

Credit Agreement regulated by the Consumer Credit Act 1974.

Running account credit.

Please retain for your records

This Agreement is made between Next Retail Limited (“we” / “us” / “our”) trading as Next Online of Desford Road, Enderby, Leicester, LE19 4AT and the customer (“you” / “your”).

This Agreement contains the principal terms of your **pay in 3** account (“your Account”). It does not contain all terms and conditions relating to promotional offers, which we may make in line with clause 52. Full terms and conditions of promotional offers will be communicated to you at the time such offers are made.

Key Features

1. This Agreement has no fixed or minimum duration.
2. The initial credit limit is £X
3. We reserve the right to vary your credit limit from time to time. We will notify you as soon as reasonably possible following any decrease in your credit limit, and we will give you one month’s advance notice of any increase in your credit limit. You will be able to decline any offer of an increase in your credit limit. See also clause 51.
4. You can use your Account to purchase goods online at next.co.uk, on other Next branded or Next third party brand customer websites, or otherwise as we may let you from time to time, up to your credit limit.
5. You can spread the cost of purchases on your Account over three monthly payments without incurring interest on these purchases, providing each month you make at least the **pay in 3** Payment shown on your statement (see clause 26) by the date set out in your statement. If you do not make the **pay in 3** Payment in full and on time, interest will be charged as set out under ‘Cost of Credit and Interest’ below.
6. We may, at our discretion, allow you to purchase goods in Next Holdings Limited subsidiary stores up to your credit limit using a **pay in 3** Card, or such additional alternative methods as we may introduce from time to time. By signing this Agreement, you are consenting to us sending you (subject to our discretion) a **pay in 3** Card once you meet the applicable eligibility criteria. If we send you a **pay in 3** Card, upon receipt you must sign it immediately, keep it in a safe place and not let anyone else use it. The **pay in 3** Card remains the property of Next and we can withdraw, recall or replace it at any time. If your Card is lost or stolen you must tell us immediately. We will tell you how to use any additional alternative methods we may introduce when we introduce them. We may also, at our discretion, offer you the ability to add store purchases to your Account for a limited period on the production of valid personal identification.

Cost of Credit and Interest

7. Standard Rate of Interest (the Standard Rate) – X% per annum (variable)
8. APR – X% (variable).
9. Where there is an outstanding balance on your Account, this will consist of one or more of the following; **pay in 3** Purchase Balance(s), any balance relating to other promotional offers (see also clause 52) and the Standard Rate Balance. Whether and how interest is charged on any part of your outstanding balance will depend on the terms and conditions applicable to all elements making up that balance.

10. A **pay in 3** Purchase Balance is the remaining balance of all items charged to your Account during any statement period, for which all required **pay in 3** Payments due have been made to date.

11. Items will be charged to your Account:

11.1 on all purchases from Next branded or Next third party brand customer websites, other than as set out in clauses 11.2 to 11.5 below, and on any standard or evening delivery charges: for deliveries to residential addresses, on the day after we expect you to receive the items and for deliveries to store, on the day after you collect the item or on the day after we expect your item to be available for collection, whichever is sooner; and

11.2 on new purchases from Next Holdings Limited subsidiary stores using your **pay in 3** Card or otherwise as we may allow and purchases of gift vouchers, gift cards, warranties or general insurance products on your Account, on the date of purchase; and

11.3 on subscription delivery charges on the date the subscription starts; and

11.4 on any delivery charges not covered in clauses 11.1 or 11.3 above and on installation and removal charges, on the day after your goods were sent to you, or 14 days after the date of your order, whichever is sooner; and

11.5 on any collection charges on the day goods were collected from you;

12. Where a **pay in 3** Payment is paid by the date set out in your statement (or such later date as we may allow) no interest will be charged on **pay in 3** Purchase Balances for the period until the following statement is produced;

13. Where a **pay in 3** Payment is not paid by the date set out in your previous statement (or such later date as we may allow) all **pay in 3** Purchase Balances will move to the Standard Rate Balance and interest will be charged as set out in clause 15. Once **pay in 3** Purchase Balances have moved to the Standard Rate Balance, they cannot move back. New **pay in 3** Purchase Balances will be created when you make qualifying purchases.

14. The Standard Rate Balance is the balance to which interest charges may be applied at the Standard Rate and as described in clause 15 below.

15. Interest will be charged (based on average daily balance) on the Standard Rate Balance, at the Standard Rate, from the date of your previous statement until the date of your statement.

16. Interest will be added to your Account when a statement is produced.

17. We may vary the interest rate or other charges at any time by giving you notice in accordance with clause 51.

18. Total Amount Payable – £X

The Total Amount Payable and the APR are calculated using the following assumptions:

(i) Credit up to your credit limit has been drawn down immediately at the start of the Agreement in full for 12 months

(ii) The credit is repaid in 12 equal monthly installments with interest calculated in accordance with the terms of this Agreement

(iii) The Agreement remains valid throughout that period, that we and you have fulfilled all our obligations to each other under the Agreement by the dates specified in the Agreement and that the Standard Rate has applied for the whole of the 12 month period.

Payments

19. A statement will be produced up to a month after your Account is created and in each subsequent month where required. We will not send you a statement where we are not required to do so. For example, where there are no transactions in the month and there is no outstanding balance.
20. Statements will be sent electronically to the My Account area at next.co.uk where they can be viewed or downloaded as a PDF file. We will email you each time a new statement is available online. You can change your statement preferences in My Account if you prefer paper copies. You will always receive a paper statement if your Account falls into arrears.
21. Each statement that we send to you will show all of your purchases on your Account since your previous statement. Any items returned in accordance with our Returns Policy will appear as a credit on your statement when received by us. Our Returns Policy can be viewed at www.next.co.uk/terms.
22. If there are any arrears outstanding from previous statements that remain unpaid you must pay them immediately.
23. You must pay at least the Minimum Payment shown on your statement by the due date shown on the statement (or such later date as we allow). You can however pay us more than the Minimum Payment due at any time, for example by paying the **pay in 3** Payment.
24. Where there is a balance on your Account at the time a statement is generated, we will calculate the Minimum Payment as the higher of £5 or 5% of your Account balance (excluding any default charges added in that statement period) rounded up to the nearest £0.01, plus any default charges added in that statement period. If your balance, excluding any default charges added in that statement period, is less than £5, your Minimum Payment will be the full outstanding balance on your Account at the time the statement is generated. Your Minimum Payment will be recalculated in the same way at the time each statement is generated.
25. Where we, at our discretion, allow you to enter into a repayment plan with us allowing you to make Minimum Payments of a set amount, then these payments will be the amounts due under the Agreement until we tell you otherwise. However, if you fail to make any payment due under your repayment plan in full at any time, your repayment plan will end and the normal Minimum Payment calculation will apply.
26. Where a **pay in 3** Payment is shown on your statement, it will be calculated as the higher of: (a) the Minimum Payment plus any arrears on your Account or (b) the total of the following;
 - (i) On the first statement after **pay in 3** purchases have been charged to your Account, one third of the remaining **pay in 3** Purchase Balance relating to these purchases,
 - (ii) On the second statement, after **pay in 3** purchases have been charged to your Account, one half of the remaining **pay in 3** Purchase Balance relating to these purchases,
 - (iii) On the third statement after **pay in 3** purchases have been charged, the full remaining **pay in 3** Purchase Balance relating to these purchases,
 - (iv) Arrears on your Account,
 - (v) 5% of balance on the Standard Rate,
 - (vi) Default charges applied in the month,
 - (vii) Any other amount required in respect of other applicable promotional offers.

For the avoidance of doubt, paying the **pay in 3** Payment would discharge your obligation to make the Minimum Payment for the same statement.

27. In the event that you return any part, but not all, of your purchases that make up the **pay in 3** Purchase Balances, you must still pay the full **pay in 3** Payment shown on your statement in order to avoid paying interest on those purchases, unless an amended **pay in 3** Payment is displayed on the My Account area of next.co.uk. If you return all of the purchases that make up your **pay in 3** Purchase Balances before the due date shown on your statement then the **pay in 3** Payment option will no longer be applicable.

28. In the event that you return any purchases that do not make up any part of the **pay in 3** Purchase Balances, these will be reallocated to your balance when your statement is produced, in the following order;
- (i) Standard Rate Balance
 - (ii) **pay in 3** Purchase Balances, starting with the oldest first.
29. Payments that we receive from you will be allocated to your Account in the order described in clause 29.1 below, unless clause 29.2 or 29.3 applies:
- 29.1. If you have paid less than the **pay in 3** Payment (or no **pay in 3** Payment is applicable) we will allocate in the following order;
- (i) Arrears on your Account (oldest first, highest to lowest interest rate),
 - (ii) The Minimum Payment due for balance on the Standard Rate,
 - (iii) Default charges applied in the month,
 - (iv) Remaining balance (highest to lowest interest rate)
- If you have paid greater than or equal to the **pay in 3** Payment we will allocate in the following order;
- (i) Arrears on your Account,
 - (ii) The Minimum Payment due (including default charges applied in the month), (iii) The remainder of the **pay in 3** Payment not covered by (i) or (ii),
 - (iv) Remaining balance (oldest first, highest to lowest interest rate)
- 29.2. If we, at our discretion, allow you to enter a repayment plan with us, payments that we receive will be allocated to your Account in the following order as long as you keep to the terms of your repayment plan with us;
- (i) Payment of the Minimum Payment shown on your most recent statement;
 - (ii) Payment of any outstanding amounts from any previous statements starting with the oldest outstanding amount first;
 - (iii) Towards any balance remaining on your Account (highest to lowest interest rate).
- If you break the terms of your repayment plan with us, we will stop allocating payments in the way set out in this clause 29.2 and will allocate them as set out in clause 29.1.
- 29.3. If we, at our discretion, allow you to enter a repayment plan with us and you successfully complete your repayment plan and start making normal payments under the Agreement again, we will allocate payments in the same way as set out in clause 29.1, except that any arrears that remain on your Account which pre-date you entering your repayment plan with us, excluding any outstanding default charges, will be rescheduled so that they become payable as part of your remaining balance. Any outstanding default charges will be immediately payable.
30. If a payment you make is returned to us as 'unpaid', for example by your bank or other payment service provider, after the end of the statement period to which the payment relates, the amount of the payment will be applied to the Standard Rate Balance, and interest will be charged as detailed in clause 14.
31. Missing payments could have severe consequences and make obtaining credit more difficult or expensive and could lead us to obtaining a court order (a judgement) against you. We will register missed payments with the Credit Reference Agencies. Additionally, further action may be taken, including referral to a third party debt collection agency.
32. Interest for late payments will be charged on unpaid amounts at the Standard Rate.
33. We may, at our discretion, not accept payments in excess of any monies you owe to us.
34. The outstanding balance of your Account must not exceed your credit limit. If you do exceed your

credit limit you must repay the amount over your limit immediately.

35. In the event of your Standard Rate Balance being in credit when your statement is produced, the credit balance will be allocated to **pay in 3** Purchase Balances, starting with the oldest first. Any remaining credit balance will be left to be allocated against future purchases unless you request that this is refunded to you.

Charges

36. If your Account is two months in arrears we will apply a default charge of £7.50 to your Account to cover our administration costs. We refer to this as a Late Payment Fee. We will not apply this charge again while your Account remains in arrears but if you bring your Account back up to date we will apply a further charge of £7.50 if your Account is two months in arrears at a later date. Your account will be in arrears if you do not make required Minimum Payments in full by the due date.
37. If you return or attempt to return substitute or alternative items, when using our returns facility for any item, an investigation charge of no less than £35 may be added to the balance owing on your Account and up to the total value of the cost of our investigation.
38. We may charge you for administering your Account and investigating the breach whilst you are in breach of the terms of this Agreement, including the cost of tracing your whereabouts and other reasonable costs associated with recovering payments due.

Withdrawal and Cancellation Rights

39. You have the right to withdraw from this Agreement without having to give any reason within a period of 14 calendar days beginning on the later of the day after the day on which the Agreement is made or you receive a copy of your Agreement (the "Withdrawal Period"). To withdraw you must notify us that you intend to do so within the Withdrawal Period. You can do this by telephoning us on 0333 777 8174* or posting notice of your withdrawal to Next Credit Department, Phase 5, Desford Road, Enderby, Leicester, LE19 4AT.
40. If you withdraw you will have to repay any credit you have drawn down during the Withdrawal Period and pay us any interest due at the interest rate applicable to the Agreement. This must be paid within 30 days of giving us notice of withdrawal and you can do this using the details above. We will inform you on request, without delay, of the daily amount of interest if you draw down credit during the Withdrawal Period. If you used your Account to purchase any goods from us during the Withdrawal Period you will retain ownership of those goods, you must pay for them, and you will not be required to return them to us if you withdraw.
41. You can repay all or part of your outstanding balance early, in full or in part at any time by paying some or all of what you owe by the methods outlined on your monthly statement.
42. You may terminate the Agreement at any time free of charge by giving us one month's prior notice and paying us what you owe us under the Agreement. You can do this by telephone on 0333 777 8174* or post at Next Credit Department, Phase 5, Desford Road, Enderby, Leicester, LE19 4AT.

Complaints

43. If you have a complaint about this Agreement and we are unable to resolve it to your satisfaction, you may be able to refer the matter to the Financial Ombudsman Service (FOS) for independent investigation, www.financial-ombudsman.org.uk. Details will be provided as appropriate.

Liability

44. If your **pay in 3** Card is lost, stolen, or misused by someone without your permission, you may have to

pay up to £35 of any loss to us. If it is misused with your permission you will be liable for ALL losses. You will not be liable to us for losses which take place after you have told us about the theft etc. as long as you confirm this in writing within 7 days.

Additional terms and conditions forming part of this agreement

45. This Agreement will continue for as long as you want or until we decide to terminate it in accordance with clause 46 below.
46. We can demand repayment of the full balance and terminate this agreement if (i) you fail to pay any amount required under this agreement when it is due, or (ii) you are otherwise in material breach of this agreement (and this will include, for example, if you substitute alternative items when using our returns facility or attempt to do so). If we intend to terminate the agreement because of your breach, we will give you prior notice as required under law (and, if the termination is because of a breach which is capable of remedy, advise you of the steps you need to take to remedy the breach to prevent the agreement from terminating). Termination will take effect immediately after any relevant period specified in the notice. This period will be at least the minimum duration required by law. We may also terminate the agreement and demand repayment of the full balance by giving you two months' notice at any time even where you are not in breach of the agreement. In any case we may immediately suspend any further borrowing on your Account at any time (including during any notice period prior to termination).
47. We can suspend, restrict or terminate your right to draw credit at any time for any objectively justified reason, including the way in which you manage credit facilities with other lenders.
48. Before we will allow the value of any order to be added to your Account balance, we must have your consent. Consent can be given to us by (i) confirming the purchase of an item from next.co.uk, on other Next branded or Next third party brand customer websites whilst you are logged into your Account on next.co.uk, on other Next branded or Next third party brand customer websites; or (ii) by presenting your **pay in 3** Card, other such device as we may introduce or valid personal identification as applicable, in store when making a purchase.
49. Other than statements as set out at clause 20, we will communicate with you and can send you any documents relating to your Agreement or your Account (including any statutory notices or other documents) by SMS, email or by post at the telephone number, email address and address that you have given to us for this purpose when you applied for your Account or have subsequently told us to use for this purpose. Emails will contain relevant information within the body of the email, not as an attachment. You may receive emails as HTML or plain text based on your personal settings. By entering this Agreement you consent to us communicating with you in this way and agree to tell us, in writing, within 7 days if you change address, telephone number or email address. If we send a communication by email and it is not received at the email address provided, we may communicate with you by post. We will always send documents by post where we are required by law to do so (though we may send copies by email and/or SMS as above).
50. If you do not pay your Account in accordance with this Agreement we may sell the debt that you owe to us to a third party.
51. We reserve the right to vary this Agreement, including the interest rate, at any time for any valid reason including business, legal or operational reasons. We will give you at least 60 days' written notice of any increase in the interest rate. We will notify you as soon as reasonably possible following any decrease in your credit limit, and we will give you one month's written notice of any increase in your credit limit. You will be able to decline any offer of an increase in your credit limit.
52. We may from time to time make promotional offers available to you which may result in preferential terms (such as promotional interest rates or longer Interest Opt Out periods) applying to your Account during the relevant promotional period. If we do this, we will notify you of the applicable promotional offer including any terms that apply to its availability and their impact on how your Agreement will work. We will also inform you of the period during which the promotional offer will

be made available.

53. If we decide to temporarily ignore or relax the terms of this Agreement, for example by waiving any default charges that become due or writing off any amount that you owe us, we will not be prevented from enforcing our rights against you under the Agreement in full at any time.

54. English law governs this Agreement and the English Courts will determine any dispute unless you are resident in Scotland or Northern Ireland. If you are resident in Scotland or Northern Ireland, the law in the jurisdiction in which you are resident shall apply and the Courts of the country in which you are resident will determine any dispute.

This is a credit agreement regulated by the Consumer Credit Act 1974.

If you have any questions please call 0333 777 8174*.

Next Retail Limited trading as Next Online is authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN under the Consumer Credit Act 1974 (Next Retail Limited Company Registered Number 4521150).

* Lines open between 8am - 9pm Monday to Friday and 8am - 7pm Saturday and Sunday. For call charges contact your service provider.