

Small Business Interruption Loan Service (SBILS) Terms and Conditions

SBILS is an electronic system accessible from the website with the URL <http://www.sbils.co.uk> (“Website”) which system facilitates lending between lenders and borrowers (“Platform”). The Platform is owned and operated by eMoneyHub Limited. eMoneyHub Ltd is Authorised and regulated by The Financial Conduct Authority. eMoneyHub Limited is registered in England and Wales 28b London Road, Alderley Edge, Cheshire SK9 7DZ. Company Number 08158588.

eMoneyHub Ltd is registered with the Information Commissioner number ZA589341. The Platform has been created to allow persons who wish to lend to be matched with persons who wish to borrow. The platform determines the financial standing of the borrowers and provides a risk grade for each eligible borrower. We do not provide loans ourselves, but we do provide Borrowers and Lenders with a facility, through the Platform for the placing of loans with each other (“Services”).

In return for our Services, Borrowers pay a commission.

In these terms and conditions, as they may be amended from time to time (“Terms & Conditions”) references to “we”, “us”, “our” and any similar expression shall be a reference to eMoneyHub Limited and (to the extent required where these terms are incorporated by reference in any other agreement) any of our subsidiaries. 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.

By agreeing to these Terms agreement, you will have a “Membership” with us and therefore become a “Member”.

These Terms & Conditions are entered into between us and you, either in your capacity as a Lender pursuant to condition 3 or a Borrower pursuant to condition 4 (“you”), but always as a Member.

1. The effect of these Terms & Conditions

By agreeing to these Terms & Conditions and/or by continued use of the Services, you agree to be bound by these Terms & Conditions in their entirety and any other document that is incorporated into them by reference into these Terms & Conditions. If there is any inconsistency between these Terms & Conditions and any document incorporated by reference, these Terms & Conditions will prevail. We may make changes to these Terms &

Conditions from time to time and will take steps to bring any such changes to your attention, by placing a notice of the change on a prominent position on the Website.

You agree that it is your responsibility to check these Terms & Conditions from time to time to ensure that you agree with them, and your continued use of the Services after any change to these Terms & Conditions will be deemed to be your acceptance of the change. If we make a change to these Terms & Conditions between the time you make an offer to lend or borrow through the Platform and the time that offer is accepted, the offer and any loan made further to it will be subject to these Terms & Conditions as they were before we made that change.

2. Opening a SBILS “User Account”

You will need to register with us to create a User Account before you are able to borrow or lend any money. We will need your correct e-mail address, current home address, your full name (including middle names) and correct date of birth and you agree to notify us within 30 days of any change in such information. To open a User Account, you will need to have a bank account with a UK clearing bank. You agree to provide us with the correct bank account number and sort code. This account will be used to pay money to and receive money from us (your “Nominated Bank Account”).

When you register, you will need to choose a username and provide an email, mobile telephone number and address. You will also need to choose a password and provide answers to three security questions. These are necessary to access the restricted areas of the Website. It is your responsibility to keep this information confidential so that it can only be used by you. We accept no liability whatsoever for any activity on your account by anyone using your logon information. If you suspect that there has been unauthorised use of your account of any kind whatsoever, or your login information has become known to anyone else, you must notify us of this immediately following the notification procedure set out in these terms.

You agree that you will not in any way change or attempt to change or avoid the login procedure used on our Website. In our absolute discretion, and for your protection, we will have the right to refuse to act on your instructions where we suspect that access has or is being gained by persons unauthorised to do so, or we suspect other illegal or fraudulent activity.

3. Becoming a SBILS “Lender”

Before you can become a Lender, you must first have deposited monies into your Nominated Bank Account. These monies are held on trust, for you, in a Barclays Bank plc Ring-fenced Bank “Protected Client Account”. The Protected Client Account is a segregated account and is currently held by Barclays Bank plc Ring-fenced Bank. The Protected Client Account has been established so that in the event that we cease to trade, your monies do not form part of our assets and so are protected.

To become a Lender, you can deposit monies into your Nominated Bank Account via bank transfer or standing order. For any bank transfer you will need to provide your User Account number as the reference.

As a Lender, you can select via ‘Auto-Bid’ the amount you wish to “Bid” and the “Risk Rating” that you wish to bid on. The maximum amount you are allowed to Bid in relation to any one “Loan Request” is £25,000. The minimum amount you are allowed to Bid in relation to any one Loan Request is £10.

Once a Borrower has received enough Bids to fulfil their Loan Request, the Lender(s) who together fulfil the Borrowers Lending Request shall be deemed to be a “Successful Bid”.

“Auto Bid” allows you to automatically Bid funds up to the amount that you specify (your “Bid Capital”) on all available Loan Requests that match your Risk Rating criteria, but subject to the total credit in your User Account less any fees that would be payable to us in respect of each Loan Request that you Bid for.

“Auto Bid” will automatically bid on Loan Requests and on “Micro-Loans” (which are already lent from an existing Lender) listed for sale on the Platform that match your Risk Rating criteria.

Any offer to lend that you make must refer to a “Market” available on the Platform and include the rate at which you are prepared to lend.

4. Becoming a SBILS “Borrower”

Before you become a Borrower, you must apply for a SBILS “Risk Grade”. We may also need to speak to a proposed “Personal Guarantor” as a requirement of the Risk Rating. You will be provided a Risk Grade as a result of your own personal credit rating and if applicable that of your nominated Personal Guarantor. Your “Risk Rating” will determine the amount you can borrow and over what term.

In granting your Risk Rating, we will use a credit scoring system and take other factors into consideration such as income, time in job, profession, and mortgage balance and house value for both you and your Personal Guarantor.

Once you have been provided with your Risk Rating you can complete your registration to become a Borrower.

The rate at which you are prepared to borrow (the “Borrower Rate”) will be represented by the annual percentage rate (“APR”) as required by The Financial Conduct Authority from time to time.

Any offer to borrow that you make, must refer to a Market available on the Platform and include the rate at which you are prepared to borrow.

5. Peer to Peer Micro-Loan Agreements

When a Loan Request is fully funded by Bids, the Platform shall facilitate the entry by the Borrower and each of the individual Lenders into multiple bi-lateral agreements (“Micro-Loans”) which combined form a “Peer to Peer Micro-Loan Agreement” for the full amount of the loan requested. The Peer to Peer Micro-Loan Agreement shall regulate that part of the loan which is being loaned by each Lender to the Borrower (each a “Micro-Loan”); and

The Platform shall generate a “Confirmation of Loan Acceptance”, which confirmation shall record amongst other things details of each overall Peer to Peer Micro-Loan Agreement, the Borrower, all of the Lenders (with reference to a unique membership number), the total amount being borrowed by the Borrower (being the amount of all of the Micro-Loans aggregated together), and the amounts repayable by the Borrower.

Each Peer to Peer Micro-Loan Agreement is deemed to be a 36H Agreement as per The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013

If you purchase a Micro-Loan from another Lender (‘the Transferee’), you will take an assignment of the Transferee's rights and interest in the Micro-Loan you have purchased.

In the various documents, the Lender’s address may be stated as “c/o SBILS” and our registered office address. Each of the Lender’s agree that any form of communication with it may be sent to SBILS’s postal address.

6. Acceptance of each Peer to Peer Micro-Loan Agreement

The Borrower and each of the Lenders will signify their acceptance and execution of each Micro-Loan making up a Peer to Peer Micro-Loan Agreement (and its terms and conditions) by ticking an appropriately marked acceptance box within the Platform, when prompted to do so.

7. Funding

Upon each Peer to Peer Micro-Loan Agreement being executed, that part of the Loan which the Lender agreed to lend to the Borrower (“Micro-Loan”) will be debited from the Lenders User Account, which shall in turn be credited to the Borrower’s User Account. The day on which this takes place shall be “The Advance Date”.

8. Late payments and arrears

In the event that a Borrower fails to make a payment when due or defaults in meeting any material obligations of each Peer to Peer Micro-Loan Agreement, we will undertake to ensure the payments are made up to date on behalf of the Lender. Where payments are not made up to date, we will serve notices on behalf of the Lenders.

Where the borrower falls into arrears or defaults, we will publish the loan status information in the [downloadable copy of the loan book](#).

Where the borrower falls into arrears there is a documented process and timetable that will be followed

Stage	Timescale	Action
S1	Day 1	Telephone discussion with debtor
	Day 2	Further telephone contact with debtor
	Day 3	Debtor informed of enforcement action that will be taken if arrears are not discharged immediately
	Day 6	FCA information sheet and inform borrower of: - Late Payment Charge £25.00 - Unpaid Standing Order £30.00 - Broken Promise to Pay £25.00

	Day 6-11	Guarantor Loans only - Guarantor informed in writing of the arrears on the account
	Note:	*In the event of the death of a single borrower Stage 1 can be extended by up to 30 days to provide a 'breathing space' for the estate.
S2		Commences 2 days from end of stage 1
	Day 1	Combined telephone contact with debtor (and guarantor where applicable)
	Day 2 & 3	Further telephone contact with debtor (and guarantor where applicable)
	Day 4	Consider legal action to demand full payment before the end of the agreement, if so and when, issue a 'Default Notice' to debtor (and copy to guarantor where applicable)
	Day 22	(Non-compliance Default Notice) - 7-day formal notice of proceedings to debtor.
	Day 31	External solicitors instructed to issue proceedings for full balance on agreement together with charges and interest.
S3		Applicable when the following conditions are satisfied: 1. Arrears equivalent to the amount of 2 contractual instalments 2. Before a judgment has been obtained in relation to amount owing on the agreement
		Within 14 days of stage 3(1) - Notice of Sums in Arrears (First Notice) to be served on debtor.
		Second and subsequent Notice of Sums in Arrears to be served on debtor within 6 months of previous notice whilst either of the following conditions are satisfied: <ul style="list-style-type: none"> • No judgment has been obtained on an amount owing under the agreement. • The agreement remains in arrears

S4		Post Judgment Interest - Unsecured/Guarantor Loans
		<p>Applicable when the following conditions are satisfied:</p> <ol style="list-style-type: none"> 1. County Court Judgment obtained on an amount owing on the agreement 2. Judgment remains outstanding, either in part or in full <ol style="list-style-type: none"> (a) First Post judgment Notice to be served on debtor within 7 days of obtaining judgment (b) Second and subsequent Notice of Post Judgment Interest served within 6 months of the First Notice Stage 4(1) and then every six months thereafter whilst the judgement remains outstanding.
		Default Notice - Secured collections only
		<p>The default notice contains:</p> <ul style="list-style-type: none"> • Details of the missed payments and a date by which the total all of the arrears be cleared - this will be at least 35 days in the future • Information about what happens if the arrears are not cleared within the given time, including seeking court action. • Instruct our legal representatives
S5		Secured Collections Only - Application to Court for a Possession Order
		<p>If the arrears have not been settled by the date set out in the Default Notice, or another alternative agreement made, our legal representatives will submit the application to the local county court setting out reasons why the judge should give us possession of the property.</p>
S6		Secured Collections Only – Pre-hearing notification
		<p>Once a hearing date has been set, inform the borrower of the date, time and venue of the hearing Immediately (not more than 5 days) inform the borrower's local council that court repossession proceeding are scheduled, so they are aware the borrower may become homeless.</p>
S7		Secured Collections Only - Court Hearing
		<p>Our Legal representative will attend the hearing and we shall enact the decision of the court.</p>

9. Security

Where entry into a Peer to Peer Micro-Loan Agreement is stated to be conditional upon some form of security, including without limitation an all assets security agreement, assignment, legal charge, legal mortgage and/or a chattels mortgage, debenture, personal guarantee or such other form of security as the Lender may reasonably require ("Security") the following provisions will apply to you in your capacity as a Lender.

In the event that a Borrower fails to make a payment when due or defaults in meeting any material obligations of each Peer to Peer Micro-Loan Agreement, you agree to instruct us (as security holder on your behalf as a Lender) to enforce any such Security.

You agree that we will act on your behalf as security trustee in respect of the any Borrower's liabilities to you under each Peer to Peer Micro-Loan Agreement. All communications to a Borrower in connection with any such Security will be made through us.

Where we have been provided with information by a relevant Borrower, we may provide to you as Lender certain information about the assets of that Borrower.

We will hold the assets charged under any security upon trust for ourselves and for all Lenders to that Borrower (including you). From time to time we may perform (before or after any enforcement under the terms of the Security) all obligations, rights and benefits given to us by any Security.

We shall have certain powers and discretions conferred upon trustees and may also rely on (i) any representation, notice or document believed by us to be genuine correct and appropriately authorised and (ii) any statement made by any director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

Where we are required to enforce any Security and any proceeds of recovery become available (after allowing for all of the costs of enforcement) it is possible that the available proceeds will not be sufficient to discharge all obligations owed by the Borrower at that time to Lenders on the Platform. If that is the case, then the Lenders shall only be entitled to recover their proportionate share of such recoveries. In addition, it is possible that there may be other creditors of the borrower that have claims that may be recovered in priority to us and the Platform Lenders, so the existence of such Security should not be considered to

be a guarantee of certain repayment in the event of failure by the Borrower in meeting its payments.

You agree that we shall be entitled to be repaid and reimbursed out of the proceeds of any recovery under any Security and that you will pay all reasonable costs incurred by us in enforcing the Security or in complying with any instructions from you in connection with any

Security. You will only be responsible for payment of such costs out of the proceeds of any recovery and to the extent that such costs cannot be recovered by us, from the relevant Borrower.

Where entry into a Peer to Peer Micro-Loan Agreement is stated to be conditional upon some form of security, including without limitation an all assets security agreement, assignment, legal charge, legal mortgage and/or a chattels mortgage, debenture, personal guarantee or such other form of security as the Lender may reasonably require (“Security”) the following provisions will apply to you in your capacity as a Borrower.

In the event that you fail to make a payment when due or defaults in meeting any material obligations of each Peer to Peer Micro-Loan Agreement, you agree we shall have the right to enforce any such Security on behalf of the Lenders.

10. Interest and repayments

Interest on the Loan will be deemed to accrue from the first business day following the Advance Date.

Each Peer to Peer Micro-Loan Agreement sets out the terms and regulates the payment of the Loan repayments.

Repayments of a loan and payment of interest shall be made from the Borrower’s Nominated Bank Account by standing order to the Protected Client Account. The Borrower shall therefore ensure that their Nominated Bank Account has sufficient funds to process the standing order each month. The standing order will be created by the Borrower on completion of the Loan.

11. Selling your Micro-Loan

If a Lender would like to sell a Micro-Loan (known for the purpose of this clause as “the Transferor”) they may do so to other Lenders.

On transfer of the Micro-Loan, the accrued interest on the capital outstanding shall belong to and be paid to the buyer of the Micro-Loan (known for the purpose of this clause as “the Transferee”).

A Transferor can set the amount that they want to raise in total from selling the selected Micro-Loan. We will publish on the Platform a list of the Micro-Loan’s with a total sale value to the amount the Transferor wishes to raise.

The Micro-Loans that a Transferor wishes to sell can be selected on the “Dashboard” and they will then be listed for sale.

On the sale of any Micro-Loans, the proceeds will be credited to the Transferor's User Account and debited from the Transferee's User Account.

Micro-Loans for sale will be listed on the Platform for sale for an indefinite number of business days.

The capital and interest repayment are paid to the incumbent owner of the Micro-Loan on the day the repayment is processed.

12. SBILS Charges

For providing you with a platform that enables you to lend or borrow money, we will be paid a commission to administer the loans and from time to time may levy other charges.

The commission payable to us by a Lender is 0% (nil) of what the Lender earns. The charges taken by us are taken before the interest is paid to the Lender.

The commission payable to us by the Borrower, will be clearly set out at the point that each Borrower makes their offer to borrow. The length of time a Loan is borrowed, and the Risk Rating determines a variable commission payable. Commission is payable for the duration of the Loan and is calculated daily and deducted before interest is paid to the Lender.

There is an arrangement fee payable by the Borrower upon Unsecured and Guarantor Loan completions and added to the total charge for credit. The fee payable is determined by the Borrowers Risk Grade.

Risk Grade G1	Risk Grades A1 A2 A3	Risk Grades B1 B2 B3
3.00% of the loan amount	2.50% of the loan amount	3.25% of the loan amount
There is a Legal Fee payable by the Borrower upon Secured Loan completions and added to the total charge for credit. The fee payable is determined by the Borrowers Risk Grade.		

Risk Grades F1 F2 F3 F4 F5 F6	Risk Grade S1	Risk Grade S2	Risk Grade S13
£995.00	£995.00	£795.00	£595.00
All charges and fees due, will be paid to the relevant recipients from the Protected Client Call Account. If a Borrower does not make the contracted payments, then SBILS will not be paid a commission.			
Non-Repayment Restructure Charges In the event that a bridging loan is not repaid within the agreed timescales, and where a continuation of the loan is requested, a non-repayment restructure fee of 3% or a minimum of £1,500 will be applied.			

13. The Rainy-Day Pot

The “Rainy-Day Pot” monies are held for the additional protection of all Lenders of unsecured loans (not guarantor or property loans). The fund can be called upon in the event of non-payment of a Borrower. From each monthly payment received from all unsecured Risk Grade borrowers (not guarantor or property loans), a contribution to the Rainy-Day Pot will be made from the interest payable. The contribution is determined by the borrowers Risk Grade and is a percentage of the Loan balance outstanding and calculated monthly.

Risk Grade A1	Risk Grade A2	Risk Grade A3	Risk Grade B1	Risk Grade B2	Risk Grade B3
2.50%	3.00%	3.50%	4.50%	6.00%	8.50%

In the event of a client not making a Loan repayment, we will put a claim in, on behalf of the Lenders, to make up that months monthly INTEREST payment. The Rainy-Day Pot is NOT an insurance policy and SBILS reserves the right to use discretion in its operation.

14. Innovative Finance ISA account

SBILS is the ISA Manager and is registered with HMRC as an ISA Manager.

All IFISA's are subject to an online application process. This process is required in all instances together with an indication of the 'Pots' you wish to invest in. There is also a requirement to confirm the initial level of subscription into your ISA. All IFISA's are subject to a minimum of £100 investment up to the maximum allowable in any financial year.

The UK Tax year runs from 06 April to 05 April of the following year. You may subscribe to a SBILS IFISA as long as the following criteria are met:

- You are resident in the UK or
- If outside the UK are performing the duties of a Crown employee which would be treated as though being performed in the UK or
- You are the spouse or civil partner of the person in the previous line.

It is your responsibility to ensure that you inform SBILS of any changes to your UK residential status, if you cease to be resident in the United Kingdom for tax purposes, if you cease to perform such duties which would affect you being treated as resident or if you cease to be married or in a civil partnership with someone deemed to be resident.

You cannot subscribe to an IFISA in a given tax year if you have already subscribed to an IFISA via another channel. There are exceptions to this policy, namely:

- you are transferring out of a current IFISA held via another channel into a SBILS IFISA or
- you have already reached the maximum available subscription to a cash ISA or Stocks and Shares ISA or combination of both and it is your intention to transfer this to a SBILS IFISA

All IFISA investments are available to be used for peer to peer transactions within the SBILS lending framework. These investments will be subject to automated bidding on your behalf and will be subject to the risk grades selected, via the pots chosen, within your application.

All documents pertaining to your SBILS IFISA ownership will be held by SBILS or as we may direct in accordance with the ISA Regulations. Where a third party is used to support retention of documentation, SBILS will ensure that they meet the competence to undertake this activity. Evidence of holdings will be available via the SBILS portal.

In the instance of a failure to satisfy the provisions of the ISA Regulations, we undertake that we will notify you of said reason. If the issue cannot be rectified or if you fail to take action requested by SBILS within a reasonable period of time, we may close your account. We will give you 1 month notice in writing of our intention to close your account.

Under our obligations we are required to confirm the identity of all applicants. We reserve the right to delay the opening of any IFISA account until such checks have been completed to our satisfaction. Any delays will be notified via the SBILS Portal.

15. The ISA Pots Structure

ACCESS

- Un-lent capital will benefit from interest equivalent to 1.2% annually (paid monthly).
- The 1.2% interest equivalent per annum is anticipated to be an ongoing return. In the event of an increase/decrease in this rate we will provide at least 90 days' notice of this change.

PRUDENT

- Buy-to-Let mortgages which will be secured by way of a first legal charge against UK residential property up to a maximum LTV exposure of 65%.
- Bridging loans which will be secured by way of a first legal charge against UK residential property with a maximum LTV exposure of 65%.
- Low rate unsecured loans where the borrower must be a homeowner with an excellent credit history.

Risk Grades	Interest	F/C Loss p.a.	F/C Net Rtn p.a.
BTL1	3.25%	0.10%	3.15%
BTL2	3.50%	0.10%	3.40%
BTL4	4.50%	0.10%	4.40%
A1	4.50%	0.56%	3.94%
A2	5.00%	0.70%	4.30%
A3	6.00%	0.84%	5.16%
F1	4.50%	0.10%	4.40%
Average	4.68%	0.36%	4.32%

BALANCED

- Bridging loans which will be secured by way of a first legal charge against UK residential property with a maximum exposure of 75% LTV (Average 70% LTV).
- Average rate unsecured loans where the borrower must be a homeowner with and average credit history.

- Personal guarantor loans, available to homeowners and tenants with a medium to poor credit history. The borrower must obtain the backing from a home owning personal guarantor, with an excellent credit history.
- Buy to let mortgages which will be secured by way of a first legal charge against UK residential property to a maximum LTV of 80%.

Risk Grades	Interest	F/C Loss p.a.	F/C Net Rtn p.a.
BTL3	3.75%	0.10%	3.65%
B1	7.00%	1.10%	5.90%
B2	8.00%	1.45%	6.55%
B3	9.00%	1.67%	7.33%
S1	7.00%	0.10%	6.90%
F2	6.50%	0.10%	6.40%
F3	8.00%	0.10%	7.90%
F6	6.50%	0.10%	6.40%
Average	7.00%	0.59%	6.41%

ADVENTUROUS

- Personal guarantor loans, available to homeowners and tenants with a medium to poor credit history. The borrower must obtain the backing from a home owning personal guarantor, with an excellent credit history.
- Bridging loans which will be secured by way of a second legal charge against UK residential property with a maximum exposure of 85% LTV (Average 75% LTV).
- Higher rate unsecured loans where the borrower must be a homeowner but may have experienced credit problems in the past through no fault of their own.

Risk Grades	Interest	F/C Loss p.a.	F/C Net Rtn p.a.
C1 - Not Available	12.00%	2.79%	9.21%
C2 - Not Available	13.00%	3.62%	9.38%
C3 - Not Available	15.00%	4.18%	10.82%
F4	10.00%	0.40%	9.60%
F5	10.00%	0.40%	9.60%
S2	10.00%	1.00%	9.00%
S3	12.00%	1.00%	11.00%
G1	10.00%	0.75%	9.25%
Average	11.38%	1.77%	9.61%

16. IFISA Payments and Withdrawals

Whilst the maximum allowance for an IFISA is set at the start of the tax year this has no impact on the amount of existing ISA funds that can be transferred to your IFISA. ISA subscriptions cannot exceed the amount set in any given tax year. In the event that you exceed this limit any excess will be transferred to a non-ISA account. These monies can be used on the Portal at your discretion or withdrawn via the portal.

Withdrawals can be made at any time from your SBILS IFISA. IFISA monies that have been withdrawn from an IFISA can be replaced within the same tax year. This will not affect your ISA subscription limit for that year.

Micro-Loan(s) held in your Innovative Finance ISA are available to be sold subject to certain conditions via the secondary market. Ineligible loans are those with a term of 1 month or less remaining, new loans of less than 1 month in age, loans in arrears, being maintained by a guarantor or via the Rainy-Day Pot. SBILS will do everything they can to support any sale however the secondary market is governed by the appetite of other lenders towards your Micro-Loans. There is no guarantee that your request can be met. It is important that you consider any investment carefully before commitment.

17. Cancellation

You have the right to cancel your application or in the case of a live IFISA account by contacting us at support@sbils.co.uk, via the online portal, in writing to 28b London Road, Alderley Edge, Cheshire SK9 7DZ or calling us on 01625 750034.

Upon cancellation any money credited to your account will be transferred to a Standard Lender Account. These monies can then be used at the discretion of the lender subject to the standard SBILS Lender Terms and Conditions.

18. Account Closure

Any account closure request should be addressed by contacting us at support@sbils.co.uk, via the online portal, in writing to 28b London Road, Alderley Edge, Cheshire SK9 7DZ or calling us on 01625 750034.

Closure of an IFISA will restrict the opening of another IFISA via any other channel unless the funds from the closure are transferred directly to the new IFISA. You cannot open and run more than one IFISA in any given tax year.

Any account closed within a given tax year via SBILS can be re-opened with SBILS.

SBILS reserve the right to close your IFISA at any time. We will notify you of our reasons in writing.

Any monies as the result of an IFISA closure will be put into a Standard Lender Account unless we receive specific instructions prior to closure of your requirements. These funds will be available for access via the SBILS Portal following closure.

19. Death

At death, the taxation benefits of the IFISA are lost. In this instance ISA tax exemptions will no longer apply and any interest or gains in respect of investments that arise after the date of death to the date of closure will be eligible for taxation under the normal rules.

Upon receipt of notification of death, we will close the SBILS IFISA and transfer the funds to a Standard SBILS Lender account. Once we receive instructions from a person with appropriate authority, funds will be released as instructed. To complete this we may require paperwork in the form of a grant of probate or letters of administration before releasing any monies into an executors' account.

Your SBILS IFISA will be dealt with as instructed by your executors. Any value for probate will be as at the date of death.

In the event of death, a spouse may be able to set up their own SBILS IFISA based on their own subscription availability. In this instance SBILS will support the surviving party when requested.

20. Bankruptcy

ISA tax exemptions will no longer apply in the event of bankruptcy. This will become effective from the date on which a trustee is appointed. Any notice of bankruptcy will result in the closure of your SBILS IFISA. Funds will be transferred to a Standard SBILS Lender Account and frozen until such time as we receive further instructions from an approved person.

21. ISA Transfers (in/out/internal)

When you open your SBILS IFISA you may transfer funds from an existing ISA with another provider. The transfer form is available for download from [here](#). Upon receipt of a fully completed and signed transfer document we will arrange for the funds to be transferred to us from your existing ISA provider. This transfer will be completed in accordance with your instructions and the ISA Regulations. The transfer process will begin on the date indicated

on the signed transfer form unless you specify a date for the transaction to be completed. We will liaise with your existing ISA provider within 5 working days of receipt of your request.

The minimum transfer amount is £1,000.

Where multiple transfers are requested all monies will be held in a single SBILS IFISA account. There will be no differentiation of these monies going forwards and they will be treated as a single entity. Any unused ISA subscriptions from previous tax years are lost following the end of a Tax Year.

Any available un-lent funds held within the client account of your Standard Lender Account can be transferred to your IFISA account as long as it falls within the available limits of that given year. Existing loans may only be transferred to your IFISA account as available funds (cash) once sold on the secondary market.

You may transfer any available un-lent funds in the ISA client account in your SBILS IFISA from previous tax years to another ISA provider in accordance with the ISA Regulations and this Agreement. If you are not party to any loans and only cash is held in your IFISA the whole ISA may be transferred to another ISA manager at your request subject to the conditions within this document being met. Transfers will be completed upon receipt of a completed and signed transfer form from the new ISA manager.

Where a transfer of your SBILS IFISA is requested you must clearly stipulate a transfer period of no less than 30 days. Any transfer is reliant on the completion of any loan sales via the secondary market prior to the advised transfer date. A transfer cannot be completed until all loans within the SBILS IFISA are sold via the secondary market. Micro-Loan(s) held in your Innovative Finance ISA are available to be sold subject to certain conditions, via the secondary market. Loans with 1 month or less remaining, new loans of less than 1 month in age, loans in arrears, being maintained by a guarantor or via the provision fund are ineligible for sale. SBILS will do everything they can to support any sale however the secondary market is governed by the appetite of other lenders towards your Micro-Loans. There is no guarantee that your request can be met. It is important that you consider any investment carefully before commitment.

22. ISA Regulations

The management of your SBILS IFISA will be subject to the ISA Regulations. Any changes made by HMRC to the ISA Regulations that affect these terms will apply as soon as they come into effect.

We will inform you if your SBILS IFISA loses its tax exemption status by way of not complying with the ISA Regulations. If an investment which was previously allowed under the ISA

Regulations ceases to be allowed will result in the closure of the IFISA account. Funds will be transferred to a Standard SBILS Lender Account. These funds will be available for access or reinvestment into Micro-Loans via the SBILS Portal.

23. Termination

If you no longer want to be a Member you can let us know and we will end your membership as soon as any current Peer to Peer Micro-Loan Agreements are repaid and/or come to an end.

We shall in our absolute discretion end your membership. The reasons for doing that can include, but are not limited to the following:

- You breach these terms and conditions;
- You breach any Peer to Peer Micro-Loan Agreement;
- We suspect that you have committed fraud, been involved in money laundering or other criminal activities;
- You use the Website or Platform in any of the following ways:
- In any way that causes, or is likely to cause, the Website or access to it to be interrupted or damaged in any way;
- For fraudulent purposes, or in connection with a criminal offence;
- To send, use or reuse any material that is illegal, offensive, abusive, indecent, defamatory, obscene or menacing; or in breach of copyright, trademark, confidence, privacy or any other right; or is otherwise injurious to third parties; or objectionable; or which consists of or contains software viruses, political campaigning, commercial solicitation, chain letters, mass mailings or any "spam";
- You have no outstanding Peer to Peer Micro-Loan Agreements and have not been party to a Peer to Peer Micro-Loan Agreement for 12 months.

24. Lender's agreements with SBILS

VERY IMPORTANT:

Each Lender agrees that we (SBILS) (including our officers, employees, agents or consultants) give no warranty or representation about the ability of any Borrower to re-pay any Loan made by you to them. Whilst we may provide some help in reaching a view about a Borrower's credit worthiness, our charges and commissions in connection with each Loan are not in return for us sharing with you the risk of making a Loan which would be much higher if that was the case.

On that basis each Lender acknowledges that they are bidding and lending entirely at their own risk. If you are unsure about whether entering into a loan using the Website or Platform is suitable for you, you should contact an Independent Financial Adviser.

Any guidance that we make available on the Website or in any other marketing materials, detailing the possible rate of return on a Loan, are for guidance purposes only and are not guaranteed. The particular rate of return on any Loan will be set out in each Peer to Peer Micro-Loan Agreement.

The information we make available on the Website does NOT constitute advice, recommendation or an endorsement of any Loan Requests, of Micro-Loans or of the Borrower.

The information we make available on the Website is not intended to be relied upon as a sole basis for deciding whether or not to lend to a particular Risk Graded borrower.

We make no representation, warranty nor give any guarantee;

- That data displayed about a loan request is up to date and free from error;
- That a loan request will be fulfilled;
- That a Micro-Loan which is put up for sale will be purchased.

25. General terms

This Website is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to applicable law or regulation.

You are permitted to download and print the content on the Website for your personal use or in the course of your business, but only to the extent required to use the services provided on the Website. You must not use the content of the Website for any other purpose without our express written consent.

We will endeavour to facilitate uninterrupted access to the Website. Access to the Website may be suspended, restricted or terminated at any time.

You agree to use the Website only for lawful purposes and in a way which does not infringe the rights of anyone else or restrict or inhibit anyone else's use and enjoyment of the Website.

You warrant and represent that you have taken all reasonable precautions to ensure that any data you upload to the Website is not infected with any virus or anything else which may have a destructive effect on any part of the Website. We use Secure Socket Layer (SSL) encryption to encrypt information communicated between a User's browser and the Website. We take reasonable precautions to prevent the existence of computer viruses or

other malicious programs on the Website, but we accept no liability for them if they do exist. It is your responsibility to use, update and maintain appropriate antivirus software on your computer.

Information transmitted via the Website will be via public telecommunications networks. We accept no liability if communications sent via the Website are intercepted by third parties or incorrectly delivered or not delivered.

The Website may contain links to other Websites. We accept no responsibility or liability for any material supplied by or contained on any third-party Website which is linked from or to the Website, or any use of personal data by such third party.

26. Limitation of liability IMPORTANT

We shall not be liable to you for any loss or damage which you may suffer as a result of being a Member or using the services provided via the Website, except where such loss or damage arises from our breach of these terms and conditions or was caused by negligence, wilful default or fraud by us or our employees.

Our total liability to each Lender in connection with these terms and conditions, your Membership and your use of the services provided via the Website shall not exceed the balance of the Loan pursuant to which the liability arises.

Our total liability to the Borrower in connection with these terms and conditions, your Membership and your use of the services provided via the Website shall not exceed the greater of the aggregate of the fees paid by the Borrower to us in connection with the Loan pursuant to which the liability arises.

Nothing in these terms and conditions shall limit our liability for personal injury or death, fraud, nor for any other liability is the exclusion or limitation of which not permitted by applicable law or regulation.

27. Wind Down Arrangements

Under guidance from the FCA, we accept the importance of regulated firms considering the contents of a wind down plan as best practice. Wind down planning is described as a process in which the firm's governing body:

- Identifies the steps and resources it needs to wind down its business, especially in a situation where resources are limited; and
- Evaluates the risks and impact of a wind down and considers how to mitigate them.

As a peer to peer platform we are unusually advanced in already considering much of a wind down plan as the regulatory requirement to conduct the activities of an "Operating an electronic system in relation to lending" mandate that we have:

- A Client Money Resolution Pack
- A Business continuity and disaster recovery plan, and:
- Have made arrangements to have a contracted supplier of a "Living Will" (a formal resolution agreement)

Using the FCA guidance, we have designed [this plan](#) to set out the governance arrangements, operation procedures, estimated costs and resource requirements for an orderly wind down of the business to a point where it ceases its regulated activities and achieves cancellation of its permission with minimal adverse impact on its clients or counterparties.

It is reviewed once a year in line with the compliance monitoring programme calendar of events.

A copy of this plan can be downloaded [here](#).

28. Representations and Warranties

- You are able to enter into a legally binding agreement with us.
- You will not allow any other person to trade via your Account.
- You understand that we are not covered by the Financial Services Compensation Scheme.
- You understand that by using the Platform you may lose money and you hereby warrant that you accept full responsibility for any such loss.
- As a Borrower, you are responsible for the Loan repayment.

29. Our Use of your Personal Information

For Borrowers, we will obtain information about you from credit reference and fraud prevention agencies to help make decisions about you and we will record information about you with them. We may search your record at one or more credit reference agencies who will keep a record of the search. These details will be seen by other organisations that make searches. Information held about you by credit reference agencies may be linked to records relating to one or more of your partners, which is known as "association". If you give us false or inaccurate information and we identify fraud, we will record this with fraud prevention agencies. Law enforcement agencies may access and use this information. We may use a scoring or other automated decision-making system to assess your application

and to verify your identity. We will also record with credit reference agencies any default or failure on your part to keep to the terms and conditions of this agreement and any change of name or address. Account information given to credit reference agencies remains on file for 6 years after your account is closed, whether settled by you or upon default.

Whether or not a Loan Request proceeds, the credit reference agency will place a record of our search on your file. This record (but not our name) will be seen by other organisations when you apply for credit in the future. Large number of applications within a short period of time could affect your ability to obtain credit. Whether or not this application proceeds, the agencies will link your records and those of your financial associates, including any previous and subsequent names. The agencies may supply us with credit information, such as previous applications, the conduct of accounts in your and your financial associate's name, any business accounts you have, fraud prevention information and public information such as County Court Judgments, bankruptcies and the electoral register.

Some information held by the credit reference and fraud prevention agencies will be disclosed to us and other organisations to prevent fraud and money laundering, to recover debts that you owe and trace your whereabouts, to manage credit accounts and other facilities, to verify your identity, make decisions on credit and to carry out statistical analysis to help with decisions about credit and account management.

We may transfer your personal data to third parties acting on our behalf for administrative purposes and whomever we instruct to enforce any terms of this agreement. We may also disclose your details and/or transfer your personal data to third parties to whom we propose to assign our rights under this agreement. We may also disclose your personal data to any party who may acquire any interest or right of any kind pursuant to this agreement whether through an assignment or otherwise.

Our Privacy Policy is available [here](#).

You have the right to request a copy of the information that we hold about you if you apply to us in writing. A reasonable fee will be payable to cover our costs. Any such requests must be made to us in writing at the following address: 28b London Road, Alderley Edge, Cheshire SK9 7DZ

30. Communications and Notices

Communications and notices to be given under these Terms & Conditions (other than those exchanges of information occurring in the normal operation of the site) should be sent to us via email to support@sbils.co.uk

31. Choice of Law

These Terms and Conditions are subject to English law and the exclusive jurisdiction of the English Courts.

SBILS is an electronic system in relation to lending. SBILS is a trading style of eMoneyHub Ltd. Authorised and regulated by the Financial Conduct Authority. eMoneyHub Ltd is registered with the Office of Information Commissioner No. ZA589341. Peer to Peer Lending via the SBILS electronic system is NOT covered by the Financial Services Compensation Scheme. The Financial Conduct Authority does not regulate most Buy to Let Mortgages. Registered Office: 28B London Road Alderley Edge Cheshire SK9 7DZ Company Number 08158588.