

## 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 (customers potentially at risk of financial difficulty)
- 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 'potential' difficulty or financial stress. They do so through the utilisation of available internal transactional and product information and external data.

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

Where a customer initiates, or we identify signs of 'potential difficulty', we may where appropriate guide the customer to sources of free, independent advice. We will look to establish and understand the full customer circumstances and where necessary complete a detailed income and expenditure analysis that will help shape the support we offer. We will sign post the options available support options across our channels and tailor the support specifically to the individual customer circumstances.

Overall, our objective is to support our customers in the most appropriate way to help them and to try 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 arrangement 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, by offering sympathetic treatments to customers in or approaching financial difficulty. Where a customer is struggling to repay their commitments, VMUK will work with customers to create a viable solution to help get things back on track.

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

This approach is intended to support our customers to help them to a better outcome.

Our policies are reviewed on a regular basis.