

# PaybyFinance Integrations

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## 1. Introduction

PaybyFinance was launched by Mitsubishi HC Capital UK PLC (trading as Novuna Consumer Finance ("Novuna")) in 2009 to provide retailers with a credit application system for their online customers and has continually been developed and improved, with the Responsive PaybyFinance credit application system launched in 2014.

The overall responsibility for the relationship lies with the Relationship Manager at Novuna however a member of the E-Commerce team will work alongside the Relationship Manager to help to deliver the integration.

### 1.1 About the Integration Guide

This integration guide has been designed to assist retailers and developers to integrate with Novuna's ecommerce credit application system, known as PaybyFinance (PBF).

#### **System Integration**

The technical system information is held on the Developer Portal, details of which will be sent during the onboarding process.

#### **Finance Calculator**

Information on how to build a Finance Calculator is contained in [Section 6. Finance Calculator](#) of the guide.

#### **Financial Promotions**

The Financial Promotions sections deal with the marketing aspects of the integration such as the Finance FAQs page, advertising finance and the broker disclosure.

Consumer Credit activities are regulated by the Financial Conduct Authority (FCA) and firms offering consumer credit are expected to meet standards set out in the FCA's Consumer Credit Sourcebook (CONC). Advertising of credit (financial promotions) must be designed to be compliant with FCA standards.

This guide provides help and guidance to assist retailers in complying with the FCA regulations. The Compliance Team at Novuna may review and provide feedback on your live website, including the customer journey, financial promotions and handback URLs.

[Section 7. Financial Promotions & Compliance](#), [Section 9. Compliance Review Process](#) and [Financial Promotion Guidelines](#), [Appendix 3. Finance FAQs](#) and [Appendix 4. Handback Pages](#) provide further details on this area.



**Regulatory responsibility always remains with the retailer and all financial promotions should be signed off by the retailer's duly nominated individual.**

## 2. Getting Started

### 2.1 Staging Site

Novuna will make a staging environment (Demo) available to allow retailers and developers to link a staging/test environment to Novuna's Demo environment. The staging/test environment is there for you to complete the end-to-end journeys for accept, referred and decline outcomes.

Login details for the Demo environment will be provided during the onboarding.

### 2.2 PaybyFinance Environments

There are two Novuna PaybyFinance system environments which can be used when integrating with PaybyFinance. These are:

- Demo environment
- Live environment

The Demo PaybyFinance system can be used for new or migrating integrations, testing new developments and staff training.

### 2.3 Customer Address

As an anti-fraud measure the consumer address provided to PBF which is used for the credit check **MUST** be the address to which the goods are delivered. This means that the retailer website must not allow the delivery of the goods to an alternative address for financed orders.

The only exception to this, without the express written permission from Novuna, is Click and Collect (see [Section 10.1 Click and Collect](#)).

Finance can only be offered to UK customers with goods being delivered to UK addresses, the only exception to this rule is BFPO addresses.

### 3. Project Lifecycle

The following section provides an overview of the integration process.

#### 3.1 Commercial Onboarding (new retailers only)

Prior to starting the integration, new retailers will need to have undergone the commercial onboarding process which is managed by Novuna's New Business team.

#### 3.2 Requirements Gathering

In order to ensure that the integration runs smoothly Novuna's E-Commerce team will work with the retailer and developers to agree requirements and will arrange a meeting to ensure that the commercial and technical elements are understood. See [Section 4. Requirements](#) for more details.

#### 3.3 Commercial Set Up

Once the products, terms, APRs etc are agreed there will be some set up work which is completed by the Relationship Manager and Novuna's Finance team. This normally takes around 3-5 working days to complete. Once this is completed, the E-Commerce team can start work on the integration project.

#### 3.4 Onboarding E-mail

Access to the Developer Portal, Demo Environment and Demo Admin Portal will be provided in the onboarding e-mail.

#### 3.5 Development

The development work can now be started, and any queries will be managed through Novuna's E-Commerce team (e-mail: [paybyfinance@novuna.co.uk](mailto:paybyfinance@novuna.co.uk)).

#### 3.6 Testing

Once the development work on the staging environment is complete and full end-to-end testing can be undertaken, please contact the [E-Commerce team](#) who will place test order/s and provide feedback on any queries or concerns. Information about testing can be found on the Developer Portal.

#### 3.7 Go Live

Once you have completed your testing and UAT for each of the decisions (accept / referred / declined) live login details will be provided and finance can be launched in the production environment.



### **3.8 Compliance Review**

Once the site has gone live the Compliance Team may review your site and provide feedback on any changes that may be required to make your site compliant.

## 4. Requirements

During the call or meeting, the following information will be agreed and documented on the PBF Integration Requirements form which will cover the following areas:

### 4.1 Contact Details

Primary contacts for both commercial and technical aspects of the project will be confirmed. E-Mail and Mobile details will be required to user credentials.

### 4.2 Commercial Information

The products that will be offered (e.g. Interest Free Credit), the term (e.g. 6, 12 and 24 months), the deposit amount (e.g. minimum 10% or fixed 50% deposit), minimum and maximum loan amounts will be confirmed.

### 4.3 Project Requirements

The preferred start date of the project will be discussed, along with the platform being used.

### 4.4 Notifications (Optional)

Novuna's PaybyFinance system can send automated application status updates to the retailer's e-commerce system which removes the need to view the applications in PaybyFinance and manually update orders. Further details on Notifications can be found in the Developer Portal.

### 4.5 Other Requirements

Any additional requirements will also be discussed during the onboarding call, these may include the following:

#### 4.5.1 Click and Collect

The requirement for using Click and Collect will be discussed and if this has been agreed with Novuna's Relationship Manager, the process outlined in [Section 10.1 Click and Collect](#) can be implemented.

#### 4.5.2 Customer Address

The customer's address can be sent across as part of the application submission, or the customer can input the address during the application, in which case the delivery address must be updated from the information retrieved by using the Get /applications/{applicationId} API call detailed in the Developer Portal .

If the address is passed across, it is advisable to validate the address against a valid UK Post Office address system such as PAF or QAS as the address cannot be changed during the PaybyFinance application process.

Preventing the customer from changing the address during the PaybyFinance application process helps to prevent fraud by ensuring that the address that is set during checkout process and therefore where the goods are delivered is the same as the one where the credit check is performed, however the address fields must be mapped correctly to mirror the fields provided, for example:

Shipping Address

Email Address \*  ?

You can create an account after checkout.

Name Prefix

First Name \*

Last Name \*

Company

Street Address \*

Country \*

State/Province

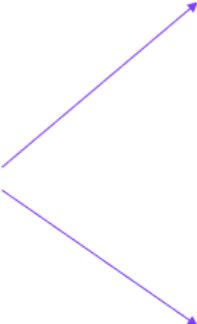
City \*

Zip/Postal Code

Phone Number \*  ?

\* Required Fields

81	House Name	
82	House No	2
83	Flat	
84	Street	Apex View
85	District	
86	Town/City	Leeds
87	County	
88	Postcode	LS11 9BH



In the above example the address in the checkout will need splitting between the House No and Street fields, if the address isn't mapped correctly then it will fail validation checks when passing the data to PBF, so it is essential to test before releasing into a live environment.

#### 4.5.3 Warranties and Guarantees

The final question will look at whether any warranties will be included in the finance application. If warranties or guarantees will be included these will need to be agreed with the Relationship Manager.

## 5. Finance Products

Novuna offers retailers a range of finance products; more than one Finance Product may be offered to customers. The retailer and Novuna Relationship Manager will agree the set of financial products and details in advance of the integration.

Each Finance Product has a Service Type Name and a numerical short code called a Service Type, e.g. Interest Free Credit is Service Type 32.

The following Finance Products (Service Types) are available to use:

### 5.1 Interest Bearing Credit (IB)

The cost of the goods (less the deposit) is spread evenly across the chosen term with interest fixed at a pre-determined APR.

### 5.2 Interest Free Credit (IF)

The cost of the goods (less the deposit) is spread evenly across the chosen term. There is no interest on the finance.

### 5.3 Deferred Interest Free Credit (CDIFC)

The customer pays nothing for the pre-agreed Deferred Term; following the end of the Deferred Term the cost of the goods (less the deposit) is spread evenly across the chosen term with no interest to pay.

This product is also sometimes referred to as Countdown Interest Free Credit.

### 5.4 Deferred Interest Bearing Credit (CDIBC)\*

The customer has nothing to pay for the pre-agreed Deferred Term and if the agreement is settled before the end of the Deferred Period, there is nothing further to pay, other than a potential Early Settlement Fee of £29.00.

However if the customer continues the loan beyond the Deferred Term, the cost of the goods (less the deposit) is spread evenly across the term of the loan at the pre-agreed APR. Interest charges, which accrue from the date the agreement goes live, will be applied to the account. Partial repayments made within the deferral period will not accrue any interest.

From 12th November 2019 new [FCA Legislation](#) states that customers have to be given the pros and cons of deferred products along with details of the consequences for not repaying within the deferral period; example wording for this product can be found in Appendix 4.

Finance FAQs.

This is also sometimes known as Countdown Interest Bearing Credit.

## **5.5 Buy Now Pay Later (BNPL)\***

Similar to Deferred Interest Bearing Credit, the customer will pay nothing during the Deferred Period and if the agreement is settled before the end of the Deferred Period, there is nothing further to pay, other than a potential Early Settlement Fee of £29.00.

However if the customer continues the loan beyond the Deferred Term, the cost of the goods (less the deposit) is spread evenly across the term of the loan at the pre-agreed APR. Interest charges, which accrue from the date the agreement goes live, will be applied to the account. Partial repayments made within the deferral period will not accrue any interest.

From 12th November 2019 new [FCA Legislation](#) states that customers have to be given the pros and cons of deferred products along with details of the consequences for not repaying within the deferral period; example wording for this product can be found in Appendix 4. Finance FAQs.

\*The principal difference between Deferred Interest Bearing and Buy Now Pay Later is the date at which the customer starts the repayments. For goods bought using Deferred Interest Bearing Credit, the repayments will start after the completion of the agreement deferral period (6, 10, 12 months), which is started when the E-Signature is signed. Whereas using Buy Now Pay Later means the customer starts to make payments after the completion of the agreement deferral period (6, 10, 12 months), which is started on the date of delivery or installation.

## 6. Finance Calculator

A finance calculator is a useful tool to display on the website to help customers determine which available finance product, term and deposit best suits their needs.

Once the retailer and Novuna have agreed a set of finance products, the retailer can make the finance products available to customers at different times. For example during a sales promotion period, longer terms may be offered.

The following are examples of how finance calculators may be shown to customers.

### FINANCE CALCULATOR

Enter the amount you would like to spend  
(Minimum Loan Amount: £250.00 - Maximum Loan Amount: £25,000.00)

£ 500

Alternatively, use the slider to enter loan amount

£250.00 £12,625.00 £25,000.00

Enter the amount you would like to deposit

£ 50

Alternatively, use the slider to enter the deposit amount

£50.00 £127.50 £255.00

Select a finance service

**Interest Bearing** Interest Free

Select a repayment term

**24 Months** 36 Months

#### Finance Summary

Monthly Repayment	APR	Deposit Amount
<b>£20.66</b>	<b>9.9%</b>	<b>£50.00</b>
Total Charge for Credit	Loan Amount	Total Amount Payable
<b>£45.84</b>	<b>£450.00</b>	<b>£545.84</b>

Representative example: Cash Price £8,000.00, Deposit £750.00, Loan amount £5,000.00, 9.9% APR representative, Interest rate 10% fixed, 12 monthly repayments of £400.00, Total term of loan agreement 10 months, Total charge for credit £500.00, Total Amount payable £200.00.

Total Amount Payable includes Deposit Amount. The figures shown are an illustration based on the cost of goods. Final details including shipping and discounts where applicable will be displayed on the checkout page. Credit subject to status and affordability. Terms & Conditions Apply. FCA Retailer Name trading as Company Name is a credit broker and is Authorised and Regulated by the Financial Conduct Authority. Credit is provided by Novuna Personal Finance, a trading style of Mitsubishi HC Capital UK PLC, authorised and regulated by the Financial Conduct Authority. Financial Services Register no. 704348. The register can be accessed through <http://www.fca.org.uk>

### Novuna<sup>®</sup> Personal Finance

[REMOVE FINANCE](#)

Representative example: Cash Price <£>, Deposit <£>, Loan amount <£>, <%> APR representative, Interest rate <%> fixed, <£> monthly repayments of <£>, Total term of loan agreement <£> months, Total charge for credit <£>, Total Amount payable <£>

ARE YOU LIVING IN THE UNITED KINGDOM?

**YES** NO

Finance Calculation for your £1,399.00 order

CHOOSE DEPOSIT

I would like to pay a deposit of 20% = £279.80

0% 10% 20% 30% 40% 50% 60%

FINANCE OPTIONS

A loan that allows you to spread the cost of your purchase.

BNPL INTEREST BEARING INTEREST FREE

**INTEREST BEARING** COUNTDOWN INTEREST BEARING

REPAYMENT TERMS (MONTHS)

I would like to pay over 18 months

6 12 **18** 24

30 36 42 48

54

REVIEW

18 Monthly payments of	£66.95
9.90% APR (representative)	
Finance Amount	£1,119.20
Interest Payable	£35.90
Total Amount Payable	£1,484.90

Total Amount Payable includes Deposit Amount. The figures shown are an illustration based on the cost of goods. Final details including shipping and discounts where applicable will be displayed on the checkout page. Credit subject to status and affordability. Terms & Conditions Apply. Credit is provided by Novuna Personal Finance, a trading style of Mitsubishi HC Capital UK PLC, authorised and regulated by the Financial Conduct Authority. Financial Services Register no. 704348. The register can be accessed through <http://www.fca.org.uk>

**PayByFinance**

Figure 1. Example Finance Calculators

### 6.1 Finance Calculations

Once the Financial Products to be offered are agreed by the retailer and Novuna, the logic to determine the monthly instalment and total amount of credit to be paid will need to be built.

## 6.2 Deposits

### 6.2.1 Minimum Deposit

The minimum deposit amount is usually 10%, however the retailer may offer the customer the choice to pay more than the minimum 10%.

Deposit amounts of less than 10% will need to be signed off as an exception by Novuna and agreed with the Relationship Manager.

Rounding on the deposit amount must ensure that the deposit does not fall below the minimum threshold, for example:

Total Goods Price	£1,953.52
Deposit %	10%
Deposit	£195.352
Rounded (mathematically)	£195.35 = 9.9998976% ✗
Rounded up to nearest 1p	£195.36 = 10.000409% ✓

In this example, rounding the monthly instalment mathematically takes the deposit below the minimum 10% threshold and would be rejected by PaybyFinance.

### 6.2.2 Deposit Process

It is usual that the deposit amount (plus any non-financed items) is taken during the checkout process when the customer provides a card number, and the balance of the total amount of goods is financed.

The customer pays the deposit (and any other non-financed items) during the checkout process and the balance of the order is passed through to Novuna's PaybyFinance system where the application will be assessed and a decision provided.

Alternatively, the deposit can be taken once the customer has been returned to the website following an accepted decision and once the agreement has been e-signed.

### 6.2.3 Authenticate or Pre-authorisation vs. Authorise & Capture

Many retailers prefer to 'authenticate', 'pre-authorise' or 'defer' the deposit amount rather than using 'authorise and capture' during checkout, which can make the process of returning deposits back to the customer (for example cancelling the pre-authorisation) easier and quicker, rather than having to fully refund the captured deposit amount.

This can also be achieved using the 'authenticate' method which only verifies the bank details and does not contact the bank like the 'defer' or 'pre-authorise' payment actions.

#### 6.2.4 Handling Declines

If the customer is declined during the credit application process they will be shown the decision by Novuna, along with their decline letter before being re-directed back to the retailer's website. The messaging on the landing page can be configured by the retailer and may for example include wording about alternate payment methods or next steps for the customer.

### 6.3 Minimum / Maximum Loan Amount

A Minimum and Maximum Loan Amount is agreed between the retailer and Novuna; the Loan Amount is equal to the Order Value (Total Goods Price) of the financed goods less the Deposit Amount.

The Minimum and Maximum Loan Amounts can vary by finance product and term for each retailer and will be confirmed in the onboarding e-mail.

### 6.4 Minimum Order Value

The Minimum Order Value is calculated by dividing the Minimum Loan Amount by the Minimum Deposit percentage, i.e.

$$\text{Minimum Order Value} = \frac{\text{Minimum Loan Amount}}{(100\% - \text{Minimum Deposit})}$$

If the Loan Amount falls below the Minimum Loan Amount threshold, then the order will be rejected, for example:

Minimum Loan Amount	£300.00	
Minimum Deposit %	10%	
Order Value	£333.33	
Deposit	£33.333	
Deposit rounded up to nearest penny	£33.34	(see 7.2.1 Minimum Deposit)
Loan Amount	£299.99	✗ (less than the Minimum Loan Amount)

#### Correct Calculation

$$\frac{£300}{90\%} = £333.33 \text{ recurring} \quad (\text{Round up } £333.34)$$



## 6.5 Multipliers

Multipliers will be provided by the E-Commerce team at Novuna; there will be a multiplier for each interest bearing product / term combination that is offered to the customer.

The multiplier is the monthly instalment amount due for every £1 of loan value and the logic should be used in the E-Commerce website to calculate the monthly instalment.

The following table shows example multipliers for Interest Bearing Product with 19.9% APR:

Interest Bearing Credit	Term (months)		
19.9% APR	24	36	48
	0.050064	0.036297	0.029526

Table 1: Example Multipliers

For example a £2,500 loan with a 10% deposit over 24 months would be calculated as follows:

Total Goods Price	£2,500.00
Deposit %	10%
Deposit Paid	£250.00
Term	24
APR	19.9%
Multiplier	0.050064
Loan Amount	£2,250.00
Calculation (Loan Amount x Multiplier)	£2,250.00 x 0.050064
Monthly Instalment	£112.644

The resulting monthly instalment must be rounded using the logic provided by Novuna in the next section.

## 6.6 Rounding Rules

The monthly instalment amount must be displayed to two decimal places to the customer, which means in some cases that the calculation will need to include a rounding formula.

Rounding rules depend on whether the product is an interest free product (service types IF and CDIFC) or an interest bearing product (service types BNPL, IB, and CDIBC).

Monthly Instalments for Interest Free products must be rounded down to the nearest penny and for Interest Bearing products are rounded up to the nearest penny, for example:

Finance Product	Interest Free Credit	Interest Bearing Credit
<b>Rounding Method</b>	Round Down	Round Up
<b>Total Goods Price</b>	£2,195.00	£1,500.00
<b>Deposit %</b>	10%	10%
<b>Deposit (£)</b>	£219.50	£150.00
<b>Term</b>	36	24
<b>APR</b>	0.00%	19.90%
<b>Loan Amount</b>	£1,975.50	£1,350.00
<b>Multiplier</b>	0.027777	0.050064
<b>Monthly Instalment</b>	£54.859575	£67.5864
<b>Monthly Instalment Rounded</b>	£54.85	£67.59
<b>Total Amount Payable Calculation</b>	36 x £54.85 plus £219.50	24 x £67.59 plus £150.00
<b>Total Amount Payable</b>	£2,194.10	£1,772.16

Table 2. Finance Calculation Examples

### 6.6.1 Interest Free Rounding Exception

If an interest free credit product is the only product that is being offered, it may be easier to calculate the monthly instalment by dividing the Loan Amount by the Term and rounding down the monthly instalment, for example:

Finance Product	Interest Free Credit
<b>Rounding Method</b>	Round Down
<b>Total Goods Price</b>	£2,195.00
<b>Deposit %</b>	10%
<b>Deposit Paid</b>	£219.50
<b>Term</b>	36
<b>APR</b>	0.00%

<b>Loan Amount</b>	£1,975.50
<b>Calculation</b>	$£1,975.50 \div 36$
<b>Monthly Instalment</b>	£54.875
<b>Monthly Instalment Rounded</b>	£54.87
<b>Total Amount Payable Calculation</b>	$36 \times £54.87 \text{ plus } £219.50$
<b>Total Amount Payable</b>	£2,194.82

Table 3. Interest Free Rounding Exception

## 6.7 Monthly Instalment Calculation Tolerance

The instalment amount calculated by this method may differ slightly from the calculation used by Novuna by +/- 2 pence and a tolerance of +/-2p is built in to PaybyFinance, meaning that the application data will be transferred across to PaybyFinance and the customer will be shown the correct figures on the Quote Confirmation page of PaybyFinance.

For this reason, the following wording must be displayed to the customer next to the finance calculations:

***Please note the above quotation is an indicative cost and actual monthly payments may vary by +/- 2p per month.***

The wording should be placed on the website in a clear position, underneath the quotation, using a font no smaller than 8. For further information on the compliance requirements of the website, please see [Section 7. Financial Promotions & Compliance](#).

## 6.8 Summary Table

The following table provides a summary of the credit products offered by Novuna, the associated Service Type, whether an APR or Rate per month is required, whether Deferred or Option Terms are available and the rounding rule which needs to be applied to the monthly instalment calculation.

Financial Product	Service Type	APR	Rate per Month	Deferred Term (months)	Instalment Rounding Rule
Buy Now Pay Later	BNPL	Yes	Yes	Yes	Round Up
Interest Bearing Credit	IB	Yes	Yes	No	Round Up
Interest Free Credit	IF	0%	No	No	Round Down
Deferred Interest Free Credit	CDIFC	0%	No	Yes	Round Down
Deferred Interest Bearing Credit	CDIBC	Yes	Yes	Yes	Round Up

Table 4. Service Types Summary Table

Examples of how the monthly instalment is calculated for each of the Service Types can be found in [Appendix 1: Finance Product Instalment Calculations](#).

## 7. Financial Promotions & Compliance

This section is intended to provide an overview of the compliance requirements for offering finance online.



**This information is for guidance only and it is the responsibility of the retailer to ensure any financial promotions comply with current legislation and FCA rules**

### 7.1 Financial Promotions

The Financial Conduct Authority (FCA) has strict rules on the promotion of consumer credit and all promotions or advertisements need to comply with these rules (subject to a few limited exceptions).

The specific advertising rules can be found in Section 3 of the FCA Consumer Credit Sourcebook (CONC) which is available on the FCA website:

<https://www.handbook.fca.org.uk/handbook/CONC/8/>

The other applicable provisions in the FCA handbook including the 11 Principles of Business and the need to treat customers fairly (TCF) also apply.

Novuna has produced a guide on Financial Promotions which can be found in [Appendix 2. Financial Promotions Guide](#).

### 7.2 Multiple Financial Products

If the retailer offers multiple financial products, for example Interest Free, Interest Bearing and Countdown Interest Bearing, then the products have to be clearly separate and distinct. Each of the products must also be shown with equal prominence.

### 7.3 Finance Instalments

The instalment amount calculated by the method defined in this document may differ from the calculation used by Novuna by +/- 2 pence. The following sentence is required to be displayed to make the difference in the instalment clear to customers.

***Please note the above quotation is an indicative cost and actual monthly payments may vary by +/- 2p per month.***

The statement should be placed on the website in a clear position, underneath the quotation, using a font no smaller than 8.

## 7.4 Broker Disclosure

The name of the credit provider needs to be provided on the same page as the financial promotion. Please note the Finance Calculator is also considered to be a financial promotion.

### 7.4.1 Single Lender Broker Disclosure

If the credit offered is from only one provider then one of the following statements should be shown in the advert or within the page containing the financial promotions. Most retailers will include this within the footer of each webpage to cover this requirement across the entirety of the website.

***Credit subject to status and affordability. Terms & Conditions Apply. <{Retailer Name as appears on FCA register} trading as {Trading Name}> is a credit broker and is Authorised and Regulated by the Financial Conduct Authority.***

***Credit is provided by Novuna Personal Finance, a trading style of Mitsubishi HC Capital UK PLC, authorised and regulated by the Financial Conduct Authority. Financial Services Register no. 704348. The register can be accessed through <http://www.fca.org.uk>***

### 7.4.2 Multiple Lender Broker Disclosure

If credit is offered from a number of providers then the following statement should be shown in the advert:

***Credit subject to status and affordability. Terms & Conditions Apply. <{Retailer Name as appears on FCA register} trading as {Trading Name}> is a credit broker and is Authorised and Regulated by the Financial Conduct Authority.***

***Credit is provided by a panel of lenders with whom we have a commercial relationship (so we cannot provide independent advice).***

If the retailer is offering credit under the Instalment Credit Exemption, please see [Section 7.5 Instalment Credit Exemption Disclosure](#)).

## 7.5 Instalment Credit Exemption Disclosure

If the credit that the retailer offers meets certain criteria set out by the Financial Conduct Authority, then these agreements may be exempt from the FCA's authorisation.

### 7.5.1 What is the exemption criteria?

To offer credit under the Instalment Credit Exemption, the agreements must be:

- Interest Free Agreements (i.e. 0% APR)
- Repayable within 12 months
- Repayable in no more than 12 instalments

- For a fixed amount

For full details, please refer to the FCA website:

<https://www.fca.org.uk/firms/authorisation/when-required/exemptions-exclusions/installment-credit>

### 7.5.2 Instalment Credit Exemption Disclosure

Whilst there will be no need for a Representative Example if the website offers agreements under the Instalment Credit Exemption, there is still a requirement to disclose who the Lender is. The Disclosure should therefore be:

***Credit subject to status and affordability. Terms & Conditions Apply. Credit is provided by Novuna Personal Finance, a trading style of Mitsubishi HC Capital UK PLC Authorised and Regulated by the Financial Conduct Authority. Financial Services Register no. 704348. The register can be accessed through <http://www.fca.org.uk>***

### 7.5.3 Multiple Lender Instalment Credit Exemption Disclosure

If credit is offered under the Instalment Credit Exemption from a number of providers then the following statement should be shown in the advert:

***Credit subject to status and affordability. Terms & Conditions Apply. Credit is provided by a panel of lenders with whom we have a commercial relationship (so we cannot provide independent advice).***

## 7.6 Finance FAQs

The website needs to include a web page which provides further details about finance for customers. This should be linked from the footer of the main website, include information on the product or products offered, a number of Frequently Asked Questions as well as the Representative Example, where applicable.

Sample wording for the Finance FAQs page can be found in [Appendix 4. Finance FAQs](#).

## 7.7 Representative Example

A Representative Example is the information that needs to be provided to customers whilst they are making a decision about the finance which they are considering applying.

Customers must be shown a Representative Example with the product, term and APR that the retailer reasonably expects at least 51% of customers to select. If after launching PaybyFinance 51% of customers are choosing a different product, term and APR combination then the Representative Example will need to be updated.

### 7.7.1 Representative Example Triggers

If any page on the website includes an interest rate or any amount relating to the cost of credit, it must also include a representative example on the same page. All financial promotions for interest bearing products must be 'stand-alone compliant' meaning that the representative cannot be placed on a page which is linked to the financial promotion or incentive.

The Representative Example must contain certain standard information (listed below in 8.5.2), including a representative APR.

The following items are triggers for a Representative Example:

- The rate of interest
- Nature and amount of any other charges which are included in the total cost of the credit such as a document fee
- The total amount of credit
- The representative APR (A standalone APR i.e. '16.9% APR Representative', as long as it includes the word "Representative" is not a trigger for a full representative example)
- The cash price and the amount of any advance payment or deposit
- The duration of the agreement including any deferral period
- The amount and frequency of each repayment
- The total amount payable; this includes the deposit amount, the loan amount and any interest charged. It also assumes that the loan runs to the full term without being repaid early

A representative example is **NOT** required for promotions relating to agreements where the APR is 0%.

### 7.7.2 Information required for the Representative Example

The following information must be included and accompanied by the words 'Representative Example'.

- The rate of interest (e.g. 16.9% p.a. fixed)
- Nature and amount of any other charges which are included in the total cost of the credit such as a document fee or early settlement fee if applicable
- The total amount of credit.
- The representative APR (e.g. 16.9% APR Representative)
- The cash price and the amount of any advance payment or deposit
- The duration of the agreement including any deferral period
- The total amount payable
- The amount of each repayment



### 7.7.3 Representative Example for Deferred Interest Bearing Credit

The table below shows a sample Representative Example:

Total Cash Price	£2,500.00
Total Amount of Credit	£2,000.00
Deposit	£500.00 then nothing to pay for 12 months then either settle £2,000 in 12 months' time or pay £85.74 per month for 36 months
Interest Rate	19.9% p.a. fixed
Total Amount Payable	£3,586.64
Total Charge for Credit	£1,086.64
APR representative	19.9%
Early Repayment Fee	£29.00

*Please note the above quotation is an indicative cost and actual monthly payments may vary.*

*[Interest is charged from day 1 of your agreement, but not charged on any repayments made during the deferral period. On expiry of the deferral period, interest accrued during the deferral period will be applied to your repayments]\**

*\*Only required for Service Types 25 Buy Now Pay Later and 35 Deferred Interest Bearing Credit*

## 7.8 Handback Pages

Once a customer has submitted their application they will receive a decision from Novuna – either Accept, Refer or Decline – after they have completed the necessary actions following this decision they will be directed back to the retailer's website to a URL which is determined by the retailer and the credit application decision.

### 7.8.1 Accepted Applications

If the customer has been accepted, the retailer may wish to inform the customer what will happen next with the order, for example, confirm delivery timescales and provide customer service contact information in the case of any queries.

### 7.8.2 Referred Applications

A referred application is a temporary status and the customer will be contacted by Novuna to inform them of an accepted decision, a declined decision or with a request to provide further information. Until the information requested by Novuna's underwriters is provide a final decision will not be made on the application.

### **7.8.3 Declined Applications**

If the customer is declined they may need information about alternate methods of payment for the order or details about how to cancel the order and obtain a refund.

Sample wording for each of the handback pages is provided in [Appendix 5. Handback Pages](#).

## **7.9 Product Changes**

From time to time Novuna and the retailer may agree to change the finance products that are offered to the customer, it is essential that the website is updated at the same time as Novuna's systems to prevent applications from being rejected.

Any changes that are implemented will usually be agreed in advance, but the website needs to provide flexibility to change the products, APRs, terms and deposits amounts within the agreed timeframes.

## 8. Application Statuses

Novuna's PaybyFinance system keeps retailers informed of the status of an order through optional notifications, full details of which can be found on the Developer Portal. The table below provides information on the CM3 statuses:

Status	Explanation	CM3 Available Actions
<b>open</b>	<ul style="list-style-type: none"> <li>New application which has not been submitted for decision</li> <li>CM3 saves the data once personal details have been input so that an application can be resumed</li> </ul>	<ul style="list-style-type: none"> <li>Resume</li> <li>Cancel</li> </ul>
<b>decision_accept</b>	<ul style="list-style-type: none"> <li>The application has been accepted by Novuna and can now be e-signed by the customer</li> </ul>	<ul style="list-style-type: none"> <li>Resume</li> <li>Cancel</li> <li>Loan Amend</li> </ul>
<b>decision_decline</b>	<ul style="list-style-type: none"> <li>The application has been declined by Novuna and the customer will be returned to the store</li> </ul>	<ul style="list-style-type: none"> <li>No actions available</li> </ul>
<b>decision_refer</b>	<ul style="list-style-type: none"> <li>The application has been referred by Novuna and the customer will be returned to the store</li> <li>The customer will be notified when a final decision (accept or decline) has been made</li> </ul>	<ul style="list-style-type: none"> <li>View</li> <li>Cancel</li> </ul>
<b>signed</b>	<ul style="list-style-type: none"> <li>Application has been accepted and e-signed</li> </ul>	<ul style="list-style-type: none"> <li>Mark Goods as Delivered</li> <li>Cancel</li> </ul>
<b>pending_esat_note</b>	<ul style="list-style-type: none"> <li>Application has been accepted and e-signed.</li> <li>Payout will not be processed until receipt of an electronic satisfaction note from the customer (where required)</li> </ul>	<ul style="list-style-type: none"> <li>Cancel</li> </ul>

Status	Explanation	CM3 Available Actions
<b>customer_has_goods</b>	<ul style="list-style-type: none"> <li>Retailer has marked goods as delivered</li> <li>This will be a separate API call from the retailer, with the required authentication needed.</li> </ul>	<ul style="list-style-type: none"> <li>Cancel</li> </ul>
<b>payout_pending</b>	<ul style="list-style-type: none"> <li>Applicable where esat notes are used – updates to this once the customer confirms they are satisfied.</li> <li>Will remain in payout_pending until the cooling off period has elapsed</li> <li>Statuses are: decision_accept -&gt; customer_has_goods -&gt; _pending_esat_note -&gt; payout_pending -&gt; paid</li> </ul>	
<b>paid</b>	<ul style="list-style-type: none"> <li>Retailer has been paid</li> </ul>	<ul style="list-style-type: none"> <li>No actions available</li> </ul>
<b>withdrawn</b>	<ul style="list-style-type: none"> <li>The customer is withdrawing from the finance, not the sale.</li> <li>The customer can settle interest free in this period – thereby only paying the cash price of the goods.</li> <li>This is where the customer is within the cooling off period and they decide to exercise their Right to Withdraw.</li> </ul>	<ul style="list-style-type: none"> <li>No actions available</li> </ul>
<b>cancelled</b>	<ul style="list-style-type: none"> <li>Application has been cancelled pre-payout by Novuna</li> <li>There will also be a separate API call from the retailer, with the required authentication needed to notify Novuna of cancellations.</li> </ul>	<ul style="list-style-type: none"> <li>No actions available</li> </ul>

## 9. Compliance Review Process

Once you have gone live the Compliance Team may review your site. If your site is chosen for review the Compliance Team will undertake an end-to-end review of the site and provide feedback on any changes that may be required to make your site compliant.



**The Compliance Review provided by Novuna is for guidance only and it is the responsibility of the retailer's Approved Person to ensure that the website is compliant with current legislation.**

### 9.1 Compliance Review Checklist

To help ensure that your site is compliant complete this compliance review checklist to make sure all areas are covered.

#### Compliance Review Checklist

Reviewer's Name	
Date of Review	
URL Reviewed	

Item to Review		Comments
1. Home Page Representative Example and Broker Disclosure present if required  (See Section 7.4 Broker Disclosure) (See Section 7.7 Representative Example)	<input type="checkbox"/>	
2. Finance Calculator showing monthly instalments and total amount of credit for the product being purchased  (See Section 6. Finance Calculator)	<input type="checkbox"/>	
3. Compliant Financial Promotions with wording that is clear, fair and not misleading  (See Section 7.1 and Appendix 2.)	<input type="checkbox"/>	

Item to Review		Comments
<b>4. FCA and Broker Disclosure on every page where finance is mentioned</b>  <i>(See Section 7.4 Broker Disclosure)</i>	<input type="checkbox"/>	
<b>5. Trading Name is registered with the FCA?</b>  <a href="https://register.fca.org.uk">(<a href="https://register.fca.org.uk">https://register.fca.org.uk</a>)</a>	<input type="checkbox"/>	
<b>6. Finance FAQ page with all content and Representative Example where appropriate</b>  <i>(See Section Appendix 3. Finance FAQs)</i>	<input type="checkbox"/>	
<b>7. Representative Example present on every page where there is a trigger for one</b>  <i>(See Section 7.6 Representative Example)</i>	<input type="checkbox"/>	
<b>8. Personalised Representative Example</b> <ul style="list-style-type: none"> <li>- personalised to show the product / term / loan amount that most customers will use</li> <li>- shown on every page where there is a trigger (including <i>Finance From..</i> triggers)</li> <li>- is prominent and near enough to the trigger</li> </ul> <i>(See Section 7.6 Representative Example)</i>	<input type="checkbox"/>	
<b>9. Handback Pages personalised with retailer details</b> <ul style="list-style-type: none"> <li>- Accepted</li> <li>- Declined</li> <li>- Referred</li> <li>- Error</li> <li>- Abandoned</li> </ul> <i>(See Section 8.8 Handback Pages)</i>	<input type="checkbox"/>	
<b>10. Customer Journey</b> <ul style="list-style-type: none"> <li>• Have there been successful end to end test transactions carried out for Accepted, Referred and Declined applications?</li> <li>• Are there any typos or errors?</li> </ul>	<input type="checkbox"/>	
<b>11. Shipping and Billing Address must be the same for all orders made with finance</b>	<input type="checkbox"/>	
<b>12. Customer E-Mails show the finance details correctly</b>	<input type="checkbox"/>	

## 9.2 Common Errors

The following are examples of the most common errors found when reviewing the website.

### 9.2.1 Representative APR triggers

The advertising of Buy Now Pay Later is an incentive; the advert requires a representative APR, and the Representative APR needs to be no less prominent than the incentive that triggered it, for example: Buy Now Pay Later products also require you to provide details of the pros and cons of paying nothing for the deferral period. As indicated in 8.7.3, customers need to be provided with a representative example and information about deferred interest charges, the advantages of making repayments within the deferral period and the impact of not doing so.

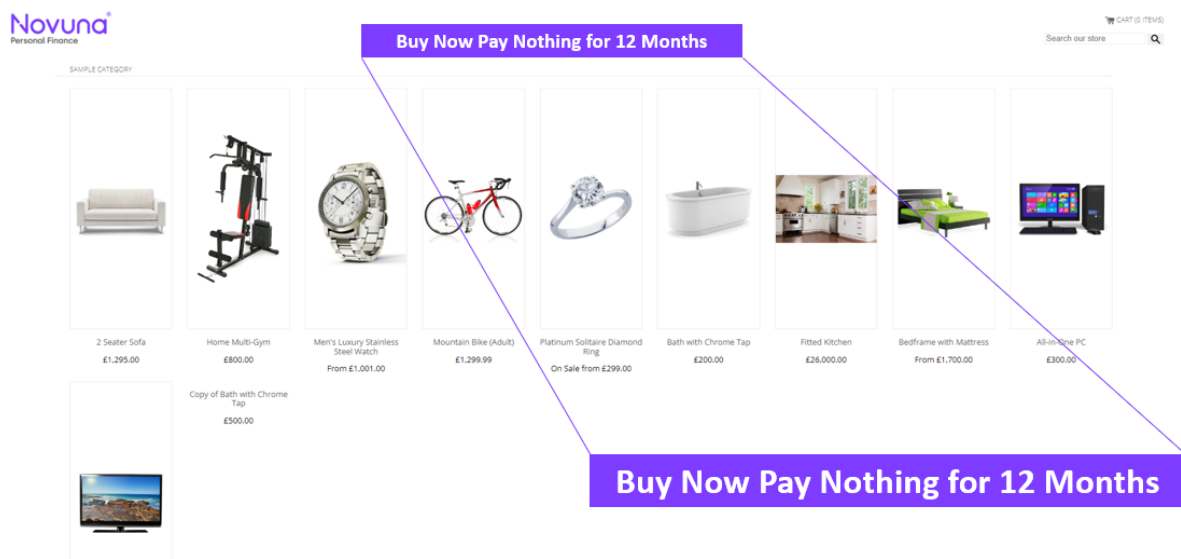


Figure 2: Buy Now Pay Later Trigger

Buy Now Pay Later products also require you to provide details of the pros and cons of paying nothing for the deferral period. As indicated in 8.7.3, customers need to be provided with a representative example and information about deferred interest charges, the advantages of making repayments within the deferral period and the impact of not doing so.

Example Financial Promotion	Compliance Requirement
<b>Buy Now Pay Nothing For 12 Months 9.9% APR Representative</b>	Having 'Buy Now Pay Nothing for 12 months' requires a representative APR
<b>Buy Now Pay Nothing For 12 Months Then Pay £34.50 Per Month For 36 Months</b>	This would require a full Representative Example
<b>Finance Available</b>	This does not require a representative APR
<b>Buy Now Pay Later</b>	This would require a representative APR as it is inviting a customer to apply for credit.

### 9.2.2 Finance FAQ Page

The Representative Example must be included within the Finance FAQ or Finance Options page and must be as clear and prominent as the incentive or promotion that is on the page.

The Representative Example must show the most commonly used finance product and the average purchase value in the calculations, for example if the majority of customers choose Interest Free Credit over 3 years, and the average order value is £1,500 – these are the figures that should be used to create the Representative Example.

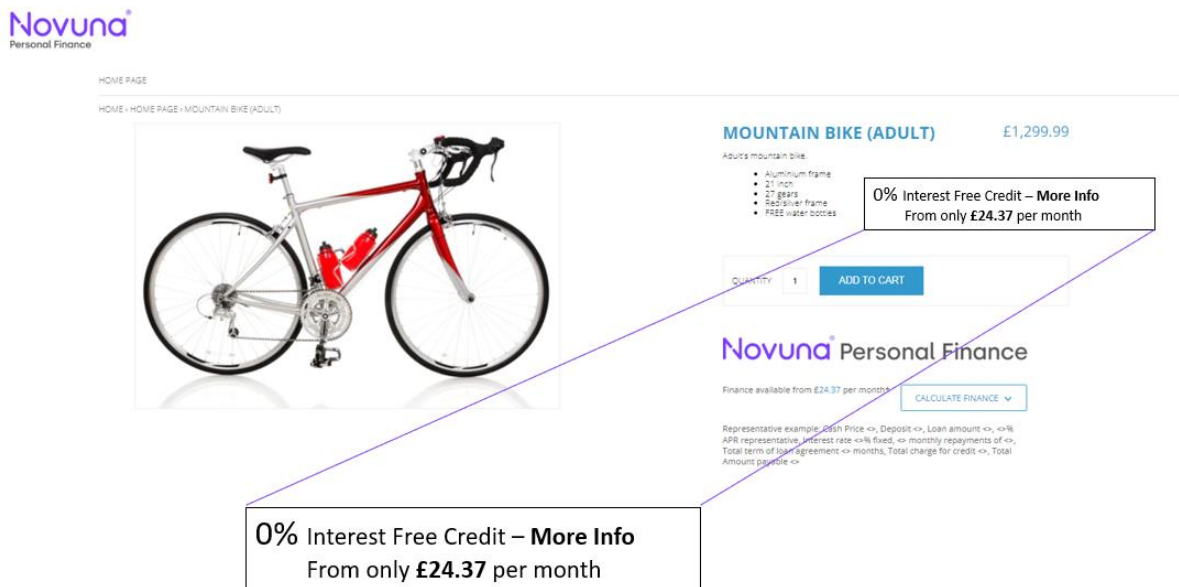
The Representative Example text must be in bold, be clear and be displayed prominently against the background.



### 9.2.3 Interest Free Exception

With any financial promotions where the APR is 0% and CONC 3.5.3R (2A) applies, a Representative Example is not required. For further information, please see:

<https://www.handbook.fca.org.uk/handbook/CONC/3/5.html>



Novuna Personal Finance

HOME PAGE

HOME > HOME PAGE > MOUNTAIN BIKE (ADULT)

**MOUNTAIN BIKE (ADULT)** £1,299.99

Adult's mountain bike:

- Aluminium frame
- 21" x 10"
- 27 gears
- Red/silver frame
- FREE water bottles

**0% Interest Free Credit – More Info**  
From only £24.37 per month

QUANTITY 1 **ADD TO CART**

**Novuna Personal Finance**

Finance available from £24.37 per month **CALCULATE FINANCE**

Representative example: Cash Price <-> Deposit <-> Loan amount <-> <-> APR representative interest rate <-> % fixed <-> monthly repayments of <-> Total term of loan agreement <-> months, Total charge for credit <-> Total Amount payable <->

**0% Interest Free Credit – More Info**  
From only £24.37 per month

Figure 3: Interest Free Credit Financial Promotion

### 9.2.4 Broker Disclosure on all pages with financial promotions

The full broker disclosure is required on all pages where there are any financial promotions. This can be covered by including the disclosure in the footer of every page of the website.

This again must be in bold and be clear and prominent to ensure the customer can see and read it.

As above the disclosures should be in the advert but if there are multiple triggers on a page this can be just done once as long as it is prominent and in proximity to the adverts, please see <https://www.handbook.fca.org.uk/handbook/CONC/3/7.html> for further details.

The full broker disclosure is as follows:

**Credit subject to status and affordability. Terms & Conditions Apply. <{Retailer Name as appears on FCA register} trading as {Trading Name}> is a credit broker and is Authorised and Regulated by the Financial Conduct Authority.**

***Credit is provided by Novuna Personal Finance, a trading style of Mitsubishi HC Capital UK PLC Authorised and Regulated by the Financial Conduct Authority.***

Please see [Section 8.4.2 Multiple Lender Broker Disclosure](#), if there are multiple lenders offering credit through the website, or [Section 8.6.1 Instalment Credit Exemption Disclosure](#), if agreements are offered under the Instalment Credit Exemption.

## 10. Exceptions

### 10.1 Click and Collect

Click and Collect facilities are offered by increasing numbers of retailers to allow customers to collect goods instore that they have purchased online.

This means that delivery to home address can't be used as an Address ID check, so additional measures need to be adopted to ensure that this method of collection doesn't facilitate fraudulent applications.

Only the applicant can collect the goods instore – there are **no exceptions** to this rule.

#### 10.1.1 Click and Collect Process

The process shown below must be followed to if customers can purchase goods online and pick them up from a store or branch.

1. A deposit must be taken on all Click and Collect orders.
2. When collecting the order, the customer must produce one of the following e-mails, which must be checked and verified by staff:
  - Order Confirmation E-Mail
  - Goods Dispatched E-Mail
  - Collection E-Mail
3. The customer must show instore staff a valid form of photographic identification (Driving Licence or Passport) in the same name as the order being collected; this must be checked and verified by staff.
4. The customer must produce the payment card on which the deposit was taken; the payment card must be in the name of the customer collecting the order (i.e. the same as the order and photo ID).
5. The customer must sign a collection receipt and the signature is checked by staff against the payment card.

**Please note that for fraud prevention reasons, delivery to lockers, or other collection points that are not the store itself cannot be allowed.**

### 10.2 0% Deposit

The majority of retailers will be required to collect a 10% from the customer, however exceptions may be made to this rule for certain products/sectors.

A deposit amount of less than 10% will need to be discussed and agreed with the Relationship Manager at Novuna prior to implementation.

## 11. Troubleshooting

The most common cause of problems when integrating occurs when data is being passed across to PaybyFinance; an e-mail will be sent to the address contained in the POST data (Error e-mail address) which will provide information on the problem, and the user will be sent to the Error return URL.

If the error e-mail is not being received, please check the POST data to ensure that the Error e-mail address field (eea) is not null and the e-mail address is correct and can receive incoming mail. It may also be worth checking spam or junk folders for any missing e-mails.

### 11.1 Rounding

Rounding often causes problems when calculating the monthly instalment and deposit amount. Please review: sections [7.2 Deposits](#) and [7.5 Rounding Rules](#) to ensure that the system is correctly handling the rounding of deposits and monthly instalments.

### 11.2 Minimum / Maximum Loan Amount

The Minimum and Maximum Loan Amounts are shown for each finance product in the onboarding e-mail send at the start of the integration.

The Minimum Loan Amount should be greater than or equal to the Total Cash Price less the Deposit Amount, if the Loan Amount is less than the Minimum Loan Amount, even by a small amount, it will be rejected.

The following calculation will determine the minimum order value which corresponds with the Minimum Loan Amount:

<b>Minimum Loan Amount</b>	<b>÷</b>	<b>(100% - Minimum Deposit)</b>	<b>=</b>	<b>Minimum Order Value</b>
----------------------------	----------	---------------------------------	----------	----------------------------

**Example:**

<b>£250</b>	<b>÷</b>	<b>0.9</b>	<b>=</b>	<b>£ 277.7777778</b>
				<b>(Rounded to £277.78)</b>

### 11.3 Minimum Deposit

If the minimum deposit is set at 10%, and mathematical rounding rules are applied, this may result in the deposit falling below the 10% threshold and failing validation.

## 12. Document History

Date	Version	Author	Description of change
22-Jul-08	0.1	L Doherty	Skeleton version created
7-Oct-08	1.0	E O'Brien	Release
25-Nov-08	1.1	L Doherty	Updated
16-Dec-08	1.2	L Doherty	Updated to include the address checking flag & credit brokerage fee
3-Feb-09	1.3	L Doherty	Removal of unnecessary field
10-Feb-09	1.4	L Doherty	Removal of unnecessary field
16-Feb-09	1.5	L Doherty	Mandatory markers on the address
2-Mar-09	1.6	L Doherty	Addition of credit brokerage fee field
08-Dec-09	1.7	H Addico	Addition of notification posts for application status updates
23-Dec-09	1.8	L Doherty	Change to deal with rounding differences on the instalment amount.
26-Jan-10	1.9	G Wootton	Various amends
5-Mar-10	1.10	L Doherty	Tidy-up – rename eComm to PaybyFinance
11-Jun-10	1.11	S Elliott	Amending the example URL to a correct one.
13-Jan-11	1.11.1	G Brooks	Change credit examples to comply with CCD, remove reference to Credit Brokerage Fee
05-Apr-11	1.12	J Shields	Add new postback status of F – Fraud Issue
17-Jul-12	1.13	A Simpson	Added example custom name value fields full example
18-Jul-12	1.14	L Doherty	General tidy-up
25-Jul-12	1.15	H Addico	Added a note on Cancellation notification code from HCCF
26-Jul-12	1.16	H Addico	Amended related text to the notification service error handling in section
08-Oct-12	1.17	S McIntosh	Updated to reflect current system
26-Apr-13	1.18	S McIntosh	Update system connectivity details to reflect the new environments
29-Jul-13	1.19	S McIntosh	Correct the e-tailer order reference field to 24 characters
29-Jul-13	1.20	D Foulkes	Update field description names
07-Aug-14	1.21	R Stevenson	Update branding and consistency across integration guides
16-Oct-14	1.22	R Kelly	Details of flag controlling access to new responsive credit wizard
Aug 2017	2.0	E Keith	Wholesale Review and Update
June 2018	2.1	E Keith	Amend Broker Disclosure & FAQ Page, Add Pre-Compliance Review Checklist
March 2019	2.2	E Keith	Various updates and change Cal Credit to TransUnion
May 2019	2.3	E Keith	Update IP Addresses, Pre-Compliance Checklist & Remove Interest Option Product.

Sept 2019	2.4	B Griffiths	Early settlement fee updates, defer and authenticate additions, new financial promotion guide
Nov 2019	2.5	N Harkins	Buy Now Pay Later FCA regulation updates add to guide
Dec 2019	2.6	B Griffiths	Update IP Addresses
Jan 2020	2.7	B Griffiths	Handback Page Developer Comments
Oct 2020	2.7.1	N Harkins	Compliance Process Update
Oct 2020	3.0	E Keith	PBF CM3 Updates
Nov 2023	4.0	N Harkins	Integration Guide update

# PaybyFinance Integration Guide

## Appendices

## Appendix 1. Financial Product Calculations

Service Type	Finance Product	Example
IB	Interest Bearing Credit	<p>Finance Details: Term = 12 months / Minimum Deposit = 10% / APR = 9.9% / Multiplier = 0.087675</p> <ul style="list-style-type: none"> <li>• Goods Price = £1,500.00</li> <li>• 20% Deposit = £300.00</li> <li>• Loan Amount = £1,200.00</li> <li>• Monthly Instalment = <math>\text{£1,200.00} \times 0.087675 = \text{£105.21}</math></li> </ul> <p>This means 12 instalments of £105.21 starting one month from the live date of the agreement.</p>
	Interest Free Credit	<p>Finance Details: Term = 18 months / Minimum Deposit = 10% / APR = 0.00% Multiplier = 0.05555555</p> <ul style="list-style-type: none"> <li>• Goods Price = £2,567.00</li> <li>• Deposit = £300.00</li> <li>• Loan Amount = £2,267.00</li> <li>• Monthly Instalment = <math>\text{£2,267.00} \times 0.05555555 = \text{£125.94431}</math> (Rounded Down = £125.94)</li> </ul> <p>This means 18 instalments of £125.94 starting one month from the live date of the agreement.</p> <p>However, it is preferable to calculate monthly payment for Interest Free by dividing the Loan amount by the term and round the monthly payments down to 2 decimal places, for example:</p> <ul style="list-style-type: none"> <li>• Goods Price = £2,567.00</li> <li>• Deposit = £300.00</li> <li>• Loan Amount = £2,267.00</li> </ul>



Service Type	Finance Product	Example
CDIFC		<ul style="list-style-type: none"> <li>Monthly Instalment = <math>\text{£}2,267.00 / 18 = \text{£}125.94444</math> (Rounded Down = <math>\text{£}125.94</math>)</li> <li>This means 18 instalments of <math>\text{£}125.94</math> starting one month from the live date of the agreement.</li> </ul>
	Deferred Interest Free Credit	<p>Finance Details: Deferred Term = 6 months / Term = 24 months / Minimum Deposit = 10% / APR = 0.00% / Multiplier = 0.041666</p> <ul style="list-style-type: none"> <li>Goods Price = <math>\text{£}3,700.00</math></li> <li>Deposit = <math>\text{£}500.00</math></li> <li>Loan Amount = <math>\text{£}3,200.00</math></li> <li>Monthly Instalment = <math>\text{£}3,200.00 \times 0.041666 = \text{£}133.3312</math> (Rounded Down to <math>\text{£}133.33</math>)</li> </ul> <p>This means 24 instalments of <math>\text{£}133.33</math> pounds with the first instalment due 6 months after the agreement starts.</p>
CDIBC and BNPL	Deferred Interest Bearing Credit And Buy Now Pay Later	<p>Finance Details: Deferred Term = 12 months / Term = 36 months, / Minimum Deposit = 10% / APR = 19.9% / Multiplier = 0.042868</p> <ul style="list-style-type: none"> <li>Goods Price = <math>\text{£}2,450.00</math></li> <li>Deposit = <math>\text{£}250.00</math></li> <li>Loan Amount = <math>\text{£}2,200.00</math></li> <li>Monthly Instalment = <math>\text{£}2,200.00 \times 0.042868 = \text{£}94.3096</math> (Rounded Up to <math>\text{£}94.31</math>)</li> </ul> <p>This means 36 instalments of <math>\text{£}94.31</math> pounds with the first instalment due 12 months after the agreement starts.</p>

Table 5. Finance Product Calculations

## Appendix 2. Financial Promotions Guidelines

The current Financial Promotions Guide produced by Novuna can also be found in your onboarding email. If you would like to be sent it again, please get in touch with our PaybyFinance team at:

[paybyfinance@Novuna.co.uk](mailto:paybyfinance@Novuna.co.uk).



Financial  
Promotions Guide -



**These Guidelines are issued for guidance purposes only to retailers and other parties which may introduce customers to Novuna personal finance.**

**It expresses Novuna Personal Finance's interpretation of the requirements in respect of the products it provides. It is not intended to be used as legal advice and should not be relied upon as such.**

**Specific guidance and/or advice should be sought from the Financial Conduct Authority or from legal advisors, on the compliance of any financial promotions that are produced or used.**

### Appendix 3. Finance FAQs

A Finance FAQ page which provides information including the Representative Example will need to be added and linked in the menu. Sample wording which has been reviewed by Novuna's Compliance Team is provided below.

Please include the appropriate finance product wording for each finance product offered, along with the [Finance FAQ Text](#).

The Representative Example which must be included on this page needs to reflect the most commonly used finance product. Only one Representative Example is required, even where multiple products are being offered.

Anything shown in *<red italic>* brackets, or in the example tables below, requires amending with the relevant finance details for the finance products and terms that will be offered.

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#### ***Buy Now Pay Later Finance / Countdown Interest Bearing Credit Example\****

Buy now pay later with payments deferred for up to *<12>* months.

Spread the cost with buy now pay later finance available online and in store. This finance option allows you to spread the cost of your purchase over 48 months with an agreed deferral period of *<6, 10 or 12>* months.

Your agreement will start after *<signing your finance agreement / delivery of your goods>*. At which point your *<6, 10 or 12>* month deferral period will begin and interest will start accumulating on the balance owing. If the loan amount is voluntarily paid in full before the deferral period ends, interest will be waived but an early settlement fee up to £29 will apply. Unless the balance is cleared before the end of the deferral period, the monthly Direct Debit payments will start.

#### ***All you need to do is:***

1. Spend a minimum *<£280>* and above
2. Place a minimum *<10%>* deposit
3. Minimum finance amount after deposit *<£250>* and above

These *<3>* simple buy now pay later finance options help you spread the cost of your purchases.

- 48 months buy now pay later finance, with the first payment deferred for *<6>* months on orders of *<£280>* and above
- 48 months buy now pay later finance, with the first payment deferred for *<10>* months on orders of *<£280>* and above
- 48 months buy now pay later finance, with the first payment deferred for *<12>* months on orders of *<£280>* and above

The table below shows you how much the monthly repayments will be based on the total order value.

Order Value	Total Term (Months)	Defer Term (Months)	Deposit (10%)	Monthly Payments
<£1,000	48	12	£100	£31.39
£2,000	48	12	£200	£62.77>

### ***Representative example:***

- Cash Price <£1,000>
- Deposit <£100>
- Loan Amount <£900>
- APR representative <19.9%>
- Interest rate <19.9%> p.a. fixed
- <48> monthly repayments of <£31.39>
- Total term of loan agreement <60> months, with the first payment deferred for <12> months
- Total Amount Payable <£1,606.72>
- Early Settlement Fee £29
- No interest is payable on any payments made within the deferral period however will apply from day 1 once the deferral period ends

### ***Interest Bearing Finance Example***

Up to <60> months <5.9%> APR representative interest bearing finance.

Spread the cost with interest bearing finance available online and in store.

This simple finance option allows you to spread the cost of your purchase over <12, 24, 36, 48 or 60> months.

### ***All you need to do is:***

1. Spend a minimum <£560> and above
2. Place a <10%> deposit
3. Minimum finance amount after deposit <£500> and above

These <5> simple interest bearing finance options help you spread the cost of your purchases.

- <12> months interest bearing finance on orders of <£560> and above
- <24> months interest bearing finance on orders of <£560> and above
- <36> months interest bearing finance on orders of <£560> and above

- <48> months interest bearing finance on orders of <£560> and above
- <60> months interest bearing finance on orders of <£560> and above

The table below shows you how much the monthly repayments will be based on the total order value.

Order Value	Term (Months)	Deposit (10%)	Monthly Payments
<£350	12	£35	£27.08
£700	24	£70	£27.85
£1,200	36	£120	£32.74
£2,000	60	£200	£34.59>

### **Representative example:**

- Cash Price <£700>
- Deposit <£70>
- Loan Amount <£630>
- APR Representative <5.9%>
- Interest Rate <5.9%> p.a. fixed
- <24> Monthly Repayments of <£27.85>
- Total term of loan agreement <24> months
- Total Amount Payable <£738.40>

### **Interest Free Finance Example**

Up to <48> months <0%> APR representative interest free finance.

Spread the cost with interest free finance available online and in store.

This simple finance option allow you to spread the cost of your purchase over <6, 9, 10, 12, 18, 24, 36 or 48> months.

### **All you need to do is:**

1. Spend a minimum <£280> and above
2. Place a <10%> deposit
3. Minimum finance amount after deposit <£250> and above

These <8> simple interest free finance options help you spread the cost of your purchases.

- <6> months interest free finance on orders of <£280> and above
- <9> months interest free finance on orders of <£280> and above

- <10> months interest free finance on orders of <£280> and above
- <12> months interest free finance on orders of <£280> and above
- <18> months interest free finance on orders of <£280> and above
- <24> months interest free finance on orders of <£280> and above
- <36> months interest free finance on orders of <£280> and above
- <48> months interest free finance on orders of <£280> and above

The table below shows you how much the monthly repayments will be based on the total order value.

Order Value	Term (Months)	Deposit (10%)	Monthly Payments
<£350	6	£35	£52.50
£700	10	£70	£63
£1,200	36	£120	£30
£2,000	48	£200	£37.50>

**If you require any further information about finance please call <insert company number>**

## Finance FAQ Text

*<PLEASE DELETE AFTER READING: The following information should be personalised and used on your Finance FAQs or Finance Options page:>*

### ***How do I choose to PaybyFinance?***

Just select the finance option on the checkout page or let the sales consultant know if you're buying in our *<showroom / store>*.

### ***Who is Novuna?***

Novuna are one of the UK's leading financial services companies. We work with them to offer flexible finance solutions, allowing you to spread the cost of your purchase.

Please visit [Novuna Personal Finance](#) for more information or contact them if you have any questions about your agreement, including the application process or managing your account.

### ***Who is eligible to apply for online finance?***

To apply for online finance, you must be over the age of 18, work at least 16 hours a week, or be retired with an income. You must also be a resident of the United Kingdom and have lived in the UK for the last 12 months or more.

Unfortunately, we are unable to offer online finance to residents of Eire. Homemakers aren't excluded from applying under their own names; however the employment details of your spouse / partner will be required in order to process your application.

### ***When do my repayments start?***

Your monthly repayments will begin one month after your purchase has been delivered. *<For buy now pay later agreements the monthly repayments will start <12> months after delivery.>*

### ***Are there any arrangement fees or hidden extras for credit?***

No. There are no arrangement fees or hidden extras.

### ***Applying for online finance***

Applying for online finance couldn't be easier or more convenient. When you buy online from *<{Retailer Name as appears on FCA register} trading as {Trading Name}>* you have the choice of applying for finance by adding your purchase to the shopping basket, selecting the finance option,

and completing an online application form. Just follow the simple instructions, entering your personal details as required and we'll do the rest.

The whole process only takes a few minutes and is simple and secure. Once your finance application is approved, you will then be advised of how to sign the finance agreement and you will also receive an email confirming these details.

Please read the agreement carefully checking that all the details are correct, then either electronically sign the agreement or print and sign the agreement in both boxes. Post the signed agreement to the address shown on the covering letter of the agreement.

Following receipt of your finance agreement and a few additional checks, your goods will be dispatched.

## ***Your questions answered***

Here's some of the most commonly asked questions regarding online finance.

### ***Once my application is approved, what happens next?***

Within minutes of your application being approved, you will be presented with the options to either e-sign or print and return your finance agreement.

If you choose to e-sign your agreement, a PDF of your agreement will be displayed on screen. You should read the agreement carefully before clicking all the relevant sections agreeing to its terms.

Once you have agreed to the terms of the finance agreement <{Retailer Name as appears on FCA register} trading as {Trading Name}> will be notified and you need do nothing more.

If you choose to print and return your agreement you should print the agreement, read it carefully and then sign the document following the instructions on the covering letter. This signed document should then be posted to the address shown on the covering letter of the finance agreement.

Note that products will not be allocated to your order until your completed and signed agreement is returned and received by Novuna Personal Finance. Shipment of your goods will follow soon after your agreement has been returned and received.

### ***Will you credit score me and if so, what does this mean?***

Credit scoring is the process used by financial services companies to evaluate the credit risk of new applicants. This technique will be applied to your application for online finance. Credit scoring works by awarding points for each answer given on the application form such as age, income and occupation, together with information obtained from credit reference agencies.

This information allows consistent decisions to be provided, ensuring all applicants are treated fairly. Credit scoring does not discriminate on the grounds of sex, race, religion or disability.



***If you decline my application, what is the reason?***

In addition to credit scoring, Novuna also takes into account confirmation of your identity, validation of certain application details, existing commitments and information held at the credit reference agencies. Though Novuna is unable to provide you with a main reason for declining your application, it is usually based on one, or a combination of the following:

- Your credit score (please note that every finance company will score you differently)
- Adverse credit reference agency information
- You are considered to be overcommitted
- You are aged under 18
- Your existing account performance with other lenders

***What type of information do credit reference agencies hold about me?***

Some of the information is public information, for example electoral roll, County Court Judgments and bankruptcies. Other lenders may also file information about accounts you hold with them for instance this could include your payment history and outstanding balance on these accounts. Any requests for credit, where a credit reference search has been undertaken, will also be filed, although the result of the request is not recorded.

***How do I obtain a copy of this information?***

Send a request to the relevant credit reference agency, together with details of all addresses at which you have lived over the last 6 years:

- Experian Limited, Customer Support Centre, PO Box 9000, Nottingham, NG80 7WF
- Equifax Ltd., Customer Service Centre, PO Box 10036, Leicester, LE3 4FS
- TransUnion International UK Limited, Consumer Services, PO Box 491, Leeds, LS3 1WZ

The above listed agencies will provide details of information relating to these addresses. If you believe that the information is incorrect, you can ask the agency to correct it.

***If my application is not successful, can I re-apply?***

Yes. We acknowledge that circumstances change and just because a previous application has been refused, it does not mean that a further request will automatically be turned down. We do suggest however, that you leave at least 6 months between applications.

***Can I request delivery to an address other than my home?***

In order to safeguard against fraudulent applications, we regret that we're able only to deliver goods to the home address of the applicant.

## Appendix 4. Handback Pages

The customer will be returned to the retailer's website with a decision status – Accepted, Referred and Declined. Below is some suggested wording for each of the pages; please personalise the information in *<red italic>* brackets.

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### ***Accepted handback page:***

Thank you for choosing PaybyFinance as your method of payment.

I am delighted to confirm that your application *<insert application number>* has now been accepted and your order is now reserved in our systems.

However, your order will not be dispatched until either your e-signature has been completed, if offered, or your signed documentation has been returned to Novuna Personal Finance at the following address:

PaybyFinance  
Novuna Personal Finance  
Freepost RRYU-HCAT-JEUG  
2 Apex View  
Leeds, LS11 9BH

If you have not already e-signed (if available) or printed and signed the documentation, an email has been sent to your allocated emailed address for you to complete and return the documentation as soon as possible.

In the meantime, thank you for using *<Company Name >*, we look forward to doing business with you in the future.

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### ***Referred handback page***

Thank you for choosing PaybyFinance as your method of payment for your purchase from *<Company Name >*. Your Application has been referred.

Novuna Personal Finance are assessing your application and if they require any further information, they will contact you.

Novuna Personal Finance will normally provide a final decision within the next 24 hours.

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Some referrals require some additional security checks so may take longer to obtain a decision.

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***Declined handback page***

Unfortunately, your application for finance has been declined.

We will arrange for any deposit paid to be refunded

Please contact <Company Name> on <Company Telephone Number> to discuss an alternative payment method.

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— **END OF DOCUMENT** —