

## SUMMARY OF CLAIMS ASSESSMENT METHODOLOGY

Claims submitted through the Scheme portal on [www.amigoscheme.co.uk](http://www.amigoscheme.co.uk) (the 'Scheme Portal') will be reviewed in line with the diagram included in this summary. The customer will first be verified to ensure that they are a past or current Amigo customer who is entitled to claim. If the Scheme Portal is unable to verify a customer at this stage, the customer will be made aware of a contact telephone number for Amigo to enable the identification process to be completed securely.

The claim will then be triaged to determine whether it relates to affordability, is another claim unrelated to affordability, or contains both an affordability claim and other claim.

### Claims that relate to affordability

The materiality of these claims will initially be considered. Any affordability claim with an estimated pay-out value determined to be less than £100 will be automatically upheld. Any variation to this threshold value would only be made after discussions with the Scheme Supervisors and FCA. Thereafter, **whole or partial** affordability claims will be subject to review as follows:

### Borrowers

1. We will carry out a number of checks and tests on your loan history, on a loan-by-loan basis, using information already held by us including any information you supplied when the loan was applied for, or by credit reference agencies (such as TransUnion) and information given by you in the Scheme Portal. We will use this information to work out if you may have a valid claim.
2. Factors which may be taken into account in our assessment of whether your loan appears to be unaffordable (at the time you took out your loan) and which could be the basis of a claim include:
  - your credit reference agency credit score;
  - your income and expenditure details;
  - the number and size of loans you had within a certain period of time, either from Amigo or other lenders;
  - whether you had an uncleared County Court Judgment against you;
  - to what extent you had been behind in your payments on other loans;
  - your family circumstances; and
  - other factors that suggest the loan was unaffordable.
3. No one check will be used to decide whether the loan or loans which you received were unaffordable, and each claim will be looked at using at least some of the information above:
  - (a) Each claim will first be reviewed using our automated analytical framework. This framework incorporates a determinative model (which utilises data regarding individual customer lending patterns, their income and expenditure data, and credit file information), statistical model (which determines a claim's likelihood of being upheld based on statistical analysis of historical complaints made to Amigo) and income confidence score provided by TransUnion's TAC product (a third-party solution to validate income information);
  - (b) If the automated analytical framework described in paragraph (a) above does not uphold your claim, your claim will be manually reviewed through a primary reassessment. This will review

the initial lending decision using your income and expenditure information. If this initial manual review does not uphold your claim;

(c) If the initial manual review described at paragraph (b) above does not uphold your claim, your claim will be subject to a secondary assessment involving a broad manual review of all the relevant information now available to Amigo.

4. If these checks show that a loan should not have been made to you, we will let you know the value of your claim. We will work this out by taking the amount you paid above the principal value of your loan that you have received and add 8% compensatory interest to this from the point at which your principal was fully repaid. The value of your claim will also take into account whether or not you are eligible to receive a payment out of the bank account provided for under the Escrow Agreement.

### **Guarantors**

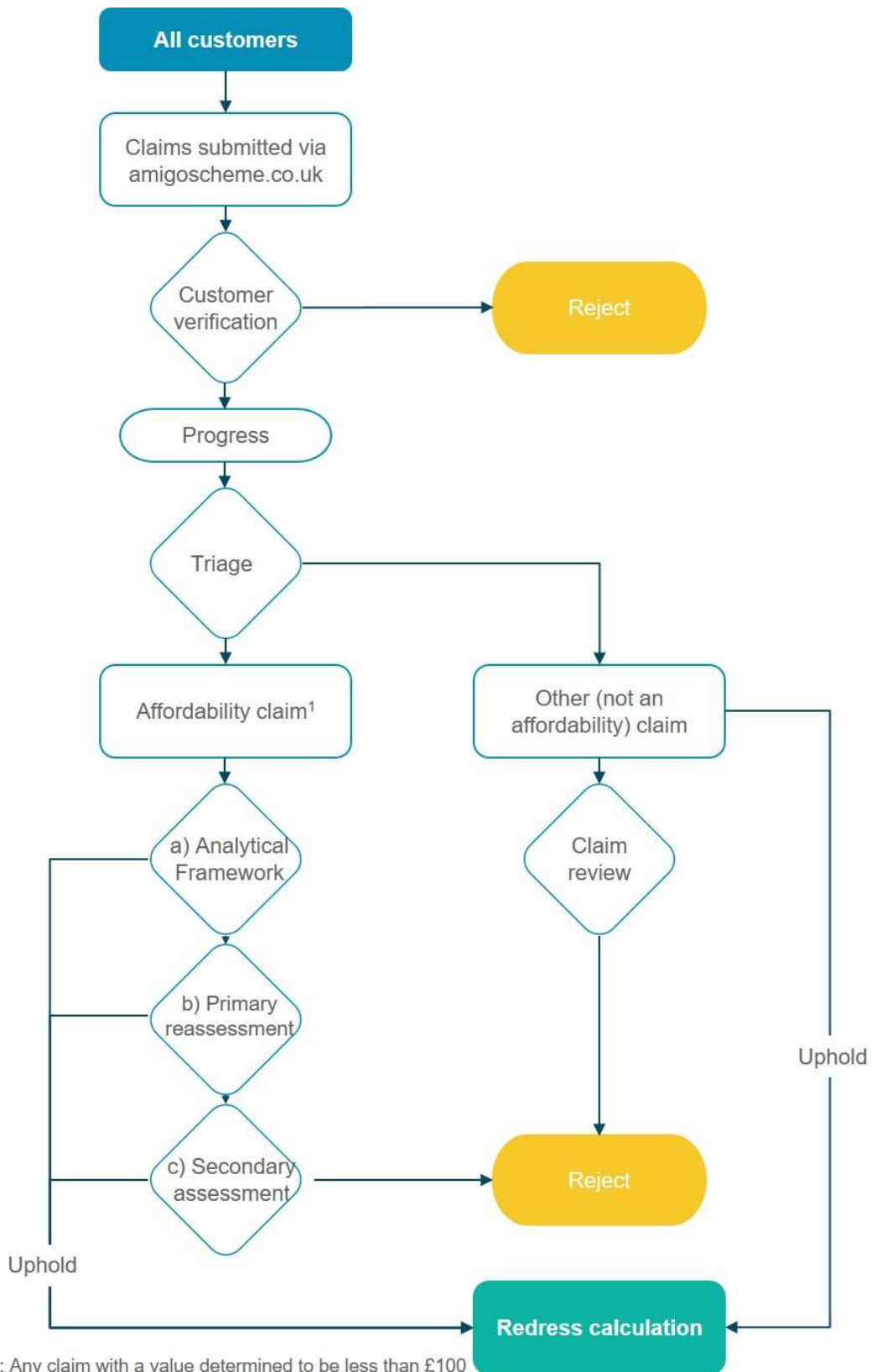
5. If you are making a claim because you consider the borrower could not afford the loan then we will assess the affordability of the loan to the borrower, as above.

6. If you are making a claim because you consider you could not afford to make repayments as guarantor, then we will apply the factors above to your circumstances to decide whether we consider you could not afford to be a guarantor.

7. In either case, if we agree that you should not have been accepted as a guarantor, we will let you know the value of your claim. This will be the value of all payments you have made under the guarantee, plus 8% compensatory interest. The value of your claim will also take into account whether or not you are eligible to receive a payment out of the bank account provided for under the Escrow Agreement.

### **Other claims which are unrelated to affordability**

A detailed manual review and investigation of your Claim will be carried out. If your Claim is upheld, appropriate compensation will be calculated and we will inform you of the value of your claim.



Note 1: Any claim with a value determined to be less than £100 will be upheld. Any variation to this threshold value would only be made after discussions with the Scheme Supervisors and FCA.