

Blemain Finance Limited

In October 2006, we obtained an undertaking from Blemain Finance Limited under the Unfair Terms in Consumer Contracts Regulations 1999. The undertaking related to how the firm calculated the level of its early repayment charge (ERC). In September 2010 the undertaking was withdrawn from our website to reflect our updated view that the ERC levied by the firm formed part of the price the borrower pays in exchange for the service of being provided with a mortgage which operates at a fixed/discounted rate of interest for a period of time. Our updated view is that it is unlikely that the level of such charges can be assessed for fairness under the Unfair Terms in Consumer Contracts Regulations 1999.