DCP 349 – Effectiveness of the current provision of unsecured cover under Schedule 1

Schedule 1 – Cover

Amend clause 2.13 as follows:

2.13 The Payment Record Factor shall equal the number of months since the Good Payment Performance Start Date (as specified in Paragraph 2.14) multiplied by 0.033% (that is to say, by 0.4% per annum) up to a maximum value of 1.2% after ~~five years~~ 36 consecutive months of good payment history, reducing in the two subsequent years to 0.7% and 0.4% respectively. On the date that is 48 months after the User's earliest Good Payment Performance Start Date, the User will be required to put in place an alternative form of cover, such as a Credit Rating from an Approved Credit Referencing Agency, an Independent Credit Assessment from a Recognised Credit Assessment Agency, Collateral, or a permitted combination thereof, within 12 months. The Company shall give the User notice of any adverse change in the calculation of the Payment Record Factor pursuant to Paragraph 2.14. A User can only use Good Payment Performance to determine its Credit Allowance Factor for a period of 60 months from the earliest Good Payment Performance Start Date.

Amend clause 2.14(c) as follows:

2.14 The Good Payment Performance Start Date shall:

(c) ____for all User's, where the User fails, or has failed, on any occasion to pay any relevant account relating to undisputed Charges in full on the applicable payment date, be the date on which a relevant account is submitted in a month subsequent to the month in which such payment failure is remedied (unless having regard to all the circumstances, including in particular the value, duration, and frequency of failure, the Company reasonably determines an earlier date). In respect of the impact on the User's good payment history, the Company shall apply the following matrix:

Age of debt (Working Days)	Value of debt as a percentage of previous month's charges*	Effect on Good Payment Performance
1 to 3	<25%	Loss of 25% of previously accrued Good Payment Performance
	≥25% and <75%	Loss of 50% of previously accrued Good Payment Performance

	≥75%	Loss of 100% of previously accrued Good Payment Performance
4 and above	Any	Loss of 100% of previously accrued Good Payment Performance

*Total UoS charges and Other Charges (if applicable) billed in the previous month