

Glossary

Act	See The Act .
Agent	An individual who, on behalf of a home credit supplier, collects payments and also has a role in obtaining new business from current and existing customers. The expression also covers a sole trader who performs these functions on his own behalf. See also collector .
AMO	Agency mail order.
Amount of credit	The amount of the credit to be provided under a credit agreement, including a home credit agreement. See also TCC and TAP .
APR	Annual percentage rate of the TCC . The method for calculating the APR is set out in the Consumer Credit (Total Charge for Credit) Regulations 1980 as amended.
Canvassing	See paragraph 2.41 and permission to call .
Capital One	Capital One Bank (Europe) plc.
Cattles	Cattles plc. As the context requires, 'Cattles' should be read as a reference to Cattles plc and its subsidiaries collectively or one or more of those companies. Cattles plc has a subsidiary which carries on a home credit business under the name Shopacheck Financial Services. See also SFS .
Cheque cashing	A form of lending where a lender advances money against the customer's own cheque for a fee. The cheque is made out for the date of the transactions but is not cashed for 30 days.
CC	The Competition Commission.
CCA	The Consumer Credit Association, the trade association representing home credit providers.
Collector	An individual who collects payments on behalf of a home credit supplier but does not have any role in obtaining new business. See also agent .
Consumer credit agreement	A personal credit agreement. In the 1974 Act , the expression is limited to cases where the credit does not exceed £25,000 (to be changed under the 2006 Act). Some provisions of the 1974 Act apply only to consumer credit agreements that fall within the definition of 'regulated agreement'. However, these limitations and distinctions are not relevant for present purposes.
Credit card	A credit card provides access to a revolving line of credit. Credit cards are usable in a wide range of retailing and other outlets in the UK and internationally through a well-established market of merchant acquiring services.

Credit reference agency	A company carrying on a business comprising the furnishing of persons with information relevant to the financial standing of individuals, being information collected by the agency for that purpose. See section 145(8) of the 1974 Act . There are three credit references agencies, namely: Callcredit plc, Equifax plc and Experian Limited.
Current account	An account on which a customer may draw cheques up to the amounts of the credit balance in the account, or beyond it to an agreed overdraft limit.
DooD	Debt on our Doorstep. A national network of organisations campaigning to relieve the burden of debt on low-income households and to promote solutions to financial exclusion in the UK.
DMO	Direct mail order.
DTI	Department of Trade and Industry.
Financial exclusion	The outcome of processes that prevent disadvantaged social groups from gaining access to the financial system.
Firm	An individual, a partnership, a company or any other organisation carrying on a business.
FSA	Financial Services Authority.
FTE	Full-time equivalent.
GPC	Greenwood Personal Credit Limited, a home credit subsidiary of Provident Financial plc .
HMT	Her Majesty's Treasury.
Home credit	The provision of credit, typically small sum loans, the repayments for which are collected in instalments (often weekly or fortnightly) by agents or collectors who call for that purpose at the customer's home.
Illegal lender	An individual, partnership, company or other organisation that unlawfully carries on a consumer credit business without a licence under the 1974 Act . See licensed lender .
IRR	Internal rate of return.
Large firm/lender/provider	Home credit provider with 100 or more agents or collectors .
Licensed lender	A firm holding a licence under the 1974 Act to carry on a consumer credit business.
LSB	London Scottish Bank plc. As the context requires, LSB should be read as a reference to London Scottish Bank plc and its subsidiaries collectively, or one or more of those companies. London Scottish Bank plc has a home credit subsidiary called

London Scottish Finance Limited.

Mainstream credit	Credit products that are commonly used by the majority of the population eg credit cards, overdrafts and personal loans.
MBNA	MBNA Europe Bank Limited.
Medium firm/lender/provider	Home credit provider with between 10 to 99 agents or collectors .
Multiple loans	Where a customer has loans from more than one home credit provider at the same time.
Mutual	Mutual Clothing & Supply Company Limited.
NCC	National Consumer Council.
NPV	Net present value.
OFT	Office of Fair Trading.
Parallel loan	A home credit agreement made between a home credit supplier and a customer at a time when there is in existence at least one outstanding home credit agreement between the same parties and which does not affect the customer's obligations under any existing home loan agreement. See also renewal loan .
Park	Park Group plc. As the context requires, 'Park' should be read as a reference to Park Group plc and its subsidiaries collectively or one or more of those companies. Park Group plc has a home credit subsidiary called Park Direct Credit Limited.
Permission to call	A request under section 49 of the 1974 Act . Section 49 imposes a restriction on the canvassing of loan agreements unless the visit is made in response to a request in writing signed by the person making it. See also Canvassing .
Provident	Provident Financial plc. As the context requires, 'Provident' should be read as a reference to Provident Financial plc and its subsidiaries collectively or any one or more of those companies. Provident Financial plc has two home credit subsidiaries that operate in the UK, namely, GPC and PPC .
PPC	Provident Personal Credit Limited, a home credit subsidiary of Provident Financial plc .
Rebate	Such sum as a lender is required to pay to customer who settles early.
Renewal loan	A loan which a home credit customer takes out before he/she has paid off a previous loan from the same supplier and which is used: (a) to settle the balance of the previous loan (either gross or net of any rebate payable for early settlement); and (b) as a further cash advance.

ROCE	Return on capital employed.
ROE	Return on equity.
Round	A geographical area allocated to an agent in which he or she obtains business and collects payments.
S&U	S&U plc.
SEL	System enhanced lending. An internal Provident IT-enabled system which uses the customer's payment and issue history to help determine whether the customer is sufficiently creditworthy to be granted further credit.
SFS	Shopacheck Financial Services, a trade name used by a subsidiary of Cattles plc. See Cattles .
Small firm/lender/provider	Home credit provider with fewer than 10 agents or collectors .
Sole trader	An individual who (or a one person company which) carries on the business of supplying home credit without employing, or engaging on a self-employed basis, any agent or collector and is the sole owner of that business.
Step-up loan	An initial loan, often of £100 or less, taken out from a home credit provider such that the borrower's creditworthiness, and hence her/his eligibility for a larger loan, will depend on her/his repayment record.
Sub-prime	Adults of a working age whose credit applications stand to be systematically rejected by mainstream lenders, irrespective of the nature and size of their application.
TAP	Total amount payable. The sum of the amount of credit and the TCC under a credit agreement, including a home credit agreement. The amount of credit , the TCC and the TAP have to be set out in all home credit agreements.
TCC	Total charge for credit. The cost to the debtor of the credit provided under a credit agreement, including a home credit agreement, determined in accordance with the Consumer Credit (Total Charge for Credit) Regulations 1980 as amended. The Regulations set out items to be excluded and the items to be included. An example of excluded items are charges payable on failure to comply with the agreement. Examples of items to be included are interest and other charges, not specifically excluded. See also amount of credit and the total amount payable.
The Act	The Enterprise Act 2002.
The 1974 Act	The Consumer Credit Act 1974 as amended.
The 2006 Act	The Consumer Credit Act 2006.
TIRR	Truncated IRR . It is the discount rate at which the present value

of a stream of cash flows over a period of years, plus the discounted value of the closing assets at the end of that period of years, equals the opening value of the assets.

Underwriter

An individual in a credit business who authorises the issue of a loan to a customer.

Vouchers

Documents which are purchased wholly or partly on credit and which can be exchanged for goods or services from one or more suppliers that have agreed to honour them.