

— The — **JARGON BUSTER**

J A R G O N

**No-nonsense finance terms explained (so you
actually know what you're signing)**

Not sure what a “flat rate” is?

Confused about who the lender actually is?

This glossary cuts through the finance waffle with plain-English definitions, real-world examples, and zero jargon.

If you're applying for finance, whether it's for scaffolding materials, a truck, or a VAT loan, you'll probably hear some of these terms. This guide will help you get your head around them so you can make confident decisions and avoid any nasty surprises later.

Use it. Bookmark it. Download it. Most importantly — **ask us if anything's still unclear.**



AGREEMENTS



Hire Purchase (HP)

A finance agreement where you pay monthly for an asset (like a truck or scaffold gear), and own it outright at the end.

Example: A £30k truck on HP over 5 years – you pay monthly, and it's yours after the final payment.

See also: Lease, Ownership, Deposit

Lease Agreement

You pay to use the asset but don't automatically own it at the end. Some let you buy it later for a fee, others don't.

Example: Leasing £25k of scaffolding over 3 years – cheaper payments, but you'd need to negotiate if you want to keep it after.

See also: Hire Purchase, Balloon Payment

Finance Agreement

The official contract between you and the lender. It lays out the terms of the deal – how much you're borrowing, over how long, and what you'll pay each month.

This is the legal bit you sign before the lender pays the supplier.

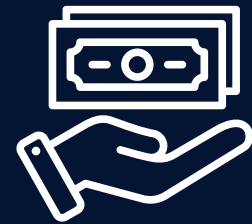
Balloon Payment

A larger final payment due at the end of some leases or HP deals, used to keep your monthly payments lower.

Example: A van with £8k balloon payment means you pay less each month, but owe £8k at the end.

See also: Lease Agreement

COSTS



Flat Rate

A fixed interest percentage applied to the original amount borrowed (not what you still owe).

Example: £25k at 4.5% flat over 5 years = £1,125 interest per year, every year.

See also: APR

APR (Annual Percentage Rate)

A figure that includes all interest and fees, shown as a yearly percentage of the amount borrowed.

Example: Flat rate might be 4.5%, but APR might be 8.7% once fees are included.

See also: Flat Rate, Fees

Deposit

The upfront amount you pay towards the asset. A bigger deposit usually means lower monthly payments.

Example: On £40k scaffold gear, a 10% deposit = £4,000 upfront.

See also: Finance Amount, Monthly Payment

What 'APR'
APR shows
percentage
What a do

Monthly Payment

What you'll pay each month to the lender. Usually includes interest. May vary by deal type, term, deposit, and rate.

Example: A £25k van over 60 months might be ~£460/month.

See also: Flat Rate, Term

Fees

Charges for setting up or managing your finance deal — sometimes added to your total loan or paid upfront.

Example: £295 doc fee might be added to the first payment or built into the total amount.

See also: APR





Broker

A company (like Scaffold Finance) that finds the best lender and finance deal for your needs. They're your go-between with the lender.

We don't lend the money ourselves — we arrange it, explain it, and make sure you're looked after.

See also: Lender, Finance Agreement

Lender

The company that provides the money for the finance. You repay them, not the broker.

Example: Scaffold Finance sets up the deal, but the loan comes from XYZ Finance Ltd.

See also: Broker

Guarantor

A person (often a director) who agrees to step in and repay the loan if the business can't.

Some lenders ask for this as extra security — especially for newer firms.

See also: Personal Guarantee



Personal Guarantee (PG)

A legal promise that if your business can't repay the finance, you personally will.

Example: *If your scaffold firm folds, you're still on the hook for the balance.*

See also: Guarantor, Risk

Default

When you miss payments or break the terms of the agreement.

This can damage your credit score and lead to repossession of the asset.

See also: Credit Score, Repossession

Repossession

If you fall behind on payments, the lender may take back the asset (like your van or scaffold gear).

Usually only after repeated missed payments and warnings.

See also: Default, Asset

COMMON DOCS



Quote

A breakdown of your potential finance deal — monthly payments, term, deposit, and rates.

Not binding — it's a starting point to help you decide.

See also: Finance Agreement, Proposal

Proposal

The formal application sent to the lender written by Scaffold Finance. It includes your business info, what you're buying, and what terms you're after.

We usually submit this for you just send us the key info.

See also: Quote, Finance Agreement

Credit Report

Shows your financial history — lenders use this to assess risk.

They'll look at your business credit, and sometimes your personal one too.

See also: Underwriting, Default

Underwriting

The lender's process of checking your creditworthiness and approving (or declining) the deal.

May involve reviewing bank statements, credit reports, or speaking with your accountant.

See also: Credit Report, Proposal



Still unsure about a term? Just ask.

This glossary is here to help you feel confident, not confused. Whether it's your first time using finance or you've done a few deals before, knowing what things really mean can make a big difference.

And remember; this isn't financial advice. Just scaffolder-friendly explanations to help you make sense of things. Always speak to a professional if you're unsure.

Finance built **for** **scaffolders**

From scaffolding materials to VAT loans, Scaffold Finance helps you get the finance you need. Fast quotes, clear terms, and flexible options that fit your business.

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A faint, stylized illustration of a multi-level scaffolding structure with stairs, rendered in a light blue-grey color, serving as a background for the lower right portion of the page.

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FINANCE**