

How We Calculate Early Settlement

Omni Capital calculate our settlement figures using the rules set out in the Consumer Credit Act 1974. As a result, if you settle your agreement early you will no longer pay the full amount of interest agreed at the point that you signed the credit agreement.

Omni allocate your monthly payments made to date towards the interest on your account and then also reduce the total balance on your account. As the interest applied is calculated on your total balance the amount of interest being applied per month reduces each month as the balance reduces.

Your credit agreement contains the total value of the loan and the interest rate being applied. Every monthly payment you make contains both a payment against the balance on the account and the interest that has been applied. As a result, the amount of interest that you repay is reduced in the later part of your loan term.

In the example below, if you borrow £1,000 at 9.9% over three years you pay interest on £1,000 for the first month however the amount that you pay interest on then decreases as payments are being made.

Repayment Month	Payment Amount	Interest Applied	Balance
0	£0.00	£0.00	£1,000.00
1	£32.22	£8.25	£976.03
2	£32.22	£8.05	£951.86
3	£32.22	£7.85	£927.49
4	£32.22	£7.65	£902.93
5	£32.22	£7.45	£878.15
6	£32.22	£7.24	£853.18

******The figures above are for illustration purposes only******

When you request an early settlement figure from Omni we will give you a figure that is valid for 28 days to give you a settlement date. Any interest due during this period will be included in the settlement figure.

If your loan term is 12 months or longer, your settlement figure will also include an additional 30 days' interest covering the 30 days after the settlement date. The Consumer Credit Act allows us to include this interest to offset any charges incurred to us.

Your settlement figure is therefore made up of:

- the current account balance
- any daily interest that has accumulated in the month of your request,
- any interest due to accrue during the settlement period and 30 days' additional interest (if applicable).

Whenever you request an early settlement from Omni we will provide you with a breakdown of the specific figures relevant to your request in order to ensure that you fully understand the figures being used.

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