

# Commission explained

## What is commission?

Commission is a payment made by Bank of Ireland, or other credit providers, to your Motor Dealer who is acting as Credit Intermediary (in other words, as someone authorised to offer credit to customers). We can pay commission to the Motor Dealer shortly after the finance agreement is put in place as a one-off payment for arranging the credit.

Motor Dealers can have different agreements in place with different credit providers. For this reason, it is important that you understand the way in which Bank of Ireland pays commission if the Motor Dealer chooses us as the credit provider for your finance agreement.

The amount of the commission paid is set out in your finance agreement.

## How we calculate commission

The amount of commission we pay depends on the agreement that we have in place with the Motor Dealer. We can pay either:

1. A fixed monetary amount, or
2. A fixed percentage of the amount financed.

All charges and fees are included in the Annual Percentage Rate (APR) that is applied to your finance agreement with us. Commission forms part of the overall cost of the finance agreement.

### Example 1 : A fixed monetary amount

If your finance amount is for €25,000, the rate of commission that we pay to the Motor Dealer could be €300.

### Example 2 : A fixed percentage of the amount financed

If your finance amount is for €25,000 and the rate of commission that we pay to the motor dealer is 3.6% of the finance amount, the amount of commission we pay to the motor dealer will be €900.

**Important:** The examples above are for illustrative purposes only.

#### Commission

When a Motor Dealer arranges finance as a Credit Intermediary, Bank of Ireland can pay a commission fee to the Motor Dealer. Before you proceed with a finance agreement you can ask the Motor Dealer for details of their commission arrangements and the amount they can receive from Bank of Ireland for arranging your finance.

Under Section 148(e) of the Consumer Credit Act 1995 it is a requirement for a Credit Intermediary to disclose to Consumers, in writing before entering into a finance agreement, that commission is payable.

Any commission amount will be included in your quote document and your finance agreement. You should read the documents carefully.