

Valentine Financial Services Suitability Letter (sample)

Dear Sir/Madam,

We have conducted a review of your existing arrangements in relation to the [essential equipment for your warehouse and your main offices].

Your Current Situation:

[Due to a recent business expansion, your distribution centres require an updated IT infrastructure to manage the logistics for product delivery].

You advised [your current process for the product distribution is a manual process, and with an uplift in demand, for delivery, the process is costly and needs new technology to ensure efficient processes. Your objective therefore was to secure £60,000 with a loan term duration of between 36 and 60 months to procure the necessary equipment whilst at a competitive interest rate.]

A review of your existing financial arrangements has taken place to confirm [the commercial finance options] offered meet our affordability and suitability requirements.

Your Future Plans:

You advised [you wish to automate the process and the equipment will aid this, increasing your capacity for more orders. There is 3-year plan to move to larger premises as the business continues to grow.]

Key Factors important to you:

- [Flexibility of product
- Speed of drawdown of facility]

Summary of your current position:

EXAMPLE [Insert rows as required with the specific circumstances of client]

Name	A Test Client
DOB	01/01/1965
Company Name	XYZ Delivery Services LLP
Company Type	Limited Liability Partnership
Finance Type	Commercial Finance
Net Monthly income (£)	£15000
Monthly expenditure (£)	£12000
Amount requested (£)	£60,000
Loan term (months)	36 - 60
Secured/unsecured	Secured and Unsecured

SUITABILITY REPORT The options below are based on the understanding of your position and objectives from the information you provided. This statement should be read in conjunction with our relevant [fee disclosure and Key Feature] documents. If you do not understand any of the information presented, then please contact us to discuss further before proceeding.

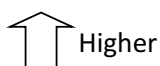
NOTE: Failure to disclose all requested information may result in the recommendation provided not being the most suitable for your needs.

OPTIONS CONSIDERED:

Please find below a review of your options available for consideration. Each of the options include the features or benefits which are shown below.

Broker Commission Variation

We disclose our commission variations where possible to our clients. The below icons indicate where a commission earned is Higher, Lower or the same as each option provided.



Lender	A	B	C
Purpose	Equipment purchase	Equipment purchase	Equipment purchase
Type of facility	Asset (Fixed Term)	Asset (Fixed Term)	Asset (Min. Term)
Commencement Date	27/01/2020	27/01/2020	27/01/2020
Initial Loan Amount (£)	£60,000	£60,000	£60,000
Total Payable (£)	£Data	£Data	£Data
Repayment Term (months)	60	48	36
Total cost of credit (£)	£Data	£Data	£Data
Monthly Repayment (£)	£Data	£Data	£Data
Annualised Percentage Rate of Charge %	APR%	APR%	APR%
Broker Commission variation			
(add the icons which represent higher, lower, or equal commissions) Examples in boxes			
Nature of financial arrangement between Lender and Broker	Variable Commission model	Fixed Price Commission	Commission scale
Features and Benefits	<p>i.e. No Early Repayment Charges are applied if the loan is repaid before the contractual end date</p> <p>e.g. No maintenance contract included</p> <p>Client verbatim is more powerful</p>		
Risks			
Your comments			

Effects on the client for the arrangements

(Delete if not applicable)

- Lenders may pay different rates and we will highlight this to you via the Broker commission variation columns. Arrows pointing upwards means a higher rate is paid, arrows downwards mean a lower rate is paid and arrows pointing right mean levels are the same. Depending on

the lender chosen, we may have influence over the interest rate which may impact the total amount payable by you the customer.

Other Products and Services not considered

Due consideration was taken on a range of products, but the alternatives were discounted due to:

[Loan duration

- You only required a loan over a specific term; relate back to client's priorities]

[Finance Company


- Your APR% was set at a maximum of 10%, relate back to client's priorities]

[Finance Company B

- Are not currently opening to new lending due to underwriting restrictions

YOUR SELECTION

EXAMPLE You have selected the [Lender C] option

Purpose	Equipment purchase
Commencement Date	27/01/2020
Initial Loan Amount	£60,000
Total Payable (£)	£66,297.10
Repayment Term (months)	36
Total cost of credit (£)	£6,297.10
Monthly Repayment (£)	£1,841.59
Annualised Percentage Rate of Charge %	6.8%
Broker Commission Variation	
Nature of financial arrangement between Lender and Broker	Fixed Price Commission

Effects on the client for the arrangements

(Delete if not applicable)

- *Lenders may pay different rates and we will highlight this to you via the Broker commission variation columns. , for certain lenders we may have influence over the interest rate. This may impact the total amount payable by you the customer.*

Key Benefits & Features

A summary of the benefits and features applicable to [Lender C] are set out below:

[No Arrangement Fees No fees will be added to your finance agreement.

Poor credit, CCJ's, Defaults Your application will be considered if you have an adverse credit history.

No Early Repayment Charges are applied if the loan is repaid before the contractual end date]

Risks

Your property may be repossessed if you cannot keep up with repayments. Your home may be at risk if it has been used as security for the proposed new arrangements.

Reason for Option

The above option has been selected for the following reasons:
[Based on the information and objective requirements of the lowest potential finance duration of 36 months, Commercial Finance Enterprises offer the lowest total cost for credit for the loan type]

COST OF SERVICES

[A summary of how my company can be remunerated for the advice received and the provision of my services is detailed in the Terms of Business provided].

CANCELLATION

[You have a legal right to withdraw from your loan agreement within 14 days from the later of; the day the agreement is concluded or from when you receive a copy of the agreement].

CONFIRMATION:

The options presented correspond to our understanding of your current needs and requirements. Please sign to confirm:

- You understand the products or services that has been selected
- [You have read the fees document and understand what fees you need to pay]
- The products or services selected are based on the facts provided and any false or missing information may result an unsuitable product choice
- You have been informed about the nature of our commission in relation to the credit products offered

If you have any queries concerning the content of this report, or should you feel the options provided are in any way an inaccurate reflection of your requirements, contact us immediately.

Report written by [**Broker**]

Signature _____ Date ____/____/____

We the undersigned have received this report. We acknowledge this is a fair reflection of our conversation and confirm we have received all supporting literature including [Key Feature Documents and Fee disclosures.]

Accepted by [**A Test Client**]

Signature _____ Date ____/____/____