

YOUR FINANCE CHOICES

FINANCE LEASE

PRODUCT INFORMATION

Finance Lease is a rental arrangement where at the end of the agreement you can share the potential rewards of the resale value of the hired vehicle.

KEY FEATURES

Finance Lease is a rental arrangement for business customers. You will not own the vehicle. There are two types of Finance Lease agreement – ‘balloon’ payment and ‘full pay out.’ This page explains ‘balloon’ payment – Finance Lease.



Initial rental
As little as one months' rental

Cost of leasing your vehicle

Rental payments
Spread across 12 to 48 months

Final 'balloon' payment
You have two options at the end of your agreement

There are two factors that will affect your monthly rentals:

Your Preferred Deposit Amount
Choose to pay a lump sum or between 1 & 6 advanced rentals

Final 'balloon' payment
Defer an agreed amount until the end of the primary hire period. This is known as a 'balloon' payment to drive each year

IMPORTANT POINTS

Business users

Finance Lease agreements are available for all business user customers. Finance Lease is suited to VAT registered businesses but is not available to customers intending to use the vehicle for hire and reward purposes*.

Advantages of a 'balloon' payment Finance Lease

- Opportunity to receive 100% of any equity in the vehicle once the balloon payment has been paid. The sales proceeds are not guaranteed to cover the final 'balloon' payment.
- Potential for lower monthly rental payments compared to full pay out agreement.
- Depending on level of business use, an element of the VAT on rentals may be recoverable by VAT registered businesses¹.
- A proportion of rentals may be claimable as an expense against taxable profits¹.

Important

- You must keep up to date with your monthly payments. Contact us if you are having any payment difficulties as your possession and use of the vehicle may be at risk if you don't keep up to date.
- You are responsible for the payment of the final 'balloon' payment, regardless of whether or not the vehicle sales proceeds cover it, or if you enter into a secondary hire period.

- You must comprehensively insure the vehicle.
- You must keep the vehicle maintained, serviced and in good condition as this will affect the vehicle's resale value, and your potential to receive a rental rebate from sales proceeds.
- Finance Lease agreements are intended to run their full term and not to be settled early, but if you wish to do so, you can request a settlement quote. The settlement figure will be based on the amount of rentals left to pay and the sum of your final balloon payment.

End of primary hire options

- At the end of your primary period of hire you have two options:
- Sell the vehicle on behalf of Toyota Financial Services as our agent to an unconnected third party and then settle the final 'balloon' payment. If the vehicle sale price is more than the final balloon amount, you will receive 100% of the difference.
 - Settle the 'balloon' payment and enter into a secondary hire period, paying an annual 'peppercorn' rental to retain the use of the vehicle.

Ownership of the vehicle

As a lessee, you will not own the vehicle.

¹ Customers are responsible for establishing their tax and VAT status, liability and benefits, Toyota Financial Services does not provide advice and makes no representations or guarantees.