

Cycle to Work – Information for Distributors

Cycle 2 Work, provided by Halfords Ltd

Assessment Date	April 2023
Next Assessment Review Date	April 2024
Summary	<p>In line with the requirements of the Consumer Duty, Halfords have assessed key metrics (including acceptance rates, monthly costs to consumers, complaint rates, distributor remuneration levels and distributor feedback) and considers that this product provides fair value to its target market of customers, the product is distributed in a manner which is suitable for the identified target market, and the product meets the needs of the identified target market.</p>
Product Information	<p>Cycle 2 Work is a government scheme that allows an individual to hire a bike and accessories obtained through Halfords, Tredz or one of our approved independent sellers, by agreeing to a hire agreement and a salary sacrifice arrangement, which equates to making payments gross of Tax and NI for the cost of the goods, generally spread equally over 12 – 18 months. Goods can be hired up to an arranged individual scheme limit (Individual scheme limits apply).</p> <p>A letter of collection is provided to employees to obtain their new cycling equipment which must be redeemed within 4 months of the Letter of Collection being issued.</p> <p>Repayments are made dependent upon the employee's usual remuneration arrangements with their employer, whether this is weekly, fortnightly, 4 weekly or monthly.</p> <p>There are no fees payable by the employee when taking out the product, or if regular payments are late. If an employee leaves employment the remaining hire payments will be deducted from the employee's final remuneration payment.</p> <p>The hire agreement can be cancelled within 14 days of the agreement being completed. Terms and conditions are detailed on the hire agreement.</p> <p>Please refer to the scheme documentation and the Department for Transport Cycle to work scheme Guidance for Employers¹ for further information.</p>
Any notable exclusions or circumstances where the product could	<p>It should be noted that the following circumstances should be taken into account, which could provide poor outcomes to customers: -</p> <ul style="list-style-type: none">• If the goods are lost or stolen during the period of hire• If the customer loses their employment during the period of hire

¹ [Cycle to Work Scheme guidance for employers \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/cycle-to-work-scheme-guidance-for-employers.pdf)

provide poor customer outcomes	
The total price of the product	The price of the product is equivalent to the market cost of buying the goods independently. There are no other costs associated with the product during the term of the hire agreement.
Target Market	<p>The Target market for this product is:</p> <ul style="list-style-type: none"> • Employed (PAYE) UK based individuals • Employees earning over minimum wage • Employees aged 16 or over (Over 18 preferable) • Employees who commute partly or wholly to a place of work
Types of Customers to whom the product would be unsuitable	<p>The product is not suitable for:</p> <ul style="list-style-type: none"> • Persons aged under the age of 16 • Non-PAYE employees or the self-employed • Persons earning minimum wage • People who do not commute to work (i.e. work from home) • People who want to own the goods rather than hire them
Needs and objectives of the target market	<p>People identified within the target market are likely to have the following needs and objectives: -</p> <ul style="list-style-type: none"> • Want to hire new cycling equipment for commuting or commuting and leisure purposes • Want a tax efficient product • Want to take advantage of fixed instalments for new cycling equipment
Characteristics of vulnerability that retail customers may demonstrate	<p>All types of vulnerability could be demonstrated by the target market at the point of inception or during the lifetime of the hire agreement. Cycle 2 Work have processes in place for assisting with characteristics of vulnerability and have appropriate processes if a customer's circumstances change during the period of the hire agreement. If any customer needs information in a different format or assistance with the agreement, then this can be offered by our trained colleagues.</p> <p>Please contact us if you need any assistance with customers who show characteristics of vulnerability.</p>
Distribution	The product is distributed either via Employers or Benefit Scheme Providers. Customers can apply via an online portal, a Benefit Scheme Provider (if applicable) or via a paper form with their Employer.
Additional Information	<p>If you require any additional information regarding this summary or about the Cycle 2 Work product, please do not hesitate to contact us at:</p> <p>-</p> <p>Cycle2.work@halfords.co.uk</p>

	Customers have the right to refer a complaint to the Financial Ombudsman Service if they feel we have not resolved their complaint satisfactorily.
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This information is to be used by Distributors only and must not be provided to any customers who use the cycle to work product.

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