



## **Financial Difficulties**

This guidance for borrowers in financial difficulty is written in accordance with the requirements under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015 (the 'Regulations'). These Regulations cover lending to Small and Medium-Sized Enterprises. However, the information contained within this guidance is applicable to all borrowers of BMW Financial Services (Ireland) DAC whether consumer, SME or corporate.

### **Scope and purpose of the Regulations**

The Regulations cover all lending to micro, small and medium sized enterprises ("SMEs"). These enterprises are described as enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding €50 million and / or an annual balance sheet not exceeding €43 million. Micro and small enterprises are a sub group of this which are enterprises which employ fewer than 50 people and have an annual turnover and / or annual balance sheet not exceeding €10 million.

The Regulations provide greater transparency and protection for SMEs throughout the lifecycle of their dealings with lenders. A copy of these Regulations can be found on [this link](#).

### **If you are or may be in financial difficulties**

It is in your interest to contact us and engage with us at the earliest opportunity if you are likely to be in arrears on your payments or you are in financial difficulty as we may be able to help you. It is also important that you provide us with the full information and supply us with any information we have requested in order to consider your situation. The earlier you contact us and the more information you provide regarding the situation the greater the likelihood of our being able to assist.

At BMW we have a team of experienced associates who are responsible for dealing with any customer that has, or feels they may have, financial difficulties in respect of their arrangements with us. You will be provided with contact details for a designated contact point on that team when you contact us. You can contact this team on 1890 253 179 so that we can discuss your current situation and the possible options available to you.

## **Seeking Independent Advice**

We recommend that you also consider seeking independent advice if you feel that you are not in a position to resolve your financial difficulties. Support may be available to you from the following organisations:

- Your professional advisors
- Money Advice and Budgeting Service (see [www.mabs.ie](http://www.mabs.ie) or telephone 0761 072000)
- Insolvency Service of Ireland (see [www.isi.gov.ie](http://www.isi.gov.ie) or telephone 0761 064200)

Should you seek advice from one of the above or another third party advisor we will, with your prior permission, discuss your situation with them or they may accompany you in any discussions whether these discussions are face to face or not..

## **Consequences of going into arrears and financial difficulties**

Should your agreement with BMW Financial Services go into arrears, or be in arrears (arrears are defined as the payments due under your agreement not being made to us in accordance with the terms of the agreement) the consequences of this may be some or all of the following:

- Your credit file with the credit reference agencies or registers being updated to reflect the arrears which may impact your ability to obtain finance in the future;
- Action being taken to recover the vehicle which is the subject of the agreement which, dependent upon the agreement entered into, could also involve legal proceedings;
- Legal proceedings against you and/or any guarantor to recover outstanding debt and obtain judgment;
- The agreement being passed to debt collection agencies to recover the debt; and/or
- Default fees and charges being applied to the agreement.

## **Actions we can take to help**

If you will work with us to resolve the position we may be able to offer some assistance however this will depend upon a number of factors including, but not limited to:

- How long the agreement has been running;
- The anticipated value of the vehicle compared to the outstanding balance on the agreement;
- Your current financial position; and/or
- The prospects of your recovery from your financial difficulties in the near future.
- The options (alternative arrangements) that may be available include, but are not limited to:
  - Reduced payments for a short period, for example 3 months, with the accumulated arrears being repaid over the following few months;
  - Rescheduling the agreement.

Generally speaking, a vehicle is a depreciating asset. Also, the longer an arrears position continues, the more the potential outstanding liability increases. Therefore the earlier you contact us to help us resolve the position collaboratively, the more likely it is that we can assist, and therefore you can help minimise or avoid some or all of the consequences listed above.

## **The information we may require from you.**

In order to consider any alternative arrangement we will need to be satisfied that this is the best course of action in order to resolve the position and not increase the outstanding liability to yourself in the long term therefore we may require all or some of the following:

- Details of the cause or potential cause of your financial difficulties
- Your current financial position which would include items such as up to date management accounts, details of current orders and debts
- Details of any future developments or contracts
- Details of any personal debt that may impact the business

We may also take into consideration any current credit search, current and previous experience including repayment history and the potential value of the vehicle which is the subject of the credit agreement and the outstanding balance.

## **Non-cooperation**

The Regulations define a situation of not co-operating which comes about if:

- You fail to make a full and truthful disclosure to us of information we require to assess your financial situation within the timeframe we have specified;
- A warning letter has been issued to you, and any guarantor if applicable, advising that you will be classified as not co-operating if you do not complete the specified actions required to enable us to complete an assessment of your circumstances and that these actions must be completed within a specified time period. This period will not be shorter than 20 working days from the date of the letter; and
- You do not carry out the actions within the time period set out in the letter.

The letter will also outline the implications to you of not co-operating which include, but are not limited to:

- Negative impact on any consideration by us of an alternative arrangement;
- Increased likelihood that we choose to exercise our legal and contractual rights to enforce security; and
- Where security is realised, you will remain liable for any outstanding debt.

## **Right to appeal**

You have the right to appeal the following decisions:

- Any special term or condition required by us in order to provide an alternative arrangement
- A refusal to offer an alternative arrangement
- You being classified as not co-operating

Should you wish to appeal one of these decisions, the appeal must be received by us within 20 working days of your being notified of the decision, if it is not received within this timeframe it will not be considered. We will acknowledge receipt of the appeal within 5 working days of its receipt and an appeals panel will consider the appeal as soon as reasonably practicable. You will be advised of the appeal decision within 5 working days of our making the decision.

If for any reason we are unable to consider the appeal within 15 working days of its receipt we will advise you before the end of that period, how long it will take before a decision is reached and why it will take longer than the 15 working days.

Any appeal must be addressed to the Compliance Manager, BMW Financial Services, Swift Square, Santry Demesne, Dublin 9 D09 R802.

### **Right to complain**

If you remain dissatisfied with the actions taken in respect of your financial difficulties you have the right to complain. We will endeavour to resolve your complaint within 5 working days. However, if this is not possible we will regularly update you with the progress of the investigation. These updates will be at intervals of no greater than 20 working days. If we are unable to resolve the complaint within 40 working days or if you remain dissatisfied with our decision you may be able to refer the matter to the Financial Services Ombudsman. For clarification please refer to the Financial Services Ombudsman on <https://www.fspo.ie/make-a-complaint/>