Consumer Hire Purchase & Personal Contract Plan (PCP) Information Sheet

About Us

AIB Finance and Leasing is a registered business name of Allied Irish Banks, p.l.c.

Allied Irish Banks, p.l.c. trading as AIB Finance and Leasing provides finance by way of hire purchase. Our address is 10 Molesworth Street, Dublin, D02 W260, Ireland.

We are regulated by the Central Bank of Ireland.

For more information on our Hire Purchase (HP) and Personal Contract Plan (PCP) products, you can

- Call us on: 0818 474747
  9:00 - 17:00 Monday – Friday excluding bank holidays
- Email us at: aibfinl@aib.ie

Applying for Vehicle Finance

AIB Finance & Leasing offers two ways to finance your vehicle: Hire Purchase (HP) and Personal Contract Plan (PCP). Both are a type of Consumer Hire Purchase agreement, but operate differently. They allow you to spread the cost of a new or used vehicle over a set period, with fixed repayments and clear end-of-term choices.

You won't own the vehicle until the final repayment is made. It's important to keep up with your repayments throughout your HP or PCP agreement. If you miss any repayments, the agreement may be ended, and you may need to return the vehicle and pay any amounts due, including extra charges or costs if the vehicle is not returned in the expected condition or is damaged.

Hire Purchase

- Under a HP agreement, you hire the car and pay an agreed amount, usually in monthly repayments
- You may become the legal owner at the end of the agreement. AIB is the legal owner until you have made all repayments.
- You can borrow up to 100% of the vehicle's price for most makes and models. The minimum amount you can borrow is €5,000.
- Choose a term from 1 to 5 years for used vehicles, or 1 to 6 years for new vehicles.
- The vehicle must be less than 9 years old at the end of your agreement.
- We offer a fixed interest rate. This means your interest rate and repayments will stay the same for the term (duration) of the agreement.
- We charge a Documentation Fee of €63.49 with the first repayment, and a Purchase Fee of €12.70 at the end of the agreement. Neither fees apply to 0.00% finance offers.
- You will own the vehicle once all repayments and the Purchase Fee of €12.70, if applicable, have been paid.
- Here's an example to show the total cost of a typical Hire Purchase (HP). This is a representative example.

  For a €30,000 HP over 36 months at a fixed rate of 8.25% (8.7% APR), you would pay €943.55 each month. The total amount payable would be €34,043.99, including €3,967.8 as the interest, €63.49 as the Documentation Fee, and €12.70 as the Purchase Fee.

Personal Contract Plan

There are three main parts to a PCP:

1. Deposit – you pay a deposit, which can be in cash or trade in your current car.
2. Monthly repayments – you make monthly payments on a portion of the car's cost after the deposit amount is deducted, with the remainder of the cost paid at the end of the agreement.
3. Final Purchase Payment – you need to make a final payment to own the car at the end. This amount is set at the start of the agreement.

- Borrow up to 100% of the vehicle's purchase price, for most makes and models (from new to 2 years old vehicles) depending on the Final Purchase Payment and deposit structure.
- Choose a term from 2 to 4 years, as long as the vehicle isn't more than 5 years old at the end of your agreement.
- We offer a fixed interest rate. This means your interest rate and repayments will stay the same for the duration of the agreement with the Final Purchase Payment due at the end of the term. See below for more information on the Final Purchase Payment.
- A Documentation Fee of €63.49 is charged with the first repayment. This fee doesn't apply to 0.00% finance offers.
- You will agree on a mileage limit with the dealer. If you choose to return the vehicle at the end of the agreement, you may need to pay additional charges to the dealer if you exceed the agreed mileage or if there is damage to the vehicle.
- Here's an example to show the total cost of a typical Personal Contract Plan (PCP). This is a representative example. The amounts you pay will depend on the vehicle you choose, your agreement, and the mileage agreed.

  For a €30,000 PCP over 36 months at a fixed rate of 6.6% (7% APR), you would pay €563.51 each month. The total amount payable would be €34,656.85, including €4,593.36 as the interest and €63.49 as the Documentation Fee. At the end of the agreement, there would be a Final Purchase Payment due by you of €14,307 in order to take ownership of the vehicle.
- At the end of your PCP agreement, you have three options – see below.

Terms and Conditions

Lending criteria, terms and conditions apply. Over 18s only. Finance is provided by way of a fixed rate Hire Purchase agreement. Ownership remains with Allied Irish Banks, p.l.c., until the final payment is made.

WARNING: If you do not meet the repayments on your credit agreement, your account will go into arrears. This may affect your credit report, which may limit your ability to access credit in the future.

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Questions and Answers

What is the Final Purchase Payment?

- The Final Purchase Payment - also known as the Guaranteed Minimum Future Value (GMFV) – only applies to PCP agreements and is the amount outstanding after all regular repayments have been made. It must be paid to take ownership of the vehicle.
- This amount is agreed between you and the dealer and is based on factors such as annual mileage, the term of the agreement, and the vehicle's condition at the end of the term.

What are my options at the end of a PCP agreement?

Six months before the Final Purchase Payment is due, we'll get in touch to ask which one of the following options you'd like to choose.

You'll need to let us know your preferred option, in writing, at least 30 days before the Final Purchase Payment due date.

Option 1 – Purchase the vehicle

- Pay the Final Purchase Payment (as specified in your agreement) to own the vehicle.
- If you wish to refinance the Final Purchase Payment, call the Finance & Leasing team on 0818 474747.

Option 2 – Trade in the vehicle for another one

- You'll need to pay the Final Purchase Payment and any other outstanding amounts.

Option 3 – Return the vehicle

- Return the vehicle to the dealer, or to another party chosen by AIB, before the Final Purchase Payment date.
- You must pay us all outstanding repayments and any other amounts owing on the agreement except the Final Purchase Payment.
- The dealer will evaluate your vehicle. If it meets all the agreed conditions, you will have met the terms of the contract and you won't have to make further repayments. If the vehicle does not meet the agreed conditions, you may have to make additional payments to the dealer. Details of these conditions and amounts will be set out in your Guaranteed Minimum Future Value and Fair Wear and Tear agreement.
- If you're considering returning the vehicle, please review your agreement with the dealer before the end of your contract.

Returning your vehicle

- If we don't receive written confirmation of your chosen option, at least 30 days before your final payment date, we'll assume you've chosen to return the vehicle. You'll need to follow the steps outlined under Option 3, including delivering the vehicle to the dealer (or another party we choose) and paying any outstanding amounts except the Final Purchase Payment.
- If you choose - or are deemed to have chosen - to return the vehicle but don't return it as required, you'll be responsible for paying the Final Purchase Payment and any other outstanding amounts. We'll automatically take these amounts from your account on the final payment date, and the vehicle will become yours once we've received your payment. If you don't meet this payment, your account will go into arrears. This may affect your credit report, which may limit your ability to access credit in the future.

How do I make a repayment?

All repayments are fixed and paid monthly by direct debit as shown on your agreement.

Can I make lump sum payments or repay my Hire Purchase/Personal Contract Plan early?

Yes, you can make lump sum payments, and settle your car finance early; with no additional charges.

If you wish to pay off your HP or PCP early, you can do so in line with the early termination details set out in the credit agreement. Your settlement figure will be the sum of any remaining instalments and any overdue payments. We'll reduce this amount by refunding some of the interest that was applied to the account at the start of the agreement. Once you have paid the final settlement figure, ownership of the vehicle will pass to you.

What happens if I want to exercise my right to withdraw?

If you enter into a HP or PCP agreement with us, and decide the finance isn't for you, you have two consecutive rights to withdraw from the agreement without penalty and without giving any reason. If you don't exercise either of these rights to withdraw, the terms of the agreement would continue to apply.

Under the Consumer Credit Act 1995 (CCA), you have the right, for up to 10 days after the agreement is signed by all parties, to withdraw from it. You can choose to waive or keep this right. If you waive this right, you can take immediate possession of the vehicle. If you don't want to waive it, you will need to wait (for the 10 days), until you can take possession of the vehicle.

Unlike your Consumer Credit Directive 2023/2225 (CCD) right to withdraw described below, if you withdraw from the agreement using your CCA rights;

- you won't take possession of the vehicle;
- ownership of it will not be transferred to you; and
- you won't have to pay us anything.

When your CCA right expires (either after the 10 days or by you waiving it), you still have another 14 days to exercise your CCD right to withdraw from the credit agreement. You cannot waive this right.

If you choose to withdraw from the credit agreement, within your 14 day CCD withdrawal period, you must pay back the credit, and any interest accrued, within 30 days. Once repaid, ownership of the vehicle will transfer to you or your alternative finance provider.

How can I make a complaint?

If our products or services don't meet your expectations, you can:

- Submit a complaint using the form on aib.ie.
- Write to the Customer Care Team, 10 Molesworth Street, Dublin 2, D02R126.
- Call us on: 0818 724 724. 9:00 – 17:00pm Monday – Friday excluding bank holidays.

If you're not satisfied with our response, you can contact the Financial Services and Pensions Ombudsman (FSPO):

Email: info@fspo.ie | Phone: 01 567 7000

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