

# Financial Services



Commercial  
Vehicles

Finance. Insurance. Fleet. Mobility.

## Product Information Guide / Finance Lease

Finance Lease is a rental agreement where you may share the potential rewards of the future resale value

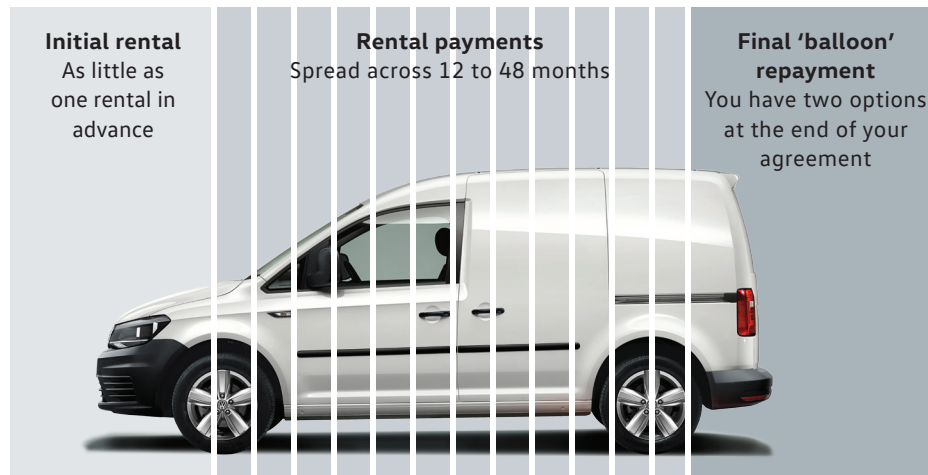
### How does it work?

Finance Lease is a rental agreement that gives you the opportunity to share in the sales proceeds at the end of the agreement. There are two types of Finance Lease agreement - 'balloon' repayment and full pay out. This page explains 'balloon' repayment.

### 'Balloon' rental payment

This is when you defer a proportion of the value of the vehicle until the end of the agreement generating lower monthly rental payments.

#### Cost of your vehicle



Once you have selected your initial rental, there are three decisions to make that will affect your monthly rentals:

- **Your rental payment period**  
Choose any period between 12 and 48 months
- **Final 'balloon' repayment**  
Defer an agreed amount until the end of the agreement. This is known as a 'balloon' repayment
- **Mileage**  
Choose how many miles you expect to drive each year<sup>†</sup>

## FAQs

### Can I get a Finance Lease agreement?

Finance Lease agreements are available for both retail customers\* and business customers<sup>^</sup>. Exclusions apply\*\*.

### What benefits does a 'balloon' repayment Finance Lease offer me?

- Lower monthly rental payments than a full pay out agreement
- Opportunity to share in any excess sales proceeds which may settle or contribute to the final 'balloon' repayment. The sales proceeds are not guaranteed to cover the final 'balloon' repayment
- Depending on levels of business use, an element of the VAT on rentals may be recoverable by VAT registered businesses<sup>†1</sup>
- A proportion of rentals may be claimable as an expense against taxable profits<sup>1</sup>

### Important information to consider

- It is really important that you keep up to date with your monthly repayments, so please contact us if you are having any difficulties as the vehicle may be at risk if you don't
- You are responsible for the repayment of the final 'balloon' repayment, regardless of the vehicle sales proceeds at that time

- It is important you keep the vehicle in good condition and within the selected mileage as this will affect the vehicle's resale value, and your sales proceeds
- If you wish to end your agreement early you can request a settlement quote. How far into your agreement you are will affect the amount left to pay
- You may be charged for any damage beyond fair wear and tear

### What happens at the end of my agreement?

At the end of your agreement you have 2 options:

- Sell the vehicle on behalf of Volkswagen Commercial Vehicle Financial Services to a selected third party and then settle the final 'balloon' repayment. You can then share in any excess sales proceeds
- Settle the 'balloon' repayment and then enter into a secondary rental period, paying an annual rental and retain the use of your vehicle

### Will I own the vehicle?

No, you will not own the vehicle.

<sup>†</sup>Mileage restrictions apply. <sup>\*</sup>Those using the vehicle for personal use. <sup>^</sup>Limited Companies, Sole Traders, Partnerships and Limited Liability Partnerships. <sup>\*\*</sup>Finance Lease is not available to customers intending to use the vehicle for hire and reward purposes i.e. taxis, body-shop usage, long term sub-let agreements (> 1month) or replacement vehicle insurance claim business.  
<sup>#</sup>This is subject to a 50% block where there is any element of private use of a motor car. <sup>1</sup>The above note is intended as a summary of the principles of VAT and tax in this complex area. It is not intended to be and should not be construed as constituting tax advice and we make no representations, warranties or guarantees, whether express or implied, that the content is accurate, complete or up-to-date. Volkswagen Financial Services (UK) Limited cannot be held liable in any way for any reliance upon this document, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, even if foreseeable. For specific tax advice relating to your particular set of circumstances, you should contact your own HMRC officer or your usual VAT / tax advisers.  
An offer of finance depends on certain conditions. Subject to status. Available to 18s and over in the UK only. Terms and conditions apply. Volkswagen Commercial Vehicle Financial Services.