

Arch Insurance:

Customer Call Guidance & Paperless Direct Debit Call Script



Call scripts are a vital part of your business. They are often the first contact you have with your client. So, a good first impression counts. As well as appropriately discussing their insurance needs, providing the right information about how they pay will also affect your customers' experience, whether they are considering a one-off payment or premium finance.

Customers come from a wide variety of backgrounds - some with no experience of taking out a Credit Agreement to pay their insurance premiums and others that are familiar with this option. We expect firms to exercise their judgement in deciding what questions to ask customers in order to comply with the 'active election' rules

To help treat customers fairly, consistently and to retain business the following example call script shows the regulatory information you need to provide to your customers, alongside optional information that will improve their customer journey.

The below script is compliant with existing CONC requirements however you should ensure that following the recent publication of PS21/5: General insurance pricing practices market study, you are in compliance with the new ICOBS rules around premium finance including ICOBS 6A.5, ICOBS 6B.2, ICOBS 6A.2 and ICOBS 6A.5.

<p>1. Offering Payment Methods</p> <p>You have secured insurance cover with the customer. The next step is payment:</p>	<p><i>“Although paying your insurance in full is an option, spreading the cost of your premium via monthly payments although it costs slightly more, may be more convenient.”</i></p> <p>(The FCA expects firms to exercise their judgement in deciding what questions to ask customers in order to comply with the 'active election' rules)</p> <p><i>“The cost of your insurance policy is £XX.XX if you pay in full or £XX.XX per month if you finance the cost with Premium Credit, our 3rd party finance provider.”</i></p> <p>(Include all payment options available- it is important to list out all options including finance so that every customer is aware that finance is available. This ensures that you are offering all your customers the same options)</p> <p><i>“How would you like to pay for this policy?”</i></p> <p>(If not already known from online journey)</p>
<p>2. Your customer has chosen premium finance as their payment method</p>	<p><i>“You have chosen to finance the cost of your insurance. If your application for credit is successful, Premium Credit will pay for your insurance premium in full and you will be obliged to repay this credit by monthly Direct Debits. You will also be required to sign a credit agreement with Premium Credit.</i></p> <p><i>By choosing to finance the cost of your insurance you will need to pay an initial payment of £XXX.XX; followed by xx monthly repayments of £XX.XX including xx% Transaction Fee and £x facility fee (where applicable), equal to an APR of xx%. The cost of credit is £XXX.XX.”</i></p> <p>(CONC 3.5.5 requires you to provide the customer with a cost breakdown that includes APR, the amount of each repayment of credit and total amount payable)</p> <p><i>“Do you have any questions so far?”</i></p> <p>(If happy to proceed then continue with the wording below)</p> <p><i>“Before I can set up finance, I need to run through some information with you about information sharing and credit assessments. Is that all right?”</i></p>

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<p>3. Information sharing and credit assessments</p>	<p><i>(R)“Arch use Premium Credit Limited to provide finance exclusively, who is the lender. Arch are acting as the credit broker. They may receive a commission for introducing customers to them.”</i></p> <p>(Please see CONC 4.5.3 for the commission disclosure rules)</p> <p><i>“Your personal information and the bank detail you provide to us will be passed to them and they will contact you via email or text or in writing and send PDF or word documents.”</i></p> <p><i>(R)“Credit is subject to status, and they may use a credit reference agency that leaves a record of the search or other information about you to conduct credit and anti-money laundering check. This record will be visible to third parties.”</i></p>
<p>4. Taking Direct Debit information</p>	<p><i>“To avoid delay and save you having to fill in any paperwork, I can set up your Direct Debit instruction with Premium Credit right now over the phone. Would that be helpful?”</i></p> <p>(Payer agrees)</p> <p><i>“Do you hold a UK bank/building society account and are you the account holder?”</i></p> <p>(Only the account holder can authorise Direct Debits/ If the Borrower is not the account holder seek another method of payment. If yes proceed.)</p> <p><i>“Are you the only person required to authorise debits from this account?”</i></p> <p>(If yes, capture details. If more than one person is required to authorise debits on the account issue a paper DDI or seek another method of payment and close call.)</p> <p><i>“Can you tell me the name of the account to be debited?”</i></p> <p>(take details.)</p> <p><i>“And the branch sort code for the account?”</i></p> <p>(take details)</p> <p><i>“And finally, the account number for the account?”</i></p> <p>Take details- generally, the sort code is six characters, and the account number is eight characters. Ask if they have used this account before as some banks or building societies may not accept Direct Debits for certain types of accounts.)</p> <p><i>“Let me just confirm your account details back to you. The account name is XXXX, the account sort code is XX-XX-XX and the account number is XXXXXX, is this correct?”</i></p> <p>(Payer confirms)</p> <p><i>“The monthly repayment amount will be £xx.xx over X months, but is there a particular day of the month you would like the money to come out of your account, for instance just after you’re paid?”</i></p> <p>If no preference is given, then:</p> <p><i>“The first collection will come out of your bank account within 14 days and on the same date each month after that as your inception/renewal date.</i></p> <p><i>If you fail to make your required monthly repayment on time, Premium Credit will charge you a £25 default fee. Failure to bring your payments up to date could result in your agreement being cancelled.</i></p> <p>(Please select the payment profile that applies to your scheme)</p>

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<p>5. Reading the Direct Debit Guarantee</p>	<p><i>“All Direct Debits are protected by a guarantee. I can read it to you now or you can read it in the confirmation letter from Premium Credit, which would you prefer/?”</i></p> <p>(If the customer would prefer to hear it now, please read the next section to them, if not please omit the next section.)</p> <p><i>“In future, if there is a change to the date, amount or frequency of your Direct Debits, Premium Credit will always notify you five working days’ in advance of your account being debited. In the event of an error, you are entitled to request a refund from your bank or building society. You have the right to withdraw the credit agreement within the 14-day cooling off period. A copy of the safeguards under the Direct Debit Guarantee will be sent to you with your confirmation letter from Premium Credit.</i></p> <p>That completes the setting up of your Direct Debit instruction and credit application with Premium”</p>
<p>6. Final information and summary</p>	<p><i>“You will receive your welcome pack within the next 14 days. Please read it carefully to ensure it is right for you.”</i></p> <p>(If they have provided an email address it will be sent by email. If not, then they will receive the pack in the post. The pack contains important information including pre-contract information, the repayment schedule, the Credit Agreement, the Direct Debit guarantee and the terms and conditions.)</p> <p><i>“If you are happy to proceed with the credit agreement, please make sure you go online and sign the Credit Agreement as soon as possible. A £25 charge may be incurred if Premium Credit are required to write to you to remind you to sign your credit agreement.”</i></p> <p>(The customer has 27 days to sign the Credit Agreement before the charge is applied. Make sure they understand the importance of signing)</p> <p><i>“You will find your repayment schedule in your welcome pack. You can make a full or partial repayment at any time.”</i></p> <p>Now read these sections to the payer:</p> <p><i>“Premium Credit will confirm to you the exact date of your first repayment in writing. The company name that will appear on your bank statement against the Direct Debit will be Premium Credit Ltd.” (You should clarify wording on bank statements)</i></p> <p><i>“If there are any changes to the date, amount, or frequency of your Direct Debit, they will always give you 5 working days’ notice in advance of your account being debited.</i></p> <p>If, you have set up your Direct Debit instruction with Premium Credit. You will be sent confirmation of this no later than five working days before the first collection.”</p>
<p>7. Your option to withdraw</p>	<p><i>“If you do change your mind you can withdraw from the credit agreement free of charge within 14 days by contacting us, any repayments you have already paid will be refunded to you and you will have to find an alternative way to pay for your insurance. If you cancel after 14 days, you may have to repay any money owed to Premium Credit.</i></p> <p>Do you have any questions?” (if yes please see question list below for guidance)</p> <p><i>“Thank you very much for your time today. Do not forget to sign your credit agreement and ensure you have funds in your bank account for your first repayment.”</i></p> <p>(Close call)</p>

This is an example call script and may be tailored to your own business.

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Further Customer Questions:

If a customer asks for more information on how finance works

“If your application for credit is successful, Premium Credit pay your insurance premium upfront to your insurer in full and you repay in regular monthly repayments. Paying by monthly repayments does not provide a month’s worth of insurance cover at a time, your policy with your insurer will remain an annual contract.”

How to sign their Credit Agreement online

“You do not have to register an account with Premium Credit to e-sign your credit agreement and the process is quick and simple. Visit <https://digital.premiumcredit.com>, enter their 10-character Premium Credit reference number and follow the steps on screen.”

Why signing the Credit Agreement is important?

“Signing the Credit Agreement lets Premium Credit know that you have read and accepted the terms and conditions.”

The Annual Percentage Rate What is the APR?

APR stands for Annual Percentage Rate and is expressed as a percentage and designed to represent the annual rate charged for borrowing to allow customers to compare between products. It does not set out the actual rate the customer will pay as there is a prescribed formula which must be used for its calculation.

It must include any fees which are specifically made as part of the credit application and process, for instance the facility fee (where applicable) for our finance but does not include other fees and charges which may not materialise, such as default fees).