

Initial Disclosure Document

Finding the right finance agreement for you

Introduction

There's quite a few options when it comes to financing your vehicle and we want to help you to find a finance product that meets your specific needs. Firstly you should consider if you require vehicle finance or another product.

The main options for financing your newly acquired vehicle are:

- Purchase outright for cash
- Personal loan
- Short term hire/rental (less than a year)
- Take out vehicle finance – A lender will purchase the vehicle from the dealer you have selected, at the price you have negotiated. You will then hire or lease the care from the lender

Things to consider before making a vehicle purchase

- Do you have the cash to buy outright?
- How long do you want to keep the vehicle?
- What are the costs of the different options?

For more help in deciding whether to select motor finance, see the impartial guide to car finance brought to you by the Finance and Leasing Association (FLA).

www.financingyourcar.org.uk

Our Role

Dorsia Finance is a credit broker and not a lender, we work with a panel of lenders to find a suitable finance arrangement for you.

Following your acceptance of our finance quotation, we will ask for your permission to undertake a credit search on you. Credit checks are undertaken by one or more of the lenders on our panel. These credit checks will leave a footprint on your credit file.

Once we have found a suitable vehicle finance agreement, we will present the lenders agreement to you to sign. We will discuss this with you and answer any questions you may have. You are under no obligation to accept the finance offer.

Types of Vehicle Finance

The majority of vehicle finance arrangements involve paying a deposit and then monthly payments. The main difference between products is what happens at the end of the agreement and who keeps the title to the vehicle.

HP - Hire Purchase

Hire Purchase offers a straightforward way to spread the cost of your new vehicle. A fixed interest rate makes budgeting simple and you own the car at the end of the agreement.

PCP - Personal Contract Purchase

PCP offers the option of lower monthly payments, at the end of the agreement there is an option to purchase the vehicle for a guaranteed future value (GFV). If the option is not taken up, the vehicle needs to be returned to the lender. If the vehicle is returned, you may be subject to additional costs (often referred to as return conditions). This often includes excess mileage charges.

LP – Lease Purchase

Lease Purchase is a type of Hire Purchase but with a larger balloon payment, offering lower monthly payments than normal Hire Purchase. At the end of the agreement you can pay the final lump sum (Balloon) payment to own the car.

BP – Balance Payment

A Balanced Payment Plan offers a fixed monthly payment but unlike a Hire Purchase vehicle finance agreement, where the interest rate is fixed, Balanced Payments offer a variable rate which tracks the changes in the Bank of England Base Rate, depending on what is specified in the agreement.

In deciding which option to select, relevant factors may include:

- The length of time you expect to use the vehicle
- The income or corporation tax, VAT and accounting treatment of the product (if purchasing through a business or where business use of the vehicle may apply)

Suitability of Vehicle Finance

Vehicle finance may not be suitable in certain circumstances. You should be aware:

- You will have to continue to pay for the vehicle for the agreed period even if you no longer need the vehicle or it cannot be used.
- If you change the vehicle during the agreed minimum rental period this could lead to higher charges.
- Motor finance is unlikely to be suitable if you are not sure if you will need the vehicle for the minimum contract period.
- Motor finance is unlikely to be suitable if you are not sure the vehicle will be maintained and kept in a useable condition for the minimum contract period.

Fees

We don't make a charge to you for helping you find a suitable vehicle finance lender. We will receive a payment from the lender for our work, this is often more commonly referred to as a finance commission. Different lenders may pay us different amounts of finance commission. We get a percentage of the advance which is determined by the age of the vehicle, loan to value and credit score.

Contact Information

We will use the contact information you provide to us to obtain quotations from lenders. We may also use the information to tell you about our services in the future by letter, telephone, email or text message. If you do not want your information used in this way, you can let us know either by email on info@dorsiafinance.co.uk or alternatively call us on 01522 420420. You can read our full [Privacy Policy](#).

Complaints Procedure

If you have a complaint about our service, please email on info@dorsiafinance.co.uk or alternatively call us on 01522 420420.

We will acknowledge your complaint within five working days. We aim to resolve complaints within two weeks and to provide a final response to all complaints within four weeks. If your agreement is regulated under the Consumer Credit Act and if after making a complaint you are still unhappy and feel the matter has not been resolved to your satisfaction please contact the Financial Ombudsman Service, <https://www.financial-ombudsman.org.uk/>.

Insurance

A condition of taking out any motor finance agreement is that you insure the vehicle.

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