

Terms and Conditions

DEFINITIONS

In this document "we/us/our" means Argutus Legal Limited and "you/your" means the client.

Definitions of other words used in this document are as follows:

1. Charges – Our charges for pursuing your claim including any costs you become entitled to.
2. Claim – Your claim, whether or not court proceedings are issued, as described in the section "what is covered by this contract."
3. Compensation – any sums awarded, offered, paid or given in respect of a settlement, goodwill gesture, policy refund, balance reduction, rebate, financial benefit or any other payment associated with the Claim(s) including any costs, interest payments and associated charges. For the avoidance of doubt Compensation also includes any sums used to reduce any outstanding balances/ debt.
4. Costs – Charges, disbursements, and any applicable tax including VAT.
5. Disbursements – Payments we make on your behalf including but not limited to court fees.
6. Fast Track claim – a claim allocated to or treated as allocated to the Fast Track for the purposes of costs.
7. Lien – Our right to keep all papers, documents, money or other property held on your behalf until all money due to us is paid.
8. Lose – Your claim has been dismissed, or you have stopped it on our advice.
9. Multi-track claim – a claim allocated to or treated as allocated to the multi-track for the purposes of costs.
10. Intermediate Track claim – a claim allocated to or treated as allocated to the Intermediate Track for the purposes of costs.
11. Ombudsman Fee – any fee required by the Ombudsman for us to lodge or progress your Claim.
12. Opponent – the party or parties from whom you are seeking compensation.
13. Small claim – a claim allocated or treated as allocated to the Small Claims track for the purposes of costs.
14. Start date – the date on which this agreement begins. This is the date on which we send you email confirmation of these terms.
15. Win – "Win" means that you recover Compensation.

WHAT IS COVERED BY THIS CONTRACT

- (i) Formulating your claim for compensation or other relief for financial mis-selling arising from your motor finance agreement including in our discretion whether court proceedings should be taken or not.
- (ii) An application for pre-action or non party disclosure. Any action or application under data protection legislation.
- (iii) Negotiations about and/or a court assessment of the costs of this claim.
- (iv) Any proceedings you take to enforce a judgment, order or agreement.

WHAT IS NOT COVERED BY THIS CONTRACT

- (i) An application to an Ombudsman or any financial compensation scheme.
- (ii) Any appeal you make against the final judgment or order without our prior agreement.
- (ii) Any Disbursement or Ombudsman Fee.

OUR RESPONSIBILITIES

We:

- (i) Must always act in your best interest subject to our duty to the Court.
- (ii) Must give you our best advice about whether to accept any offer of settlement.

YOUR RESPONSIBILITIES

You:

- (i) Must give us instructions that allow us to do our work properly.
- (ii) Must not ask us to work in an improper or unreasonable way.
- (iii) Must not deliberately mislead us.
- (iv) Must co-operate with us.
- (v) Must not make any direct or indirect settlement of your claim with your opponent other than through us.
- (vi) Must not instruct any other representative nor pursue your compensation claim against your opponent without first terminating this contract.
- (vii) Agree that any compensation will be paid directly to us. In these circumstances you require the opponent to do so and authorise us to retain our charge, disbursements and VAT and pay any ATE insurance premium from the compensation before remitting the balance of the compensation to you.
- (viii) Agree that any compensation shall be paid into an account designated by us.
- (ix) Must inform us of any payment received from or offered by the opponent in respect of your claim, including any correspondence.
- (x) Must not communicate with your opponent in relation to this claim, other than through us.
- (xi) Must pay all Disbursements and Ombudsman Fees.
- (xii) In accordance with our internal client identification and verification procedures we are required to carry out client due diligence checks. If you have not already done so you are required to provide us with a copy of your passport or driving licence and proof of your address that is less than 3 months old. This may be by way of bank statement, utility bill or equivalent as detailed within the accompanying money laundering leaflet.

PRIVACY POLICY

I confirm that I have had a vehicle on finance and I was not aware of commission being paid to the dealer. and I have agreed to the privacy policy of Argutus Legal Limited and authorised them to conduct a soft credit check on my behalf to assess the details of any of my automotive finance information held by credit reference agencies and to conduct any other relevant automotive information searches through its provider, Valid8 IP Ltd. I understand this is part of my rights under GDPR. I understand that any searches conducted via Valid8 IP Ltd shall not affect my credit score, any information gathered through this process will only be used for the purposes of validating my identity and, confirming the existence of any vehicle agreements that may be used to support my claim. I agree to the privacy policy of Argutus Legal Limited and authorise them to conduct soft credit searches on my behalf through its provider, Valid8 IP Ltd, with no impact on my credit score. I also agree to Valid8 IP's privacy policy which can be found at <https://valid8.co.uk/privacy.php>

RIGHT TO ASSIGN

The Firm shall have the right to assign its rights and obligations under this Agreement to a third party, provided that such assignment does not alter the terms of the Agreement or the obligations of the Client. The Buyer's consent is not required for such assignment, except for any assignments relating to the delivery of goods or services, in which case prior written consent from the Buyer shall be required

CONSUMER CONTRACTS (INFORMATION, CANCELLATION AND ADDITIONAL CHARGES) REGULATIONS 2013

We are required to provide to you with certain information under Schedule 2 of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. Where it is relevant to this contract, the required information is contained in this document.

WHAT CAN YOU CLAIM

1. Your claim is for compensation or other relief arising from financial mis-selling of a motor finance agreement that you made and arises from the commission arrangements which the lender has with the broker who arranged your finance.
2. Please note that we will not pursue any other losses or claims you may have against the dealer or lender, unless agreed by us in writing in advance. Your claim is defined in "What is covered by this contract" set out above.
3. The amount you ultimately receive will be dependent on any offer made to settle your claim, any award made by the Financial Ombudsman Service, or if the claim goes to court then the amount will be decided by the judge.
4. Although the lender will have set parameters for the interest rate to be charged, commonly the broker will have had a discretion to set the interest rate as part of a commission arrangement between the lender and the broker. A higher interest rate results in more commission for the broker and a higher cost to you.
5. We believe this creates a conflict of interest between you and the broker and results in a higher interest charge to you than you would otherwise have paid. The FCA in an investigation into motor finance estimates that such arrangements result in a typical customer with a

£10,000 agreement, paying around £1,100 more in interest charges over the term of their agreement.

6. If your Opponent refuses to agree an amicable settlement of your claim then court proceedings may become necessary. You agree that we have a discretion whether court proceedings should be taken or not and may decline to do so where it would be uneconomic to us to do so. We will sign the court papers on your behalf and by instructing us to act on your behalf you agree to us taking this course of action if necessary and you agree to claim damages or other relief on the basis set out above. Signing the court papers involves us giving a statement of truth which is our affirmation that the information you have provided in the court papers are true. This statement of truth is very important and must not be taken lightly. We will discuss this option fully with you before initiating this litigation to take your instructions to proceed or not.

7. In some circumstances we will advise referring your claim to the Financial Ombudsman Service. We will discuss this option fully with you before initiating this claim to take your instructions to proceed or not. We reserve the right to not proceed if we feel the chance of success does not warrant the work involved or the claim is economically unviable. The Financial Ombudsman Service would charge Us an Ombudsman Fee which may render your claim uneconomic for us to pursue. We may refer you to a "Not for profit" organisation who will assist you in presenting a complaint to the Financial Ombudsman Service. If your complaint is successful, you will pay us for the work we have done whilst this agreement subsisted.

8. Where interest is included as part of the Compensation, the defendant may deduct tax from this and pay it directly to HMRC. Depending on Your personal tax status this tax may be refundable. You provide express permission for your details to be shared with a third party for the purposes of making an additional claim for reimbursement of any applicable tax. You agree that the cost for this service will be subject to a minimum fee of £99 (inc applicable VAT) of any tax reimbursed.

TIME LIMITS FOR CLAIMING

Under English law a claimant usually has a fixed amount of time to bring a claim, after which their claim will expire – this is known as the 'limitation date'. This date can be extended indefinitely by issuing court proceedings.

The law relating to mis-sold motor finance is still very much new and developing and it is therefore uncertain exactly how much time a claimant has to bring their claim. However, based on the law as it currently stands, we believe that some things you could claim for would need to be brought within 6 years of the start of your agreement and others must be brought within 6 years of the end of the agreement.

Please note that we will not be issuing court proceedings for the purposes of extending the limitation period. If you are concerned about this then you must issue court proceedings yourself.

HOW LONG WILL IT TAKE?

Each individual case is different and it’s difficult for us to be able to tell you exactly when your claim will be settled as this very much depends on the attitude adopted by the opponent towards your case. If your claim is a complicated case, there is the potential that it can take longer than a year for it to be settled. However, you can rest assured that we will keep you updated along the way.

OUR CHARGES AND DISBURSEMENTS

Please note that you have the right to bring the claim yourself free of charge without any representation.

We are pleased to confirm that Argutus Legal Limited t/a Clearcut Legal will be representing you on a no-win-no-fee basis, meaning if the claim is not successful then you will not have to pay anything. If you win your claim, you pay us our Charges.

Non contentious business agreement

If and only if your claim is resolved without the issue of court proceedings, the amount we charge will depend on the Gross Amount of Compensation awarded, as set out in the table below.

Band	Compensation Awarded	Maximum % Charge	Maximum Charge
1	£1 - £1,499	30%	£420
2	£1,500 - £9,999	28%	£2,500
3	£10,000 - £24,999	25%	£5,000
4	£25,000 - £49,999	20%	£7,500
5	£50,000 or above	15%	£10,000

Gross Compensation being the amount awarded before the deduction of any applicable income tax.

Gross Compensation being the amount awarded including any redress retained by the Lender using their ‘right of set off’ to reclaim any monies owed or remained unpaid on the finance agreement; any redress paid to a third party including collection agencies, insolvency practitioners and debt management companies.

Note: Total compensation means the actual amount of each successful claim before any tax is deducted by the vehicle finance provider and before deduction of fees,

Fees above EXCLUDE VAT.

We will charge the lower of the Maximum Percentage Charge and the Maximum Total Charge. For instance, if you were awarded £1,000 then we would charge £300 (30%). If you were awarded £1,450 then we would charge £420 because 30% of £1,450 is £435, which is higher than our Maximum Total Charge.

We add VAT to our charges at the rate that applies when the work is done (currently 20%). In addition, we will charge an Administration Fee of £30.00 plus VAT (£36.00 in total) for each successful Claim, unless the Success Fee and Administration Fee are together greater than the maximum total fee identified above. The Administration Fee is payable to cover administrative costs associated with your claim, including the cost of payment processing. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Facsimile or electronic signatures shall be deemed valid and enforceable for the purposes of this Agreement.

ENDING OUR CONTRACT WITH YOU

You expressly request and authorise us to begin working on your claim before the end of the statutory cancellation period referred to below. You understand that by giving this authorisation you cease having the right to cancel the contract if our service has been fully performed.

You can end this contract at any time. If you do so after the cancellation period, you agree you will pay us our costs calculated on the assumption that you would have won your claim on the date when you end this contract.

We can end this contract if:

- you do not keep to your responsibilities
- we believe you are unlikely to win
- you reject our opinion about making a settlement with your opponent.

you become insolvent by reason of bankruptcy, entering into a voluntary arrangement.

If we do so after the cancellation period, because you do not keep to your responsibilities you agree you will pay us our charges calculated on the assumption that you would have won your claim on the date when we end this contract. In other words, you will pay us £1,500 + VAT.

If we do so after the cancellation period, because you reject our opinion about making a settlement with your opponent you agree you will pay us our costs calculated on the assumption that you would have won your claim on the date when we end this contract.

If we recommend that you make a complaint to the Financial Ombudsman Service or any financial compensation scheme, this agreement will end as you agree we will not represent you in submitting any such complaint. You agree that you will then pay us our charges calculated in accordance with the non-contentious business agreement basis if you go on to win your claim in recognition of our work done before the end of this agreement. You agree you will immediately inform us if your claim is won.

If you die before your claim is concluded and your personal representatives continue your claim, we will be entitled to be paid in accordance with this contract if your personal representatives go on to win your claim.

PEOPLE RESPONSIBLE FOR YOUR WORK

Mr Asif Timol (Director and a Solicitor) specialising in this area of work will be responsible for your case and if he is not available his secretary will be happy to take any messages for you. However, he may delegate under his supervision certain aspects of your case to other members within his team during the progression of your case. Mr Asf Timol (Director and a Solicitor) will also be responsible for the overall supervision of your case. We try hard to avoid changing the people who are handling your case, if this cannot be avoided, we will notify you promptly on who will be handling your case (and why the change was necessary) and we reserve the right to allocate other staff to your case where necessary.

STATUTORY CANCELLATION RIGHTS

You have the right to cancel this contract and you can do so within 14 calendar days starting from the date on which you receive our email confirming our contract with you. If you wish to cancel your contract with us, you must inform us as soon as possible before the end of this 14-calendar day period. You can inform us of your wish to cancel via telephone, post or email. You may use the attached model cancellation form, but you do not have to. Our contact details are:

Telephone: 01792 979845

Address: Argutus Legal Limited;7 Tawe Business Village,
Swansea Enterprise Park, Swansea, SA7 9LA

Email: info@clearcutlegal.co.uk

COMPLAINTS PROCEDURE

In the first instance, it may be helpful to contact the person who is working on your case to discuss your concerns and we will do our best to resolve any issues at this stage. If matters remain unresolved, then please contact our Complaints Officer, Asif Timol, with the details. The email to contact us is info@clearcutlegal.co.uk

WHAT WILL HAPPEN NEXT?

Step 1- We will telephone and/or write to you acknowledging receipt of your complaint within 3 days of receiving it. We may ask you at this stage to clarify any aspect of your complaint.

Step 2-We will then investigate your complaint. This will normally involve your complaint being reviewed by our Complaints Officer, who will speak to the member of staff who acted for you.

Step 3- Within seven working days, we will be in contact with you by telephone and/or in writing to set out this firm's preliminary position in relation to your complaint and address any appropriate solutions.

Step 4-If the matter is not yet resolved, we will send you within 14 days a detailed written reply to your complaint (on the assumption there is more detail to give over and above step 3 above) including suggestions for resolving the matter and including inviting you to a meeting if preferable.

Step 5- At this stage, if you are still not satisfied, you should contact us again and we will arrange for a review of the decision.

Step 6-We will write to you within 14 days of receiving your request for a review, confirming our final position on your complaint and explaining our reasons.

In the unlikely event that we cannot resolve your complaint; you may wish to raise your matter with the Legal Ombudsman. You have six months (subject to some qualifications below) from the date of our final response

in which to complain to the Legal Ombudsman:

Legal Ombudsman

PO Box 6806

Wolverhampton

WV1 9WJ

Telephone: [0300 555 0333](tel:03005550333) 9am to 5pm Monday to Friday

Email: enquiries@legalombudsman.org.uk

Website: www.legalombudsman.org.uk

As of 1st April 2023, the time periods for reporting a complaint to the Legal Ombudsman is no longer than:

- Within six months of receiving our final response to your complaint and
- No more than one year from the date of the act or omission being complained about; or
- No more than one year from the date when you should reasonably have known that there was cause for complaint.

In the highly unlikely event that you need to make a complaint, and your complaint is not about our service, but is about our conduct, the SRA (Solicitors Regulation Authority) deals with conduct issues rather than the Legal Ombudsman which deals with service issues. You can visit the [SRA's website here](#) to see how you can raise concerns with them.

MISCELLANEOUS MATTERS

If we cease acting for you, there may be circumstances in which we may be entitled to exercise a lien for unpaid costs. Prior to exercising a lien, we would always try to ensure that your position is not prejudiced.

As part of our ongoing commitment to client care, our files are confidentially audited from time to time by an external independent auditor. If you do not wish for your files to be audited, please let us know. After completing your case, we are entitled to keep all your papers and documents while there is money owing to us for our charges and expenses. We will archive our file of papers (except for any of your papers, which you ask to be returned to you) for six years, after which they will be destroyed unless you specifically request us to keep any documents safe and for which we may levy a charge.

Specifically, we will not release your archived file of papers to you or another firm of solicitors prior to payment of a charge for the cost of storage and retrieval which will be a minimum of £30 plus VAT.

We are required by our regulator to hold professional indemnity insurance. Our professional indemnity insurance provides cover on a UK basis and is underwritten by Pen Underwriting.

This contract, and any claim or dispute arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), will be governed by and construed in accordance with the law of England and Wales and the courts of England and Wales will have exclusive jurisdiction to settle any such claim or dispute.

Please note that at times we may contact you by telephone to discuss your case. We will use the contact number you have provided for this purpose. If you are concerned about data protection and would like us to ask any security questions when calling you then please let us know so that we can mark your file accordingly.

For further information on how we process your data, please refer to our Privacy Policy located at <https://www.clearcutlegal.co.uk/privacy-policy/>
Argutus Legal Ltd Trading as Clearcut Legal - Company Registration Number: 13513841, VAT Registration Number: 399973992. 7 Tawe Business Village, Swansea, SA7 9LA This firm is Authorised and Regulated by The Solicitors Regulation Authority - No. 827827

Car Finance Claims Key Facts

Why might I have a claim?

If you purchased a vehicle on finance between 2007 and 2021 the finance may have been mis-sold to you due to the commission that your lender paid to the car dealership, or broker who arranged your finance. The Financial Conduct Authority (FCA) has confirmed that during this period lenders made approximately £8.1 billion in commission payments.

These commission payments:

- may have been discretionary commission arrangements whereby the lender allowed the car dealership discretion over the interest rate associated with the finance, a practice which may have resulted in consumers like you being overcharged, so the car dealership could earn a higher commission; and/or
- may have given rise to an unfair relationship due to factors such as the value of commission payment, when compared against the total cost of finance, or failure to disclose key information about the commission itself or the relationship between the car dealership and the lender.

On 01 August 2025, the Supreme Court ruled in the cases of Hopcraft, Wrench and Johnson. The Court upheld Johnson's claim, establishing that the agreement between Johnson and his lender was unfair – referring to the size of commission, which exceeded 55% of the total cost for credit, as being a “powerful indicator” of an unfair relationship. This ruling effectively means that any commission arrangement where unfairness can be established could be eligible for compensation.

Following this, the FCA has confirmed that it has identified that many car finance lenders were not complying with either the law or their regulatory obligations, which has resulted in consumers losing out. In light of this, the FCA intends to consult on a compensation scheme, which it has estimated may cost lenders up to £18 billion.

How long will my claim take?

Your lender may not have to respond to your claims until after 04 December 2025, and it is possible this timeframe may be extended.

During 2024, the FCA paused the requirement for lenders to respond to some Car Finance Undisclosed Commission Claims until after 04 December 2025, as part of its ongoing review into commissions in the motor finance industry.

More recently, on 03 August 2025, the FCA confirmed that it intends to consult on a compensation scheme for car finance customers. The consultation is expected to be published by early October 2025 and will be open for 6 weeks. Following this, the FCA will aim to finalise the scheme rules, so that compensation payments can be made to consumers in 2026.

How much could my claim be worth?

The amount of compensation you may be entitled to is dependent on several factors, including the amount of finance your lender provided, the date the finance was taken out, the duration of the agreement, the interest rate you paid and the value of the commission payment your lender made to the car dealership.

The Financial Conduct Authority (FCA) confirmed in a statement on 03 August 2025, that it would expect that most consumers will receive less than £950, per agreement.

Please note: all potential claim values used in our advertising, or on our websites are provided prior to deduction of our Success Fee.

Do I need to use a law firm, or claims management company to make my claim?

You do not have to use a law firm, or claims management company to make your claim. You can claim directly yourself for free to your lender, and then the Financial Ombudsman.

Although you can make your claim directly, you may find it preferable to use a professional representative, like us, to help you manage the claims process due to our expertise in this area, or simply because you do not have the time.

The Financial Conduct Authority (FCA) confirmed on 03 August 2025, that it intends to consult on a compensation scheme for consumers who may have lost out due to poor practices on the part of lenders. The details of this compensation scheme have yet to be confirmed, but it will be free to use and there is no requirement to use a firm like ours to partake in this scheme.

What are your fees?

If we are successful in obtaining an offer or payment of Compensation, then you pay us a Success Fee which is calculated based on the amount of Compensation your lender offers per credit agreement. The table below details the Success Fee percentage applicable to different bands of Compensation, and the maximum total Success Fee for each compensation band.

The percentages and amounts in the table above are exclusive of VAT, which is charged at the prevailing rate.

If you have an outstanding balance with your Lender they may use all, or part of, your compensation to pay this outstanding balance meaning that you may not receive any cash “in hand”. In this event, our Success Fee will still be calculated against the full compensation amount.

Example 1: If your Lender makes an offer of £1,000 compensation and you have no outstanding balance with the Lender, your Lender will pay us £1,000. Of this, £360 will be deducted to pay our Success Fee and VAT, and £640 will be paid to you.

Example 2: If your Lender makes an offer of £1,000 compensation and you have an outstanding balance of £800 with the Lender, your Lender may use the compensation offered to pay the outstanding balance meaning

they will only pay us £200. We would use this £200 toward our Success Fee and VAT, which would leave a balance of £160 payable by you.

As an outcome of their review of the motor finance industry the Financial Conduct Authority has confirmed it intends to consult on a compensation scheme. If such a scheme is put in place our Success Fee will still be payable to us on consideration of the work we have completed on your behalf.

Compensation	Success Fee Percentage	Maximum Fee Charge
£1 - £1,499	30%	£420
£1,500 - £9,999	28%	£2,500
£10,000 - £24,999	25%	£5,000
£25,000 - £49,999	20%	£7,500
£50,000, or more	15%	£10,000

I was referred to you via a third-party, how are they paid?

If you have been introduced to us via a third-party, we will pay them a fee for this introduction. This fee is usually a percentage of our Success Fee for any successful claim. This fee is paid directly from us to the third-party at no cost to you.

Our Contact Details

Argutus Legal Limited trading as Clear Cut Legal, authorised and regulated by the Solicitors Regulation Authority (SRA Number: 827827). First Floor, 7 Tawe Business Village, Swansea SA7 9LA. Company Number 13513841.

Tel:01792 979845. Email :info@clearcutlegal.co.uk