Payment Programme (DPP), this includes preparing your offer and negotiating with your creditors. If you are introduced to the Money Adviser at Carrington Dean by another debt advice organisation then it is likely your initial fee payments will be paid to that organisation.

#### **Monthly management fee**

A monthly management fee of £35 is charged to cover the day to day administration of your DPP, including dealing with any issues that may arise, conducting the annual review of your circumstances, collecting your payments and any other matters that may arise.

#### **Distribution fee**

For each payment distributed to your creditors, they will pay us a fee of 4.5% of the distributed amount.

For each payment that is distributed to your creditors, they pay to us a fee

Below is a typical example of the costs and fees charged in an DAS, where the client has £10,000 worth of unsecured creditors and is making monthly repayments of £150. Based on these levels it would take 89 months to repay their creditors in full together with our costs.

Initial fee (2 x £150): £300

Management fee (87 x £35): £3,045

Distribution Fee paid by your creditors (4.5% of distributions): £450

Total Fees over the life of the DAS: £3,795

Total amount paid by you, including all debts and fees: £13,345

What is the fee for your debt solution?

Whilst all our advice is free, should you enter into a debt solution with us, there will be a fee charged once your agreement is protected/approved. However, it will be paid from the agreed monthly contribution which you will pay whilst the solution is ongoing.

An affordable monthly contribution is paid for the term of your Scottish Trust Deed. The proposal considered by creditors will include the amount of the agreed monthly contribution which will be assessed on the amount you can reasonably afford. It will be reviewed every twelve months. This contribution covers the running costs of the Trust Deed.

#### **Trust Deed fees: costs and contributions**

Please see below an example of an individual who owes £28,232 and the costs and contributions associated with their Trust Deed.

He can afford £220 per month to offer to his creditors. The term of his Trust Deed is 48 months

Debt Amount: £28,232

Equity: £500

Monthly contribution of £180 for 48 months £8,640

Trustee's Fees

Fixed fee: £2,500

% Fee of realisations: £1,828

Trustee' expenses and disbursements: £1,631

Total repaid by individual (including fees above): £9,140

Total unsecured debt written off at completion: £25,051 (88%)

Expenses and Disbursements shown are inclusive of VAT where applicable.

The monthly fee will cover both the initial work associated with arranging your Trust Deed and the work involved in keeping your Trust Deed running. The fee also covers any work required by your Trustee. They work with you to draw up your Trust Deed proposal and can take care of any more serious issues that occur (e.g. asking your creditors about changing your payments if your circumstances change significantly).

Note: It is very important that you keep up your Trust Deed payments, or the arrangement could fail. If it does, you will be liable for the outstanding balance and any costs already incurred.

If the Trust Deed fails the client is not liable for any outstanding balance and any costs already incurred. The client's creditors are advised that he has failed to maintain the terms of his Trust Deed and that the Trustee will seek his discharge and not grant the client / debtor his discharge. Any costs incurred are deducted from funds held and if there is a deficit this is written off. Any unpaid contributions remain outstanding.

### **Sequestration fees: costs and contributions**

This again is best explained using an example, this time we've used an individual who owes £8,670 and Sequestration has been recommended as his best solution.

He can afford £220 per month to offer to his creditors. He will make contribution payments for a period of 36 months

Debt Amount: £8,670

Monthly contribution of £220 for 36 months £7,920

Trustee's Fees: £4,000

Accountant in Bankruptcy's Fees: £700

Total repaid by individual (including fees above): £7,920

Total unsecured debt written off: £5,540 (63%)

Trustee's Fees are shown exclusive of VAT.

The Trustee's fees won't affect how much you pay each month, or how much you pay in total over the course of your Sequestration, because you'll be expected to pay only as much as you can afford throughout the period of your sequestration.

We'll tell you how much the Trustee's fees will be before you apply for Sequestration. The monthly contribution payment fee will cover all work related to your sequestration. The Trustee will work with you to complete the necessary paperwork for your Sequestration application, and can take care of any more serious issues that occur (e.g. asking your creditors about changing your payments if your circumstances change significantly)

Note: It is very important that you maintain your monthly contribution payment and co-operate with your Trustee. Failure to do so may have serious consequences.