

# Intermediary Terms of Business

## 1 INTERPRETATION

For purposes of these Terms of Business for Intermediaries, the following expressions have the meanings specified below:

<b>Applicable Laws:</b>	means all relevant laws, statutes, regulations, rules, or principles that from time to time are in force, in so far as they relate to the performance of the various obligations under these Intermediary Terms or to the regulation of us, you and/or the Intermediary and/or mortgage club; including the Financial Services and Markets Act 2000 (the "Act"), the Data Protection Laws, the Proceeds of Crime Act 2002, the Unfair Contract Terms Act 1977, the Consumer Credit Act 1974 ("CCA"), the Money Laundering Regulations 2007; The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) ("RAO"); and the Distance Marketing Regulations 2004 (including the FCA's Handbook of Rules and Guidance, those of the Information Commissioner and the Advertising Standards Authority).	<b>Intermediary:</b>	means any firm which has entered into an Intermediary Agreement and has registered with us, carries on business as a mortgage intermediary, is authorised by the FCA and is permitted by us to (i) use the Pepper Online Application System to submit Applications on behalf of its Customers (for whom the firm acts as agent) and/or (ii) authorise other persons to access and use the Pepper Online Application System.
<b>Application:</b>	means an application to us in relation to a Customer for one of the Pepper Products using the application process on the Pepper Online Application System and transmitted to us by you.	<b>Intermediary Agreement:</b>	means an agreement with us to act as our intermediary in relation to Pepper Products.
<b>Appointed Representative:</b>	means a person who acts as the Intermediary's appointed representative (as defined in section 39 of the Act) in accordance with the FCA's Rules and for whom the Intermediary has responsibility.	<b>Introducer:</b>	means an individual appointed by an Authorised Person or by an Appointed Representative to carry out, in the course of business, the activity of effecting introductions.
<b>Authorised Person:</b>	means a person who is authorised as defined in section 31(2) of the Act and holds all authorisations and permissions required under the Act (and/or any rules or regulations made under it) in order to carry on the Business.	<b>Licences:</b>	means licences, authorisations, consents and approvals required under, and held in accordance with Applicable Laws.
<b>Business:</b>	means the business of, and activities involved in introducing Customers to us, advising Customers in relation to Pepper Products, arranging mortgages, and all related matters.	<b>Pepper Group Companies:</b>	means us or any member of the group of companies to which we belong.
<b>Buy to Let Mortgages:</b>	means Buy to Let mortgages exempt under article 61A of the RAO.	<b>Pepper Online Application System</b>	means the online portal made available by us to you for submitting Applications in accordance with these Intermediary Terms of Business.
<b>Customer:</b>	means any person(s) who has submitted or may submit a completed Application on the Pepper Online Application System to Us through You.	<b>Pepper Products:</b>	means Regulated Mortgage Contracts or Buy to Let Mortgages or any products offered by us, in each case as listed from time to time notified to you or your mortgage club.
<b>Data Protection Laws:</b>	means any applicable law relating to the processing, privacy, and use of Personal Data, that applies to the us, the Intermediary and/or any services or products featured on the Pepper Online Application System, including: (a) any laws or regulations implementing EU Directives 95/46/EC (Data Protection Directive) or 2002/58/EC (ePrivacy Directive); and (b) the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679), in each case, as in force and applicable, and as amended, supplemented or replaced from time to time.	<b>Principal:</b>	means the Authorised Person who is party to a contract with the Appointed Representative for exemption from the performance of regulated activities.
<b>FCA:</b>	means the Financial Conduct Authority, and any successor organisation.	<b>Procedures:</b>	means such procedures as may be specified by us and notified by us to you and/or the Intermediary or mortgage club from time to time in connection with the Business.
<b>FCA Rules:</b>	means the FCA's Handbook of Rules and Guidance as amended from time to time.	<b>Product Documentation:</b>	means any document or Financial Promotion (as defined in the FCA Rules) which is produced from time to time by you and/or the Intermediary relating to the Business.
		<b>Regulated Mortgage Contract:</b>	means a mortgage contract falling within article 61(3) of the RAO.
		<b>Transferee:</b>	means our transferee, successor or assignee (including any legal or equitable assignee of the mortgage, whether by way of absolute assignment or by way of security only and including those deriving title under it or them).
		<b>"we", "us", and "our"</b>	Pepper Money Limited (trading as Pepper Money) a firm regulated by the Financial Conduct Authority, incorporated in England and Wales with company number 11279253 and having its registered office at Haman House, 1 George Street, Uxbridge, London UB8 1QQ and any Transferee.
		<b>"you" and "your"</b>	means an Intermediary or a person authorised by an Intermediary (including members of the Intermediary's mortgage club) to access and use the Pepper Online Application System.

## 2 GENERAL

- 2.1** Please read these Intermediary Terms carefully. By using the Pepper Online Application System and/or submitting Applications to us, you agree to be legally bound by these Intermediary Terms. All Applications submitted are accepted subject to these Intermediary Terms.

## 3 USE OF THE PEPPER ONLINE APPLICATION SYSTEM

- 3.1** The Pepper Online Application System is owned and maintained by us. Use of the Pepper Online Application System is subject to these Intermediary Terms.
- 3.2** You must be registered with us in accordance with these Intermediary Terms to use the Pepper Online Application System.
- 3.3** If you are not an Intermediary, your Intermediary or mortgage club must give you authorisation to use the Pepper Online Application System and have supplied us with your name.
- 3.4** Upon registration, you will be provided with a username and password. You will be able to change your password once you log-in to the Pepper Online Application System.
- 3.5** You must at all times keep your username and password secure and prevent unauthorised use of the same. You must immediately notify us if you know or suspect of any unauthorised use of your username or password.
- 3.6** You must immediately inform us of any changes to the information provided to us in connection with your registration; including any changes to your email address.
- 3.7** The Pepper Online Application System is only intended for the completion of Applications for people resident in the United Kingdom.
- 3.8** We will ensure that the information provided on the Pepper Online Application System complies with the Applicable Laws.

## 4 PAYMENT OF COMMISSION

- 4.1** If you submit Business as an Appointed Representative, (a) the commission payable will be that as agreed with your Principal, (b) you agree that your Principal acts as your agent for the receipt of any payments due, and (c) our payment to your Principal of any such amounts is in full and final satisfaction of any payment due to you.
- 4.2** If you submit an Application to us through an Intermediary which operates a mortgage club, (a) the commission payable will be that as agreed with the mortgage club, (b) you agree that the mortgage club acts as your agent for the receipt of any payments due, unless otherwise agreed by us with your mortgage club, and (c) our payment to the mortgage club of any such amounts is in full and final satisfaction of any payment due to you.

## 5 NO AGENCY

- 5.1** You will not act as our agent when promoting Pepper Products, or introducing Customers to us, or otherwise; and agree not to hold yourself out in anyway as our authorised agent. You agree to promptly notify any Customer of this fact.
- 5.2** You acknowledge that you are an independent contractor.
- 5.3** You acknowledge that you have no authority or power to bind us, to approve any mortgage loan or Application, or in any way create any liability on our behalf; and shall not represent otherwise to any person or entity.
- 5.4** You shall not, without our prior written approval, use our name or the logo in any Financial Promotions (as defined in the Applicable Laws) or other documentation which you may produce.

## 6 REGULATORY AUTHORITY

- 6.1** You represent and warrant that you:
- 6.1.1** have, and shall at all relevant times maintain, and shall comply with the requirements of, all Licences necessary for you to conduct the Business;
- 6.1.2** 6.1.2 are, and shall at all relevant times remain, duly authorised by, and subject to the regulation of, the FCA; with appropriate permission to carry out the Business; including, without limitation, such permissions relating to advising Customers on, and arranging mortgages with us on behalf of those Customers; or that you are a duly Appointed Representative of such an Authorised Person; and
- 6.1.3** have the authority to enter into these Intermediary Terms.
- 6.2** You shall from time to time provide us with such information as we require evidencing your compliance with your obligations under the Applicable Laws.
- 6.3** You shall immediately notify us of any actual or proposed change or variation to any Licences, including, without limitation, any withdrawals of, or changes to FCA permissions you hold.
- 6.4** You shall verify the identity of the Customer in accordance with the Applicable Laws prior to submitting the Application. You understand and accept that upon submission of the Application, we shall verify the identity of the Customer electronically or otherwise, and as a result of such verification, may decide not to process the Application.
- 6.5** You shall be responsible for all advertisements and other publicity you produce, and shall ensure its compliance with all Applicable Laws.

## 7 SUBMISSION OF APPLICATIONS

- 7.1** Unless we otherwise expressly agree in writing, you shall only submit Applications, and use other relevant documents, in the form we provide to you on the Pepper Online Application System or otherwise.
- 7.2** You shall only use up-to-date product and other information and literature in connection with Pepper Products as we provide to you on the Pepper Online Application System or otherwise.

- 7.3** You warrant and agree that as to all Applications you submit to us:
- 7.3.1** where you have completed the Application, that the Customer has read and confirmed that the contents of the Application are correct and that you have informed the Customer that their data will be submitted and tracked electronically by both you and us for the purpose of processing the Application;
- 7.3.2** you are responsible for promoting Pepper Products and the advice you give Customers regarding the suitability of Pepper Products; and you acknowledge that we do not advise, represent or guarantee that Pepper Products will be suitable for any Customer;
- 7.3.3** the Customer has authorised us to check information provided by the Customer by whatever means necessary, to provide the Customer with the results of such enquiries, and to retain copies of such results in our files in compliance with Applicable Laws;
- 7.3.4** you will inform, and obtain the agreement of the Customer, that we are entitled to use any information in connection with the Application for fraud prevention purposes; and that if we obtain possession of the property because the Customer breaches any of his obligations resulting from his receipt of a loan, we may disclose information regarding the loan to the H.M. Revenue and Customs;
- 7.3.5** we are entitled to make such enquiries, as we deem necessary in connection with the Application to confirm the accuracy of the information provided and for credit reference and fraud prevention purposes. You will inform the Customer and obtain his agreement to the effect that the cost of such enquiries may be borne by the Customer;
- 7.3.6** we may make enquiries of credit referencing agencies and produce statistical results as we consider necessary when assessing the Application. You must inform the Customer that we may make such enquiries and that the agencies concerned may make a record of the enquiries for their files and that the records may be used for general assessment and/or debt collection analysis purposes;
- 7.3.7** you will disclose to the Customer:
- (i) (any fees and/or charge(s) that may be payable in respect of his chosen Pepper Product; and
- (ii) prior to making the Introduction in relation to one of the Pepper Products, any monies and/or benefits you will receive as a result of making the Introduction;
- 7.3.8** we may approach an insurance company for buildings or buildings and contents insurance, at our discretion, and where applicable, to obtain insurance for our benefit in the event that the property is repossessed and sold for less than the outstanding debt and that any information required to be given to the insurance company may be given;
- 7.3.9** you will pass all documentation that we provide for the benefit of the Customer to him and pass on to us any information provided by the Customer to support his Application;
- 7.3.10** if you submit an Application to us as a result of a sales lead from an Introducer, that either you, or if you are an Appointed Representative, your Principal, has

entered into an agreement with the Introducer (a) providing that the Introducer will make such introductions in accordance with Applicable Laws, including the requirement to have appropriate permissions or authorisations from the FCA; and (b) including an undertaking from the Introducer that he

(i) will limit his activities to effecting introductions within the meaning of the applicable exemption of the RAO only; (ii) will not engage in the regulated activities of advising on or arranging Regulated Mortgage Contracts (as defined in articles 25(A) and 53(A) of the RAO); (iii) will not be paid by the Customer by virtue of the introduction made by the Introducer for or in connection with any transaction for a Regulated Mortgage Contract; (iv) will disclose to the Customer, prior to making the introduction, any monies and/or benefits it will receive as a result of making the introduction; (v) will disclose to the Customer, prior to making the introduction details of any affiliation between the Introducer and you; and (vi) will maintain written records of the disclosures under (iv) and (v) that are made (unless the introduction is being made under article 33 of the RAO); and will comply with our reasonable requirements regarding the form of any such disclosure and/or record of such disclosure required in this clause;

- 7.3.11** you will comply with the Procedures and all requirements that we may impose relating to marketing and promotion of the Pepper Products. You will not share with Customers any material provided by us which is not intended to be provided to Customers. You shall seek clarification from us where there is any doubt as to whether any marketing material are so intended, prior to providing such materials to Customers; and
- 7.3.12** you will promptly forward to us any monies you receive on our behalf.

## 8 OUR OBLIGATIONS

- 8.1** We may (but are not obligated to) arrange and make loans to Customers, based on any Applications you submit. For the avoidance of doubt, we do not undertake to accept all Business introduced by you, and expressly reserve the right, at our discretion, not to accept Business.
- 8.2** We will conduct an initial assessment of, and allocate a credit score as to, submitted Applications following their receipt. If the initial Application is successful the Application will be confirmed as a continuing application and processing fees, if any, will be deducted from the Customer's account and/or credit/debit cards.
- 8.3** We will continue and complete the application process as to Applications we have confirmed as continuing, and will send a mortgage offer to the Customer and any solicitor acting for the Customer when all the requirements of the Application have been completed to our satisfaction.

## 9 DATA PROTECTION

- 9.1** You and we are and shall each be acting as data controllers in respect of the personal data of any Customers ("Customer Personal Data").
- 9.2** You and we shall each proactively comply with our respective obligations under Data Protection Laws at

all times, including (without limitation):

- 9.2.1** ensuring there is a lawful basis on which to process the Customer Personal Data; and
- 9.2.2** ensuring that appropriate privacy notices and/or policies are communicated to the Customers which explain how the Customer Personal Data will be processed.
- 9.3** You and we shall each, in relation to Customer Personal Data:
  - 9.3.1** not do or permit anything to be done through act or omission which would cause the other party to incur any liability under the Data Protection Legislation;
  - 9.3.2** ensure that it only shares the Customer Personal Data with the other party in a secure manner;
  - 9.3.3** provide reasonable assistance, information and cooperation where requested by the other party in respect of data protection matters including (without limitation) matters relating to the exercise by Customers of any data subject rights and any personal data breaches; and
  - 9.3.4** notify the other party immediately, and take into account any information and/or reasonable requests provided by the other party before responding publicly or to a regulator or any third party (provided that such information and/or requests are provided promptly and before any applicable response deadline).
- 9.4** We undertake, and you agree, respectively to each bring into effect and maintain all appropriate technical and organisational measures in relation to its processing of Customer Personal Data so as to ensure a proportionate level of security in respect of the possible risk posed to the Customer Personal Data.
- 9.5** If it is determined at any time that either you or we are processing Customer Personal Data on behalf of each other, appropriate written controller to processor terms shall be entered into to ensure compliance with Data Protection Laws.
- 9.6** The terms “controller” (or data controller), “processor” (or data processor), “data subject”, “personal data” and “processing” all have the meanings given to them in Data Protection Laws.

## 10 COMPLIANCE

- 10.1** You agree that:
  - 10.1.1** you will comply with all the Procedures and all Applicable Laws; including, without limitation, those related to advising on and arranging mortgage loans, complaint handling, and the relevant pre-application disclosure requirements of the FCA Rules;
  - 10.1.2** you shall not knowingly do or omit to do anything that will cause us to be in breach of any Applicable Laws;
  - 10.1.3** you shall inform us immediately if you become aware of, or suspect, a breach of any Applicable Laws or of these Intermediary Terms;
  - 10.1.4** you shall not knowingly submit an Application which has been rejected by another lender on suspicion of fraud; and
  - 10.1.5** you shall comply with our reasonable instructions regarding any applicable regulatory investigation or inquiries.

- 10.2** You shall keep and maintain for 6 years following the termination of these Intermediary Terms, such books and accounts; and make such filings, in connection with the performance of your obligations under these Intermediary Terms, as required by Applicable Law or as we may otherwise reasonably require from time to time.
- 10.3** You shall comply with and perform your services in accordance with the Bribery Act 2010 and any other applicable anti-bribery or anti-corruption laws.
- 10.4** You will not act or omit to act in any way that will lead us to being in breach of the Bribery Act and/or any other applicable anti-bribery or anti-corruption laws.
- 10.5** You will have your own anti-bribery and anticorruption policy or equivalent controls and ensure that you and your employees and sub-contractors comply with these obligations. You will, if requested and as soon as reasonably practicable, provide us with relevant access and information in relation to your anti-bribery and anti-corruption policies and controls.

## 11 INDEMNITY

- 11.1** You shall indemnify us and keep us indemnified from and against all loss, damage or liability (whether criminal or civil), and legal fees and costs incurred by us directly as a consequence of a breach by you of these Intermediary Terms or of any of your obligations under any Applicable Laws, or by your provision of inaccurate information to us.
- 11.2** You shall maintain throughout the term of these Intermediary Terms, and for a period of at least 12 months after the termination of these Intermediary Terms, professional indemnity insurance with a reputable insurer for an amount which is not less than the amount required by the FCA Rules, where applicable, and on reasonable open market terms without material restrictions.
- 11.3** You shall provide to us evidence of such insurance cover, on request.
- 11.4** You shall immediately notify us if you become aware of a breach of these Intermediary Terms or any Applicable Laws.

## 12 LIABILITY AND DISCLAIMERS

- 12.1** We shall not be liable in any way for any delay, hindrance or failure to perform our obligations caused by reasons beyond our reasonable control or for any loss or damage whether direct, indirect, incidental or consequential that may be incurred by your use of the Pepper Online Application System whether in contract, tort, strict liability or otherwise.
- 12.2** All warranties, conditions and other terms implied by statute or common law are to the fullest extent permitted by law, excluded from these Intermediary Terms.
- 12.3** Use of the Pepper Online Application System is at your own risk. The information contained in Pepper Online Application System is not intended to be advice.
- 12.4** Nothing in these Intermediary Terms excludes or limits our liability for death or personal injury caused by our negligence, or for fraud or fraudulent misrepresentation, or for any matter which it would be illegal for us



to exclude or attempt to exclude our liability.

### 13 COMPLAINTS

**13.1** You shall inform the Customer that all complaints against us will be dealt with in accordance with our internal complaints procedure, which is available on request; and shall promptly notify us as to, and provide reasonable assistance to us, in connection with the resolution of any complaints related to any Pepper Products, any Application, and/or any related act or omission by us or you, or any or of our respective representatives.

**13.2** We are covered by the Financial Ombudsman Service for resolving certain complaints. If our internal complaints procedure does not resolve the Customer's complaint the Customer may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service,  
Financial Ombudsman Service  
Exchange Tower  
London E14 9SR.

Tel: 0800 0234567 (helpline) and  
020 7964 1000 (switchboard).

### 14 CONFIDENTIALITY

You undertake that you will not, at any time hereafter, use, divulge or communicate to any persons or entities; and shall use your reasonable endeavours to prevent the publication or disclosure of, any confidential information of, or concerning any of the Pepper Group Companies, or their businesses or affairs; or any information provided by any Customers; which you may have, or which may in future come to your knowledge; save where such disclosure is required by law or any legal or regulatory authority, provided, that, you may, after making such persons aware of the obligations under and restrictions of this clause 14, communicate such information to those of your colleagues, professional representatives or advisers as may be reasonably required in connection with an Application and/or the proper discharge of your obligations under these Intermediary Terms.

### 15 VARIATION

**15.1** We may vary the terms and conditions of these Intermediary Terms at any time with or without notice.

**15.2** We may vary the Procedures at any time. Notice of any variation to the Procedures will be displayed on the Pepper Online Application System and/or notified to you in writing. It is your responsibility to ensure that you keep up to date with any changes to the Procedures.

### 16 TERMINATION AND SUSPENSION

**16.1** We may terminate your access to the Pepper Online Application System and/or these Intermediary Terms:

**16.1.1** Upon 7 days' notice to you at your email address as notified to us. Notice shall be deemed served two hours after transmission; or 16.1.2 with immediate effect at any time by us without notice to you if, (i) we reasonably believe that you or the Intermediary have

committed a material breach of your/its obligations under these Intermediary Terms, committed a breach of the Bribery Act and/or any other applicable antibribery or anti-corruption laws, or of any Applicable Laws or Licences, or (ii) our agreement with the Intermediary or mortgage club is terminated or we suspend the Procedures under that agreement.

**16.2** We reserve the right to suspend your access to the Pepper Online Application System and ability to submit Applications and promote Pepper Products under these Intermediary Terms, indefinitely or for such period of time as we determine, whilst we consider a possible termination.

**16.3** You may terminate these Intermediary Terms upon one month's prior written notice to us. Notice shall be deemed served two hours after transmission.

**16.4** Any termination shall be without prejudice to any right, claims or actions which one party may have against the other in respect of any matter occurring prior to the effective date of the termination.

### 17 AUDIT RIGHT

**17.1** You shall, both during and after termination of these Intermediary Terms, promptly and fully co-operate with any reasonable requests by us to verify your compliance with the Applicable Laws and the Licences including giving any of our representatives (including our auditors) unrestricted access to your business premises and to all records relating to the Business.

**17.2** You shall keep a complete, accurate and up to date record of the Business conducted under these Intermediary Terms, as required to show your compliance with the requirements of the Applicable Laws, the Licences and the Procedures. You shall make such record available to us and/or our auditors and representatives for inspection and copying upon reasonable notice.

### 18 GENERAL

**18.1** If any provision of these Intermediary Terms is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly unenforceable it shall, to the extent of unenforceability be deemed severable and the remaining provisions of these Intermediary Terms shall continue in full force and effect.

**18.2** Failure or delay by a party in enforcing or partially enforcing any provision of these Intermediary Terms shall not be construed as a waiver of any of its rights under these Intermediary Terms.

**18.3** A party who is not a party to these Intermediary Terms shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms, except any Transferee.

**18.4** The formation, existence, construction, performance, validity and all aspects of these Intermediary Terms and any non-contractual obligations arising out of or in connection with them shall be governed by English Law and the parties submit to the non-exclusive jurisdiction of the English courts.

**18.5** Reference to any statute or statutory provision in these Intermediary Website Terms includes a reference:

**18.5.1** to that statute or statutory provision as from time

to time consolidated, modified, re-enacted (with or without modification) or replaced by any statute or statutory provision;

**18.5.2** to any repealed statute or statutory provision which it re-enacts (with or without modification); and

**18.5.3** any subordinate legislation made under the relevant statute.

**18.6** We may at any time, assign, transfer or dispose of, in whole or in part, our rights under these Intermediary Terms to any Transferee. You are not entitled to assign, delegate, transfer or sub-contract any of your rights or obligations under these intermediary terms.