

**REQUIREMENTS IMPOSED BY THE OFFICE OF FAIR TRADING ('OFT')  
PURSUANT TO SECTION 33A OF THE CONSUMER CREDIT ACT 1974  
(the Act')**

**THE REQUIREMENTS SET OUT BELOW ARE IMPOSED ON Carefree Group Limited ('CGL')** (Consumer Credit Licence Number 584614)' whose main place of business is at 33 Bridge House Lane, Haworth, Keighley, BD22 8QE.

**THE OFT REQUIRES CAREFREE GROUP LIMITED TO DO AS FOLLOWS WITH IMMEDIATE EFFECT:**

1. CGL agrees to fully comply with the OFT Debt Management Guidance ('the Guidance') in its entirety by agreeing not to engage in business practices which are deceitful or unfair or improper (whether unlawful or not) in particular;

(a) CGL will ensure that its advertising of debt management services (across all media types including websites) complies fully with clauses 2.2 to 2.6 of the Guidance. Specifically, CGL's advertising or promotional materials must:

- (i) not claim or imply that savings will be made by rescheduling debts, without making it clear that this will usually lead to an increase in the sum to be repaid and the length of repayment period;
- (ii) not claim or imply that CGL can guarantee an outcome favourable to the consumer in negotiations with creditors;
- (iii) advise consumers that creditors may not agree to a debt management proposal;
- (iv) not claim or imply that the service is free if a fee is payable at any stage (including nominee/upfront and supervisory/administration fees), even if the initial advice is free. Details of all fees should be stated prominently in the advertisement;
- (v) not claim or imply that the debtor will be debt free in a certain period of time. CGL must explain to consumers that adverse indicators may remain on the consumer's credit profile for a lengthy period of time; and
- (vi) explain all of the advantages and disadvantages involved in the different debt solutions available to the consumer and in undertaking any service it provides them.

(b) CGL will ensure that the content of future websites and any pre-contractual information complies fully with clause 2.10 of the Guidance by ensuring CGL supplies consumers with adequate information about the service to be provided,

and the consequences and costs of it, and of any debt solutions offered, prior to entering into an agreement.

(c) CGL will ensure that the content of future websites and pre-contractual information fully complies with clause 2.13 of the Guidance by ensuring that it informs consumers that creditors are not obliged to accept reduced repayments or to freeze interest, and cease using the following statements

- *'creditors chasing you-no more letters or phone calls'*
- *'Court action against you stopped'*

(d) CGL will submit written confirmation to the OFT within 2 weeks of the requirements being imposed to confirm that the content of CGL's advertising is fully compliant with the Guidance.

2. CGL will not enter into any new contracts for either debt management plans or IVA's with consumers until such time that requirements set out at 1 above are complied with.

3. CGL will arrange for its compliance with the Guidance and the requirements to be audited. The audit shall be conducted by an organisation or individual, financially independent, excepting remuneration for its services, from CGL, its controllers and/or associates. The auditor shall provide a balanced review based on their findings. Audits will be conducted annually and both the instructing material provided by CGL and results of the audits are to be submitted directly by the auditor to the OFT. The first full annual audit should be submitted to the OFT by the end of May 2011.

**ANY FAILURE TO COMPLY WITH THE ABOVE REQUIREMENTS WILL RENDER CAREFREE GROUP LIMITED LIABLE TO FURTHER FORMAL ACTION BY THE OFT. THIS COULD INCLUDE THE IMPOSITION OF FINANCIAL PENALTIES PURSUANT TO SECTION 39A OF THE ACT AND/OR THE REVOCATION OF CAREFREE GROUP LIMITED'S CONSUMER CREDIT LICENCE PURSUANT TO SECTION 32 OF THE ACT.**

**Signed**

**Ray Watson – Director of Consumer Credit  
Authorised signatory on behalf of the OFT**

**Date:**