



# **Finance & Leasing Association Business Finance Code Checklist**

## FLA checklist for business finance customers

We recommend that customers taking out business finance agreements follow these steps:

- 1.** Read your business finance agreement carefully before signing it. Never sign a business finance agreement which is not fully complete. Retain copies of all documentation.
- 2.** Ensure that the final contract:
  - a.** corresponds with any verbal or written quotation on the rental amount and period of hire;
  - b.** accurately reflects what you are agreeing to pay for, including any maintenance or services included in the repayments;
  - c.** accurately describes the equipment you are expecting to receive (e.g. whether it is new or used) and that its working life is appropriate to the length of the finance agreement.
- 3.** Make it clear who has the authority within your own organisation to sign the agreement.
- 4.** Make sure you understand and agree with all terms and conditions of the business finance agreement and, if you are unsure, ask for these to be explained or seek advice.
- 5.** Make sure you understand all the costs involved and whether these will change during the course of the business finance agreement.
- 6.** Check that the supplier of the equipment is reputable.
- 7.** Understand whether there are any notice period or settlement terms required to terminate the agreement.
- 8.** If there is a maintenance or service contract which is separate to the finance agreement, check that the length, start date, notice period and settlement terms of the two agreements is the same, and if not, that you are happy with this.
- 9.** If the name of the leasing company contracting with you is not shown on the agreement ensure that you are informed at the earliest possible time.
- 10.** Check whether the funder is a member of the FLA, as all asset finance members adhere to the FLA Business Finance Code.
- 11.** If any amendments are made to the business finance agreement or a further agreement is required to replace an existing agreement, do not sign it until you have made the same checks as you did for the original agreement.
- 12.** If a new business finance agreement includes an element of refinancing from a previous agreement with a different provider, check that the settlement figure provided by the former provider matches the refinancing figure used by the new provider.

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