

# **Late Payment Service Limited** **Engagement Terms & Conditions**



## **Level 1 – Credit Control and Late Payment Collections Service (Account Customers Only)**

### **Terms and Conditions**

#### ***Definitions:***

'LPS' means ***Late Payment Service Limited 128 City Road, London, EC1V 2NX, UNITED KINGDOM.***

'Client' means the firm, or corporate body requiring the services of LPS.

'Fee' means the overall fee to be paid by the Client for the services to be provided.

'Services' means Level 1 – Credit Control and Late Payment Collections.

'Contract Schedule' means the schedule of services provided within the scope of the 'Level 1 – Credit Control and Late Payment' services provision.

'Debtor' means the business or organisation that owes money to the Client.

#### **Location of Services**

'Venue' means the place where the delivery of services will take place.

1. Our services are undertaken remotely. We do not attend the Client or the Debtors site under any circumstances.

#### **Services Provided and Conditions of Service**

2. LPS provides ***Credit Control and Late Payment Collection Services.*** These services are provided on the basis that LPS are assigned as the '***authorized representative***' of the Client in relation to outstanding invoices owed by the Debtor to the Client. A commission fee is payable to LPS by the Client based upon the amount of the outstanding debt with the addition of any statutory late payment charges.

3. LPS provides a credit control and management function to the Client. The services include collection of late payments, this includes:

3.1 Contacting the Debtor and advising them that the debt is owed.

3.2 Requesting payment based upon a collections process that adheres to legislation and Financial Conduct Authority (FCA) guidelines.

3.3 If necessary, implementing the statutory late payment charges that are legally chargeable (as applicable legislation permits).

3.4 Offering payment solutions to the Debtor if there is an agreement with the Client that such payment terms are acceptable to the Client and the Debtor.

3.5 Managing the collection of the late payment until the outstanding amount is settled.

3.6 If the Debtor is not able or refuses to settle the debt, LPS is to agree a way forward which may include formal proceedings, including court action. At this point, LPS and the Client will agree a mutually acceptable way forward to recover the outstanding late payment amount owed by the Debtor.

**4. This service becomes 'active' on acceptance by the Client of these Terms and Conditions. As such, from that point forward all commission charges become applicable on payment of any outstanding invoice by the Debtor that is submitted to us for collection via our website, email or via the Customer Portal by the Client.**

5. Normally, LPS will request the full outstanding debt is paid to LPS. If installments are made, LPS will arrange such installments and pay the Client the full invoice amount minus any commission and fees applied once the outstanding balance has been collected in full or in part (e.g. the total amount of the installments made up to a point where it is considered to be the likely limit of outstanding debt that can be collected).

6. If paying in full, the payment of the outstanding debt can be made by the Debtor to LPS or the Client. Either way, the full commission fees will apply. The Client is obligated to be fully transparent with LPS regarding receipt of the payment from the Debtor.

**Note** – LPS will ensure that the Client is kept informed of the progress of the services at all times. This will include the establishment of a Helpdesk Ticket which will be accessible from the LPS Customer Portal.

#### **Cancellation of Service (By Either Party)**

7. The Client may cancel the services provided by LPS at any time. The Client may cancel the services relating to a specific collection before the Debtor is contacted by LPS to advise them that LPS are acting on the Clients behalf as their appointed representative.

8. The Client does not have the right to cancel the services for a specific collection once LPS has contacted the Debtor.

9. LPS may cancel the services at any point in time at 24 hours' notice in writing to the Client. LPS may also cancel the services for a specific collection. This may be made via email or via an update to the Client Helpdesk Ticket for the applicable engagement relating to that specific late payment and Debtor.

#### **Contract Obligations and Duration**

10. There is no specific contract duration relating to this contract. The Client is under no obligation to use the services of LPS. The contract for a specific collection remains in force until:

10.1 The Client cancels the services as per clause 7 above.

10.2 LPS cancels the services as per clause 8 above.

10.3 The Debtor pays in full, and the Client pays the required commission to LPS.

10.4 LPS and the Client agree to transfer the collection services to a third party.

#### **Commission Rates**

11. The following commission rates apply to our Level 1 services.

<b><i>Invoice Amount</i></b>	<b><i>Percentage Commission Payable to LPS</i></b>
£1000 to £3999	16%
£4000 to £5999	15%

£6000 to £7999	14%
£8000 to £9999	12%
£10000 to £14999	10%
£15000 to £19999	8%
Over £20000	6%

**Note** – If any statutory late payment fees are added to the outstanding amount these fees are considered to be LPS management fees associated with our services and are therefore added to the commission. They are not payable to the Client.

### **Payment Terms**

12. If LPS fail to obtain any settlement of the debt from the Debtor then no payment is applicable and LPS will not invoice the Client for any commission fees

13. If LPS obtains part payment of the debt from the Debtor then the commission rates in clause 11 apply in relation to the total of the amount paid to the Client by the Debtor.

13.1 If part payment is less than £1000, the commission rate is 18% of the amount paid by the Debtor to the Client.

14. If LPS obtains full payment of the late payment debt from the Debtor, the commission payable by the Client applies as per clause 9 above based upon the total paid by the Debtor to the Client.

15. The commission is payable by the Client on receipt of the LPS invoice. **Note** – All commission payments are payable on receipt.

15.1 If the Debtor has paid the Client directly into the Client account, LPS will invoice the Client on confirmation that this has occurred by either the Client or the Debtor.

15.2 If the Debtor has paid LPS directly into the LPS account, LPS will pay the Client on receipt of clear funds from the Debtor, minus the stated commission that applies as per clause 11 above. This payment will be made within five working days of receipt of the funds into the LPS account.

### **Transfer of Collection Services**

16. If LPS is not successful in obtaining full or part payment of the late payment debt they may agree with the Client to transfer the collection of this debt to a third party.

17. The third party will then enter into an agreement with the Client and no commission payment to LPS will apply as LPS will then cancel the services at the point of transfer.

18. LPS reserve the right to charge a referral fee to the third party in the event that the collection is transferred.

19. LPS may not transfer the collection services to a third party without the written permission of the Client.

20. The Client may not transfer the collection services to a third party once the services have commenced as per clause 7.

### **Limit of Liability**

21. LPS accepts no responsibility for any future liabilities that the Client may face in relation the services provided by LPS. We act as an appointed representative of the Client and as such are acting solely on the Clients behalf in relation to the provision of the services based upon the direction of the Client.

**Data Protection Legislation – Use of Client and Debtor Personal Data**

22. LPS will adhere to the applicable data protection legislation that applies within the relevant jurisdictions.

23. LPS will collect and process the Clients and Debtors personal data during the period of the collection engagement, acting as a Data Controller under the legal obligation of 'Contract Necessity'. The data processed is limited to contact details such as name, email address and mobile phone number. This data will be used only for communication purposes and will not be used for other purposes or transferred to a third party without the permission of the Client unless this transfer involves our IT systems and utilization of applicable software etc.

24. We may contact the Client at a later date to inform them of additional services that we now offer in relation to their original engagement. Data will be retained for up to two years following this engagement's conclusion.