

LOMBARD HIRE PURCHASE

An efficient way to purchase an asset without impacting your working capital.

Hire purchase lets you spread the purchase cost of an asset over a longer period with regular monthly payments. It can be designed to suit your business and we offer flexibility on the cost of your deposit, monthly payments and the final lump sum.

Your needs

Your business wants to purchase an asset however, you either don't have the funds available or you would prefer to preserve your capital to grow your business.

Our solution

A Hire Purchase solution can be tailored to your requirements: with a flexible deposit, fixed or variable payments and a final lump sum.

Benefits

- Payments can be structured to fit with your cash flow needs
- You can reduce monthly payments by paying a final lump sum, known as a balloon payment. This payment reflects the assumed value of the asset at the end of the agreement (Please speak to your Lombard Relationship Manager if you would like more information on how this is calculated)
- Writing down allowances and capital grants may be claimable on your agreement (Special Rules may apply)
- You may be able to offset repayment interest against your profits and reclaim VAT (Rules may apply)

The tax relief referred to are those applying under current legislation, which may change. The availability and value of any tax relief will depend on your individual circumstances

Considerations

- You have the option of purchasing the asset at the end of the agreed term
- Asset must be insured
- No option to increase the term
- There may be an early repayment charge if you settle the agreement early
- Interest rates can go up as well as down (applicable to variable rate agreements)

How it works

Initial Discussion
Relationship Manager (RM) discusses options available to you



Apply
You receive a quotation, your RM then collects any further information required and submits to our credit team to review



Outcome
Our Sales Support team issues documentation to review, sign and return



Completion
Once the documentation has been returned we confirm that funds have been paid out and issue a welcome pack to you

Is Hire Purchase right for you?

You might consider Hire Purchase if you:



Want a choice of repayment options



Need flexibility at the end of your agreement



Wish to fix your borrowing costs

Working with you

If you choose to proceed with us, your Relationship Manager will work with you to help you understand the process and will clearly explain all the costs. We will endeavour to advise you of our decision as quickly as possible and will keep you updated throughout the application.

Your Challenges	Our Solution
<ul style="list-style-type: none">You wish to preserve your capital or have insufficient funds to purchaseYou wish to fit repayments with available cash flow	<ul style="list-style-type: none">We purchase the asset upfront on your behalfVariety / choice of term available between one and five years

Product Specifications

- Asset type: A wide range of assets are available for finance
- Ownership: Lombard hold title until the final instalment is paid at which point, title passes to you
- Repayment type: Capital and Interest
- Interest type: Fixed or Variable
- Currency: GBP, EUR & USD

Additional Information	Explanation
<ul style="list-style-type: none">Administration Fee	<ul style="list-style-type: none">An Administration Fee will apply
<ul style="list-style-type: none">Option to Purchase fee	<ul style="list-style-type: none">Option to purchase fee must be charged to ensure ownership passes to you at the end of the term
<ul style="list-style-type: none">Early Repayment Charge	<ul style="list-style-type: none">Early repayment charge may apply if you wish to settle early. Your Relationship Manager will provide you with further details if you choose to proceed.
<ul style="list-style-type: none">Balloon or fully amortising Payment	<ul style="list-style-type: none">A lump sum at the end of the term or fully repay the full amount over the agreed term
	<ul style="list-style-type: none">IMPORTANT - If a balloon payment is due at the end of your agreement this must be paid in full. You must ensure that you will have sufficient funds available at that time to settle the payment in order to complete your agreement in full

- You should seek independent advice to determine if this product is suitable for you.
- Security may be required.
- Product fees may apply.
- Finance is only available for business purposes.

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