

# Keyzy Customer Guide

How It Works, and  
Frequently Asked Questions

November 2022



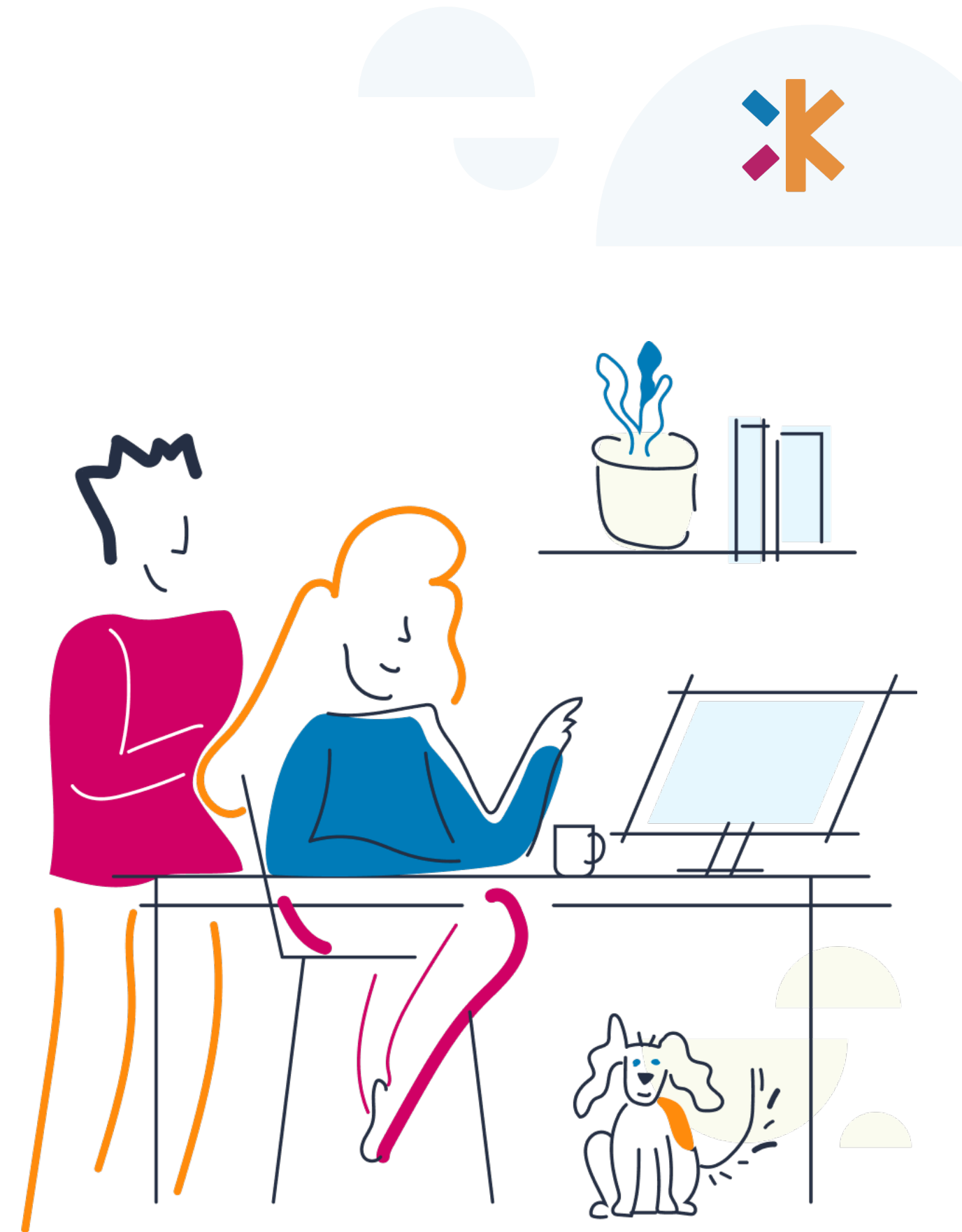
## Step 1

# Find out your home buying budget

In a few questions, get an estimated budget for your new home.

It takes 90 seconds. Fill out a short application form and we'll send you a Budget in Principle. This will be the maximum budget that Keyzy will offer to buy you a home.

Depending on your income and outgoings we might be able to buy a home up to 6 times your income while traditional mortgage lenders may only offer 4.5 times.





## Step 2

# Search for your ideal home

The hunt is on! Find the home you like and make an offer that makes sense to you.

You can look for any home, new and old, big and small. Your local estate agent or a property website will be able to show you homes within your budget.

Once you've found one you like, let us know and we will put in an offer that makes sense for you. The lower the price of the home the lower your monthly payments and future buy-back price. We do our best to make sure you get a good deal!



## Step 3

# Keyzy buys the home for you

You can sit back and relax because Keyzy manages the home buying process.

Keyzy will do a detailed review of you and the home to make sure everything is fine. Once we're happy, we will then make you an offer before buying the home for you.

Our offer includes your lease length, monthly payment amount, and the locked-in price for the home so you're protected from price increases.

We take care of all the boring stuff like surveys, legal process and buildings insurance. Easy Keyzy!





## Step 4

# Move into your new home

Treat the home like your own and start working towards owning it.

Time to move into your new home. You will sign your lease agreement, pay your one off product fee and first month's rent and the keys are in your hand.

Your monthly payments are locked. No increases! Up to 25% of these payments are converted into reducing your future buy-back price for when you buy the home from Keyzy later on. So the price you have to pay for the home actually goes down over time! This will help you build up a deposit.



## Step 5

# Buy the home when you're ready

At the end of your lease it's time to buy, extend, or sell and keep your gains.

You can buy the home from Keyzy whenever you want. If it's before the end of your lease you'll need to pay a 1% early exit fee.

The buy-back price for your home will be the price we paid for it, plus the costs we incurred buying it, minus all your converted payments. Even if property prices have gone up you get to keep all the gains and use them as your deposit. You can apply to extend your lease if you are not ready to buy your home.

If you don't want to buy the home or want to move home early you can find another buyer and walk away with the gains if there are any.



# Who can join Keyzy?



## You don't have a deposit

Most lenders won't look at you if you don't have at least a 10% deposit. Many first time buyers can't rely on the bank of mum and dad either. Keyzy buys the home on your behalf, so you don't need to have savings. Easy!



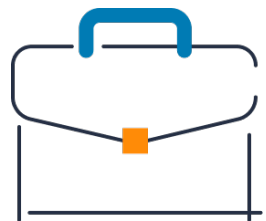
## A mortgage doesn't stretch far enough

Lenders cap their offers up to four and a half times your income so people get priced out of their local area. Keyzy can buy homes up to six times your income, depending on your circumstances.



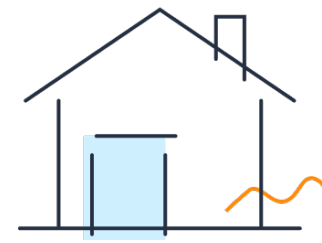
## You recently moved to the UK

If you're living and working in the UK but don't have a credit history here you can be locked out of buying a home. Keyzy can help you get a foot on the ladder while you build up credit.



## You're self-employed or in a new job

It can be difficult borrowing money to buy a home when you are self-employed. Or you might have recently changed jobs. We take your full financial circumstances into account to make sure you can afford Keyzy.



## You're renting but unable to buy

We've all heard the story; you've been renting a place for years, but banks won't lend to you to buy it. It makes no sense, especially if the monthly payments are less than your current rent. If you can afford to rent it you can afford to buy it.



## You don't have a perfect credit score

We take your full financial circumstances into account to make sure you are able to afford Keyzy. Our goal is also to help you buy the home at the end of your lease. Having issues with your credit history doesn't exclude you from Keyzy

# Frequently Asked Questions



## Finding out your budget

### **How do I find out my budget?**

We are currently granting access on a first-come, first-served basis to apply for your budget in principle. In the meantime, you can use our [budget calculator](#) to get an idea of what it could be and [join the waitlist](#).

### **How long is the Budget in Principle valid for?**

Your budget in principle is valid for 28 days from issue, and can be renewed by getting in touch with us.

### **How is my maximum budget calculated?**

It's based on your income and where you want to live. We want to make sure it's something you could afford, and is not capped at four and half times your income like traditional mortgage lenders.

### **How are my monthly payments calculated?**

Your monthly payments are based on the value of the home and typical rental amounts in your area for similar properties. Also, up to 25% of your monthly payments are converted into reducing the future buy-back price you pay for the home later.

### **How much deposit do I need?**

You don't need a deposit. That's the beauty of Keyzy! If you have savings you can keep hold of them until you're ready to buy the home. We also convert up to 25% of your monthly payments towards reducing the price you pay for the home later.

### **What is the minimum household income required?**

You need to have a minimum household income of £30,000 before tax.



# Frequently Asked Questions

## Finding a new home

### **Do you accept all types of property?**

We accept properties that can be occupied straight away and do not require refurbishment or renovation to meet a liveable standard. For leasehold properties, there should be at least 100 years remaining on the lease. We are also not currently buying studio flats or 1 bed homes less than 400 sqft.

### **How long will it take between applying and moving in?**

We buy properties quicker than most individuals as we have efficient processes and in-house specialists. However, property purchases can be subject to unforeseen delays that we can't predict. We'll keep in regular contact with you every step of the way so you know what is happening.

### **What happens if I can't pay my monthly payments?**

We do our best to make sure your monthly payments are affordable before you sign the agreements and move in. Please get in touch if you find yourself with financial challenges, as we will try to work out ways to support you.

### **How do I decide which home to buy?**

Once you have your Budget in Principle you can use it to look for homes for sale. Let us know when you've found one you like, complete a full application and, subject to approval, we'll negotiate to get you the best deal possible.

### **What happens if the sale falls through?**

You can find another property without needing to re-apply from scratch.

# Frequently Asked Questions

## Applying to Keyzy (1/3)

### **What are the basic eligibility criteria?**

You will need to be over 18 and have the right to live in the UK. We will also do an industry-standard check on you using secure and modern technology including:

- Verifying your income and outgoings (using Open Banking)
- Checking for fraud and bankruptcy (using Credit bureaus)
- Reference checks with landlords and employers

### **Are there any hidden fees?**

No. You pay a £1,999 (for first time buyers) or 2,999 up-front product fee. This can be refunded if we don't end up completing the process with you. There is a 1% early exit fee if you buy the home from us before the end of your agreed lease. There's a 2% early exit fee if you chose to sell the home to another buyer. Your monthly payments stay the same for the full duration of your lease. No increases.

### **Do I need a perfect credit score?**

No. But we do take into account your income and spending behaviour over the past year to make sure you can afford the monthly payments and are not likely to miss any payments. You must have no active IVAs, or can demonstrate your IVA will be settled within next 3 months

### **Do you run a credit check?**

We run a soft credit check with a credit referencing agency to ensure suitability.

# Frequently Asked Questions



## Applying to Keyzy (2/3)

### **How do you decide how much of my rent is converted?**

Up to 25% of your rent is converted towards reducing your future buy-back price. This might be a lower percentage based on your ability to afford the monthly payments.

### **Can I add my savings as a deposit?**

Keyzy is a zero deposit solution. If you have savings, you can keep them and keep growing them. When it's time to buy the home from us you can use your savings to increase your deposit.

### **Do I need to get legal advice?**

Yes. Just like when buying a home, you will need to talk to a solicitor to guide you through the legal documents before signing. We will offer a panel of solicitors for you to choose from to help. This will be at your cost.

### **Can I get help from family?**

If applying to jointly with a family member, both of you must live in the home as your main residence. At the moment we don't offer an option to use a guarantor.

### **I'm not a First Time Buyer, is Keyzy still for me?**

Of course. Keyzy is designed to assist where a mortgage cannot, and is not exclusively for First Time Buyers.

# Frequently Asked Questions

## Applying to Keyzy (3/3)

### **How many people can apply with me?**

We currently accept up to 2 applicants. Please get in touch if you would like to apply with 3 or more applicants.

### **I'm married, do we both need to be on the application?**

If you are married or in a civil partnership you will need to add your partner to the application. This is because you are financially linked, and most mortgage companies will want to do this when it is time to buy. If your partner is not working or receiving an income, they will still need to be on your application.

### **I have several income sources. Will this be an issue?**

We accept multiple income sources when determining a budget and your monthly payments, including salary, bonus, commission, benefits and other income sources.

### **I'm self employed. Will it be difficult to get approved?**

No. As long as you meet the eligibility criteria and our checks on you and the property are good, so are you!

### **I have a few late payments on my record, will this impact my application?**

We take your full financial circumstances into account when deciding your offer. Late payments might have an impact depending on how many, how much and what they were for.

# Frequently Asked Questions

## Living with Keyzy (1/2)

### **Who is responsible for maintenance of the home?**

You are responsible for wear and tear and day-to-day upkeep. Keyzy will be responsible for any insurable costs such as storm damage or burst water pipes.

### **Will my rent increase or decrease?**

Your monthly payments are fixed for the duration of the lease.

### **How long is the lease I sign?**

The lease will be between 3 to 7 years. The longer your lease the more you reduce the price you pay for the home at the end. You can leave your lease at anytime if you find another buyer. You can keep any gain in home value and will need to pay a 1% early exit fee (2% if sold to a third party buyer).

### **Who owns the property and who pays for it?**

Keyzy buys the property for you, and remains the owner until you are ready to buy it from us.

### **Do I need to pay for buildings insurance?**

No. Keyzy is responsible for buildings insurance until you buy the home, as we are the landlord.

# Frequently Asked Questions

## Living with Keyzy (2/2)

### **Who pays for stamp duty and do I get a discount?**

Keyzy pays the stamp duty up front when we buy the home. This forms part of your locked-in price. For example, if we buy a home worth £200,000 it might cost us a total of £215,000 to complete the purchase including stamp duty and legal costs. To buy the home from Keyzy you will need to pay £215,000 minus any converted payments you've already made. You will also need to pay stamp duty to buy the home later. If you are a first time buyer you will be able to take advantage of any discounts offered at the time.

### **What are my rights as a renter?**

You can stay in the property for the full duration of your lease as long as you make your monthly payments, like a traditional rental agreement (assured shorthold tenancy).

### **Can I make additional overpayments?**

No. Your converted payment amounts are fixed for the duration of your lease.

### **What happens if I want to move somewhere else?**

At the end of your lease you are free to leave. Nevertheless we want you to get any potential increase in the property value. You can find a buyer for the home at any time during your lease, and keep all the upside (less a 2% fee). You just need to make sure it is sold at a price equal or above the original purchase price including our costs. You also get up to 25% of your rental payments back (minus an early exit fee).

# Frequently Asked Questions



## Buying your home, or walking away

### **How much do I pay Keyzy to buy the home?**

If you choose to buy, the price you pay will be made up of the original purchase price we paid for the home plus our costs (e.g., stamp duty and legal fees). This price is agreed before your lease starts. Each month, up to 25% of your rent payments go towards reducing the eventual price you pay. In other words, your purchase price can go down over time.

### **What's the difference between the Locked-in price and the Future Buy-back price?**

The Locked-in price is the price we pay to buy the property including stamp duty and legal fees. If the value of the property goes up, it does not affect the price you pay to buy it from us. The Future Buy-back price is the price you pay to buy the home from Keyzy. This is calculated by taking your Locked-in price and reducing it by your accumulated converted payments. You can buy the property at any point for Locked-in price minus your accumulated converted payments.

### **How do you decide the Future Buy-Back price?**

Your future buy-back price will be made up of the locked-in price (the price we paid to buy plus stamp duty and legal fees) and then reduced by your accumulated converted payments. If you choose to buy the home before the lease ends, the buy-back price might be higher as you won't have accumulated as much in converted payments.

### **What if the home is worth less at the end of the lease?**

Your option to purchase the property remains intact, even if the property decreases in value. Subject to approval, the lease can be extended so you can continue working towards owning your home.

### **What if I can't get a mortgage at the end of the lease?**

You may be able to extend your lease agreement (up to a combined maximum of 10 years) while you get ready to buy. If you still can't get a mortgage you can find another buyer and walk away with the gains (if the property value has increased).

# Frequently Asked Questions

## Other FAQs

### **How does Keyzy make money?**

Simple, we make money from your monthly payments. You keep your converted payments and any gain in the property value, if there is one, when it's time to buy it from us.

### **Is Keyzy regulated?**

Keyzy's offering does not fall within the scope of financial services regulation. You should ensure that you understand what this means before you use the Keyzy product. The FCA guidance on dealing with non-regulated bodies is that all risks and benefits must be explained. We insist every client has independent legal advice before entering into a contract so you understand the proposition and the risks and benefits associated with it.

### **How is this different from a mortgage?**

Keyzy buys your home for you to live in. You don't pay us interest like a mortgage. Instead you pay Keyzy rent while you get ready to buy. At the end of your lease with Keyzy you may need a traditional mortgage to buy the home.

### **What is the difference between this and shared ownership?**

There is only one party who owns the home - Keyzy. You have an exclusive contractual right to buy the home from Keyzy at the end of your lease, or anytime before subject to a small fee. Shared ownership means multiple parties own different proportions of a property, and the value is shared proportionately as the price goes up or down.

### **What happens if Keyzy goes bust?**

Your lease is protected in the unlikely event that Keyzy goes bust. You can continue renting the home until the end of the lease period. If Keyzy's lenders choose to sell the home, you receive your converted rent and any increase in home value. You also get right of first refusal to buy the home at market value.

### **What if I need to complain?**

You can direct questions and complaints to [support@keyzy.com](mailto:support@keyzy.com). Keyzy is a member of the Property Redress Scheme, and complaints can also be directed to them.

### **What do you do with the information I give you?**

Please read our [Privacy Policy](#) for more information.



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