

Contract type: general

2

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Very Poor - Heavily Favours Lender

This is an extremely unfair high-cost credit agreement with extortionate terms that heavily favour the lender. The effective interest rate appears to be around 72% APR, there are severe operational restrictions, and you have virtually no rights or protections.

SUMMARY

This appears to be a merchant cash advance disguised as a business loan with extortionate costs. You borrow £2,510 but must repay £2,961 within 8 months (18% fee = ~72% APR). The lender takes 24% of all your card payments automatically and imposes severe business restrictions. You lose control of your payment processing and face immediate default for minor infractions.

Extremely asymmetric - all power lies with the lender. They control your payment processing, can demand immediate repayment for trivial reasons, and you have no meaningful rights or protections.

HIDDEN COSTS & UNDISCLOSED CHARGES

Default Interest Rate

18% per year on outstanding amounts during any default - compounds daily and payable on demand

Default Payments

If weekly minimum isn't met through card payments, you must make up the difference immediately

Early Repayment

No mention of early repayment discounts - you likely pay the full £451 fee regardless of early settlement

ISSUES IDENTIFIED

HIGH RISK

Extortionate Interest Rate (~72% APR)

£451 fee on £2,510 over 8 months equals approximately 72% annual percentage rate - this is predatory lending territory

"Fixed Fee £451.00 on Advance Amount £2,510.00"

&- While business lending isn't covered by consumer credit regulations, this rate is unconscionable and violates consumer protection legislation

HIGH RISK

Lender Controls Your Payment Processing

They take direct control of your Stripe account and automatically deduct 24% of every payment - you cannot operate your business normally

"At all times, you give us irrevocable, exclusive and direct access to, and control of and authority to administer, the Settlement Account"

&- This level of operational control is extremely unusual and severely restricts your business autonomy

HIGH RISK

Draconian Default Triggers

You default if no card payments are processed for 20 days, if you change payment processors, or for any minor breach - triggering 5% default interest

"Section 6 - Events of Default, particularly 6.3 and 7.2"

&- These triggers are disproportionate and designed to trap borrowers in default situations

HIGH RISK

Unlimited Personal Guarantee

Stephen Conley provides an unlimited personal guarantee covering all obligations - his personal assets are at risk for business debt

"Section 5 - The guarantee clause, particularly 5.1"

&- Personal guarantees for high-cost business debt put personal assets including homes at severe risk

HIGH RISK**No Commitment from Lender**

The lender can cancel the agreement at any time before funding with no consequences - this is a one-sided commitment

"Clause 1.2 - loan facility provided under this Agreement is uncommitted"

&- Uncommitted facilities provide no certainty while binding you to onerous terms

MEDIUM RISK**Severe Business Restrictions**

You cannot change your business substantially, cannot change payment processors, and cannot create any security over your assets without written consent

"Section 3 - General business obligations, particularly 3.3, 3.5, 3.6"

&- These restrictions severely limit normal business operations and growth

MEDIUM RISK**Anonymous Lenders**

You don't know who the actual lenders are - they can be changed without your consent via a 'dashboard' notification system

"Section 8 - transfer provisions and Dashboard notification"

&- Not knowing your creditor makes it difficult to negotiate or understand who you're dealing with

QUESTIONS TO ASK BEFORE SIGNING

1. What is the effective APR of this agreement when calculated properly?
2. Why do you need such expensive financing - are there cheaper alternatives?
3. Can you afford the £92.36 minimum weekly payments if card sales drop?
4. Does Stephen Conley understand his unlimited personal liability as guarantor?
5. Have you compared this to traditional bank lending or other finance options?
6. Can your business operate normally with 24% of card payments being automatically deducted?

STRATEGIC GUIDANCE

DO NOT SIGN this agreement. This is predatory lending with an effective interest rate around 72% APR. You're borrowing £2,510 but paying back £2,961, plus giving the lender control over your business operations. The personal guarantee puts the guarantor's assets at severe risk. Explore alternatives: traditional bank loans, credit unions, government-backed lending schemes, or factoring from established providers with reasonable terms. If you're desperate for funding, get independent financial and legal advice before considering any high-cost credit agreement.