



# 30-Day Access Product Terms & Conditions

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# THE HOUSE CROWD 30-DAY ACCESS PRODUCT

## TERMS AND CONDITIONS

### 1. Our Agreement

1. The 30-Day Access Product is provided to you by The House Crowd Limited (“**The House Crowd**”, “**we**”, “**us**”, “**our**”) which is authorised and regulated by the Financial Conduct Authority with firm reference number 725648.
2. These P2P terms and conditions (“**P2P Terms**”) set out the terms on which we will provide the 30-Day Access Product (the “**30-Day Access Product**”) and constitute our agreement with you as a lender (“**P2P Lender**”).
3. These P2P Terms are in addition to the Terms relating to your use of our Site, and to the extent there is a conflict between these P2P Terms and the Terms, these P2P Terms shall take precedence over the Terms.
4. If you wish to use the 30-Day Access Product as a P2P Lender, you must comply with these P2P Terms.
5. Capitalised terms shall bear the meaning in the glossary at the end. Capitalised terms that appear here that are not in the glossary will have the meaning given to them in the Terms.

### 2. How to become a P2P Lender

1. You can register as a P2P Lender by opening an account. Our use of the personal details you provide through the registration and investment process is subject to the terms of our [Privacy Policy](#).
2. You can use your account to lend money through the 30-Day Access Product for the first time or through an existing account with us. The minimum investment and account balance is £5,000, and balances can be increased by minimum increments of £1,000. If your account drops below this level, we may, at our discretion, close the account and pay the proceeds to you. If you have not provided us with a valid Nominated Account into which such proceeds should be paid and we are unable to contact you within three months, we may pay such balances to a registered charity of our choice (provided your account has been dormant for at least 6 years). We may increase the minimum account balance

requirement at any time upon providing you with one month's prior written notice.

3. If we accept your application, we will provide you with our account details and the loans comprising your investment may be selected by The House Crowd from a range of peer to peer bridging and development loans.
4. You must provide us with the account details of the bank account from which you intend to make and receive payments (your Nominated Bank Account). Your Nominated Bank Account must be in the same name as the person who is registered with us and must be held with a bank or building society ("credit institution") that is acceptable to us. We may accept or reject applications to create an account at our absolute discretion.
5. If you want to add funds to your P2P Portfolio, sell all or part of your P2P Portfolio or request us to move money between your account and your Nominated Bank Account, you can do this through your account, subject to certain restrictions as set out in these P2P Terms.
6. You may designate any part of the cash or loan capital on your account as being held in the account on behalf a person under the age of 18. Any cash or loan capital designated in that way remains your property and does not become the property of the person it is held for.
7. The minimum term is 30-Days and you may not withdraw funds during this timeframe. After the expiry of the minimum term, 30-days written notice is required for the return of capital (subject to the terms herein).

### **3. Our P2P Services**

1. The 30-Day Access Product is a service which enables you to invest monies which will be invested across a range of P2P loans on your behalf. You will have the right to have your capital returned to you upon 30-Days' notice subject to the terms herein. The Site and these P2P Term describe the basis on which we may add and remove P2P Loans to and from your P2P Portfolio from time to time, and by accepting these P2P Terms, you authorise us to transact in P2P Loans on that basis as your agent.
2. Your money will be used to fund individual P2P Loans (including both bridging and development loans), in accordance with our underwriting processes, which will be transferred to you and held

within your P2P 30-Day Access Portfolio. We take steps to achieve diversification as set out in these Terms.

3. As part of the 30-Day Access Product, we shall manage your P2P Loans on a discretionary basis including re-allocating your loans and therefore diversifying your portfolio as far as is practicable and as we deem appropriate in order to give you exposure to a range of Borrowers as new opportunities arise.
4. To help ensure liquidity we shall limit the amount of money we accept into this product to half the monthly average we have raised in funds over the prior 12 months and, further, shall use all best endeavours to fully replenish the funds in the 30-Day Product following completion of the loan by raising other crowdfunding monies via our website, so the funds in the 30-Day Access Product are regularly recycled.

#### **4. Topping up your account**

1. You will be able to add funds to your 30-Day Access Product by electronic transfer, standing order or debit card payment when you set up your account. We reserve the right to refuse to accept any particular funding transaction or to disable any particular funding method without notice in our sole and absolute discretion.
2. The minimum investment is £5,000 and can be topped up at any time in increments of £1,000. Please note that every top-up investment you make is also subject to a minimum term of 30-Days with the calculation start date being the date your funds are receipted.

#### **5. Interest Payments**

1. Interest paid is 4% p.a. (not guaranteed). You may choose to be paid your interest or automatically re-invest. If you choose the latter, we will automatically re-invest interest proceeds into new P2P Loans, that will be held within your 30-Day Access Product Portfolio in the same way as new funds added pursuant to section 4 (Topping up your account) above.
2. If your preference is to receive interest, it will be paid automatically into your e-wallet on a bi-annual basis each 30th October and 30th April. The first interest payments will be made on 30 April 2019. Should you withdraw funds before an interest payment date your interest will be pro-rated and paid on the next interest payment date.

3. The biannual interest rate quoted is not guaranteed and may be subject to a lesser or zero interest rate should any form of loss be made on a loan or loans you are invested in.

## 6. Withdrawals/Selling P2P Loans

1. As far as is practicable, we will diversify your funds on your behalf across a variety of P2P Loans that we will then promote on the website to replenish the 30-Day Access Product funds from other crowdfunding monies.
2. If, at any time, you wish to sell some or all of your Portfolio, you may request to do so via email to [member-support@thehousecrowd.com](mailto:member-support@thehousecrowd.com). You will not be able to sell individual P2P Loans but will be able to request to sell all or a specified proportion of all P2P Loans within your Portfolio. If your P2P Loans are sold, you will receive the capital repayment by the end of the 30-Day notice period, and any interest due will be paid on the next bi-annual interest payment date. Your interest will be calculated up to but not including the date your capital is returned to you.
3. If you request a return of your capital, we will attempt to realise your portfolio by finding replacement P2P lenders to transfer your loans to. As soon as we have the funds, we will return your capital and may do so at any time within the 30-Day notice period, however this is not guaranteed (see below). Interest will cease to accrue on the date we return your capital.
4. **To help ensure liquidity and the return of funds when notice is given, we will limit the amount within the 30-Day Access Product to half of the average monthly amount raised in the preceding 12 months.**
5. **We also reserve the right to limit the withdrawal of funds by any investor in any 30-Day period to £25,000 though we may repay more at our discretion.** By applying these criteria, we believe we should always be able to return your money within the 30-Days' notice period. However, there is a risk that unforeseen highly irregular circumstances may occur such as a dramatic drop in the level of funds we are able to raise, so **we are not able to guarantee that it will always be possible to return your funds within 30-Days.** In extreme circumstances, it may be necessary to wait until the borrower has repaid the loan. Therefore, as with all

of our P2P loans, your capital is at risk and returns are **not** guaranteed.

6. Requests from multiple investors to sell interests in the 30-Day Access Product will be processed in the order we receive the requests.
7. The sale price for a portion of a P2P Loan will be equal to the outstanding capital due on the P2P Loan at the time of sale. Interest will only be payable on the designated bi-annual dates and interest paid shall be divided proportionately between you and the purchaser of your P2P Loan part based on the number of days the P2P Loan is held by each party.

## **7. Security and payments following default**

1. We will carry out credit assessments on all Borrowers before approving their P2P Loan application. The Borrower will provide security in respect of each loan by granting a legal charge over property of sufficient value as is necessary to meet our lending criteria. We may also seek personal or corporate guarantees, where appropriate. The Security will be held on trust by the Security Trustee for the benefit of the Lenders and for our own benefit.
2. If a Borrower defaults on a P2P Loan and we are unable to recover the full amounts due from the Borrower in respect of interest and capital, the proceeds of recovery, net of any necessary third-party costs associated with such recovery, the Security Trustee shall apply the proceeds in the following order:
  - a. first, for the benefit of P2P Lenders in paying any capital due under the P2P Agreements;
  - b. second, for the benefit of the P2P Lenders in paying any interest due under the P2P Agreements; and
  - c. third, for the benefit of The House Crowd Limited or House Crowd Finance Limited in respect of any fees or administration expenses owed.

## **8. Portfolio Management**

1. By opening your account and indicating your acceptance to these P2P Terms, you grant us full authority to act as your agent in entering into Contracts of Transfer, on a periodic basis, in order to enter into P2P Agreements and build your Portfolio. You also grant

us authority to manage the P2P Loans in your 30-Day Access Product and without prior reference to you, provided that our management activities are in accordance with these P2P Terms.

## 9. The Applicable Rate

We are continually improving existing products and creating new products. The rate available to you when you open your account is shown [on our Site](#). Available rates may vary from time to time. If you invest additional funds at different times, the rates published at the time of such additional investments will apply to the additional funds. We may vary the rate available during the life of a P2P Loan, and if we do, we shall notify you in advance and you will be given the opportunity to withdraw your funds.

## 10. Your Money

1. You will be required to transfer your loan commitments as set out in section 4 (Topping up your account) into your account before you can enter into any P2P Loan.
2. We will claim and account for all repayments, interest and other payments or entitlements received and due to you and credit them to your account. We will not mix money in your account or the Security Trustee's account with our own money, other than fees and charges that are due to us out of your 30-Day Access Portfolio. The name of your account and the Security Trustee's account shall make it clear that they are held for the benefit of our clients and that the proceeds of the account should not be paid out to our general creditors in the event of our insolvency.
3. Any fees, charges or taxes we are legally required to deduct will be deducted before paying the net proceeds of any amounts due to you into your Nominated Bank Account. Where we make a tax deduction (or any payment required in connection with that tax deduction) which is required under the relevant tax law (including withholding of the basic rate of income tax), we will provide you with a statement (or other reasonably satisfactory evidence) that such tax deduction has been made or an appropriate payment has been made to the relevant tax authority.
4. After termination of your account, we will repay all sums due to you into your Nominated Bank Account. If we are unable to trace you to make such payment within 6 years, having made reasonable attempts to do so, we may pay your money to a registered charity of our choosing.

5. If you wish to change your Nominated Bank Account, you may only do so to another account in your name with a bank or building society based in the UK or in another country in our absolute discretion and by following our secure process.

## 11. Cooling Off Period

1. The minimum investment period is 30-Days. However, you will have a cooling off period which will end 14 days after the date on which you enter into your first P2P Loan. Within this cooling off period you may cancel your registration as a P2P Lender.
2. If you would like to cancel your registration as a P2P Lender within this period, then please email [member-support@thehousecrowd.com](mailto:member-support@thehousecrowd.com)

## 12. Terminating your account

1. You may give us not less than the Minimum Written Notice Period after the minimum investment period to terminate your account. Such notice will not entitle you to withdraw from the P2P Loans to which you are committed unless we are able to sell the loans in your 30-Day Access Product in accordance with section 6 (Selling P2P Loans) on your behalf. On receiving a notice to withdraw, we may pay out all outstanding balances at any time within thirty (30) calendar days of receiving such notice, and interest will be accrued up to but not including the date of payment and shall no longer be payable from the date of such repayment. Any interest owed will be paid to you on the date of the next semi-annual interest payment (30<sup>th</sup> April and 30<sup>th</sup> October in any year). We may at our discretion limit repayment of capital to you at a maximum of £25,000 in any 30-day period.
2. We may, at any time and at our discretion, prevent you from committing funds to new P2P Loans or additional funds to existing P2P Loans.
3. We may, at our sole discretion, at any time after three months from the date of investment, repay you all or part of any loan commitment or investment you have made upon giving you thirty days' written notice.
4. We may, where we believe it to be desirable for legal or regulatory reasons or upon giving you Minimum Written Notice Period for any other objective reason, attempt to wind up your existing 30-Day Access Product by selling your P2P Loan commitments to



alternative Lenders in accordance with section 6 (Selling P2P Loans).

5. We may settle any P2P Loan commitment at any time after notice is provided under sub-sections 1 and 3 above, and interest shall stop accruing by the date such repayment is made.
6. After all outstanding transactions have been completed we will provide you at a later date with a closing statement detailing the interest paid on your P2P Loans in the current tax or calendar year. Our responsibility for managing your account and your 30-Day Access Product will then cease entirely.
7. Termination will not affect accrued rights, or any contractual provision intended to survive termination.

### **13. Complaints and Compensation**

1. We endeavour to deliver a first-class service to our clients, but we recognise that there may be occasions when we fail to meet your expectations. If you have a complaint, then you can contact us through your account or by phone on 0161 667 4264 or by email at [member-support@thehousecrowd.com](mailto:member-support@thehousecrowd.com).
2. If we are not able to resolve the complaint to your satisfaction, you may have rights to refer the complaint to the Financial Ombudsman Service. Further details are available from the Financial Ombudsman Service, at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). You may request a copy of our complaints-handling procedure at any time.
3. Peer-to-peer lending is not covered by the Financial Services Compensation Scheme. However, if the solicitor or credit institution holding your money in the House Crowd Client Account becomes insolvent, prior to the loan being made, you may be able to claim compensation from the Financial Services Compensation Scheme. In such an event, we will inform you of the identity of the credit institution to enable you to pursue such claim. The maximum amount of compensation in respect of a UK credit institution is £85,000. Further details are available from the Financial Services Compensation Scheme, whose address is 7th Floor, Lloyds Chambers, Portsoken Street, London, E1 8BN and telephone contact details are 0800 678 1100 or email [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk) or [www.fscs.org.uk](http://www.fscs.org.uk).

### **14. Fees and Charges**

Our fees are paid by Borrowers and we do not currently charge you for your use of the 30-Day Access Product. However, we may introduce charges for exceptional transactions, provided that no such charges will be introduced retrospectively in relation to the 30-Day Access Product before such charges were notified to you.

#### **15. Missed payments and enforcement**

Our Site sets out our approach to [missed payments and enforcement](#).

#### **16. Delegation**

1. Any of our functions under these P2P Terms may be delegated to an associate or competent (and if relevant, appropriately regulated) third party of our choosing to perform such functions. We will use reasonable skill and care in our selection, monitoring and use of agents.
2. Collections may be outsourced by us or the Security Trustee to any third party.

#### **17. Conflicts of interest**

1. If any conflicts arise which we could not effectively manage, we may not be in a position to provide our services to you.
2. It is possible that the Borrowers or other counterparties in a transaction or P2P Loan will be entities in which we, our associates or their clients have financial interests, or to which we or our associates provide services. Accordingly, we or any member of our group (including any associate) may be entitled to gains, profits or fees from or in relation to such companies and entities.
3. Subject to the terms of this section 18 (Conflicts of interest) neither we nor any of our associates shall be required to account to you for any profit, commission or remuneration made or received from or by reason of such transactions.

#### **18. Variation and transfer**

1. We may, at any time, change these P2P Terms by giving you not less than the Minimum Written Notice Period, and such changes will take effect on the date specified in the written notice. For the avoidance of doubt, these changes may impact our fees and charges, or the level of service provided. Any amendment that adversely affects you will not apply to sums already lent out.

2. We may amend these terms if we believe it necessary in order to respond proportionally to changes in law and regulations.
3. We may also amend these P2P Terms to reflect changes to our systems, administrative processes and procedures, market practice or client requirements and to reflect other legitimate cost increases (or reductions) associated with providing the product.
4. A variation to the interest rate shall not constitute an amendment to these terms. Any changes to the interest rate will be published on the Site. A change in the interest rate will not affect the rate applicable to your existing P2P Loans but is likely to affect the rate you receive on re-allocation or re-investment.

## 19. Liability

1. Subject to the House Crowd Loss Absorption, you agree and acknowledge that we shall take on no liabilities, obligations or rights under any P2P Loan as a result of our authority to act on your behalf and you agree that you will continue to be solely liable for and responsible for the rights and obligations under any P2P Loan agreement and any Contract of Transfer.
2. If a Borrower defaults on its obligations in connection with a loan made available to it by House Crowd Finance Limited, and House Crowd Finance Limited is unable to recover the capital provided to such Borrower, then House Crowd Finance Limited will, from its own funds, contribute ten percent (10%) of the value of any loss to you as compensation for the loss caused.

### **By way of example:**

Property is valued at £600,000

Loan amount is £450,000 (75% LTV)

In the circumstances where the borrower defaults and we are not able to sell the property for a sum sufficient sum to repay all the loan: E.G. Net proceeds of sale: £425,000

Net loss to investors' capital = £25,000

HCF will contribute £2,500 to offset the loss to investors

3. We shall not be obliged to pay on to your P2P Loan repayments, interest or other sums due to you from Borrowers or other third parties unless we have received them.

4. We do not provide tax or investment advice. If you are unsure about the tax or investment implications of the P2P Auto-Invest Service, you should seek advice from an appropriately-qualified adviser. All interest payments are gross, and investors are responsible for paying any tax due.
5. We shall not be responsible for any losses to the extent arising from any information provided by you being untrue, inaccurate or incomplete.
6. We shall not be liable for any consequential, indirect, special, incidental, punitive or exemplary loss, liability or cost which you may suffer or incur arising out of our acts or omissions regardless of how that loss, liability or cost is caused and regardless of whether it was foreseeable or not.
7. We will act in good faith and with due diligence in managing your P2P Loans in accordance with these P2P Terms. Subject to subsection 5 of this section 20 (Liability), we accept responsibility for loss to you only to the extent that such loss is due to our negligence or wilful default, and in such circumstances such losses shall be for a maximum limit not exceeding the House Crowd Loss Absorption.
8. Nothing in these P2P Terms shall exclude or restrict any liability we have to you under any applicable law or regulation.

## **20. Interpretation**

1. These P2P Terms shall be governed by, and construed in accordance with, the laws of England and Wales, and the appropriate Court of Law in England is to have non-exclusive jurisdiction in relation to all matters, claims and disputes arising out of or in connection with these P2P Terms. No other documentation or literature can be used as part of the P2P Terms.
2. It is not intended that any term contained in these P2P Terms shall be enforceable, whether by virtue of Contracts (Rights of Third Parties) Act 1999, common law or otherwise, by any person who is not a party to these P2P Terms save that third parties referred to in it, including the Security Trustee and Intermediaries, may rely on any authority granted to them under these P2P Terms, including the ability to accept our instructions to carry out functions on your behalf in accordance with these P2P Terms. Any group company of ours shall be entitled to enforce these P2P Terms on our behalf.
3. If any part of the wording of these P2P Terms shall become or is declared to be illegal, invalid or unenforceable for any reason, such

part or wording will be deleted and shall be divisible from the rest of these P2P Terms, which will continue in force.

4. Our failure to exercise or delay in exercising a right or remedy provided by these P2P Terms or by law does not constitute a waiver of other rights or remedies.
5. The P2P Terms are supplied in English, and we will only be required to communicate in English during the course of our relationship with you.

## 21. Notices

1. We may send any communications to you through the account and/or at the email address which you provide to us in when opening your account (or to any updated email address that you may notify to us in writing from time to time). Any original documents will be sent to the last postal address you have notified to us. It is your responsibility to ensure that the contact details we hold for you are accurate and up-to-date contact. You must notify us of any changes to your email or postal address.
2. You may communicate with us by email at <mailto:member-support@thehousecrowd.com>. If we require information to be sent to us by post, this should be sent to: The House Crowd, 91-95 Hale Road Hale, Cheshire WA15 9HW.
3. Notice sent by first class post to such address is deemed to have arrived on the second business day after posting. Notice sent by email or hand delivered is deemed to be delivered immediately (or on the next business day if sent after 5pm on a business day or on a non-business day). Telephone calls may be recorded or monitored for our mutual protection.

## Glossary

In these P2P Terms, unless the context otherwise requires:

“Account” means the secure online account we open for each P2P Lender, through which P2P Lenders can view details of each of their Portfolios;

“30-Day Access Portfolio” means the loan portfolio you create through The House Crowd pursuant to these P2P Terms, comprising uninvested cash and the benefit of each P2P Loan we have entered into on your behalf and subject to any fees, charges or taxes due on the portfolio;

“30-Day Access Product” means the service provided by us to you in accordance with these P2P Terms;

"Borrower" means the borrower under a P2P Agreement that we have entered into as your agent pursuant to a Contract of Transfer;

"Borrower Fee" means the fee due from the Borrower to us;

"Client Account" means a client account held by us on trust for P2P Lenders in accordance with FCA rules;

"Contract of Transfer" means the contract we enter into with each Borrower as your agent, effecting the transfer of a loan to you and creating a P2P Agreement between you and the Borrower, which is available upon request through the account;

"FCA" means the Financial Conduct Authority, which regulates firms operating electronic systems in relation to lending;

“House Crowd Finance Limited” means the company with company registration number **10564875** - incorporated on 16 January 2017 with a registered office at 91- 95 Hale Road Hale, Altrincham, England, WA15 9HW;

“House Crowd Loss Absorption” means 10% of the losses incurred on the capital of a P2P Loan that does not yield an amount sufficient to repay the Lender’s capital, such loss to be absorbed by House Crowd Finance Limited;

“Intermediary” means any adviser or other professional intermediary that may have introduced or directed a P2P Lender to the Auto-Invest Service;

"Lender" means a lender on whose behalf we enter into a P2P Agreement with a Borrower or, as the context dictates, a person who has applied to become such a lender;

"Minimum Written Notice Period” means 30 calendar days’ notice;

"Nominated Bank Account" means the bank account you nominate to receive the proceeds of your Auto-Invest Portfolio;

"P2P Lender" means the Lenders;

"P2P Loan" means a loan to a Borrower which is transferred to P2P Lenders, or a development loan;

"P2P Agreement" means the documentation constituting the agreement in respect of a P2P Loan between a P2P Lender and a Borrower;

"P2P Proceeds" means the proportion of the proceeds of recovery from a Borrower in default, net of third party fees and charges, that corresponds to the outstanding loan commitments of the P2P Lenders as against the total amount of loan commitments arranged through The House Crowd in respect of that Borrower;

"Security" means the security, such as a legal mortgage and/or guarantee(s) provided by the Borrower in respect of any P2P Loan, and available upon request through the account;

"Security Trustee" means the person we appoint to take security over the assets of Borrowers under secured P2P Agreements, as may be varied from time to time and which currently means the House Crowd (Security Agent) Limited;

"Site" means [www.TheHouseCrowd.com](http://www.TheHouseCrowd.com);

"Tax Year" means a UK tax year starting on 6 April and ending on the following 5 April.