

Family Vision Jargon Buster

Agreement term

The agreed fixed length of time in which you have to repay the finance.

APR

Annual percentage rate, also known as interest rate. This is how much extra you will have to pay back each year on top of the amount you borrow, this is usually represented as a percentage of the amount outstanding.

Arrears

Any money owed that is overdue.

Balance

A balance is the amount of money in your current or savings account, or the amount of money you currently owe on your loan.

Bankruptcy

People may file for bankruptcy if they are unable to pay their debts and owe a large sum of money. It means your finances are taken under the control of an 'official receiver', which is an officer of the court who manages your claim. Filing for bankruptcy may result in assets being sold to help repay the debt. If you are facing financial problems, it can help to contact the [National Debtline](#) or the [Citizen's Advice Bureau](#) for financial advice.

Continuous payment authority (CPA)

This is a type of recurring payment that a company sets up on a customer's card account using their debit or credit card details. As part of this process, the company should get the customer's permission ('standing authority') to take payments as and when they are due. Family Finance will use CPA to take payments due under your credit agreement with them. More details can be found in the pre-contract information they will send you about your loan.

Cash price

This is simply the cost of the goods you are buying e.g. car before interest (APR) and any other charges are added.

County Court Judgements (CCJ)

If you don't repay money you owe, you may end up with a type of court order known as a County Court Judgement or CCJ. This is visible on your credit record, but you should declare any CCJs when you apply for finance.

Cooling-off period

Under the Consumer Credit Directive, you have a period of 14 days to reject and withdraw from a finance agreement without any penalties or charges.

Credit agreement

This is the agreement between you and the financing lender.

Credit history

This is the historical record of all your credit borrowing.

Credit rating or credit score

A system used by banks and finance companies as part of the assessment application for loans and credit. This is based on your past credit history and existing debt. Lenders use the information held in your credit file to decide what rates to offer you. It includes information from the electoral roll, CCJs or bankruptcies and details of any current and previous creditors for up to 6 years.

Credit search

When lenders view your credit history to help determine whether you can afford to repay the debt.

Customer deposit

This is the initial payment you put down towards the goods at the start of the finance agreement.

Deposit contribution

A deposit paid by you in respect of your purchase from Family Vision where you are taking out a loan from Family Finance to fund your purchase. The amount of deposit contribution required largely depends on the offer and the product you are buying.

Documentation fee

Sometimes there is a fee to process the paperwork for your finance agreement. This is known as the documentation fee which, for some of our products is added to the total loan amount.

Early settlement

This is when you decide to end the finance agreement early, and pay off the rest of what you owe. Please contact us 01495 717 171 if you wish to settle the account early to enable us to provide you with an early settlement figure, as there may be a rebate of interest due to you.

Equity

Once you've paid all debts associated with your product, it then becomes equity because it's an asset you own.

FCA

The [Financial Conduct Authority](#). An independent body that regulates financial services in the UK, ensuring consumers get a fair and honest deal.

Finance agreement

This is the agreement which covers the terms of the finance contract. It usually explains the monthly payments, cancellation terms and what happens at the end when the finance has been repaid and includes your rights.

Flat rate

Interest rates can vary for some finance agreements. With flat rate interest the interest rate should stay the same for the finance agreement.

Hire purchase agreement (HP)

This is sometimes shortened to 'HP' or referred to as a 'rent to own' agreement. This is a type of credit agreement which normally involves you putting down a deposit on the good

you are to purchase and repaying off the balance by fixed monthly instalments with interest. You don't own the product until the debt is fully repaid including a final 'option to purchase fee'.

Joint application

It is possible to apply to Family Finance and sign a finance agreement with two or more people. Both applicants are responsible for repaying the loan or finance agreement, also called the Outstanding Balance.

Negative equity

Negative equity is when a product has lost value and is worth less than the amount you still owe for the finance agreement.

Quotation

Also known as a soft search. It's a type of credit search which does not leave a trace on your credit file. It is used to give finance companies an indication of risk and to decide how much they can offer you.

Residual value

This is the value of the product at the end of your loan or finance agreement.

Term length

This is used to describe the length of time you will be paying off the finance agreement. For example, 18 months.

Total repayable

This is the total amount, including the loan, total cost of credit, interest and fees, which you will repay the lender.