

Summary of changes to the Lender Terms

In October 2015 we undertook a wholesale review and redraft of our terms & conditions. The aim of the review was to make the terms as simple, accessible and clear as possible. As the peer-to-peer market grows and evolves, we are constantly reviewing our products and terms to make them better for all our customers. In the table below we have set out a summary of changes which have been made since our new terms were introduced in October 2015.

Last updated: 05/09/2018

Amendments	Relevant Clause(s)	Effective Date
We released our new revised Lender Terms.	All	01/10/2015
We updated our address after we moved to our new office.	1.1	03/03/2016
We added wording to clarify that interest earned on funds in the Trust Account is paid into the Provision Fund. The Trust Account is where your money is held when it is not on loan.	3.1	03/03/2016
We made changes to reflect the change of the Monthly market to the Rolling Market.	4.10	03/03/2016
We made amendments to reflect the removal of Sell Out fees from the Rolling Market.	6.1, 6.2, 6.3 and 6.4	03/03/2016
We added wording to clarify that any cancellation rights are waived once your funds are matched to a borrower. We also added details of what you need to do if you want to close your account.	4.7 and 5.4	04/04/2016
We added a new clause to explain that the Provision Fund may be used to cover costs not otherwise covered in the terms of the contract. The Provision Fund will only be used in this way to prevent a future default and/or to achieve the best outcome for both the lender and borrower.	7.2	11/04/2016
We removed wording that some lenders might be subject to different terms, as this would only apply where the lender is an institutional investor.	1.4	05/10/2016
We added wording to clarify that funds held in the Trust Account from individuals and companies would have the same rights in an insolvency situation.	3.2	05/10/2016
We added wording to confirm that the RateSetter Exchange operates anonymously in matching offers to lend with applications to borrow.	4.1	05/10/2016
We made amendments following the closure of the 3 Year market to new investments.	4.3.4 and 4.10	05/10/2016
We added a notification period of one calendar month for any material changes to the Lender Terms.	1.5	01/03/2017
We added wording to clarify that calculations we refer to throughout the Lender Terms and publicly are done on a best estimate basis.	New clause 1.8	01/03/2017
We clarified that we will act as your agent in giving instructions to the security trustee where necessary.	New clause 2.1.13 which replaces previous clauses 2.2 and 2.3	01/03/2017
We amended this clause to clarify that it applies across all markets.	4.2.4	01/03/2017
We added a new clause to confirm when interest will start to accrue on newly matched funds.	New clause 4.9	01/03/2017

We added a new clause to explain how money in the Rolling Market and loans funded by that money are treated.	New clause 4.10	01/03/2017
We removed reference to the 3 Year market following its closure.	4.11	01/03/2017
We added a new clause setting out what financial information we will publish about the Provision Fund, giving you the contractual right to see this information.	7.1 and new clause 7.6	01/03/2017
We built in greater flexibility in how the Provision Fund works should it not be able to cover all borrower defaults. This has been done by removing the previously named 'Resolution Event' and replacing it with a 'Stabilisation Period' during which the amount of interest and/or capital you are entitled to may reduce and instead be paid into the Provision Fund for the benefit of all lenders.	New clauses 8.2 to 8.6	01/03/2017
We did some general tidying, for example by: <ul style="list-style-type: none"> - moving some clauses within the terms; - adding more detail where terms have generated lender questions; and - updating references to a Resolution Event throughout to accord with the new clause 8. 	Throughout	01/03/2017
We re-inserted wording to confirm that lenders are treated as 'Retail Clients', in accordance with relevant FCA rules.	3.2	12/06/2017
We updated the wording to simplify and clarify activities RMM may undertake on behalf of lenders.	2	19/07/2017
We added wording to cover the introduction of the hire purchase product, including clarification that RateSetter can appoint a trustee to hold hire purchase assets on behalf of lenders.	New clauses 2.1.13 and 4.13	19/07/2017
We added a provision to clarify actions we may take to meet regulatory and compliance obligations relating to the prevention of fraud, money laundering, terrorist activity and other financial crimes or sanctions.	New clause 3.6	19/07/2017
We added wording to clarify that capital and interest are at risk if increased borrower defaults mean the Provision Fund cannot cover all expected losses.	7.3	19/07/2017
We removed wording relating to the "Drawdown" function as this function will be removed from the Lender site due to limited use.	5.3	02/11/2017
We renamed the "Sellout" function to the "Release Your Investment" function.	4.2.1, 4.9, 5.3, 5.4, 6.1	02/11/2017
We renamed the "One-off Withdrawal" and "Auto Withdrawal" functions to "One-off Money Out" and "Auto Money Out" respectively.	5.1	02/11/2017
We have simplified the early withdrawal fees by introducing a single fee to transfer your loans to another lender. Wording relating to the previous "Sellout" fees has been deleted and replaced with details of the "Transfer Fee".	6	02/11/2017
We have amended the wording to further clarify actions we may take to meet regulatory and compliance obligations relating to the prevention of fraud, money laundering, terrorist activity and other financial crimes or sanctions.	3.6	01/12/2017
We have included wording (which used to be in a different agreement) noting that any surplus received if a hire purchase asset is sold at a profit, less obligations to third parties, is to be distributed to the Provision Fund.	4.3	1/12/2017

We have amended the wording to incorporate a change to the Provision Fund which enables RateSetter to use the Provision Fund to settle a loan in part, rather than to settle the full outstanding balance.	7.5	01/12/2017
We have removed the reference to the £1.50 fee for card payments, as a result of changes in the law on surcharging.	3.5.2	01/02/2018
We have added a new clause 7 to cover the additional terms which apply to the RateSetter ISA.	New clause 7 (so the previous clause 7 is now clause 8 and so on)	01/02/2018
We have added a new clause to the introduction section to clarify that all the terms apply to all RateSetter accounts, apart from the new clause 7 which only applies to the RateSetter ISA.	New clause 1.5	01/02/2018
We have updated our terminology to refer to the Investor Terms rather than Lender Terms, and we now refer to our lenders as 'investors' where possible.	Title of document and clause 1	01/03/2018
We have added a new clause 4.6 to include the initial 14 day cooling-off period which was previously only mentioned in the Investor Key Information.	4.6	01/03/2018
We have added a new clause 6.2 to explain the order in which contracts are sold out, when an investor wishes to release their investment.	6.2	03/04/2018
We have made a minor clarification to clause 7.5 around the impact of withdrawing funds from an ISA.	7.5	03/04/2018
As part of the simplification of the Rolling Market, we have deleted clause 4.12 as it referred to loans being rolled each time the borrower makes a payment. Investments in the Rolling Market will now remain matched to the same borrower, at the same rate, until the loan is repaid.	4.12	06/06/2018
We have amended these clauses to explain that Rolling Market funds will automatically be reinvested at Market Rate.	4.13 and 4.14	06/06/2018
We have added a clause for the new fair usage policy for the Rolling Market.	6.7	06/06/2018
We have updated our terminology to refer to "Auto Invest" instead of "Regular Lender" and "Withdraw" instead of "Money Out"	3.5, 4.8, 5.1	22/08/2018
We have reinstated the ability for investors to set their own rate on capital and interest reinvestments in the Rolling Market.	4.12,4.14	05/09/2018