

## Independent Business Application Guidance

### 1. Debt and Bankruptcy

Within the applicants Independent Business Application, it is very important for them to provide a full explanation of any existing/previous credit history:

- Civil proceedings, arbitration or litigation, including proceedings that led to or may lead to a County Court Judgement (“CCJ”) or other judgement debts;
- Intention to begin the proceedings against you in the future;
- Subject of any bankruptcy proceedings, or proceedings for the sequestration of your assets or estate; and
- Entered into a deed of arrangement or an individual voluntary arrangement.

#### 1.1 Definitions

- County Court Judgment (CCJ): a type of court order in England, Wales and Northern Ireland that might be registered against you if you fail to repay money you owe;
- Individual Voluntary Arrangement (IVA): a formal debt solution to pay back debts over a period of time; and
- Bankruptcy and Insolvency (BAI): way for an individual(s) to deal with debts they can’t pay. It doesn’t apply to companies or partnerships.

#### 1.2 New Thresholds – Effective from November 2023

Type	Description	Genistar Outcome
<b>Non-Disclosed</b> <b>(not declared on their IBA application)</b>	Any undisclosed judgements / financial concern	IBA considered – case by case.
<b>Disclosed County Court Judgement (CCJ)</b>	Under £2,500	IBA acceptance, commission plus advance - acknowledged in writing.
	£2,500 - £5,000	IBA acceptance, commission plus advance - debt management plan required at point of IBA review.
	£5,000 - £10,000	IBA acceptance but paid commission only no advance (on drip) until debt is reduced to below £5,000. Debt management plan required at the point

		of application and 3 months of bank statements.
	£10,000+	Head of Compliance review or escalation for Board Approval depending on case.
<b>Individual Voluntary Arrangement (IVA)</b>	IVAs last for a minimum of 5 years	Head of Compliance review or escalation for Board. Approval depending on case and require 3 months' worth of regular payments. Depending on case the individual may only be paid on drip to start with or advance with EVP approval.
<b>Bankruptcy and Insolvency (BAI)</b>	Bankruptcies last for 1 year	Generally, cases will be rejected until bankruptcy is discharged; this is reviewed on a case-by-case basis. Depending on case the individual may only be paid on drip to start with or advance with EVP approval.

- The reason why commission is paid on drip for higher CCJs or additional evidence is required, is to prevent pressure selling and to protect the business;
- Upon receiving an IBA with higher adverse credit history, these will not be approved until a Debt Management Plan or 3 Months of Bank Statements are provided to show the debt is being managed and paid sufficiently; and
- Once we have received and reviewed the requested documentation the Compliance team will conduct a review of the information, mark it on file, and approve the IBA. They will be reset until this information is provided.