

Collections and Forbearance

Virgin Money understands that customers will sometimes face unexpected difficulties, and we want to be there to support them when they need us. Our Purpose, **Making You Happier About Money**, is as relevant during those challenging times as it is when things are going well.

Customer Support

Depending on the circumstances a customer is facing, we adapt our response accordingly. Our aim is to ensure good outcomes for customers by helping and supporting them to regain control of their finances and to pursue their financial objectives. This typically happens in three distinct phases:

- Pre-delinquency (early warning)
- Collections: arrears and/or over-limit
- Recoveries: long-term debt repayment

Early warning

Virgin Money's systems and processes help us identify accounts which are showing signs of financial difficulty. They do so by using early warning indicators, which flag things like credit card persistent debt, deteriorating credit scores, and increasing levels of debt.

In the banking world, this is known as pre-delinquency. It's an important part of customer management, and may involve our Collections and Recoveries teams making contact with the customer.

Sometimes, a customer might initiate pre-delinquency discussions with us, and these can influence our Collections and Recoveries response. As a first step, we guide the customer to sources of free, independent advice, as well as carry out an assessment of their finances – informally at first, followed by detailed income and expenditure analysis if necessary.

Overall, our objective is to address a customer's financial difficulties and prevent delinquency. We want to work with them to identify appropriate solutions and to avoid foreseeable harm.

Collections

Whether a customer is already in financial difficulty, or is not yet in arrears but has approached us for support, our aim is to reach an affordable and sustainable repayment schedule with them. This will be tailored to the customer's individual circumstances and, where possible, will restore their account to a viable position within an appropriate timeframe.

Recoveries

Customers are considered to be in Recoveries when Virgin Money has started litigation, the customer has defaulted, or the credit agreement has ended, as prescribed in the Terms and Conditions.

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Further support

The main aim of providing help and support to a customer is to enable them to regain control of their finances, usually through a short-term plan. Where a customer is struggling to repay their commitments, VM UK will work with customers to create a viable solution to help get things back on track, as this minimises the risk of legal action.

The definition and requirements of our customer support measures are outlined in the Group's Forbearance Policy which reflects regulatory requirements and industry best practice.

This approach is intended to support those most in need. It requires the customer to be committed to developing a viable debt repayment plan, which must be proven as an affordable and realistic way to repay the debt.

Where support measures are in place, enforcement activity does not commence. If the customer does not stick to the agreed plan, or it is clear their financial situation is not going to improve, and payments continue to be missed with no other viable solutions available, standard collections activity will follow. These may involve legal action to recover the arrears, and as a last resort, repossession of their property.

Our policies are reviewed on a regular basis.