StepEx Standard Pricing and Complaint Handling Schedule

Version: 1.0

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Effective from: 1 January 2026

Standard PAYG pricing summary

MONTHLY ACCOUNT FEE

£50
per month, invoiced in arrears while the Services Agreement is in force.

ORIGINATION FEE

£250
per originated credit agreement.

SERVICING FEE — NO INCOME MONITORING

5%
of repayments collected. Subject to a £10 minimum per repayment.

SERVICING FEE — INCOME MONITORING REQUIRED

7%
of repayments collected. Subject to a £10 minimum per repayment.

> **On expiry, non-renewal or termination of a Volume-Based Pricing Agreement, Commitment Plan, pilot, promotional arrangement or other bespoke pricing agreement, the Customer automatically reverts to the then-current PAYG pricing published in this Schedule unless otherwise agreed in writing.**

1. About this Schedule

This Standard Pricing and Complaint Handling Schedule sets out StepEx's standard pay-as-you-go pricing and complaint-handling charges.

It applies where:

- a Customer's Services Agreement incorporates this Schedule;
- the Customer has not entered into a separate Volume-Based Pricing Agreement, Commitment Plan or other written commercial agreement; or
-

a Volume-Based Pricing Agreement, Commitment Plan, pilot, promotional arrangement or bespoke pricing agreement expires or is not renewed.

Where a separate written commercial agreement applies, that agreement takes priority over this Schedule to the extent of any inconsistency.

On expiry or non-renewal of a separate commercial agreement, the Customer automatically reverts to the then-current PAYG pricing published in this Schedule unless otherwise agreed in writing.

All amounts are exclusive of VAT where VAT is applicable.

2. Regulatory responsibility and the Customer's role

This Schedule governs commercial charges between StepEx and the Customer. It does not authorise the Customer to undertake any regulated activity or to act as lender, servicer, credit broker, debt collector or agent of StepEx.

Nothing in this Schedule gives the Customer authority to:

- approve or decline an application for credit;
- assess affordability or creditworthiness;
- offer, enter into or negotiate a borrower credit agreement;
- amend, waive, settle, terminate, assign or enforce a borrower credit agreement;
- determine the amount legally owed by a borrower;
- agree forbearance or financial-distress arrangements;
- commence, suspend, direct or cease collections or enforcement activity;
- determine the outcome of a regulated complaint;
- agree credit-related redress on behalf of StepEx; or
- make representations or commitments on behalf of StepEx.

All decisions concerning the origination, administration, servicing, collection or enforcement of a borrower credit agreement, and all regulated complaint-handling decisions, are made by the relevant FCA-authorised StepEx entity.

The Customer may make decisions concerning its own:

- courses;
- admissions;
- tuition fees;
- course delivery;
- withdrawals and deferrals;
- refunds; and
- course-related remedies.

Where a Customer decision may affect a borrower credit agreement, the Customer must notify StepEx. StepEx will independently determine whether and how the relevant matter should be reflected in the borrower credit agreement.

This Schedule is intended for StepEx's business customers. It is not a consumer financial promotion, an offer of credit or a statement of the terms applicable to any individual borrower.

Applicants and borrowers should rely on the information and contractual documents provided directly by StepEx.

3. Standard PAYG pricing

Customer charges

Charge	Standard price
Monthly account fee	£50 per month
Origination fee	£250 per originated credit agreement
Servicing fee: no income monitoring required	5% of repayments collected
Servicing fee: income monitoring required	7% of repayments collected

Applicant and borrower charges

Charge	Standard price
Application fee	£20 per application
Platform fee	£1 per month while the credit agreement has an outstanding balance

Application and platform fees are normally paid by the applicant or borrower rather than the Customer.

The amounts shown in this Schedule are standard business-schedule amounts. The charges actually applicable to an applicant or borrower will be set out in the information and contractual documents issued directly by StepEx.

StepEx is solely responsible for determining:

- whether a borrower-facing charge applies;
- how the charge is structured and collected;
- how and when it must be disclosed;
- whether it forms part of the total charge for credit;
- whether it must be included in the APR or total amount payable; and
- whether it may be waived, reduced or refunded.

The Customer must not quote, collect, waive, vary or describe a borrower-facing charge except by using wording and processes expressly approved by StepEx.

Any change to a charge payable by a borrower will apply only where permitted by the relevant borrower credit agreement and applicable law.

StepEx may waive, reduce or refund an applicant or borrower charge without affecting its right to apply that charge in other cases.

4. Monthly account fee

The monthly account fee is payable for each calendar month, or part of a calendar month, during which:

- the Services Agreement remains in force; and
- StepEx services are provided or available to the Customer.

The account fee is normally invoiced monthly in arrears.

The account fee maintains the Customer's active StepEx account and access to StepEx's standard portal, reporting and account-support arrangements.

The account fee does not include unlimited bespoke work. Bespoke integrations, development, material configuration changes, data migration, bespoke reporting, additional training or other professional services outside StepEx's standard service may be subject to a separate written quotation or agreement.

No account fee during run-off

The monthly account fee will cease when the Services Agreement terminates or expires.

It will not continue merely because StepEx remains responsible for administering or collecting payments under existing borrower credit agreements during run-off.

The post-termination servicing fee described below will instead apply to repayments collected during run-off.

5. Origination fee

The standard PAYG origination fee is £250 for each originated credit agreement.

Unless otherwise agreed in writing, the origination fee is payable by the Customer.

Where the agreed commercial model provides for all or part of the origination fee to be paid by the applicant, StepEx may charge that amount directly to the applicant, subject to applicable law and appropriate pre-contract and contractual disclosure.

The Customer does not impose, collect, vary or waive an applicant origination fee.

The same origination fee will not be charged in full to both the Customer and the applicant. Where the parties have expressly agreed to divide the fee between them, the combined amount charged will not exceed the applicable origination fee unless a different total charge has been expressly agreed and lawfully disclosed.

The origination fee becomes payable on the earlier of:

1. the borrower signing the credit agreement; or
2. StepEx receiving all or part of a non-refundable deposit, course reservation payment or similarly categorised payment relating to the relevant course.

The origination fee remains payable if the borrower subsequently withdraws from or does not complete the course, unless StepEx agrees otherwise in writing.

Where StepEx and the Customer enter into a written Volume-Based Pricing Agreement or Commitment Plan, that agreement may provide for:

- a lower origination fee;
- a minimum monthly or annual commitment;
- different invoicing arrangements; or
- other agreed commercial terms.

6. Servicing fees

Standard rates

The standard servicing fee is:

- 5% of repayments collected for payment plans and other finance agreements where no income monitoring is required; and
- 7% of repayments collected for finance agreements where income monitoring is required.

Income monitoring includes an arrangement under which the borrower's repayment obligation is linked to income or is subject to a minimum income threshold.

Minimum servicing fee

For each borrower repayment, the servicing fee will be the greater of:

- the applicable percentage of the repayment; and
- £10.

The servicing fee will never exceed the amount of the repayment.

For example, for a repayment subject to a 5% servicing fee:

- on a repayment of £1,000, StepEx retains £50;
- on a repayment of £100, StepEx retains the £10 minimum; and
- on a repayment of £8, StepEx retains £8, because the servicing fee cannot exceed the repayment.

Rate applying in the collection month

The servicing fee is determined by the pricing in effect during the calendar month in which StepEx receives the relevant repayment in cleared funds.

It is not determined by the servicing fee that applied when:

- the borrower applied;
- the credit agreement was signed;
- the credit agreement was originated; or
- the borrower began the course.

A change to the servicing fee may therefore apply to repayments collected under credit agreements originated before the new servicing rate took effect.

A pricing change will not retrospectively alter the servicing fee applied to a repayment collected before the change became effective.

7. Customer-funded balance reductions

Where the Customer makes a payment to StepEx, or requests that an amount funded or provided by the Customer be credited against a borrower's outstanding balance, StepEx may, where it determines that the proposed treatment is lawful and appropriate, apply that amount to the borrower credit agreement.

The Customer has no authority to agree with a borrower that:

- their credit agreement will be amended;
- their repayment obligation will be changed;
- their outstanding balance will be reduced;
- an amount will be waived or forgiven; or
- the credit agreement will be settled.

Any such change takes effect only when approved and implemented by StepEx.

Where an amount funded or provided by the Customer is applied by StepEx to reduce a borrower's outstanding balance, StepEx will charge the servicing fee that would have applied had the amount been paid directly by the borrower.

This includes:

- a payment made to StepEx by the Customer for application to the borrower's balance;
- a Customer-funded course refund or credit which StepEx applies to the balance;
- a Customer-funded settlement or remedial payment approved by StepEx; or
- another Customer-funded amount which StepEx agrees to apply in reduction of the balance.

The servicing fee is calculated using the rate in effect during the month in which StepEx applies the amount.

The servicing fee may be:

- deducted from the amount received;
- invoiced to the Customer; or
- deducted from amounts otherwise due to the Customer.

This section does not apply where the balance is corrected solely because:

- StepEx made an error; or
- the relevant amount was not lawfully due from the borrower.

8. Post-termination servicing

Where StepEx continues to administer and collect payments under existing borrower credit agreements after the Services Agreement has terminated or expired, the applicable servicing fee will increase by three percentage points.

For example:

- a 5% servicing fee becomes 8%; and
- a 7% servicing fee becomes 10%.

The uplift applies only to servicing fees. The monthly account fee does not apply during run-off.

The uplift ceases in relation to any borrower credit agreements successfully transferred to an approved successor servicer.

9. Transfer to another servicer

Following termination or expiry of the Services Agreement, the Customer may nominate a proposed successor servicer and request that StepEx consider transferring the administration of specified borrower credit agreements.

The Customer has no unilateral right to:

- appoint a successor servicer;
- transfer a borrower credit agreement;
- assign any lender or servicing rights; or
- direct how a borrower credit agreement is serviced.

StepEx will determine whether a proposed transfer is legally and operationally permissible, having regard to:

- applicable law;

- StepEx's regulatory obligations;
- the terms of the relevant borrower credit agreements;
- the interests and fair treatment of borrowers; and
- any required borrower notices, consents or contractual arrangements.

Any transfer is subject to:

- StepEx's prior written approval of the proposed successor;
- agreement of an appropriate legal and operational transfer structure;
- satisfaction of all regulatory and data-protection requirements; and
- payment or satisfactory provision for StepEx's reasonable transfer costs.

StepEx will not unreasonably withhold or delay approval where the proposed transfer satisfies these requirements.

StepEx will assess whether the proposed successor has:

- all required regulatory permissions;
- appropriate operational and technical capability;
- appropriate information-security and data-protection arrangements;
- the ability to administer the relevant credit agreements lawfully;
- appropriate arrangements for payment redirection and reconciliation; and
- the ability to complete the transfer without unreasonable risk to borrowers, StepEx or the Customer.

The Customer must pay StepEx's reasonable administrative and third-party costs of assessing and implementing the transfer.

Unless otherwise agreed:

- transfer work will be charged on a reasonable time-and-materials basis;
- charges will not exceed £1,250 per person per eight-hour day, as adjusted from time to time in accordance with the Annual changes to existing Charges section, calculated pro rata for part-days by reference to time reasonably recorded;
- StepEx will provide reasonable details of the work and personnel involved; and
- aggregate transfer charges above £5,000 require the Customer's prior written approval.

StepEx will notify the Customer of expected costs in advance where reasonably practicable.

The Customer is not required to approve expenditure above £5,000 where it does not wish to proceed with the transfer. StepEx is not obliged to complete the transfer unless the reasonable transfer costs are accepted and paid or otherwise secured.

10. Complaint handling

StepEx's role

StepEx remains responsible for investigating and responding to complaints to the extent required by:

- applicable law;
- FCA rules;
- Financial Ombudsman Service requirements; and
- the relevant borrower credit agreement.

The Customer remains responsible for investigating and resolving the underlying course and education-service matters within its control, including:

- admissions decisions;
- course content or quality;
- course delivery;
- course dates or timetable changes;
- course cancellation;
- tuition fees;
- withdrawals or deferrals;
- refunds;
- Customer marketing;
- Customer communications with applicants or borrowers; and
- other acts or omissions relating to the Customer's courses or services.

This responsibility relates only to the underlying course or education-service matter. It does not make the Customer responsible for StepEx's regulated complaint-handling obligations.

StepEx will determine whether and to what extent the underlying course matter forms part of:

- a complaint concerning StepEx's regulated activities;
- a complaint concerning the borrower credit agreement; or
- another complaint which StepEx is required to investigate or respond to.

StepEx retains responsibility for any regulated complaint handling required of it.

A complaint arising from one or more of these matters is referred to in this Schedule as a Course Complaint.

Cooperation and information

Each party must promptly notify the other where it receives a complaint which may affect the other party or a borrower credit agreement.

The Customer must provide relevant information and records requested by StepEx within five Business Days, or sooner where reasonably required to meet a legal or regulatory deadline.

Relevant information may include:

- admissions communications;
- course terms;
- withdrawal or refund correspondence;
- marketing materials;
- screenshots;
- payment records;
- internal notes; and
- correspondence with the borrower.

Customer resolution of underlying course issues

The Customer may lead the investigation and resolution of the underlying course-related issues raised in a Course Complaint, including matters concerning:

- admissions;
- course content or quality;
- course delivery;

- course dates or timetable changes;
- withdrawals or deferrals;
- tuition fees;
- course refunds; and
- other education-service matters within the Customer's control.

The Customer must not:

- issue a regulated complaint final response on behalf of StepEx;
- determine whether StepEx should uphold or reject a regulated complaint;
- state that a borrower's credit liability has been amended, suspended, waived or settled;
- agree credit-related redress on behalf of StepEx;
- direct StepEx to commence, pause or cease collections; or
- make representations to the borrower about how StepEx will exercise its rights under the credit agreement.

The Customer may propose a course-related remedy.

Where a proposed remedy may affect the borrower credit agreement, StepEx will independently determine, in accordance with its legal and regulatory obligations:

- whether the remedy should affect the credit agreement;
- how any resulting adjustment should be calculated;
- how the adjustment should be documented and implemented; and
- what communication should be provided to the borrower.

StepEx retains control of and responsibility for:

- regulated complaint handling;
- any final response issued by StepEx;
- any decision concerning the borrower credit agreement;
- credit-related redress; and
- compliance with applicable FCA and Financial Ombudsman Service requirements.

StepEx will continue to track, investigate and respond to a complaint where required by applicable law, FCA rules or Financial Ombudsman Service requirements.

Where the Customer does not lead the resolution of the underlying course issues, StepEx may take the steps reasonably required to investigate and resolve the complaint and to meet its legal and regulatory obligations.

The allocation of complaint-handling charges between StepEx and the Customer is an internal commercial allocation only. It does not:

- affect the borrower's rights;
- determine the outcome of the borrower's complaint;
- affect the redress offered to the borrower; or
- bind the Financial Ombudsman Service, a court, regulator or other adjudicator.

11. Complaint attribution for fee purposes

StepEx will classify each complaint, acting reasonably and on the balance of probabilities, as:

1. Customer-attributable — caused solely by the Customer's acts or omissions;
2. StepEx-attributable — caused solely by StepEx's acts or omissions; or

3. Jointly attributable — caused partly by StepEx and partly by the Customer.

Where the available evidence does not reasonably support exclusive allocation to one party, the complaint will be treated as jointly attributable.

Incomplete or unclear evidence does not automatically result in joint attribution where the balance of probabilities still supports exclusive allocation.

Where the Customer fails to provide information or evidence reasonably requested by StepEx within the applicable timeframe, StepEx may:

1. determine the complaint using the evidence reasonably available;
2. comply with any applicable complaint-handling deadline without waiting further;
3. record that relevant Customer evidence was not provided; and
4. treat additional complaint-handling work reasonably caused by that failure as Customer-attributable for fee purposes.

A failure to provide evidence does not, by itself, establish that the Customer caused the underlying subject matter of the complaint.

Any charge arising from non-cooperation must be limited to the additional work reasonably caused by the failure and must be explained separately from the attribution of the underlying complaint.

Review of attribution

StepEx will provide the Customer with a brief written explanation of:

- the attribution decision;
- the handling category applied;
- the resulting fee; and
- the principal evidence relied upon, or an appropriate summary of that evidence.

StepEx's explanation must be sufficient to allow the Customer reasonably to understand and, where appropriate, dispute the classification and charge.

StepEx is not required to disclose:

- legally privileged material;
- confidential regulatory analysis;
- information which cannot lawfully be disclosed;
- irrelevant borrower personal data; or
- confidential information belonging to another person.

StepEx may redact or summarise information where reasonably necessary to comply with legal, confidentiality, data-protection or regulatory obligations.

Effect on complaint-handling fees

- A Customer-attributable complaint is charged at the full applicable fee.
- A StepEx-attributable complaint is not charged to the Customer.
- A jointly attributable complaint is charged at 50% of the fee that would otherwise apply.

The Customer may dispute a complaint-handling charge under the invoice-dispute procedure in its Services Agreement.

A fee dispute will not:

- delay StepEx's investigation or response;

- affect StepEx's assessment of the borrower's complaint;
- affect any redress offered to the borrower; or
- prevent StepEx from meeting a legal or regulatory deadline.

No complaint-handling fee will be charged to or recovered from the borrower.

12. Complaint-handling charges

Complaint-handling charges are based on the work reasonably required and undertaken.

A charge may apply whether the complaint is:

- upheld;
- partially upheld;
- rejected;
- withdrawn; or
- settled.

The outcome of the complaint does not, by itself, determine whether a handling fee is payable.

Referral of a course-only issue: no fee

No fee applies where:

- StepEx reasonably determines that the matter is solely a course or education-service issue;
- the matter does not concern StepEx's regulated activities or the borrower credit agreement;
- StepEx is not required to handle the matter as a complaint under FCA DISP;
- StepEx refers the underlying course issue to the Customer; and
- StepEx's involvement is limited to notifying the Customer and sending a simple handover communication to the complainant.

The Customer's handling of the underlying course issue does not authorise it to make any decision or representation concerning the borrower credit agreement.

Standard handling: £50

The Standard handling fee applies where StepEx's work is limited to:

- initial triage and classification;
- logging the complaint;
- acknowledging receipt;
- forwarding the complaint to the Customer; and
- no more than one additional round of correspondence with the Customer or borrower.

For a jointly attributable complaint, the Standard handling fee is £25.

Medium handling: £200

The Medium handling fee applies where StepEx is required to undertake one or more of the following:

- prepare a structured request for evidence;
- prepare a basic chronology;
- review and collate evidence provided by the Customer;
- undertake up to two additional substantive rounds of correspondence beyond Standard handling; or

- draft a straightforward response to the borrower relying on evidence supplied by the Customer, where a detailed evidence pack or extensive remediation is not required.

For a jointly attributable complaint, the Medium handling fee is £100.

Complex handling: time and materials

Complex handling applies where StepEx is required to undertake one or more of the following:

- prepare a detailed evidence pack or chronology;
- manage multi-party correspondence involving more than two substantive cycles;
- handle an escalation to the Financial Ombudsman Service or another adjudicator;
- respond to a formal information request from the Financial Ombudsman Service, the FCA, another regulator, a court, tribunal or other competent adjudicator concerning the complaint;
- prepare a substantive final response requiring detailed analysis of a material factual dispute, extensive evidence, legal or regulatory issues, or significant proposed redress;
- coordinate refunds, fee adjustments, waivers, withdrawals or other material remedial actions affecting the credit agreement;
- investigate multiple connected issues or parties; or
- individually review multiple related complaints arising from the same cohort, course or campaign.

A routine Customer information request, ordinary borrower correspondence or subject access request is not treated as Complex complaint handling solely because it is made in writing or described as formal.

Complex handling is charged on a reasonable time-and-materials basis.

Complex complaint work is charged at StepEx's standard professional-services rate of £1,250 per person per eight-hour day, as adjusted from time to time in accordance with the Annual changes to existing Charges section, calculated pro rata for part-days by reference to time reasonably recorded.

Adjustment of the daily rate does not, by itself, alter the £500 Customer-attributable complaint approval threshold, the £250 jointly attributable complaint approval threshold or the £5,000 aggregate transfer-cost approval threshold, unless this Schedule is expressly amended to adjust those thresholds.

StepEx will provide reasonable details of:

- the work undertaken;
- the personnel category involved;
- the time recorded; and
- the amount charged.

For a Customer-attributable complaint:

- StepEx may charge up to £500 per complaint without obtaining further approval; and
- any amount above £500 requires the Customer's prior written approval, except where the additional work is legally or regulatorily required.

For a jointly attributable complaint:

- the Customer pays 50% of the fee otherwise calculated;
- StepEx may charge up to £250 per complaint without obtaining further approval; and
- any amount above £250 requires the Customer's prior written approval, except where the additional work is legally or regulatorily required.

Work exceeding the Complex handling approval threshold

StepEx will notify the Customer before exceeding an approval threshold where reasonably practicable.

Where reasonably practicable, StepEx will also provide an estimate of the additional work and cost expected.

The Customer is not required to approve optional or discretionary work above the threshold.

Customer approval is not required for work which StepEx reasonably considers necessary to:

- comply with applicable law;
- comply with FCA or Financial Ombudsman Service requirements;
- meet a binding complaint-handling deadline;
- respond to a regulator, court, tribunal or ombudsman; or
- prevent material harm to the borrower.

StepEx has the right, and where legally or regulatorily required, the obligation, to continue that work whether or not the Customer approves the associated fee.

The Customer remains responsible for its attributable share of the fees for mandatory work, determined in accordance with the complaint-attribution rules in this Schedule.

Any charge above the usual approval threshold must be:

- reasonable;
- supported by appropriate records;
- limited to work reasonably necessary for that purpose; and
- allocated between StepEx and the Customer in accordance with the complaint-attribution rules in this Schedule.

A dispute between StepEx and the Customer about fees does not affect or delay the investigation of, or response to, the borrower's complaint.

A refusal by the Customer to approve fees above a threshold is not evidence concerning the merits of the underlying complaint.

Financial Ombudsman Service case fees

Where the Financial Ombudsman Service charges StepEx a case fee in respect of a complaint:

- the Customer will reimburse the full case fee where the complaint is Customer-attributable;
- the Customer will reimburse 50% of the case fee where the complaint is jointly attributable; and
- no reimbursement is payable where the complaint is StepEx-attributable.

No amount will be charged where StepEx does not itself incur a case fee in respect of the complaint.

A Financial Ombudsman Service case fee is separate from:

- StepEx's complaint-handling charges;
- any compensation or redress;
- any refund or waiver;
- any Financial Ombudsman Service award; and
- any court or tribunal award.

StepEx will provide reasonable evidence of the case fee incurred.

No double recovery

StepEx will not recover the same cost, fee or expense more than once from the Customer, whether under this Schedule, the Services Agreement or otherwise.

Where an amount would otherwise be recoverable under more than one heading, StepEx will charge it only once and identify the heading applied.

Related complaints and duplicated work

StepEx will not charge more than once for materially duplicated work.

Where related complaints can reasonably be investigated together, StepEx will aggregate common work.

StepEx may still charge separately for work which must reasonably be undertaken for an individual complaint, including:

- reviewing borrower-specific evidence;
- corresponding with an individual borrower;
- assessing an individual outcome; and
- preparing an individual response or redress calculation.

13. Complaint redress and external awards

Complaint-handling fees cover StepEx's work in investigating and resolving the complaint.

They do not include:

- compensation;
- refunds;
- waived or reduced course fees;
- interest;
- Financial Ombudsman Service awards;
- court or tribunal awards;
- regulatory redress; or
- other amounts payable to or for the benefit of a borrower.

Responsibility for those amounts is determined under the Services Agreement and according to whether the underlying issue is attributable to StepEx, the Customer or both parties.

14. Historic reporting and document retrieval

StepEx provides standard monthly remittance reporting as part of the Services.

StepEx will retain standard remittance reports for at least three years following the end of the calendar year to which the relevant report relates, or for any longer period required by applicable law.

Where the Customer requests:

- replacement copies of historic reports;
- historical records outside the standard reporting process;
- bespoke reconciliations;
- reconstruction of historic transactions; or
- the retrieval or collation of archived information,

StepEx may charge a reasonable handling fee reflecting the work required.

StepEx will disclose the proposed fee or charging basis before undertaking chargeable retrieval, collation or reconciliation work.

No handling fee applies where StepEx is required to provide the relevant information without charge under applicable law or the Services Agreement.

15. Third-party pass-through costs

Where the Customer requests or approves work which requires StepEx to incur a third-party cost specifically for that Customer, StepEx may recover that cost from the Customer.

StepEx will not incur a chargeable third-party cost without the Customer's prior approval, except where:

- the cost has already been expressly authorised under the Services Agreement;
- it has been authorised through the StepEx portal, an approved ticketing workflow or an approved API instruction; or
- another written instruction from the Customer expressly authorises the relevant cost.

Where reasonably practicable, StepEx will disclose the expected cost before it is incurred.

Approved third-party costs may be:

- invoiced to the Customer;
- deducted from remittances otherwise payable to the Customer; or
- recovered using another payment method agreed with the Customer.

Each third-party pass-through cost will be separately identified in the relevant invoice or remittance report.

StepEx will not add a margin to a third-party pass-through cost unless the Customer has agreed the relevant margin or administration charge in writing.

16. Debt recovery costs

StepEx alone will determine whether any collection, debt recovery, litigation or enforcement action is:

- lawful;
- appropriate;
- proportionate;
- consistent with its regulatory obligations; and
- permitted under the relevant borrower credit agreement.

The Customer does not instruct, control or direct StepEx's collection or enforcement decisions.

Where StepEx considers that external recovery action may be appropriate and that it would require court fees, solicitor fees, data-preparation costs or other third-party expenditure, StepEx will ordinarily seek the Customer's approval to fund those external costs before they are incurred.

The Customer’s approval relates solely to responsibility for the external expenditure.

Approval of expenditure:

- does not constitute an instruction to take regulated collection or enforcement action;
- does not require StepEx to take the proposed action;
- does not transfer responsibility for the decision from StepEx; and
- does not authorise the Customer to communicate with the borrower about enforcement on StepEx's behalf.

If the Customer does not approve the external costs, StepEx may decide not to undertake the externally funded action, except where StepEx is independently required to act by law or a competent authority.

StepEx may recover approved external recovery costs by:

- invoice; or
- deduction from remittances.

Any recovery action remains subject to StepEx's ongoing assessment of the borrower's circumstances, including financial difficulty and vulnerability.

17. Billing and payment

Unless otherwise agreed in writing:

- account fees are invoiced monthly in arrears;
- origination fees are invoiced monthly in arrears;
- complaint-handling charges are invoiced after the relevant work is undertaken;
- servicing fees are deducted from repayments before the net amount is remitted to the Customer;
- approved third-party costs may be invoiced or deducted from remittances; and
- invoices are payable in accordance with the applicable Services Agreement.

Reversals, failed payments, chargebacks and refunds

Where a borrower payment:

- is reversed or charged back;
- fails after initially being shown as received;
- is subsequently rejected or recalled;
- was credited or remitted in error; or
- must be refunded under the borrower credit agreement or applicable law,

StepEx may reverse or adjust:

- the amount treated as collected;
- the related servicing fee;
- the Customer's remittance; and
- any other Charge directly associated with that payment.

Where StepEx has already remitted the relevant amount to the Customer, StepEx may recover the overpayment by:

- deducting it from a subsequent remittance;
- issuing an invoice; or
- applying another recovery method permitted by the Services Agreement.

The relevant reversal or adjustment will be identified in the Customer's remittance reporting.

StepEx will not retain a servicing fee relating to a payment which was never successfully collected, except where another provision of this Schedule expressly permits a servicing fee to be charged on a Customer-funded balance reduction or another amount applied to reduce the borrower's balance.

StepEx may set off undisputed Charges against amounts otherwise due to the Customer, subject to the dispute and set-off provisions in the Services Agreement.

18. Volume-Based Pricing Agreements and Commitment Plans

StepEx may agree alternative commercial terms with a Customer in writing.

These may include:

- reduced origination fees;
- minimum monthly or annual fees;
- minimum transaction commitments;
- agreed pricing periods;
- account-fee arrangements; or
- different billing mechanics.

The charges and fee types set out in a written Volume-Based Pricing Agreement or Commitment Plan are fixed for the relevant commitment period, except where that agreement expressly permits changes.

Unused allowances, credits or committed transaction volumes do not carry forward unless the written agreement expressly states otherwise.

> **On expiry, non-renewal or termination of the separate pricing arrangement, the Customer automatically reverts to StepEx's then-current PAYG pricing and fee structure.**

Reversion to PAYG does not by itself:

- terminate the Services Agreement;
- affect the validity of existing borrower credit agreements; or
- alter Charges which accrued before the reversion date.

19. Annual changes to existing Charges

Subject to any pricing lock in a written Volume-Based Pricing Agreement or Commitment Plan, StepEx may increase an existing Customer Charge once each calendar year, with effect from 1 January.

The maximum permitted percentage increase is:

> **two times the annual UK Consumer Prices Index rate for the preceding October, with the CPI rate floored at 0%.**

For this purpose, the October CPI Rate means the 12-month percentage change in the all-items UK Consumer Prices Index for October, as first published by the Office for National Statistics.

The annual adjustment percentage is calculated as:

> **2 × the greater of 0% and the October CPI Rate**

For example:

> - if the October CPI Rate is 3%, the maximum increase is 6%;
> - if the October CPI Rate is 0%, the maximum increase is 0%; and
> - if the October CPI Rate is negative, the maximum increase is 0%.

A maximum 6% adjustment would permit:

- a £250 origination fee to increase to no more than £265;
- a £50 account fee to increase to no more than £53;
- a 5% servicing fee to increase to no more than 5.30%; and

- a 7% servicing fee to increase to no more than 7.42%.

StepEx may apply an increase below the permitted maximum or make no increase.

StepEx will provide the Customer with at least 30 days' written notice of any annual increase.

Where publication of the preceding October CPI figure does not allow StepEx to provide 30 days' notice before 1 January, the increase will take effect on the first day of the month following expiry of the 30-day notice period.

An increase will not take effect before the applicable notice period has expired.

Publication of an updated version of this Schedule does not, by itself, constitute contractual notice of an increase. Notice will be given by email or through the StepEx portal in accordance with the applicable Services Agreement.

The following require the prior written agreement of StepEx and the Customer:

- introducing a new category of Customer Charge;
- removing an existing category of Customer Charge;
- changing the fundamental basis on which a Charge is calculated;
- changing the event that causes a Charge to become payable; or
- materially changing the method by which a Charge is collected.

20. Version control

The version published on this page is StepEx's current Standard Pricing and Complaint Handling Schedule.

Each version will state:

- its version number;
- the date it was last updated; and
- its effective date.

StepEx will retain each previous version of this Schedule for at least six years after the last date on which a Charge was calculated under that version.

Previous versions will be made available through a "Previous versions" link or on reasonable request.

21. Definitions

In this Schedule:

Business Day means a day other than a Saturday, Sunday or public holiday in England.

Charge means an amount payable to StepEx under this Schedule or the applicable Services Agreement.

Customer means an organisation receiving StepEx services under a Services Agreement.

Services Agreement means the agreement governing StepEx's provision of services to the Customer.

StepEx means Step Exchange Limited and, where relevant, a StepEx group company providing the applicable service.

22. Contact

Questions concerning this Schedule, an invoice or a Customer's pricing arrangement should be sent to:

Email: info@stepex.co

Step Exchange Limited

Company number: 10880923

Registered office: 2 Bridge Court, Kingsmill Road, Saltash, Cornwall, United Kingdom, PL12 6LS