

# Lending Works

## Lender Platform Terms & Conditions

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1.	INTRODUCTION.....	2
2.	DEFINITIONS.....	2
3.	LENDING WORKS PLATFORM.....	4
4.	OUR ROLE.....	<del>45</del>
5.	OUR AGREEMENT.....	5
6.	ELIGIBILITY CRITERIA.....	<del>56</del>
7.	LENDING BUSINESS.....	<del>67</del>
8.	LENDER REGISTRATION.....	7
9.	LENDING PROCESS.....	7
10.	CLIENT MONEY.....	12
11.	LOAN INFORMATION.....	<del>1213</del>
12.	LOAN AGREEMENT.....	13
13.	LENDER SERVICES.....	13
14.	ACTING AS YOUR AGENT.....	14
15.	QUICK WITHDRAW.....	14
16.	REPAYMENT OF LOANS.....	15
17.	AUTO-LEND.....	15
18.	AUTO INCOME.....	<del>1516</del>
19.	LENDING WORKS SHIELD.....	16
20.	FEES.....	17
21.	USE OF YOUR PERSONAL INFORMATION.....	18
22.	ADDITIONAL WEBSITE AND PLATFORM TERMS.....	18
23.	INTELLECTUAL PROPERTY RIGHTS.....	19
24.	VARIATION OF THIS AGREEMENT.....	19
25.	CANCELLATION AND TERMINATION OF MEMBERSHIP.....	20
26.	OVERSEAS RESIDENTS.....	20
27.	LIABILITY.....	21
28.	WIND-DOWN ARRANGEMENTS.....	<del>2122</del>
29.	NORMALISATION PERIOD.....	<del>2223</del>
30.	COMPLAINTS.....	23
31.	MISCELLANEOUS.....	23
32.	INNOVATIVE FINANCE INDIVIDUAL SAVINGS ACCOUNT.....	24



## 1. INTRODUCTION

1.1 These terms and conditions (“**Terms and Conditions**”) set out:

- the process for registering as a Member of the Lending Works online lending platform (“**Lending Works Platform**”) as a Lender;
- how you can access and use the Website and the Lending Works Platform, provided and maintained by Lending Works;
- our relationship with you; and
- the services we will provide you in connection with your Membership and use of the Lending Works platform.

1.2 Lending Works is a trading name of Fluro Platform Limited is a company incorporated and registered in England with company registration number 8302549 whose registered office is at 55 Old Broad Street, London, England EC2M 1RX (“**Lending Works**” “**our**”, “**we**”, “**us**”).

1.3 Lending Works is authorised and regulated by the Financial Conduct Authority under firm reference number 723151 and is registered with the Information Commissioner's Office under registration number ZA002001. The Company is also a member of Cifas (leaders in fraud prevention) and the Peer-to-Peer Finance Association (P2PFA).

1.4 Lending Works operates the Lending Works Platform through its Website for the purposes of matching those who wish to lend with those who wish to borrow, and services connected with lending and borrowing via the Lending Works Platform. In return for arranging and servicing Loans made via the Lending Works Platform, Lenders and Borrowers may pay Lending Works a fee or commission as set out in these Terms and Conditions and in any relevant loan documentation.

1.5 Lending Works is not covered by the Financial Services Compensation Scheme (FSCS).

1.6 Should you have any questions about these Terms and Conditions, or wish to contact us for any reason whatsoever, please contact us via the contact details set out on the Website.

## 2. DEFINITIONS

2.1 In these Terms and Conditions the following words shall, unless the context requires otherwise, have the following meanings:

“**Auto Lend**” has the meaning given in clause 17.1;

“**Borrower**” means the actual or prospective borrower under a Loan Agreement facilitated by the Lending Works Platform;

“**Borrower Platform Terms and Conditions**” means the platform terms and conditions which govern the relationship between Lending Works and a Borrower and which a Borrower must agree to before they are able to use the Lending Works Platform. A copy of these can be found on the Website;

“**Collector**” means any debt collection agent as may be appointed by Lending Works from time to time;

“**Customers**” means Borrowers and Lenders collectively;

“**Default**” means the status of a Borrowers account, upon service by Lending Works of a notice stating that the Loan is in default;

“**Fees**” has the meaning given in section 20;

“**Flexible**” has the meaning set out in clause 9.43;



**“GDPR”** means Regulation EU 2016/679 (General Data Protection Regulation (“GDPR”))

**“Growth”** has the meaning set out in clause 9.46;

**“Insolvent”** means a firm that is not Solvent;

**“Investment Account”** means all Loan Agreements, Loan Parts, Loan Contracts, all funds held in your Wallet, and any Lending Offers;

**“Lender”** means the actual or prospective lender (and includes, where there is more than one lender, multiple lenders lending collectively) under a Loan Agreement facilitated by the Lending Works Platform;

**“Lender Rate”** has the meaning given in clause 9.25;

**“Lender Products”** has the meaning given in clause 9.42;

**“Lending Offer”** has the meaning given in clause 9.5;

**“Lending Works”** has the meaning given in clause 1.2;

**“Lending Works Account”** means the section of the Website provided to each Member for the purposes of using the Lending Works Platform, and which can only be accessed by the relevant Member using their own username and password;

**“Lending Works Client Bank Accounts”** means one or more segregated bank accounts that Lending Works maintains in respect of all client money held by Lending Works;

**“Lending Works Membership Number”** means the personal identifying account number issued to a person upon successfully joining the Lending Works Platform by registering for a Lending Works Account;

**“Lending Works Platform”** has the meaning given in clause 1.1;

**“Lending Works Shield”** has the meaning given in clause 19.1;

**“Limited Company”** means a public (PLC) or private (LTD) limited company as defined with company legislation;

**“Loan”** means a loan transaction entered into by a Borrower and a Lender using the Lending Works Platform, the terms of which are set out in a Loan Agreement; this includes, where relevant, a Loan Part; where the Lender has entered into more than one loan, this refers to each and every loan under which he is the Lender;

**“Loan Agreement”** means an agreement setting out the terms of a Loan; this where relevant, this definition includes a Loan Contract; where the Lender has entered into more than one loan agreement, this refers to each and every loan agreement under which he is the Lender;

**“Loan Contract”** means the credit agreement entered into between the Borrower and the Lender of each Loan Part as set out in clause 12.4;

**“Loan Part”** means in respect of a Loan with multiple Lenders, the part of that Loan which has been lent by a particular Lender as set out in clause 12.4;

**“Member”** means a person who has approval by Lending Works to register, join, access and use the Lending Works Platform pursuant to and in accordance with these Terms and Conditions; and Membership shall be construed accordingly;

**“Nominated Bank Account”** means the UK bank account that you wish to use to transfer money into, and transfer money out of, your Lending Works Account;

**“Normalisation Period”** has the meaning set out in clause 29.1;

**“Other Business”** means a partnership or other business structure (including a sole trader) which is not an LLP or a private or public limited company;



“**Privacy Policy**” means the Lending Works privacy policy accessible online at [www.lendingworks.co.uk/privacy-policy](http://www.lendingworks.co.uk/privacy-policy);

“**Quick Withdraw**” has the meaning given in clause 15.1;

“**Shield Trust Account**” means the segregated bank account that the Trustee maintains in respect of the Lending Works Shield pursuant to the Shield Trust Deed;

“**Shield Trust Deed**” means the trust deed between Lending Works and the Trustee constituting the trust pursuant to which, among other things, the Trustee will hold funds transferred into the Shield Trust Account and manage the Lending Works Shield;

“**Solvent**” means where a firm has assets in excess of its liabilities and is able to pay its debts as they fall due;

“**Terms and Conditions**” means these Terms and Conditions as defined in clause 1.1; any reference to this ‘agreement’ is a reference to these Terms and Conditions;

“**Trustee**” means Lending Works Trustee Limited, a company incorporated and registered in England with company registration number 8565343;

“**URL**” has the meaning given in clause 23.2;

“**User**” means a user of the Lending Works Platform;

“**Wallet**” means the virtual wallet shown in your Lending Works Account stating the balance of funds that you have available to lend;

“**Website**” means [www.lendingworks.co.uk](http://www.lendingworks.co.uk)

- 2.2 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa, words denoting any gender shall include all genders and words denoting persons shall include bodies corporate and unincorporated, associations, partnerships and individuals. References to the words include and including shall be deemed to include the expression without limitation.

### 3. LENDING WORKS PLATFORM

- 3.1 To make Loans using the Lending Works Platform you must access and use the designated process set out on the Lending Works Platform.
- 3.2 To access and use the Lending Works Platform you must become a Member of the Lending Works Platform pursuant to these Terms and Conditions.
- 3.3 To become a Member of the Lending Works Platform you must meet the criteria set out in clause 6.3 and agree to these Terms and Conditions.
- 3.4 Subject to (i) you meeting the criteria set out in clause 6.3 and (ii) your agreement to these Terms and Conditions, Lending Works shall:
- (a) register you as a Member of the Lending Works Platform;
  - (b) provide you with access to and use of the Lending Works Platform as a Lender; and
  - (c) provide you with a number of connected services in relation to lending (as set out in section 13 “LenderServices”).

### 4. OUR ROLE

- 4.1 Our role is to:



- (a) operate the Website and the Lending Works Platform to facilitate Loan Agreements between Borrowers and Lenders;
- (b) provide and manage a process for lending and provide documentation for entering into Loans between the Borrower and Lender;
- (c) facilitate the payment and collection of sums due under or in connection with those Loans; and
- (d) manage all aspect of servicing and managing the Loans.

## 5. OUR AGREEMENT

5.1 These Terms and Conditions are entered into between **Lending Works** (“Lending Works”, “us”, “we” “our”) and **You** (“you”, “the Lender”, “the Member”, “the User”).

5.2 These Terms and Conditions should be read alongside, and are in addition to, our Privacy Policy.

5.3 **You should only become a Member of the Lending Works Platform, or access and/or use the Lending Works Platform, if you have read these Terms and Conditions, understood them and agree to be bound by them. If you do not understand any part of these Terms & Conditions, please ask us for further information before signing. You can contact us at [cs@lendingworks.co.uk](mailto:cs@lendingworks.co.uk)**

5.4 These Terms and Conditions make up the entire agreement between us and you in relation to your Membership of the Lending Works Platform and your access to and use of the Lending Works Platform together with any additional and associated services we provide you in relation to the Lending Works Platform.

5.5 By agreeing to these Terms and Conditions and/or by continuing your Membership of the Lending Works Platform and/or by accessing or using the Lending Works Platform, you confirm to us that you have read and understood the Terms and Conditions and agree to be bound by them and any other document that is incorporated by reference into them, including the Privacy Policy (each as amended from time to time).

5.6 Becoming a Member of the Lending Works Platform and/or accessing and using the Lending Works Platform **does not** mean:

- (a) Lending Works must introduce you to Borrowers; this is clearly dependent on the availability of Borrowers on the Lending Works Platform and whether they meet your lending requirements, the lending criteria set by us and pass a creditworthiness and affordability assessment.
- (b) Lending Works guarantees that you will be able to lend to a Borrower under a Loan Agreement; you can only lend under a Loan Agreement once you are matched to a Borrower and the Borrower agrees to proceed with the Loan; a Borrower is not obliged to proceed with any Loan, even after we have matched them to you (and other Lenders where there are multiple lenders) and provided them with Loan documentation. We will only be able to complete the Loan on your behalf once the Borrower electronically signs the Loan Agreement and Direct Debit mandate.

## 6. ELIGIBILITY CRITERIA

6.1 To access and use the Lending Works Platform you must become a Member pursuant to these Terms and Conditions.

6.2 To become a Member of the Lending Works Platform you must meet the criteria set out in clause 6.3 both at the time of your registration and also for the duration of your time as a Member.

6.3 The criteria for becoming a Member is as follows:

- (a) You are an individual;
- (b) You are not acting by way of business;



- (c) You must be 18 years of age or over, resident in the United Kingdom (subject to clause 26.1), and capable of taking responsibility for your own actions;
- (d) You have a bank account in your own name with a UK bank; and
- (e) You are not, and will not carry out the activities of, a credit broker.

6.4 You warrant and represent to Lending Works that:

- (a) you meet the criteria set out in 6.3 above;
- (b) the information provided to us in the course of registering as a Member, during your time as a Member and throughout the lending process is true and accurate in all respects;
- (c) you have disclosed to us any circumstances that you are aware of (including without limitation any legal claims, undisclosed liabilities, litigation, court proceedings or investigations which are current, threatened, pending or otherwise reasonably likely to occur against you by any third party) which could or might result in a material adverse change in your financial condition, business or assets;
- (d) you can enter into a legally binding agreement with us, you are the person whose details you have provided in connection with your Lending Works Account and you will not allow any other person to access or use your Lending Works Account;
- (e) **you understand that by making Loans using the Lending Works Platform you are making an investment and your capital is at risk. You accept that you are fully responsible for any losses which may be incurred from this investment;** and
- (f) when you transfer money into the Lending Works Client Bank Account you are authorised to do so. You will make such payments in good faith and will not attempt to reverse a payment made into the Lending Works Client Bank Account or take any action which will cause such a payment to be reversed by a third party, other than in accordance with these Terms and Conditions.

6.5 The representations and warranties set out in clause 6.4 are deemed to be repeated on each day that you are a Member of the Lending Works Platform, by reference to the facts then existing, and you undertake not to take or permit any action to be taken that may cause such representations and warranties to be untrue or inaccurate.

6.6 If at any time whilst a member of the Lending Works Platform any of the above criteria, representations and warranties are no longer true or accurate or satisfied by reference to the facts then existing, you agree to contact Lending Works as soon as possible and explain which criteria, representations and warranties are, or may, no longer be true or accurate or satisfied. You agree to provide Lending Works with such information as it may reasonably require about your financial condition, business and affairs from time to time.

6.7 You agree to access and use the Lending Works Platform only for lending as envisaged by and in accordance with these Terms and Conditions.

6.8 You agree it is your responsibility to account for any tax imposed on you as a result of making Loans through the Lending Works Platform, including on any interest you earn (only in accordance with these Terms and Conditions). We shall not deduct any tax from any interest you receive and/or any proceeds of sale of your rights under any Loan Agreement.

## 7. LENDING BUSINESS

7.1 You can only become a Member and access and use the Lending Works Platform if you are an individual under clause 6.3 (a).

7.2 Accordingly, you cannot become a Member and access and use the Lending Works Platform if:

- (a) you are an LLP, a Limited Company or Other Business; or
- (b) you are acting by way of business.



7.3 These Terms and Conditions will only apply to you as an individual, under clause 7.1.

## 8. LENDER REGISTRATION

8.1 Before you are able to start lending and making Loans using the Lending Works Platform you will need to register with us to create your Lending Works Account and become a Member.

8.2 You agree to provide accurate registration information, including but not limited to your correct name, address history, and all other relevant information requested by us. You agree to inform us promptly of any changes to such information via the process set out in your Lending Works Account.

8.3 You agree to provide us with the sort code and account number of your Nominated Bank Account.

8.4 You authorise us, at any time, to use any means that we consider necessary to verify your identity with any third-party providers of information.

8.5 Within the registration process you will be required to provide a valid e-mail address and choose a password which meets the password criteria set out in the registration process. You must change your password on a regular basis.

8.6 Upon successful completion of our registration process, we will provide you with your Lending Works Membership Number.

8.7 You agree to keep your Lending Works Membership Number and password strictly confidential, and provide them only to us when accessing your Lending Works Account. You are responsible for any misuse of these details as a result of your breach of this clause.

8.8 If you are an LLP, Limited Company or Other Business, you must strictly limit the number of individuals that are able to access and use your Lending Works Account and ensure that such individuals are of sufficient seniority, have been provided with a copy of, understand and agree to compliance with these Terms and Conditions when accessing and using the Lending Works Platform.

8.9 We are entitled to assume that all correspondence, orders, transfers and instructions made by reference to your Lending Works Membership Number and password are made by you. You agree to inform us at once by e-mail or by telephone if you believe that any of your Lending Works Account information is being misused by a person so that we may suspend your Lending Works Account pending further investigation.

8.10 We also reserve the right not to act on your instructions where we suspect that the person logged into your Lending Works Account is not you or we suspect illegal or fraudulent activity or unauthorised use.

## 9. LENDING PROCESS

### Getting Started

9.1 To start lending using the Lending Works Platform you will need to log in to your Lending Works Account and follow the designated lending process.

### Your Lending Works "Wallet"

9.2 Your Wallet is your holding account for funds you transfer into your Lending Works Account and all loan repayments received (which have not been re-invested or withdrawn by you).

9.3 To start lending using the Lending Works Platform you must first place funds in your Wallet using the process set out in your Lending Works Account. Your Wallet must show credit sufficient to cover the amount you wish to lend. In order to add or increase the credit balance showing in your Wallet you must transfer funds into the Lending Works Client Bank Account using the instructions provided within your Lending Works Account. Further details about how we hold your money are set out in section 10 of these Terms and Conditions. We will always comply with all regulatory requirements in relations to the funds we hold for you.

9.4 The minimum amount you can add to your Wallet is £100.



## Making Lending Offers

9.5 Once you have sufficient funds in your Wallet, in order to make Loans you will need to make one or more lending offers ("**Lending Offer**"). To make a Lending Offer you need to follow the process set out within your Lending Works Account.

9.6 When making a Lending Offer, you will need to specify:

- (a) if you want to lend on the Flexible Product or the Growth Product; and
- (b) the amount you wish to lend using the Lender Product above

You cannot specify the terms of any of the Loans you wish to make. These will be allocated to you as and when they are available on our Lending Works Platform.

9.7 Your Lending Offer must be for at least £10.

9.8 The amount of each Lending Offer is not necessarily the amount of money you will lend under one Loan Agreement. The amount of your Lending Offer may be allocated for lending in one of three ways:

- (a) the entire amount may be allocated to one Borrower under a Loan Agreement;
- (b) the amount may be allocated to multiple Loan Agreements where, in relation to each Loan Agreement, you are the only Lender; or
- (c) the amount may be allocated to multiple Loan Agreements where, in relation to each Loan you are one of a number of Lenders each lending individually a part of the overall loan to the Borrower (Loan Part)

9.9 We shall at our discretion decide how your Lending Offer is allocated as set out above. You cannot choose to whom your funds are lent, with whom your funds will be lent or how each Lending Offer will be allocated. We will take all reasonable steps to diversify the risk to you of Borrower non-payment.

9.10 In relation to each Lending Offer, we will match your Lending Offers to Borrowers seeking Loans as they become available on the Lending Works Platform.

9.11 Borrowers are entitled to make overpayments or settle their Loans early at any time, without being charged additional fees. Where this is the case your funds due under the relevant Loan Agreement will be repaid to you earlier than the contractual term. These funds will be available for further lending or withdrawal and you can choose the next step you wish to take in your Lending Works Account.

9.12 There is no limit to the number of Lending Offers you can make at any one time. If you make more than one Lending Offer on the same day within the same Lender Product (and which does not relate to re-invested repayments pursuant to Auto Lend under section 17), we may aggregate these Lending Offers into one Lending Offer.

## Unallocated and Allocated Lending Offers

9.13 When a Lending Offer is made by you, the funds making up the Lending Offer will be given the status "Unallocated Funds" and will be deducted from your Wallet.

9.14 These funds will remain with the status "Unallocated Funds" until the earlier of;

- (a) the Lending Offer being cancelled by you (in whole or in part) in which case the Unallocated Funds will be returned to your Wallet; and
- (b) your Lending Offer (in whole or in part) being matched to a Borrower at which point the status of the relevant funds will change to "Allocated Funds" (see clauses 9.18 and 9.19).

9.15 You can cancel your Lending Offer (in full or in part) at any time in respect of Unallocated Funds by following the process set out in your Lending Works Account. We will then transfer Unallocated Funds back to your Wallet.





You cannot cancel your Lending Offer (in full or in part) in respect of Allocated Funds. You should only submit a Lending Offer if you intend to be bound by the terms of the resulting Loan Agreement.

- 9.16 The cancellation of a Lending Offer, or part thereof, becomes effective when your instruction to cancel is successfully received and processed by us. In the event that we do not receive and process the cancellation in good time, you acknowledge that your Lending Offer may remain outstanding and available for allocation.
- 9.17 For clarity, part of the funds in your Lending Offer may be Unallocated Funds whilst the other part Allocated Funds. This is entirely dependent on whether we have been able to match your entire Lending Offer, or only part of your Lending Offer, to Borrowers at that time.

### Loan Matching

- 9.18 We will attempt to match each Lending Offer with Borrowers seeking Loans which meet the criteria set out in your Lending Offer.
- 9.19 Once we have matched you to a Borrower, the funds (or part of the funds) in your Lending Offer will change status to "Allocated Funds" and will be ring-fenced pending completion of Loan documentation by the Borrower. If the Borrower completes the Loan, the funds will change status to "On Loan Funds". If the Borrower decides not to proceed with the Loan, the status of the funds will revert back to Unallocated Funds and the Lending Offer will be returned to its previous position in the queue of Lending Offers.
- 9.20 When the Loan Agreement is formed, the relevant Allocated Funds will change status to On Loan Funds and will be shown in your loan book within your Lending Works Account.
- 9.21 Following the process in clause 9.19, Lending Works will at the same time transfer the funds representing the On Loan Funds from the Lending Works Client Account to the relevant Borrower's Nominated Bank Account. We shall deduct any relevant Fees as out in section 20.
- 9.22 Lending Works may match you to an existing Borrower under a Loan Agreement with another Lender who is a Member of Lending Works. To this effect, the outgoing Lender will be using the Quick Withdraw process set out in section 15. We will take all necessary steps to execute the transfer of the outgoing Lender's rights to you. The Loan will be shown as On Loan Funds in your Lending Works Account as set out in clause 9.19 and a credit will be shown in the outgoing Lender's Wallet to reflect this. This will not impact your investment or how your Lending Works Account is managed.

### Interest

- 9.23 Any Lending Offer you make will be at the interest rate available on the Website for the selected Lender Product. The interest rates available will be shown on our Website and in your Lending Works Account. Unless an Interest Rate Margin (under clause 20.3) or an Interest Rate Top-Up (under clause 9.37) are applicable, the interest rate set out in your Lending Offer relevant to the Loan and the interest rate charged to and payable by the Borrower as set out in the Loan Agreement will be the same.
- 9.24 We may update and change the interest rates available on our Website on a weekly basis. This will not impact any Lending Offer (in whole or in part) which has the status Allocated Funds or any Loan Agreement already in place. Any Unallocated Funds in a Lending Offer will automatically be amended to the latest interest rate available to lenders for the same Lender Product. The latest interest rates can be found on our Website. Once a Loan Agreement is formed, no changes will be made to the Lender Rate other than any adjustments we may be required to make under the Lender Rate Adjustment mechanism set out at clauses 19.12 - 19.14.
- 9.25 The rate at which you select to lend when you make a Lending Offer (the "Lender Rate") is the annualised expected rate, which assumes that you will re-invest all repayments of capital and interest at the same rate and you will hold relevant loans to maturity. The annualised expected rate also assumes any losses on your Loans are covered by the Lending Works Shield (see section 19), is stated before tax, and assumes there are no Lender Rate Adjustments.
- 9.26 We will not pay you any interest, and you will not earn any interest, while your funds remain in your Wallet, or while your Lending Offers are in Unallocated or Allocated status. How we treat interest earned on client money is set out in clause 10.8.



- 9.27 Lending Works cannot guarantee repayment by the Borrower under each Loan Agreement. This may impact the interest you receive.
- 9.28 Where, under 9.22, you are matched to an existing borrower under a Loan Agreement with another Lender who is using the Quick Withdraw feature (section 15), you may receive an upfront payment of interest where the interest rate under the existing Loan Agreement is less than the interest rate available to you on the Website for the selected Lender Product. This is to ensure that you are not disadvantaged from being matched to an existing borrower under a Loan Agreement with a lower rate of interest, rather than to a borrower under a new Loan Agreement at the latest interest rates available to Lenders on our Website.

### Account Management

- 9.29 You can transfer any funds held within your Wallet to your Nominated Bank Account at any time by following the designated transfer process within your Lending Works Account.
- 9.30 Funds which you request to transfer using the process set out above will be given the status "Pending Withdrawal" and deducted from your Wallet. If you change your mind and no longer wish to continue with the transfer, you will need to call us in order to request cancellation of the transfer. We will then move the funds back into your Wallet.
- 9.31 The minimum you can transfer out using this process is the lower of (i) £1.00 and (ii) the remaining value of your account.

### Supplementary provisions on Lending Offers

- 9.32 You must inform us as soon as you become aware of any errors with respect to your Lending Works Account or any calculations with respect to any Lending Offer you have submitted. We reserve the right to remove from the Lending Works Platform any Lending Offer which is the subject of any error.
- 9.33 A Lending Offer will only be valid if it is made in accordance with these Terms and Conditions. We reserve the right to refuse to list your Lending Offer on the Lending Works Platform without giving prior notice.
- 9.34 If you make a Lending Offer and we subsequently suspect that you are, or were, at the time of submitting the Lending Offer, in breach of these Terms and Conditions, we may, at our absolute discretion, withdraw any Lending Offer made by you.
- 9.35 You are responsible for the information that you provide to us concerning each Lending Offer that you make. We will not be liable for incorrect entries made by you on the Lending Works Platform including data input errors with respect to the amount of any Lending Offer.
- 9.36 We may determine, at our absolute discretion, when the Lending Works Platform is open for the making of Lending Offers and may close or limit the Lending Works Platform at any time at our absolute discretion.

### Interest Rate Top-Up

- 9.37 In certain circumstances, the interest rate charged to and payable by the Borrower as set out in the Loan Agreement may be less than the interest rate set out in your Lending Offer relevant to the Loan.
- 9.38 Where a Loan Agreement has an interest rate which is less than the interest rate set out in your Lending Offer relevant to the Loan (as set out in clause 9.23), we will pay you any interest rate shortfall ("**Interest Rate Top-Up**") as interest falls due each month.
- 9.39 All Interest Rate Top-Ups will be made in correspondence with Borrower repayments. As set out in clause 16.3, repayments by the Borrower under each Loan Agreement are not guaranteed by Lending Works. If a Borrower fails to pay, the Trustee may, at its sole discretion, step in and make payment to you using the Lending Works Shield, as set out in section 19. Any Interest Rate Top-Up will continue to be paid by Lending Works.
- 9.40 In the event of early repayment by the Borrower under clause 16.4, any Interest Rate Top-Up will be calculated and paid to you as at the date of early repayment of the Loan on the same basis as if it were interest payable under the Loan Agreement.
- 9.41 Any sums shown in your Lending Works Account as paid, due and payable in relation to a Loan Agreement shall be shown as inclusive of any Interest Rate Top-Up.



## Our Lending Investment Products

- 9.42 From the date of these Terms and Conditions, we offer two lending investment products (“**Lender Products**”):
- (a) Flexible
  - (b) Growth

### **Flexible**

- 9.43 Flexible is a Lender Product which is available to you through your Lending Works Account (“**Flexible Product**”).
- 9.44 To make Lending Offers, you will first need to select the Flexible Product and then follow clause 9.5 onwards. How you lend through your Lending Works Account is the same, whether using the Flexible Product, the Growth Product, or both, other than as set out in any other clause or section in these Terms and Conditions.
- 9.45 The key characteristics of the Flexible Product are:
- (a) Your money will be invested in loans for terms from 2 months up to 5 years
  - (b) You can sell your loans and withdraw cash with no early access fees, provided we can find new investors to purchase your loans
  - (c) You will not be able to make any new lending offers for a period of 28 days after selling loans within this product

### **Growth**

- 9.46 Growth is a Lender Product which is available to you through your Lending Works Account (“**Growth Product**”).
- 9.47 To make Lending Offers, you will first need to select the Growth Product and then follow clause 9.5 onwards. How you lend through your Lending Works Account is the same, whether using the Flexible Product, the Growth Product, or both, other than as set out in any other clause or section in these Terms and Conditions.
- 9.48 The key characteristics of the Growth Product are:
- (a) Your money will be invested in loans for terms from 2 months up to 5 years
  - (b) You can sell your loans and withdraw cash for a fee of 0.5% of the amount being sold. In addition, you may be required to sell loans at a discount if the interest rate on your loans is lower than the current lender rates. This is also subject to new investors being available to purchase your loans
- 9.49 You can lend using both the Flexible Product and the Growth Product at the same time. However, Loans made through the Flexible Product cannot be transferred to the Growth Product, and vice versa.

## **Borrower Payment Holidays**

- 9.50. Where a Borrower under your Loan is already experiencing or reasonably expects to experience temporary payment difficulties, we may offer the Borrower a “**Payment Holiday**” (a deferral of the Borrower’s obligation to make monthly payments under their Loan Agreement for an agreed period of time), subject to the following conditions:
- (a) We will only provide a Payment Holiday to the Borrower for a temporary period (typically up to 3 months, depending on their personal circumstances);
  - (b) The Loan will continue to accrue interest under the terms of the Loan Agreement at the contractual rate;
  - (c) You will not receive any repayments from the Borrower under that Loan during the Payment Holiday;
  - (d) We will apportion the Borrower’s suspended payments, including accrued interest, during the Payment Holiday, over the remaining term of the Loan and recalculate the Borrower’s repayments (“**Adjusted Repayments**”) accordingly; and



(e) You will receive your relevant allocation of the Adjusted Repayments following the end of the Payment Holiday.

9.51 We may provide a Borrower with a Payment Holiday at any time. In each case, the provisions in clause 9.50 will apply.

## 10. CLIENT MONEY

10.1 You can transfer money into your Lending Works Account using your debit card or by bank transfer by following the process set out in your Lending Works Account. We may, if we think it is necessary for any reason, specify which of the two methods you can use. We cannot accept cash deposits. When making a bank transfer you must include your unique reference, as stated in your Lending Works Account, as the payment reference to ensure your funds can be identified and allocated to your account promptly.

10.2 Debit card transfers will be allocated to your account within two working days. The time taken to allocate funds in relation to bank transfers will depend on the payment method used, however we will always make reasonable efforts to allocate your funds to your Wallet as soon as we receive them. You acknowledge that there may at times be a delay between when you send the funds and when we receive and allocate them (for example during weekends and bank holidays).

10.3 Your money (which includes both funds you have transferred to us as set out above and repayments received from Borrowers under your Loan Agreements) will be held in one or more of the Lending Works Client Bank Accounts. Each of the Lending Works Client Bank Accounts will at all times be a segregated account with a UK bank. These are currently held by NatWest Bank plc or Starling Bank Limited, as applicable. We shall, at our discretion, decide which of these banks to use for holding your funds. We may, in some circumstances, use both of these banks in combination, but this will not change the level of protection of your funds.

10.4 Should Lending Works cease to trade, the funds held in the Lending Works Client Bank Account will not be considered to be part of Lending Works' assets. Your funds will be also classified as held under a statutory trust and we will always comply with all relevant obligations placed upon us as a trustee, including all fiduciary duties.

10.5 Save as set out in clause 10.6, you can withdraw any funds in your Wallet, at any time and without charge, by using the process set out in your Lending Works Account.

10.6 Your Lending Works Account balances are calculated on a fractional basis and stored in our database as five decimal place numbers i.e. with an accuracy of 1/1000<sup>th</sup> of a penny. If, after withdrawing all available funds from your Lending Works Account, the balance of your Wallet is less than £0.01 you will be unable to withdraw this fractional balance. If, after a period of 6 years, there has been no further movement in your Lending Works Account, we may aggregate this amount with similar funds from other Members and pay these to a charity selected by Lending Works.

10.7 If the balance in your Wallet is £0.01 or more and there has been no movement in your Lending Works Account for a period of 6 years starting with the day after the date on which the last movement occurred, we may transfer this money to a charity selected by Lending Works. Before we take this action we will take all reasonable steps (including steps we must take under regulatory rules) to get in touch with you and attempt to return the funds to you. Where the sum is greater than £25.00, we undertake to repay to you the sums transferred to charity under this clause in the event that you get in touch with us after we have made the transfer to the charity.

In this clause and clause 10.6, by 'movement' we mean any transactional movement, including Lending Offers made by you, repayments received and transfers into your Lending Works Account.

10.8 We will not credit your Lending Works Account with an apportionment of the interest earned on client money balances whilst your funds are held in the Lending Works Client Bank Account. Any interest received in the Lending Works Client Bank Account will be immediately transferred to the Lending Works Shield for the benefit of all consumer Lenders.

## 11. LOAN INFORMATION

11.1 You will not be lending with or to Lending Works but with other Members who are Lenders and to other Members who are Borrowers on the Lending Works Platform.



11.2 We will not identify you to Borrowers or other Lenders unless required to do so by law or by a court or otherwise in accordance with the provisions of these Terms and Conditions or the Privacy Policy.

11.3 Details of your Loans can be found in your Lending Works Account.

## 12. LOAN AGREEMENT

12.1 Your relationship with the Borrower is governed by the Loan Agreement. The Loan Agreement consists of Part I (Important Information) and Part II (Loan Terms and Conditions). For the avoidance of doubt, the Loan Agreement is a separate agreement between you and the Borrower and is governed by separate terms and conditions. If there is a conflict between these Terms and Conditions and the Loan Agreement, the Loan Agreement will prevail. These Terms and Conditions do not form part of the Loan Agreement.

12.2 We will sign the Loan Agreement on your behalf once the Borrower has signed the Loan Agreement. At that point the Loan Agreement is made.

12.3 Once a Loan Agreement has been formed, you will not be allowed to change its terms or withdraw from the Loan Agreement, other than as set out in clause 15 of these Terms and Conditions and the terms of the relevant Loan Agreement, even if you had intended to cancel your Lending Offer but failed to do so or the message to us to cancel was not received and processed by us before the Lending Offer was matched and the resulting Loan Agreement was signed.

12.4 Where there is more than one Lender lending under the Loan Agreement, the total Loan to the Borrower will be made up of various Loan Parts, each Loan Part representing a separate loan made to the Borrower by the Lender of each Loan Part. Where this is the case, under the Loan Agreement, you will be deemed to enter into a separate Loan Contract with the Borrower in respect of your Loan Part for the amount of your Loan Part and on the same terms as the Loan Agreement.

## 13. LENDER SERVICES

13.1 In addition to operating the Lending Works Platform, matching your Lending Offers to Borrowers and taking responsibility for all communication between you and Borrowers, we shall carry out all of the following services ("**Lender Services**") on your behalf in relation to each Loan Agreement:

- (a) Assessing the affordability and creditworthiness of the Borrower;
- (b) Creating, populating and providing Borrowers with relevant pre-contractual, contractual and post-contractual documentation and information;
- (c) Completing Loans with Borrowers (including execution on your behalf of any agreements or deeds in relation to matched Lending Offers including, without limitation, the Loan Agreement);
- (d) Transferring Loan funds to Borrowers from the Lending Works Client Bank Account;
- (e) Managing and servicing all Loans;
- (f) Receiving and allocating all payments from Borrowers;
- (g) Collecting payments due from Borrowers on your behalf including all collections and enforcement activity (and use of a Collector where required);
- (h) Entering into any transfer or assignment agreements (or notices in relation thereto) on your behalf in order to assign the benefit of or transfer all or part of any Loans made under a Loan Agreement to us or another person, in the event that such a transfer or assignment is deemed necessary by Lending Works;
- (i) Enforcing any other lenders' rights and/or carrying out any other lenders' obligations;
- (j) Responding to and dealing with any complaints or disputes in respect of your Loan Agreements;
- (k) Amendment and variation of any Loan Agreements; and



(l) Reporting to credit reference, fraud prevention and law enforcement agencies.

13.2 In relation to 13.1(c):

- (a) You give us your irrevocable authority to execute any agreements or deeds in relation to matched Lending Offers including, without limitation, the Loan Agreement), and this authority cannot be withdrawn; and
- (b) You agree to be bound by the terms of any Loan Agreement entered into on your behalf and any amendments to those terms as agreed by Lending Works.

## 14. ACTING AS YOUR AGENT

14.1. You appoint Lending Works to be your exclusive agent for the purposes of:

- (a) matching any Lending Offers you make to Borrowers via the Lending Works Platform; and
- (b) any other activity we carry out under clause 13.1.

## 15. QUICK WITHDRAW

15.1 If you want to exit from some or all of your Loans before they are due to be repaid, you can use the Quick Withdraw process ("Quick Withdraw") under this section 15 to sell loans to other investors.

15.2 You must confirm to Lending Works through the relevant page in your Lending Works Account that you want to sell some or all of your Loans. You will not be able to sell any Loans that are currently in arrears, unless and until those Loans are up-to-date and no longer in arrears. Alternatively, if a Borrower under a Loan cannot make good their missed payments and the status of the Loan changes to 'default', the Lending Works Shield will attempt to make a payment to you of the outstanding principal balance and accrued interest on that Loan. These funds will then be available for immediate withdrawal. We will let you know through your Lending Works Account which Loans are in arrears.

15.3 When a Quick Withdraw request is made, Lending Works will attempt to match relevant Loan(s) amounting to the amount of your Quick Withdraw request with Lending Offers from other Lenders and may at its absolute discretion elect to assign the benefit of or transfer all or part of your rights under a Loan Agreement to another Lender or a third party including Lending Works itself. We will do this as your agent in accordance with clause 14.1(b).

15.4 Where Loans are successfully reassigned using the Quick Withdraw process, any interest accruing on those Loans which has not yet been paid to you will be used to offset any interest rate shortfall payable to the Lenders to whom your Loans have been assigned (as defined in clause 15.5(b)), to the extent that such offset is possible. Any remaining unpaid interest will no longer be receivable by you and will instead be receivable by the Lender(s) to whom those Loans have been assigned.

15.5 To use Quick Withdraw under the **Growth Product**, you agree to pay the charges set out below:

- (a) An administration fee payable to Lending Works which will be levied on the total amount you wish to Quick Withdraw. The amount of the administration fee will be calculated as 0.5% of the total amount withdrawn.

We will always specify and clearly disclose to you the administration fee payable prior to you completing the Quick Withdraw process.

- (b) If there is an interest rate shortfall between the interest rate under the Loan Agreement (under which your rights are being sold) and the rate of interest available to a new Lender on the same Lender Product at the time of sale, your Loan will be sold at a discount, reflecting any interest shortfall payable to the new Lender(s).

We will deduct both amounts from the proceeds of sale with the balance being credited to your Wallet.



- 15.6 If you Quick Withdraw using the Flexible Product, you will not incur any transaction fees or charges, but you cannot make any new Lending Offers for a period of 28 days after selling loans within the Flexible Product.
- 15.7 Lending Works cannot guarantee that you will be able to use the Quick Withdraw process at any time. This is entirely dependent on the availability of Lenders willing to purchase your rights under the Loan Agreements. All Quick Withdraw requests will be processed in the order in which they are received by us and on a 'first come, first served' basis.

## 16. REPAYMENT OF LOANS

- 16.1 The monthly or other scheduled repayments payable to you for each Loan will be set out in the respective Loan Agreements. The repayments may consist of capital and interest or interest only (with repayment of capital at the end of the term of the Loan).
- 16.2 We will provide you with a summary of all payments due to you under all your Loan Agreements in your Lending Works Account.
- 16.3 All repayments received under your Loan Agreements will, by default, be placed in your Wallet. You can change your default account settings, including in respect of Auto Lend (section 17) and Auto Income (section 18), within your Lending Works Account.
- 16.4 If a Loan is repaid early, in whole or in part, Lending Works will allocate funds to all contributing Lenders under the Loan Agreement on a pro-rata basis.
- 16.5 You acknowledge and agree that repayments by the Borrower under each Loan Agreement are not guaranteed by Lending Works. If a Borrower fails to pay, the Trustee may, at its sole discretion, step in and make payment to you using the Lending Works Shield, as set out in section 19. If the Lending Works Shield has insufficient funds to cover Borrower defaults or does not make payment for any other reason (including exercise of the Trustee's discretion) you may lose some or all of your money and/or it may take longer than expected for you to receive your money back.
- 16.6 If the Borrower wishes to change the day of the month on which their scheduled repayments are taken under the Loan Agreement, this may result in a short extension of the term of the Loan, such extensions being limited to one per Loan within any 12-month period. Where applicable you agree, and authorise us to agree, any such extension only as a result of these circumstances.

## 17. AUTO-LEND

- 17.1 We shall make available to you an automatic re-lending facility ("**Auto Lend**") which enables you to automatically re-lend any repayments you receive from Borrowers under your Loan Agreements.
- 17.2 Auto Lend will operate by taking all repayments received and automatically turning them into new Lending Offers. When updating your Auto Lend settings in your Lending Works Account, you will need to designate the Lending Product, or combination of Lending Products, in which you wish to re-invest.
- 17.3 As Auto Lend will be making Lending Offers on your behalf, we will use the interest rate available for a new Lending Offer which will be the rate shown on our Website that week for the relevant Lending Product.
- 17.4 Using Auto Lend will extend the period over which your initial funds were lent.
- 17.5 We may withdraw this facility from your Lending Works Account at any time.

## 18. AUTO INCOME

- 18.1 We shall make available to you an automated income facility ("**Auto Income**") which enables you to automatically draw down funds repaid by Borrowers under your Loan Agreements direct to your Nominated Bank Account on either a weekly or monthly basis.
- 18.2 You will have the option of withdrawing only the interest received on your Loans or the entire repayments.



- 18.3 You may update your Auto Income settings at any time, using the Auto Income Settings tab within your Lending Works Account. You will be required to select either the Weekly or Monthly income option.
- 18.4 Repayments will be accumulated and paid to your Nominated Bank Account each Friday (Weekly) or on the 28th of each month (Monthly), or on the next available working day.
- 18.5 The minimum amount that can be transferred using Auto Income is £1.00. Any amounts less than this be returned to your Wallet.
- 18.6 We may withdraw this facility from your Lending Works Account at any time

## **19. LENDING WORKS SHIELD**

- 19.1 In order to shield Lenders from the impact of individual Borrower missed payments and defaults on their Loans, and in accordance with the Shield Trust Deed between Lending Works and the Trustee, the Trustee has set up the Lending Works Shield protection arrangement ("Lending Works Shield") for the benefit of all consumer Lenders.
- 19.2 You acknowledge and agree that the Lending Works Shield does not provide a guarantee against losses on your investment.
- 19.3 Peer-to-peer investments are not covered by the Financial Services Compensation Scheme (FSCS).
- 19.4 The Lending Works Shield comprises a Contingency Fund, the intention of which is to compensate investors in the event of missed payments and defaults on their Loans.
- 19.5 A portion of the fees payable to us by Borrowers may be allocated by Lending Works to the Lending Works Shield in its sole and absolute discretion, and in such case will be transferred by us to the Shield Trust Account to be used and managed by the Trustee in accordance with the Shield Trust Deed.
- 19.6 In some cases, and as set out in clause 20.3 we may levy an interest rate margin ("Interest Rate Margin") in relation to each Loan Agreement. This will be calculated as the difference between the interest rate charged and payable by the Borrower ("Borrower Rate") as set out in the Loan Agreement and the interest rate set out in the Lending Offer ("Lender Rate") relevant to the Loan. The Interest Rate Margin is owed to us as our income. We may, solely and absolutely at our discretion, transfer a portion of the Interest Rate Margin to the Shield Trust Account to be used and managed by the Trustee in accordance with the Shield Trust Deed.

### **Contingency Fund**

- 19.7 Pursuant to the terms of the Shield Trust Deed, the Trustee will, at its absolute and sole discretion, maintain a Contingency Fund using the funds in the Shield Trust Account to the benefit of all consumer Lenders collectively.
- 19.8 How you may be able to benefit from the Contingency Fund is set out in clause 19.9 below.

### **How the Lending Works Shield Operates**

- 19.9 If a Borrower fails to make a scheduled repayment under a Loan Agreement or a Loan is in Default:
- (a) Lending Works may notify the Trustee of such missed payment(s) or Default and the Trustee will then decide whether to make a payment to the Lender(s) in respect of the unpaid amount from the Lending Works Shield, and what the amount of any such payment will be;
  - (b) the Trustee will in its absolute and sole discretion decide whether to make payment from the Contingency Fund;
  - (c) Lending Works, in consultation with the Trustee, shall take such steps as it deems necessary, in its absolute and sole discretion, to recover amounts owing as a result of the missed payment(s) or Default, including, without limitation, instructing any Collector to take actions to recover amounts owing;
  - (d) any sums recovered from the Borrower or decided to be paid out from the Lending Works Shield by the Trustee will be owed to the Lender(s) and paid to their Lending Works Accounts up to 100% of their





entitlement under the relevant Loan Agreement (including interest). Any sums otherwise recovered from the Borrower in excess of your entitlement or after payment to you of your entitlement from the Lending Works Shield will be owing and paid to the Shield Trust Account.

- 19.10 Any amounts paid into the Lending Works Shield will only be paid out in accordance with the Shield Trust Deed, and in particular:
- (a) to reimburse the Lender(s) in respect of a missed payment(s) or Default;
  - (b) to meet the Lending Works Shield's reasonably incurred costs.

**19.11 The Lending Works Shield does not give you a right to a payment so you may not receive a pay-out even if you suffer loss. The Lending Works Trustee has absolute discretion as to the amount that may be paid, including making no payment at all. Therefore, investors should not rely on possible pay-outs from the Lending Works Shield when considering whether or how much to invest.**

## Lender Rate Adjustment

- 19.12 If at any time, in the opinion of the Trustee, having reviewed the balance and status of the Contingency Fund in the Shield Trust Account, an annual cohort of Loans at that point in time (Review Point) is performing worse than expected and that the value of expected claims on the Lending Works Shield from that annual cohort of Loans is greater than the value of its expected future income, an adjustment will be made at the Review Point to reduce the Lender Rate for that annual cohort. Such adjustments are reviewed and communicated to Lenders on a quarterly basis by us.
- 19.13 In the event that an annual cohort of loans is performing better than expected at the Review Point and it is assessed that there is likely to be a residual balance after settling all claims, to the extent that one or more previous downwards adjustments have already been made, an adjustment will be made to increase the Lender Rate for that annual cohort. In the event that the Lender Rate is already at its original rate, such excess funds may be utilised against other annual cohorts that might be performing less well, at the absolute discretion of the Trustee.
- 19.14 An annual cohort comprises all Loans disbursed in a calendar year, although a Review Point can happen at any time during the life of a cohort and not necessarily at the start. We will not carry out an adjustment of the Lender Rate for any period before a Review Point.

## 20. FEES

- 20.1 Save as set out in this section 20, in section 15 "Quick Withdraw" and in any relevant Loan Agreement, Lending Works will not charge you a fee for Membership of the Lending Works Platform.
- 20.2 We may charge the Borrower an arrangement fee ("**Arrangement Fee**") in relation to each Loan Agreement for arranging and servicing the Loan between you and the Borrower. Where this is the case, you agree:
- (a) to finance (lend) the cost of this Arrangement Fee to the Borrower; and
  - (b) that we may deduct and transfer to us the Arrangement Fee from the total amount financed before advancing the remaining funds to the Borrower's Nominated Bank Account.
- 20.3 Alternatively, to or in combination with clause 20.2, we may levy an interest rate margin ("**Interest Rate Margin**") in relation to each Loan Agreement. This will be calculated as the difference between the interest rate charged and payable by the Borrower as set out in the Loan Agreement and the interest rate set out in the Lending Offer relevant to the Loan.

If an Interest Rate Margin applies, you agree that:

- (a) we can deduct the amount of the Interest Rate Margin from each repayment by the Borrower due under the Loan Agreement; and
- (b) you will assert no claim to the entire amount of interest under the Loan Agreement.



- 20.4 Lending Works may also receive commission or other payments from third parties from time to time in relation to a Loan. Where this is the case, the sums received are entirely the property of Lending Works but Lending Works may at its sole discretion provide you with a percentage or fixed payment from any such payment.
- 20.5 Any default sums charged to Borrowers under your Loan Agreement are due to Lending Works and you agree that we can deduct these amounts from the total repayment received from the Borrower.
- 20.6 Any fees owed to us will be rounded to the nearest two decimal places.

## **21. USE OF YOUR PERSONAL INFORMATION**

- 21.1 How we use your Personal Information is set out in the Privacy Policy. The Privacy Policy can be found at <http://www.lendingworks.co.uk/docs/privacy-policy>. You agree that any and all personal information you provide to us via the Website and your Lending Works Account may be collected, stored, processed and used in accordance with our Privacy Policy.
- 21.2 When processing your personal data, we shall always comply with the GDPR and any other associated legislation.
- 21.3 Under the GDPR, you have a right to access certain personal records we hold about you. This is called a "subject access request", which you can make by contacting us by telephone, by email or in writing. A fee may be payable, but we will not charge you until we have told you how much the fee is and what it is for, and you have told us you still want to proceed.

## **22. ADDITIONAL WEBSITE AND PLATFORM TERMS**

- 22.1 For clarity, reference to the Lending Works Platform includes reference to your Lending Works Account.
- 22.2 We do not guarantee that the Website and Lending Works Platform, or any content within, will always be available or be uninterrupted.
- 22.3 We will make all reasonable efforts to allow you uninterrupted access to the Website and Lending Works Platform, but access to and use of the Lending Works Platform may from time to time be interrupted, suspended, or restricted, whether owing to a fault, error or damage, or planned maintenance. We shall not be liable to you for any loss or damage which you may suffer as a result of this.
- 22.4 You agree to access and use the Website and Lending Works Platform only for its intended purpose and in accordance with these Terms and Conditions. In particular, you agree not to:
- (a) attempt to hack, make unauthorised alterations to or introduce any kind of malicious code to the Website or Lending Works Platform by any means;
  - (b) reverse engineer or decompile (whether in whole or part) any software available through the Website;
  - (c) make copies, modify, reproduce, transmit, alter or distribute all or any part of the Website or any material or information contained on it;
  - (d) disguise or interfere in any way with the IP address of the computer you are using to access the Website or otherwise take steps to prevent us from correctly identifying the actual IP address of the computer you are using whilst accessing the Website;
  - (c) gain or attempt to gain, or assist other in gaining, unauthorised access to the Website and Lending Works Platform;
  - (d) use the Website and/or Lending Works Platform for any purpose that is unlawful, including any fraudulent use;
  - (e) use the Website and/or Lending Works Platform to simulate communications from us or another service or entity in order to collect identity information, authentication credentials, or other information;



- (f) use the Website and/or Lending Works Platform in any manner that disrupts their operation or causes it to fail.

22.5 We may suspend or disable your access to the Website and/or Lending Works Platform at any time if, in our reasonable opinion:

- (a) you have failed to comply with these Terms and Conditions; or
- (b) your Lending Works Account is being misused, illegally or fraudulently used or is subject to other unauthorised use.

## 23. INTELLECTUAL PROPERTY RIGHTS

23.1. Subject to clause 23.4 below, as between you and us, we own all present and future copyright, registered and unregistered trademarks, design rights, unregistered designs, database rights and all other present and future intellectual property rights and rights in the nature of intellectual property rights existing in or in relation to the Website. In particular, Lending Works and the Lending Works logo are trademarks of Lending Works. You will not make any unauthorised use of such trademarks and any unauthorised use may result in prosecution.

23.2. [www.lendingworks.co.uk](http://www.lendingworks.co.uk) is the uniform resource locator (URL) of Lending Works. You will not make any use of this URL (or any other URL owned by us) on another website or digital platform without our prior written consent.

23.3 If and to the extent that any such intellectual property rights vest in you by operation of law or otherwise, you agree to do any and all such acts and execute any and all such documents as we may reasonably request in order to assign such intellectual property rights back to us.

23.4 You shall retain ownership of all copyright in data you upload or submit to the Website. You grant us a world-wide exclusive, royalty-free, non-terminable licence to use, copy, distribute, publish and transmit such data in any manner.

23.5 We do not warrant or represent that the content of the Website does not infringe the rights of any third party.

## 24. VARIATION OF THIS AGREEMENT

24.1 We may make changes to these Terms & Conditions and/or the Privacy Policy from time to time for any of the following reasons:

- (a) to make the terms clearer and easier to understand;
- (b) as a result of changes in the banking or financial system, technology, our business, policies, procedures and the systems we use;
- (c) as a result of actual or anticipated legal or regulatory requirements;
- (d) to ensure that our business is run prudently and efficiently;
- (e) as a result of any reasonably unforeseeable external events which are beyond our control; or
- (f) any other reasonable and valid reason.

24.2 We will take all reasonable steps to bring any such changes to your attention (such as by placing a notice of change on a prominent position on the Website, together with the changed Terms and Conditions or communicating to you by email). It is your responsibility to check these Terms & Conditions and the Privacy Policy from time to time to ensure that you agree with them.

24.3 You can terminate your Membership of Lending Works in accordance with clause 25 of these Terms and Conditions. Your continuing to be a Member of Lending Works or access and use of the Lending Works Platform after any change to these Terms and Conditions will be deemed to be your acceptance of the change.



## 25. CANCELLATION AND TERMINATION OF MEMBERSHIP

### Statutory right of cancellation

25.1 You have the right to cancel this agreement, without giving any reason, within 14 days beginning on the day after the date on which you become a Member of the Lending Works Platform. You can do this via your Lending Works Account or by emailing [cs@lendingworks.co.uk](mailto:cs@lendingworks.co.uk). You will lose this cancellation right once you have made a Lending Offer and all or part of this becomes Allocated Funds. By making a Lending Offer, you acknowledge that this right of cancellation will no longer apply. This does not impact your right to terminate as set out in the remainder of this section 25.

### Termination

25.2 If you no longer want to be a Member of the Lending Works Platform, and provided you have (a) no outstanding Lending Offers (in whole or in part) which have the status Allocated Funds and (b) no Loan Agreements currently in force, you can notify us at any time and we will end your Membership. We will treat your notice as notice of termination of this agreement between us. Any Lending Offers which are Unallocated Funds will first need to be withdrawn by you using the process set out in your Lending Works Account.

25.3 We may terminate this agreement and end your Membership of Lending Works at any time if:

- (a) you breach these Terms and Conditions;
- (b) you breach any term of your Loan Agreement(s) and fail to remedy the breach within any period notified to you or where no such notification is provided, within a reasonable period;
- (c) we suspect that you have committed or have been involved in fraud, money laundering or other criminal activities; or
- (d) you misuse the Lending Works Platform by carrying out any of the prohibited activities set out in clause 22.4.

25.4 Termination of your Membership of the Lending Works Platform by us will not necessarily result in a termination of any Loan Agreement which shall remain valid and binding unless and until terminated in accordance with the terms of the Loan Agreement.

25.5 If you have Loan Agreements outstanding, we will not be able to close your Lending Works Account following termination by us until all sums due under such Loan Agreements have been repaid by Borrowers. We may however significantly restrict your access to the Lending Works Platform and your ability to use certain functions under your Lending Works Account. This includes carrying out any action set out in clause 22.5.

## 26. OVERSEAS RESIDENTS

26.1 To lend in your capacity as an **individual**, you must become a Member of the Lending Works Platform and you must meet the criteria set out in clause 6.3 both at the time of your registration and also for the duration of your time as a Member. This means you:

- (a) **must** be resident in the United Kingdom
- (b) **must** have a bank account in your own name with a UK bank
- (c) **must not** be a "US person" for tax purposes

26.2 A "US person" is an Individual who is a United States of America citizen or alien admitted for permanent residence in the United States of America.

26.3 If you originally met the eligibility criteria under clause 6.3 and clause 26.1 and became a Member, but have subsequently moved abroad to reside in the United States of America, you will be classified as a US Person and we will no longer be able to provide you with our services and will proceed to terminate your Lending Works Account.



- 26.4 If you originally met the eligibility criteria under clause 6.3 and clause 26.1 and became a Member, but have subsequently moved abroad to reside in another jurisdiction outside of the United Kingdom:
- (a) Except under clause 26.3, you can continue using your Lending Works Account but some functionalities in your Lending Works Account may be restricted and
  - (b) You must immediately provide us with:
    - (i) A copy of your proof of address (where you are now resident)
    - (ii) A copy of your passport
    - (iii) Your Tax Identification Number (often referred to as a TIN)
  - (c) You must continue to have a bank account in your own name with a UK bank.
- 26.5 Following clause 26.4, if you reside in a “reportable jurisdiction” (as defined under relevant tax legislation), we may need to supply information about your tax affairs to the UK HM Revenue and Customs (HMRC). This information will be reported and may be transferred to the government of another territory. You must provide us with all necessary assistance in providing this information.
- 26.6 If you do not comply with the information under clause 26.4 (b), we may be required to suspend your Lending Works Account until you provide this.

## 27. LIABILITY

- 27.1 You shall be liable to us for any loss or damage suffered by us as a result of any breach of these Terms and Conditions or any Loan Agreement by you, or any fraudulent or negligent use of the Lending Works Platform.
- 27.2 We shall not be liable to you for any loss or damage which you may suffer as a result of being a Member of Lending Works or using the Lending Works Platform, except where such loss or damage arises from our breach of these Terms and Conditions or was caused by gross negligence, wilful default or fraud by us or our employees. We are not responsible for any breach of these Terms and Conditions arising from circumstances outside our reasonable control. Our total liability to you in connection with these Terms and Conditions, your being a Member of Lending Works and your use of the Lending Works Platform shall not exceed the amount of money you have lent giving rise to the liability.
- 27.3 We shall not be liable to you for any loss or damage which you may suffer as a result of us not being able to match you with Borrowers whether within a given period or at all.
- 26.4 Nothing in these Terms and Conditions will exclude or limit our liability for fraud or any other liability which we cannot lawfully exclude or limit (including our liability with respect to death and personal injury resulting from our negligence, or that of our employees, agents or subcontractors), and this section 27 shall be construed accordingly.
- 27.5 We may at any time, without notice to you, set off any liability owed to us or to our Members by you, including (without limitation) in relation to any Lending Works Account in your name or which we believe to be under your control, against any funds held in another Lending Works Account in your name or which we believe to be under your control.

## 28. WIND-DOWN ARRANGEMENTS

- 28.1 If Lending Works were to either make a decision to wind-down all Investment Accounts or cease trading as a business entirely, for any reason, we would always aim do so in a controlled and organised manner and with minimal adverse impact to our Customers. We may use one or more strategies to achieve this, depending on the circumstances.

### Solvent Wind-down

- 28.2 In the event Lending Works were to make a decision to wind-down all Investment Accounts, whilst remaining **Solvent**, Lending Works shall wind down your Investment Account(s) by carrying out all of the Lender Services, including those under section 13, until all Loan Agreements have been settled or otherwise determined.



We will always carry out this process under a formal Wind-down Plan, which we are required under current regulations to have in place at all times.

- 28.3 To ensure Lending Works continues to receive sufficient income to cover its operational overheads during wind-down, a servicing fee may be charged on the balance of outstanding Loan Agreements. Such servicing fee shall not exceed 2% per annum of the outstanding loan balances (subject to a minimum fee to be determined at such time), payable monthly by deduction from the interest collected by us under the relevant Loan Agreements.

#### **Insolvent Wind-down**

- 28.4 In the event that the Lending Works Platform were to permanently fail or cease to operate for any reason (except matters under clause 28.2), including if we become **Insolvent**, we may carry out one of the following wind-down strategies:

- (a) We may transfer our obligations under these Terms and Conditions in respect of servicing and collections to a third-party back-up service provider with whom we have in place a back-up servicing arrangement. The back-up service provider will charge an annual fee for carrying out our obligations under these Terms and Conditions. To the extent this fee is not sufficiently covered by any ongoing income receivable by Lending Works, it will be charged to Lenders pro-rata, but shall not exceed 2% per annum of the outstanding loan balances of Loans on the Lending Works Platform, payable monthly by deduction from the interest collected by the back-up service provider under the relevant Loan Agreements.
- (b) Lending Works may wind down your Investment Account(s) and thereafter cease trading by carrying out all of the Lender Services, including those under in section 13 and other services set out in other sections of these Terms and Conditions, until all Loan Agreements have been settled or otherwise determined. We will carry out this process in conjunction with a third-party insolvency practitioner and under a formal Wind-down Plan, which we are required under current regulations to have in place at all times. To ensure Lending Works continues to receive sufficient income to cover its operational overheads, including any fees and other costs payable to any insolvency practitioner, during wind-down, a servicing fee may be charged on the balance of outstanding Loan Agreements. Such servicing fee shall not exceed 2% per annum of the outstanding loan balances of Loans on the Lending Works Platform (subject to a minimum fee to be determined at such time), payable monthly by deduction from the interest collected by us under the relevant Loan Agreements.

- 28.5 Details of the current back-up service provider under clause 28.4(a) are :

Target Servicing Limited  
Target House  
Cowbridge Road East  
Cardiff  
CF11 9AU

- 28.6 If you would like further details of our wind-down arrangements, please email customer services at [cs@lendingworks.co.uk](mailto:cs@lendingworks.co.uk) and we will provide you with the appropriate details.

- 28.7 We can, at any time, at our entire discretion and without prior notice to you, change our wind down arrangements including changing any parties involved in those arrangements. We may also change the amount of the fees referred to in clauses 28.2-28.4 if such change is necessary to ensure an orderly wind-down of the Investment Accounts.

## **29 NORMALISATION PERIOD**

- 29.1 In the event we become aware of an external event or circumstances which are beyond our control and which have or are likely to have a significant impact on the ability of the Lending Works Platform to operate under normal conditions, we may enter into a **Normalisation Period**. We will carry out some or all of the following actions during a Normalisation Period:

- (a) We will restrict any new individuals from becoming a Member of the Lending Works Platform as a Lender;



- (b) Existing Lenders will still be able to make Lending Offers, however the Lending Offers will be held in a queue and will not begin to be matched again to Borrowers until the end of the Normalisation Period. Lenders can cancel any pending Lending Offer at any time.
  - (c) We will restrict access to our Quick Withdraw facility under section 15;
  - (d) All repayments of capital and interest due to you under each of your Loan Agreements will continue to apply and will be handled according to your lending settings within your Lending Works Account, subject to clause 29.1(f);
  - (e) Under an ISA Account, we will continue to facilitate transfers to other ISA managers via our standard ISA transfer process; and
  - (f) We may deduct an amount not exceeding 2% per annum of the outstanding loan balances of Loans on the Lending Works Platform payable monthly by deduction from the interest collected by us, to ensure we can continue to carry out of our services set out in these Terms and Conditions.
- 29.2 We will only invoke a Normalisation Period for up to three months, although we may at our discretion, and depending on the severity of the external event or circumstances, extend the Normalisation Period for an additional three months.
- 29.3 Following the end of any Normalisation Period, all measures implemented under clause 29.1 will come to an end, and the Lending Works Platform shall continue to operate under the usual conditions set out in these Terms and Conditions.

## **30. COMPLAINTS**

- 30.1 If you want to make a complaint about Lending Works or any Loan Agreement you can e-mail us at [cs@lendingworks.co.uk](mailto:cs@lendingworks.co.uk), with brief details of your complaint and your Lending Works Membership Number.
- 30.2 For full details of our complaints procedure including how we deal with your complaint, please visit [www.lendingworks.co.uk/complaints](http://www.lendingworks.co.uk/complaints).
- 30.3 If we cannot resolve your complaint within 8 weeks of receiving your complaint, you have the right to refer your complaint to the Financial Ombudsman Service (<http://www.financial-ombudsman.org.uk/default.htm>). We will provide you with further details about this when dealing with your complaint.

## **31. MISCELLANEOUS**

- 31.1 In the event that any provision of these Terms and Conditions is deemed by any competent authority to be unenforceable or invalid, the relevant provision shall be modified to allow it to be enforced in line with the intention of the original text to the fullest extent permitted by applicable law. In any case, the validity and enforceability of the remaining provisions of these Terms and Conditions shall not be affected.
- 31.2 You agree that all documents or notices that we wish to send you or are entitled to send you electronically may be delivered to you via the Website to your Lending Works Account. You may also receive by e-mail to your e-mail address specified in your Lending Works Account from time to time a prompt to refer to your Lending Works Account.
- 31.3 Subject to applicable law, all disclaimers, indemnities and exclusions in these Terms and Conditions shall survive termination of the agreement between us for any reason.
- 31.4 We may, in whole or in part, release, compound, compromise, waive or postpone any liability owed to us or right granted to us in these Terms and Conditions without in any way prejudicing or affecting our rights in respect of that or any other liability or right not so released, compounded, compromised, waived or postponed.
- 31.5 No single or partial exercise, or failure or delay in exercising any right, power or remedy by us shall constitute a waiver by us of, or impair or preclude any further exercise of, that or any right, power or remedy arising under these terms and conditions or otherwise.



- 31.6 Lending Works may assign or otherwise exercise any of its rights under these terms and conditions by itself or through any company or other legal entity which is under the control or ownership of Lending Works. You cannot assign or transfer your rights and obligations under these Terms and Conditions.
- 31.7 A person who is not a party to these Terms and Conditions has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Terms and Conditions.
- 31.8 These Terms and Conditions are governed by and construed in accordance with English law. In the event of any matter or dispute arising out of or in connection with these Terms and Conditions, you and we shall submit to the exclusive jurisdiction of the English courts.

## **32. INNOVATIVE FINANCE INDIVIDUAL SAVINGS ACCOUNT**

- 32.1 You may be entitled to open an Innovative Finance Individual Savings Account ("**Lending Works ISA**") with us.
- 32.2 For more details about the Lending Works ISA please visit <http://www.lendingworks.co.uk/peer-to-peer-lending/innovative-finance-isa>.
- You can also find details within your Lending Works Account including a copy of the ISA Terms and Conditions.
- 32.3 If you are entitled to open a Lending Works ISA, your Lending Works Account may be divided to show a standard lending part and an ISA lending part. Where this is the case, these Terms and Conditions apply to both parts equally and in full (except where modified in relation to the ISA lending part by the ISA Terms and Conditions).

