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Appendix 1 – Customer Call guidance & Paperless Direct Debit Call Script

Call scripts are a vital part of your business. They are often the first contact you have with your client. So, a good first impression counts. As well as appropriately discussing their insurance needs, providing the right information about how they pay will also affect your customers' experience, whether they are considering a one-off payment or premium finance.

Customers come from a wide variety of backgrounds - some with no experience of taking out a Credit Agreement to pay their insurance premiums and others that are familiar with this option.

We expect firms to exercise their judgement in deciding what questions to ask customers in order to comply with the 'active election' rules.

To help treat customers fairly, consistently and to retain business the following example call script shows the regulatory information you need to provide to your customers, alongside optional information that will improve their customer journey.

Note that this script is a sample script which can be adapted to suit your business needs

1. Offering Payment Methods

You have secured insurance cover with the customer. The next step is payment:

"Although paying your insurance costs in full is an option you can spread the cost of your premium via monthly repayments. Spreading the cost may be more convenient to you although it will cost more".

(The FCA expects firms to exercise their judgement in deciding what questions to ask customers in order to comply with the 'active election' rules)

"The cost of your insurance policy is £XX.XX if you pay in full or £XX.XX per month totaling £XX.XX if you finance the cost with Premium Credit, our 3rd party finance provider. If you choose to pay by monthly repayments you will enter into a credit agreement with Premium Credit who will be the lender"

(Include all payment options available - it is important to list out all options including finance so that every customer is aware that finance is available. This ensures that you are offering all your customers the same options)

"How would you like to pay for this policy?" – (If not already known from online journey)

2. Your customer has chosen premium finance as their payment method

"You have chosen to finance the cost of your insurance by monthly repayments. If your application for credit with Premium Credit is successful, they will pay for your insurance premium in full and you will be obliged to repay this credit by monthly repayments by Direct Debit. You will also be required to sign a credit agreement with Premium Credit".

"By choosing to finance the cost of your insurance you will need to pay an initial payment of £XXX.XX; followed by xx monthly repayments of £XX.XX including xx% transaction fee and £x facility fee (where applicable), equal to an APR of xx%. The cost of credit is £XXX.XX"

Based on the information I have provided are the monthly repayments affordable for you?

(CONC 3.5.5 requires you to provide the customer with a cost breakdown that includes APR, the amount of each repayment of credit and total amount payable)

"Do you have any questions so far?" – (If happy to proceed then continue with the wording below)

3. Information sharing and credit assessments

"(R) "We use Premium Credit Limited to provide finance [exclusively, who is the lender] [as part of panel of lenders]. We [Partner name] are acting as the credit broker. We may receive a commission for introducing customers to them." .

(Please see CONC 4.5.3 for the commission disclosure rules)

"Your personal information and the bank detail you provide to us will be passed to them and they will contact you directly.

(R) "Credit is subject to status, and they may use a credit reference agency that leaves a record of the search or other information about you to conduct credit and anti-money laundering check. This record will be visible to third parties."

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4. Taking Direct Debit information

"I am going to set up your direct debit instruction with Premium Credit, do you hold a UK bank/building society account that accepts direct debits and are you the account holder?"

(Only the account holder can authorise Direct Debits/ If the Borrower is not the account holder seek another method of payment. If yes proceed.)

"Are you able to authorise direct debits from this account solely?"

(If yes, capture details. If more than one person is required to authorise debits on the account issue a paper DDI or seek another method of payment and close call.)

"What is the name on the account" – (take details)

"Can I take your sort code?" – (take details)

"Can I take the account number?" – (take details)

"Let me just confirm your account details back to you. The account name is XXXX, the account sort code is XX-XX-XX and the account number is XXXXXX, is this correct?" – (Payer confirms)

"The monthly repayment amount will be £xx. xx over X months. Is there a particular day of the month you would like the money to come out of your account, for instance just after you're paid?"

If no preference is given, then:

"The first collection will come out of your bank account [within 14 days] [one month after your insurance inception/ renewal date] and on the same date each month after that as your inception/renewal date.

If you fail to make your required monthly repayment on time, Premium Credit may charge you a £25 default fee. Failure to bring your repayments up to date could result in your agreement being cancelled.

(Please select the payment profile that applies to your scheme.)

"What is the name on the account" – (take details)

(If yes, capture details. If more than one person is required to authorise debits on the account issue a paper DDI or seek another method of payment and close call.)

"What is the name on the account" – (take details)

5. Reading the Direct Debit Guarantee

"All Direct Debits are protected by a guarantee. I can read this guarantee to you now or you can read it in the confirmation letter from Premium Credit, which would you prefer?"

(If the customer would prefer to hear it now, please read the next section to them, if not please omit the next section.)

Direct Debit Guarantee

The Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits

"If there are any changes to the amount, date or frequency of your Direct Debit the organisation will notify you (normally 10 working days) in advance of your account being debited or as otherwise agreed. If you request the organisation to collect a payment, confirmation of the amount and date will be given to you at the time of the request.

If an error is made in the payment of your Direct Debit, by the organisation or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.

If you receive a refund you are not entitled to, you must pay it back when the organisation asks you to.

You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify the organisation.

"In future, if there is a change to the date, amount or frequency of your Direct Debits, Premium Credit will always notify you five working days' in advance of your account being debited. In the event of an error, you are entitled to request a refund from your bank or building society. You have the right to withdraw the credit agreement within the 14-day cooling off period. A copy of the safeguards under the Direct Debit Guarantee will be sent to you with your confirmation letter from Premium Credit.

That completes the setting up of your Direct Debit instruction and credit application with Premium Credit".

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6. Final information and summary

"If your credit application to Premium Credit is approved you will receive your information pack within the next 14 days. You will find your monthly repayment schedule in your information pack. Please read the pack carefully to ensure you understand the terms and conditions and it is right for you."

You can make a full or partial repayment at any time subject to the terms in the Credit Agreement.

"If you are happy to proceed with the credit agreement, please make sure you sign the Credit Agreement as soon as possible. This can be done online. A £25 charge will be incurred if Premium Credit are required to write to you to remind you to sign your credit agreement."

(The customer has 27 days to sign the Credit Agreement before the charge is applied. Make sure they understand the importance of signing).

Now read these sections to the payer:

"Premium Credit will confirm to you the date of your first repayment in writing. The company name that will appear on your bank statement against the Direct Debit will be [Premium Credit Ltd] OR [PC/Partner Name]." – (You should clarify wording on bank statements)

"If there are any changes to the date, amount, or frequency of your Direct Debit, they will always give you 5 working days' notice in advance of your account being debited."

"If you have set up your Direct Debit instruction with Premium Credit you will be sent confirmation of this no later than five working days before the first collection."

7. Your option to withdraw.

"If you do change your mind you can withdraw from the credit agreement free of charge within 14 days, any repayments you have already paid will be refunded to you and you will have to find an alternative way to pay for your insurance. If you cancel after 14 days, you may have to repay any money owed to Premium Credit."

"Do you have any questions?" – (If yes please see question list below for guidance)

"Thank you very much for your time today. Do not forget to sign your credit agreement and ensure you have funds in your bank account for your first and subsequent monthly repayments." – (Close call)

This is an example call script and may be tailored to your own business.