

ABOUT OUR REGULATED HOME FINANCE

Kuwait Finance House PLC
35 Portman Square, London, W1H 6LR, United Kingdom

Regulated Home Purchase Plans

1. Effective Date

This document is effective from and including 7 April 2025.

2. Introduction

This document provides you with important information about the regulated home purchase plan products ("**Regulated Home Purchase Plans**") that we offer which is based on the Islamic principles of Ijarah (leasing) and Iqtina (option to purchase). Some of our home purchase plan products are unregulated and fall outside the scope of this document.

You should read this document carefully.

Our relationship with you, and the way in which our home purchase plans operate, is regulated by the Financial Conduct Authority ("**FCA**"). The FCA regulates financial services.

When you first contact us, we will ask you to answer a few initial questions to enable us to:

- (a) identify whether the services you are requesting from us fall within the scope of UK regulation;
- (b) identify the type of Home Purchase Plan product that you are seeking; and
- (c) identify which regulatory rules will apply to our services to you.

We will notify you of our conclusion in relation to the questions above and its consequences for you.

3. Regulated Home Purchase Plan Products

We only offer Regulated Home Purchase Plans of Kuwait Finance House PLC. We do not offer home purchase plan products of any other mortgage lender or home finance provider.

Our Regulated Home Purchase Plan Products may be used for both residential and buy to let purposes. We do not offer Reversionary Mortgages, Lifetime Mortgages or Debt Consolidation Loans.

Our Regulated Home Purchase Plan products must be secured by way of a first legal charge over a UK property (in England and Wales only). We will not take legal charges over property in Scotland or outside the United Kingdom. Our Regulated Home Purchase Plans products are only available in Pounds Sterling.

4. Key finance criteria applicable to the property and applicants

We will only provide finance in circumstances where both the applicant and property meet our Regulated Home Purchase Plan products criteria which we will discuss with you. The key points to consider are as follows:

- The minimum finance amount is £250,000;
- The finance sought may be up to a maximum of 70% of the lower of: (i) the purchase price, and (ii) the property value (less any applicable new build premium);
- The term of the Regulated Home Purchase Plan must not extend beyond the 80th birthday of any one the following: the customer(s), the lessee(s) and/or the guarantor(s);

- The maximum facility term is typically between 8 to 30 years for an amortising facility or [10/15] years for a rent only facility depending on your relationship with us and whether you have applied to us directly or through a broker ; and
- For leasehold properties, the minimum acceptable unexpired lease period at the end of facility term is 60 years. If the unexpired lease period at the end of facility term is 60 years, a lower maximum finance to value may apply to reflect the property valuation.

5. Regulated Home Purchase Plans

The only Regulated Home Purchase Plan that we offer is the Residential Ijarah Home Purchase Plan. This financing is deemed to be Shariah compliant by the Shariah Supervisory Board established by the KFH Group. Please ask us if you would like further information about the role of the Shariah Supervisory Board.

Our Regulated Home Purchase Plans, depending on their terms, may be paid in the following ways:

- Amortising – in addition to paying monthly rent, you will also be required to make monthly Acquisition Payments towards the purchase price of the property so that the Regulated Home Purchase Plan is fully paid to acquire the property from the us at the end of the Ijarah Facility term; or
- Rent Only – you will only be required to pay basic rent each month, so that the Purchase Price balance will remain outstanding at the end of the Ijarah Facility term. You will need to ensure you have made arrangements to pay the outstanding Purchase at the end of the Ijarah Facility term and purchase the property from us. If necessary, you should seek independent financial advice to ensure you have an appropriate payment vehicle in place.

6. The nature of our regulated services

We offer Regulated Home Purchase Plans to ordinary retail consumers, high net worth individuals, professional individuals and business customers (including large business customers). The nature of our services and the level of regulatory protections that are available to you depend on what type of customer categorisation is applicable to you.

7. Advisory or Execution-Only Services

We will normally provide you with Home Purchase Plan advice and will, where appropriate, recommend a Home Purchase Plan product that is suitable to your needs and circumstances. Where a rent-only Regulated Home Purchase Plan is recommended, we will not advise on the suitability of your intended payment strategy.

In relation to Home Purchase Plan advice that we provide to you, we will act in your best interests at all times. When providing that Home Purchase Plan advice, we will tell you if we do not have a product that is suitable for you. We will never recommend that you enter into a Transaction that does not meet your needs and circumstances.

In limited circumstances, we may proceed without advising you and will act upon your instructions on an 'execution-only' basis.

We can only provide an execution-only service to you in limited circumstances, for example where at least one of the following criteria is met:

- you are classified as a high net worth mortgage customer; or
- you are classified as a professional customer; or
- the Shariah compliant financing is solely for a business purpose; and

- you have positively elected to proceed with an execution-only sale and identified the product that you wish to purchase.

Once you have been through our advisory process, we will recommend a product which is suitable for your needs and circumstances (unless we do not offer such a product). If you decide to reject our advice and apply for a different product that you have identified, you may do so on an execution-only basis. We will ask you to confirm your decision as part of the application process.

8. Our staff

We will ensure that any of our staff who advise you or who arrange a Regulated Home Purchase Plan product for you are competent to do so.

We record the telephones of our residential financing staff and monitor calls to and from them for various purposes permitted under UK law, including for training purposes, to confirm adherence to regulatory and legal standards and to provide evidence of the service given. Further details are available on request.

9. The information we will provide

When we have sufficient information about a proposed Home Purchase Plan transaction ("**Transaction**"), we will give you a Financial Information Statement and a Risks and Features Statement:

These documents include important information about your Regulated Home Purchase Plan and so please read them carefully. We will provide you with an explanation of these documents before you decide to proceed with the Transaction.

10. Fees and costs for our services

Before you incur any costs in relation to a Regulated Home Purchase Plan, we will provide you with details of the basis of our fees and other costs of entering into a Regulated Home Purchase Plan with us.

The fees that we charge in relation to our Regulated Home Purchase Plan are explained below. More detailed fee information is set out in a Home Purchase Plan Tariff Sheet (in relation to Home Purchase Plans, both regulated and unregulated).

In some cases, certain fees and expenses (a) will be charged **per property** that is financed under the Regulated Home Purchase Plan, and (b) are non-refundable. Those details are clarified in the Tariff Sheet.

(a) Fees and costs for arranging Home Purchase Plan

(i) Valuation Fees

We will request a standard property valuation report ("**Valuation Report**") by an appropriately qualified and independent panel valuer to confirm the current open market value of the property and to ensure that it is suitable security for the Bank's purposes. A valuation fee ("**Valuation Fee**") for the Valuation Report, which is based on the estimated valuation of the property, is payable by you to the Bank. The Valuation Report is for our use only. However, we can arrange for a separate valuation report to be prepared for you, at an extra cost payable by you, if you ask us to do so.

The Valuation Fee is payable when you make your application because the Valuation Report is required before any Regulated Home Purchase Plan offer can be made. **The Valuation Fee for a normal property is typically £0.80 per £1,000 value of the property plus VAT, subject to a minimum amount of £800 plus VAT.** However, this will vary on a case by case and we will provide you with a specific quote for the Valuation Fee at the time.

A property is not considered to be “normal” if it is, for example, of non-standard construction or a period property. In these cases, we will agree a bespoke Valuation Fee with you. For an additional fee, you may request a homebuyer’s report, which will include much more detail about the property and includes the information in the Valuation Report. You may also request a building survey report. Fees for homebuyer’s reports and building survey reports will be advised on application. **If the property is in the process of being built, we will require a re-inspection of the property on its completion, for which we will charge a minimum re-inspection fee of £300 plus VAT.** Any further charges beyond this will also be agreed with you.

If any further valuation work is necessary before we can decide whether to make a Regulated Home Purchase Plan offer to you, then the extra costs of the required valuation will be agreed with you. Any additional valuation costs will normally be payable directly to us prior to the Transaction being completed. VAT will be added to all Valuation Fees and other fees mentioned in this section.

All fees and expenses in this section will be charged **per property** that is financed under your Regulated Home Purchase Plan.

All fees and expenses in this section are payable by you on a non-refundable basis, whether or not the Transaction is completed. However, in the event that you withdraw your Regulated Home Purchase Plan application before the valuer is instructed, then the Valuation Fee will be refunded to you, but otherwise the Valuation Fee will not be refundable.

(ii) Transaction Fees

We will charge a transaction fee (“**Transaction Fee**”), which is calculated as a percentage of the total contribution (“**Bank’s Contribution**”) that we make under the Regulated Home Purchase Plan. That percentage can range from 0.75% to a maximum of 1.25%, depending on your relationship with us and whether you have applied to us directly or through a mortgage broker. We will tell you the amount of the Transaction Fee at the time when you make an application for a Regulated Home Purchase Plan.

The Transaction Fee is payable on completion of the Transaction. For example:

- **If the Transaction Fee was 0.75% and the Bank’s Contribution was for £500,000, the Transaction Fee would be £3,750.** This will be deducted from the Bank’s Contribution on completion and the net amount of the Bank’s Contribution that you will receive towards the Transaction would be £496,250. You will therefore need to pay additional funds to your solicitor in order to complete the Transaction.
- **If the Transaction Fee was 1.25% and the Bank’s Contribution was for £500,000, the Transaction Fee would be £6,250.** This will be deducted from the Bank’s Contribution on completion and the net amount of the Bank’s Contribution that you will receive towards the Transaction would be £493,750. You will therefore need to pay additional funds to your solicitor in order to complete the Transaction.

We do not add fees or charges to the finance amount. Applicants who consider increasing the finance amount that they apply for in order to cover the costs of all fees and charges arising in connection with the Transaction should be aware of the impact on their monthly payments and the total amount they will pay. In these circumstances, you should ask for another illustration that shows the effect of such extra finance on your monthly payments.

All fees and expenses in this section will be charged **per property** that is financed under your Regulated Home Purchase Plan.

The Transaction Fee is not charged if you do not complete the Transaction, but once paid it is non-refundable.

(iii) Legal Fees and Expenses

The Law Society does not permit one firm of solicitors to act for both you and us in relation to a Regulated Home Purchase Plan. Accordingly, one set of solicitors will represent you and the other set of solicitors will represent us. All legal fees and expenses arising from the work carried out by our solicitors, together with any related costs and expenses that they incur in respect of the Transaction will be payable by you directly to the relevant solicitors on or prior to the Transaction completion date. Legal fees are not subject to a minimum or maximum amount. The total legal fees will be dependent on the amount of work that the Transaction requires and will vary on a case by case basis. We will provide you with an estimate of our solicitors fees at the time. In addition, you will also need to pay our solicitors' expenses in connection with the purchase of the property, such as producing the legal documentation, land registry fees, stamp duty land tax and search fees. VAT will be added to all legal fees.

All fees and expenses in this section will be charged **per property** that is financed under your Regulated Home Purchase Plan.

All fees and expenses in this section are payable by you on a non-refundable basis, whether or not the Transaction is completed. If you accept the Home Purchase Plan offer and subsequently decide not to proceed to completion, you will still be liable to pay these fees and expenses.

(b) Administration Fees

If, during the term of the Regulated Home Purchase Plan, we are asked or obliged to perform any administrative activities outside the normal collection of monthly payments and issue of annual statements, we may charge you for our additional administration costs that result from those activities. You will usually be invoiced and required to pay us in advance before the additional services are provided, but there will be occasions when costs are incurred by us and you will be invoiced subsequently. Please see the Home Purchase Plan Tariff Sheet, as applicable, for the most common additional costs that you could incur.

All fees and expenses in this section will be charged **per property** that is financed under your Regulated Home Purchase Plan.

All fees and expenses in this section are payable by you on a non-refundable basis, whether or not the Transaction is completed. If you accept the Home Purchase Plan offer and subsequently decide not to proceed to completion, you will still be liable to pay these fees.

(c) Early Administration Fees

If you wish to pay the Regulated Home Purchase Product early, you may need to pay an early administration fee, depending on the type of product and your relationship with us. Please refer to your Offer Letter for details of any Early Administration Fees that may be applicable.

All fees and expenses in this section will be charged **per property** that is financed under your Regulated Home Purchase Plan.

All fees and expenses in this section are payable by you on a non-refundable basis.

(d) Account Settlement Fees

When the Regulated Home Purchase Plan has been repaid in full towards the purchase of the Property from us, a fee will be payable to enable us to close the Transaction. The following table sets out the indicative amount of this fee, which will vary significantly on a case by case basis and will depend on the type of Regulated Home Purchase. We will provide you with a specific quote for the fee at the time.

Deed Sealing Fee	£50 – For the discharge of the legal charge at HM land registry and sending documents by secured post.
Solicitors Fees	When the property is either sold to you or a third party, we will instruct solicitors to act on our behalf to transfer the property into your name once all acquisition payments have been made. The solicitors fees will be agreed with you in advance and prior to processing your request.

VAT will be added to all Account Settlement Fees. These fees will be added into the final redemption payment to purchase the Property from us.

All fees in this section will be charged ***per property*** that is financed under your Regulated Home Purchase Plan.

All fees in this section are payable by you on a non-refundable basis.

11. Additional information relating to costs of Regulated Home Purchase Plan

We do not receive any commissions from a third party for entering into Regulated Home Purchase Plans.

All of the fees, charges and expenses set out in this document are calculated in the same way, whether we have advised on the Regulated Home Purchase Plan or whether it is entered into on an execution-only basis.

Before you take out a Regulated Home Purchase Plan with us, you are entitled to ask us to disclose to you the amount of any fee or commission that a mortgage intermediary has received from us for arranging it.

All of the fees, charges and expenses set out in this document are subject to an annual review. We will tell you about any changes to our fees, charges and expenses.

12. Financial difficulties and changes in circumstances

We understand that sometimes circumstances can change, at any time and without any warning, which may mean that you experience financial difficulties. The sooner you tell us, the sooner we can help you.

Vulnerability has the ability to impact people of all ages, different backgrounds and wealth. The FCA defines a vulnerable customer as someone who, due to their personal circumstance, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.

This is why we continuously strive to develop our systems, processes, communications and our ability to provide you with the extra support that you may need to manage your day to day banking. Our objective is to have the ability to recognise and take note of your behavioural changes and the impact that characteristics of vulnerability may have on your needs.

If you are worried that your circumstances may affect your ability to meet your payments, please contact us immediately. We are here to help. We have a specialist team who can help and we will work with you to agree the best course of action and to avoid you experiencing any potential harm.

You should be aware that your home purchase plan and the Ijarah Documents are legally binding. You should avoid any prolonged or wilful failure to meet the terms under the Ijarah Documents.

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP WITH PAYMENTS
ON YOUR HOME PURCHASE PLAN**

13. What to do if you have a Complaint

We are committed to providing a high standard of service to all of our existing and prospective clients.

If you express any dissatisfaction with our provision of (or failure to provide) a financial service, we will investigate your complaint thoroughly and handle it in a timely, clear, fair and transparent manner.

If you wish to make a complaint, you may contact us in the way that is most convenient for you:

- By visiting our offices at 35 Portman Square, London, W1H 6LR, United Kingdom and speaking to an appropriate member of staff;
- By calling us on +44 20 7487 6500

Monday to Friday (excluding UK Bank Holidays) from 9am to 5pm - UK time

If you are calling us from outside the UK: +44 20 7487 6500

Please note: calls may be monitored and recorded

- By contacting your Relationship Manager;
- By writing to the Compliance Department at: Kuwait Finance House PLC, 35 Portman Square, London, W1H 6LR, United Kingdom; or
- By emailing the Compliance Department at: uk.compliance@kfh.com.

If we are unable to resolve your complaint to your satisfaction within 8 weeks after the day it is received, you may have the right to refer it to the Financial Ombudsman Service (“FOS”), provided that you are an eligible complainant.

The FOS can be contacted by any one of the following methods:

- By post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
- By telephone: 0800 023 4567 or 0300 123 9123 (+44 20 7964 0500 if calling from abroad) Monday to Friday (8am to 5pm UK time)
- By email: complaint.info@financial-ombudsman.org.uk
- website: www.financial-ombudsman.org.uk

14. Are we covered by the Financial Services Compensation Scheme?

Depending on the type of Regulated Home Purchase Plan products, you may be eligible for compensation under the Financial Services Compensation Scheme (FSCS). The FSCS is not available to clients who are assisted to enter into an unregulated mortgage contract or unregulated home purchase plan and the FSCS may not extend to any services provided by other group companies. Please ask your Relationship Manager if you need information concerning the conditions governing compensation and the formalities which must be completed to obtain compensation. The maximum payment under the FSCS rules for a protected home finance mediation claims is £85,000. For further information about the scheme (including the amounts covered and eligibility to claim) please ask your Relationship Manager, ask at or contact or London office, or refer to the FSCS website: www.FSCS.org.uk or call the FSCS on 0800 678 1100 or +44 20 7741 4100 if calling from outside the UK. Please note that only compensation related queries should be directed to the FSCS.

15. Legal and Regulatory Status

Kuwait Finance House PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Our Financial Services Register number is 131818. You can check this on the Financial Services Register by visiting the Financial Conduct Authority's website www.fca.org.uk/firms/systems-reporting/register or by telephoning the FCA on 0800 111 6768 or the PRA on 020 3461 7000.

Kuwait Finance House PLC is registered in England and Wales (company number 00877859).

Our registered office is Kuwait Finance House PLC, 35 Portman Square, London, W1H 6LR, United Kingdom.

Please think carefully about the products and services that you need.

**Please ask us if you would like information or advice on any of our
Regulated Home Purchase Plans.**