PAYMENTS AND MONEY FLOW

Payments Terms of Service

How money moves between Guests, BabuSpace and Hosts, who holds it, and who is responsible for what at each step.

BS-POL-002 · Version 1.0 · Effective 15 October 2026 · Live
Applies to: Guests, Hosts and any Member who pays or receives money through the Platform · Governing law: England and Wales ·

These Payments Terms explain exactly how money moves when a booking is made on BabuSpace. They matter because BabuSpace does not work the way a hotel or a tour operator works. We do not sell you accommodation. We introduce Guests to Hosts, we collect money on the Host's behalf, and we take a fee for doing it. Everything below follows from that single fact.

1. Who we are and what we are not

1.1 The Platform is operated by BabuSpace Ltd, a company registered in England and Wales under company number 17291878, with its registered office in Holborn, London ("BabuSpace", "we", "us").

1.2 BabuSpace acts as a **disclosed agent** for the Host in relation to each Booking. The contract for the accommodation is formed directly between the Guest and the Host. BabuSpace is not a party to that contract, is not the supplier of the accommodation, and does not own, control, manage, offer, deliver or inspect any Listing.

1.3 BabuSpace is **not** a bank, an electronic money institution, a payment institution, an insurer or an insurance intermediary. We are not authorised or regulated by the Financial Conduct Authority.

1.4 We are able to say this because of how the money flow is built. Guest funds are received, held and settled by our licensed payment service providers, not by BabuSpace. We instruct those providers; we do not hold your money on our own balance sheet as a payment service.

> **Why this is structured the way it is**
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> Under the Payment Services Regulations 2017, a business that receives funds from a payer for onward transmission to a payee is generally carrying on a regulated activity unless an exclusion applies. BabuSpace relies on not being in the funds flow at all: our payment service providers are the regulated parties. Any change to this architecture must be assessed before it is implemented.

2. Our payment service providers

2.1 Card, wallet and bank-transfer payments are processed by **Stripe Payments UK Ltd** and its group companies ("Stripe"), which are authorised in the relevant jurisdictions to provide payment services.

2.2 Where a Guest pays using a local payment method in a market we serve, that payment may be processed by a local licensed provider appointed by us. The provider used for a given Booking is disclosed at checkout before payment is taken.

2.3 Hosts who receive payouts through the Platform are onboarded to a connected account with the relevant provider. Hosts must accept that provider's own terms of service. Those terms sit between the Host and the provider. BabuSpace is not a party to them and cannot vary them.

2.4 Our providers carry out their own identity, sanctions and anti-money-laundering checks. A provider may delay, freeze or reject a payment or payout for its own compliance reasons. Where that happens, BabuSpace will tell the affected Member what we are permitted to tell them, but we cannot override the provider's decision.

3. What the Guest pays

3.1 At checkout the Guest is shown a **single total price**. That total includes the nightly rate, any Host-set cleaning or additional-guest charges, the BabuSpace Guest Service Fee, and any taxes that are collected at the point of booking.

3.2 We do not add unavoidable charges after the price has been displayed. The total shown first is the total charged, subject only to changes the Guest chooses to make (for example adding a night or a guest).

3.3 Currency. Prices may be displayed in a currency other than the currency in which the Host is paid. Where that happens, the exchange rate applied and any conversion margin included in it are disclosed at checkout. The Guest's own bank may apply a further charge for an international transaction; that charge is between the Guest and their bank.

3.4 Authorisation and capture. Depending on the payment method and the booking window, we may authorise a payment at the time of booking and capture it later, or capture it immediately.
Which applies is shown at checkout.

4. What the Host receives

4.1 The Host receives the Accommodation Price less the Host Commission and less any amounts properly withheld under these Terms, the Cancellation Policies (BS-POL-010) or the Resolution Centre Policy (BS-POL-015).

4.2 **Payout timing.** Unless a different timing is agreed in writing, a payout is released approximately 24 hours after the Guest's scheduled check-in time. This protects both sides: it gives the Guest a window to raise a Reservation Issue, and it gives the Host certainty that funds are released once the stay has begun.

4.3 For stays of 28 nights or longer, payouts are released monthly, with the first instalment released approximately 24 hours after check-in.

4.4 A Host cannot receive a payout until identity verification and payout details are complete and have passed our provider's checks. Where a Booking completes before verification is finished, funds are held by the provider until it is.

4.5 Payout currency. Hosts are paid in the currency of their nominated account. Where conversion is required, the rate applied at the time of settlement is shown in the Host's transaction record.

5. Fees, and what they are for

5.1 BabuSpace charges a **Host Commission of 10%** of the Accommodation Price and a **Guest Service Fee of 5%** of the Accommodation Price. Together these make up our 15% headline take rate. Both are inclusive of VAT where VAT applies.

5.2 The Guest Service Fee is consideration for the Guest-facing service: search,
GuestVerification, secure payment handling, messaging, customer support and access to the Resolution Centre.

5.3 The Host Commission is consideration for the Host-facing service: listing distribution, pricing tools, payment collection, guest screening and support.

5.4 Full detail, worked examples and refundability sit in the Service Fees Policy (BS-POL-004).

6. Failed, reversed and disputed payments

6.1 If a payment fails, we may retry it, offer an alternative method, or cancel the Booking. A Booking is not confirmed until payment or a valid authorisation is in place.

6.2 **Chargebacks.** If a Guest raises a chargeback with their card issuer, the funds may be withdrawn from the transaction by the issuer while the dispute is investigated. We will defend a chargeback where the evidence supports the Host, and we will ask the Host for evidence. Where a chargeback succeeds and the funds have already been paid out, we may recover the amount from the Host's future payouts or invoice the Host directly.

6.3 We ask Guests to use the Resolution Centre before raising a chargeback. A chargeback raised without first using the Resolution Centre removes our ability to resolve the matter quickly and may take substantially longer.

6.4 **Set-off.** We may set off any amount a Member owes us against any amount we owe that Member.

7. Errors and overpayments

7.1 If a payment or payout is made in error, in the wrong amount, or to the wrong Member, we may correct it. That includes reversing a payout, adjusting a future payout, or requiring repayment.

7.2 If you notice an error in an amount charged or received, tell us within 60 days of the transaction date. We will investigate any report made after that period but our ability to recover funds may be limited by our providers' own time limits.

8. Fraud, sanctions and unusual activity

8.1 We and our providers monitor for fraud, money laundering, sanctions exposure and unusual activity. We may pause a Booking, hold a payout, request additional information, or decline to act.

8.2 We do not do business with any person or in any territory subject to applicable sanctions.

8.3 Where we hold a payout for a compliance review, we will tell the Host that a review is in progress and how long we expect it to take, to the extent we are legally permitted to do so.

9. Taxes

9.1 Fees charged by BabuSpace are stated inclusive of VAT where VAT applies. A VAT invoice or self-billing document is available in the Member's account.

9.2 BabuSpace does not calculate, collect or remit tax on the accommodation itself unless we say so explicitly for a specific jurisdiction, or unless we are legally required to. Where we do, it is disclosed at checkout.

9.3 Hosts are responsible for their own tax position. See the Taxes Policy (BS-POL-007), which also explains our reporting obligations to tax authorities.

10. Your responsibilities

- Keep your payment and payout details accurate and current.
- Use payment methods you are legally entitled to use.
- Do not use the Platform to move money that is not connected to a genuine Booking.
- Tell us promptly if you think your account has been compromised.

11. Complaints and changes

11.1 Payment complaints should be raised through the Resolution Centre in the first instance. If you are not satisfied with the outcome, write to info@babuspace.uk marked "Payments Complaint". We will acknowledge within 3 business days and aim to resolve within 20 business days.

11.2 We may change these Payments Terms. Where a change is material and affects existing Members, we will give at least 30 days' notice before it takes effect. Continued use of the Platform after that date is acceptance.

11.3 These Terms are governed by the law of England and Wales. Nothing here removes a consumer's right to bring proceedings in the courts of their own country of residence where the law gives them that right.

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