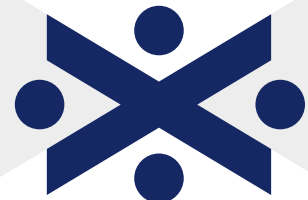


COMMERCIAL BANKING

Insurer Trust Account, Segregated Funds & Safeguarding Accounts

Terms and Conditions
June 2022



**BANK OF
SCOTLAND**

General Terms and Conditions for an Insurer Trust Account, Segregated Funds and Safeguarding Accounts

1. Your Account

- 1.1 Unless otherwise stated, these Terms and Conditions apply to your Account and any relevant Account Letters. This document together with your application forms your agreement with us in relation to the Account ("Agreement").
- 1.2 This Agreement replaces any terms and conditions or other agreements or authorities that may have applied to your Account. In the event of any overlap and/or inconsistencies between these terms and conditions and any other terms and conditions relating to any of our other products and services, the terms and conditions relating to such other products and services will take precedence in respect of those products and services.
- 1.3 If you have an Insurer Trust Account, you agree to request and receive the Insurer Trust Account Acknowledgment Letter and that their terms contain therein form part of the Agreement.
- 1.4 If you have a Safeguarding Account, you agree to request and receive the Safeguarding Account Letter and that their terms contained therein form part of the Agreement.
- 1.5 If you have a Segregated Funds Account, you agree to request and receive the Segregated Funds Account Acknowledgment Letter and that their terms contain therein form part of the Agreement.
- 1.6 If we or you have not sent any of the letters referred to above, this does not affect the incorporation of their terms into the Agreement, the terms of which have been made available to you.
- 1.7 Your Account will be held with Bank of Scotland plc. The Registered and Head Office of Bank of Scotland plc ('the Bank') is, The Mound, Edinburgh EH1 1YZ. Registered in Scotland No. SC327000.
- 1.8 Subject to any legal or regulatory requirements which may apply to your Account you authorise us to act upon any instruction, agreement or arrangement that is in accordance with "Your Authority to operate accounts" ("the Authority") without our enquiring about the purpose, the payee, the disposition of the payment proceeds or the circumstances in which any of your instructions are given. We may from time to time require you to sign in another way from the instructions which you have provided in this Authority for non-payment transactions. We will inform you of our signing requirements at the time you apply for a particular product or service. You will be responsible to us for all or any of the debts or liabilities on your accounts.
- 1.9 You acknowledge that any individual (whether or not listed in your application or Authority) can access your Account if they pass our standard customer verification procedure on any of your accounts or if they already have an established relationship with you which is recorded on our records. Our standard customer verification procedure can be passed by anyone who has access to your bank statements and banking information. It is therefore important that you keep your bank statements and banking information in a secure place and do not disclose them to anyone whom you do not want to have access to your Account.
- 1.10 You may cancel or amend your Authority by writing to us at your branch or wherever your relationship manager is based or by completing and signing the form that we provide for that purpose and sending it to us at your branch or wherever your relationship manager is based.
- 1.11 If we agree to fix any condition for a certain time, we will not change it during that time.
- 1.12 We reserve the right to decline to open an account.

- 1.13 You give us your explicit consent (or have obtained the explicit consent of the relevant individual) for us to access, process and keep any personal information that you provide to us for the purposes of providing payment services to you. This won't affect any rights any of us have under data protection legislation. You can withdraw your consent by ending your agreement with us.
- 1.14 You must provide us with all reasonable assistance that we request in dealing with any questions we have about your Account.

2. Liability

- 2.1 General
 - 2.1.1 You must notify us by telephone or in writing as soon as possible after you become aware of any incorrectly executed transaction or any unauthorised transaction on your Account and at the latest within 13 months of when the payment left or should have left your Account (as applicable), otherwise we may not be liable to you. You can do so by contacting us on the telephone number or at the address given in the Need to Know brochure as updated from time to time.
 - 2.1.2 You will be liable for all unauthorised transactions on your Account if you have acted fraudulently.
 - 2.1.3 When giving us payment instructions (other than by cheques or in respect of the SEPA Debtor DD Service) you must provide us with the payee bank's Faster Payments Service enabled Sort Code and Account number, or where applicable, their IBAN number and, if required, BIC number, full name and address, the payee bank's SWIFT address or National Clearing Code for your payment instructions to be properly executed. If you fail to provide the correct details we will not be liable should a transaction not be capable of being properly executed although we will where relevant use all reasonable efforts to recover your payment. We reserve the right to charge you a fee to cover our reasonable costs for so doing. Where we are unable to get the money back, you can send us a written request and we will then provide all the relevant information we can in order for you to claim repayment of the funds. We will only provide you with information that we are allowed to provide to you by law.
 - 2.1.4 We will not be liable for:
 - ▶ any losses not directly associated with the incident that may cause you to claim against us whether or not such losses were reasonably foreseeable; nor
 - ▶ any loss of profits, loss of business, loss of goodwill or any form of special damages; nor
 - ▶ any losses associated directly or indirectly with our failing to make a payment because you have not provided us with the required or correct details.
 - 2.1.5 You are responsible for ensuring that cheques issued by you are correctly and legibly completed and signed.

2.2 Micro-enterprises

The provisions of this clause 2.2 shall apply if you are a Micro-enterprise.

- 2.2.1 If we fail to execute (other than in situations where you have not provided us with all of the required information) or incorrectly execute a payment transaction or cheque payment on your Account, we will refund the amount of the transaction or payment to your Account unless the payment was received by the payee's bank. We will also refund to you any interest and charges directly incurred by you on your Account and pay you any interest you have missed out on so that it is as if the defective payment transaction had not taken place.
- 2.2.2 Where we are liable for an unauthorised transaction on your Account or any unauthorised cheque payment on your Account, and subject to you complying with any security obligations that we have notified to you relating to the relevant payment instrument (including the security obligations set out in the terms and conditions for the relevant payment instrument), we will refund to your Account the amount of the transaction or payment and any interest and charges directly incurred on the Account as a result of the transaction or payment if the payment was in fact unauthorised. Beyond this we will have no further liability for an unauthorised transaction.
- 2.2.3 When we are assessing whether a payment transaction was authorised by you we cannot necessarily treat the use of the payment instrument as sufficient evidence of such authorisation, although this is one of the factors that we will take into consideration.
- 2.2.4 Where a payment instruction is initiated by a payee (e.g. a direct debit),
- and you are the payee, our responsibility is limited to correctly transmitting the payment order to the payer's bank. If we have failed to do so, we will immediately re-transmit the payment order to the payer's bank and, on receipt of the funds from the payer's bank, we will make the funds immediately available and refund to your Account the amount of any interest and charges incurred on the Account or pay any interest you have missed out on so that the Account is in the position it would have been had the transaction been executed correctly;
 - and you are the payer, we are only responsible to you for a failure to execute the payment transaction or for incorrectly executing the payment transaction if the payment order has been correctly transmitted to us.

2.3 Non-Micro-enterprises

Clause 2.2 shall not apply if you are not a Micro-enterprise. Instead this clause 2.3 shall apply, and the provisions of the Payment Services Regulations 2017 that deal with incorrectly executed and unauthorised transactions shall be disapplied and replaced as provided for herein.

- 2.3.1 If we fail to execute (other than in situations where you have not provided us with all of the required information), or incorrectly execute a payment transaction on your Account, we shall be liable to you for any reasonable losses incurred by you but only if they arise directly from our breach of this Agreement or our negligence, and if in the ordinary course of events and with the knowledge we had, we might reasonably have expected such loss to result directly from such breach or negligence. Our liability pursuant to this clause 2.3.1 shall be limited:
- to the amount (if any) necessary to reimburse you as required by law in respect of the transaction pursuant to which our breach or negligence occurred; and
 - to the amount of any interest and charges directly incurred by you on the Account that would not have been incurred otherwise.

Beyond this we shall have no further liability to you for a failure to execute properly or a failure to execute at all for any reason.

- 2.3.2 Where you have told us that there has been an unauthorised transaction on your Account you will be liable for such transactions unless we are reasonably satisfied that the transaction was unauthorised. If the transaction was unauthorised and subject to you complying with any security obligations that we have notified to you relating to the relevant payment instrument (including the security obligations set out in the terms and conditions for the relevant payment instrument), we will refund to your Account the amount of the transaction and any interest and charges directly incurred on the Account as a result of the transaction and pay you any interest you have missed out on so that it is as if the unauthorised transaction had not taken place. Beyond this we will have no further liability to you for an unauthorised transaction.
- 2.3.3 When we are assessing whether a payment transaction was authorised by you:
- we can treat the use of the payment instrument as sufficient evidence to show that the payment was authorised by you or that you may have acted fraudulently or that you may have intentionally or with gross negligence failed to:
 - take all reasonable steps to keep the payment instrument safe; or
 - use the payment instrument in accordance with this Agreement.
- 2.3.4 We shall not be liable for the defective execution or payment of cheques unless we are negligent or in breach of contract. If you tell us that there has been an unauthorised cheque payment on your Account we will only be liable to you if we are reasonably satisfied that the cheque payment was not authorised by you. If we are liable to you under this clause 2.3.4 we will refund to you the amount of the payment, to the extent the payment has been wrongly paid away, and any charges or interest you paid as a result of it, and pay you any interest we would have paid you on that amount, but beyond that we will not have any further liability to you.

- 2.4 Nothing in this clause 2 excludes our liability for fraudulent misrepresentation by us, our employees or agents, our liability for death or personal injury caused by our negligence or the negligence of our employees or agents, or any other liability on our part which cannot be excluded by law.
- 2.5 If we receive a payment to you from another bank but we fail to comply with our legal obligations in relation to crediting your Account, we will immediately make available the amount of the payment to you and credit the corresponding amount to your Account and refund you any charges you have incurred due to our failure. We will also pay/refund any interest to you so that it is as if you received the payment when you should have done.
- 2.6 If you ask us to make a payment to someone else in the UK or EEA and the recipient's bank receives it later than set out in clause 8.1, you can ask us and we will contact the other bank and ask them to correct the amount of interest and charges on the Account with their customer (so that it is as if the payment was received on time).
- 2.7 We will, if you ask us to, immediately and without charge, make efforts to trace any incorrectly executed payment free of charge and we will notify you of the outcome.

3. Force Majeure and Sanctions

- 3.1 Notwithstanding anything to the contrary in this Agreement, if we are prevented, hindered, or delayed from or in performing any of our obligations under this Agreement due to abnormal and unforeseeable circumstances beyond our control (including any strike, lock-out, labour dispute, act of God, war, riot, civil commotion, malicious damage, compliance with a law or governmental order, rule, regulation or direction, accident, breakdown or other failure of equipment, software or communications network, fire, flood, or other circumstances affecting the supply of goods or services), then we shall not be liable to you or be obliged to perform our obligations under this Agreement to the extent that we are prevented, hindered or delayed in our performance by the abnormal and unforeseeable circumstances beyond our control.

- 3.2 We and/or any member of the Lloyds Banking Group may be subject to sanctions and/or embargoes imposed by the international community including the UK, EU, UN and the USA. We may not accept instructions and may refuse to make any payment or take any action pursuant to an instruction if it would result, or in our reasonable opinion is likely to result, in a breach by us or any member of the Lloyds Banking Group or any of their respective employees of any sanction or embargo whether or not imposed in the UK and we will not be liable for any loss, damage, cost or expense by reason aforesaid. We shall be permitted to disclose to the relevant authorities such information in relation to any instruction and/or payment as may be required.

4. A. Running your Account

- 4.1 Where there are transactions on your Account, we will provide you with a bank statement at least once a month for your Account to help you manage your finances, unless we agree with you that the information is made available to obtain, either online, in branch or via telephone banking.
- 4.2 If we need to investigate a transaction on your Account we may require you to co-operate with us and the police, if we need to involve them. We may need you to give us confirmation or evidence that you have not authorised a transaction. In certain circumstances we may refuse to accept a payment into the Account.
- 4.3 The authorised signatories are not permitted to allow the Account to become overdrawn.
- 4.4 If the Account does become overdrawn unauthorised borrowing will be charged at the applicable rates and other charges may also be incurred. These rates and charges are in our Charges Brochure and are also available on our website at bankofscotlandbusiness.co.uk. Interest is calculated on the cleared daily balance of unauthorised borrowing and is payable for the duration of the unauthorised borrowing. Interest and charges may vary from time to time in accordance with clause 12.
- 4.5 You will inform us in writing if you wish to issue cheques signed with the facsimile or other printed signature of an authorised signatory (for example by pre-printing, rubber stamp, cheque signing machine or lasering) and will give us specimens of such signatures. You acknowledge that if you do not so inform us, we may reject such cheques. However we are authorised to pay such cheques if they reasonably appear to us to have been issued by you. We need not check that a facsimile or other printed signature (or an imitation of it) has been added with your authority or the authority of your authorised signatory(s). You must ensure that cheques with facsimile or other printed signatures are kept secure and not available to anyone not authorised by you to use them.
- 4.6 You acknowledge that if you choose to complete cheques (other than by signature) by typewriter, laser printing or other mechanical means, such cheques may be easier to alter than hand-written cheques. You must ensure that all pre-printed or facsimile cheques are kept secure and not made available to anyone other than your authorised signatories. We are authorised to pay cheques completed by typewriter, laser printing or other mechanical means.
- 4.7 If we discover that a payment that has been credited to your account has been made by mistake, or if a payment has been recalled by a bank that has made it, we will immediately debit your account with the amount of that payment, even if this results in your account going into an unauthorised overdraft. We may also be required by law to pass on information about you to the other bank. You may have to pay any charges and interest that may result from use of an unauthorised overdraft in these circumstances.

4 B. Third Party Providers

- 4.8 You can instruct a Third Party Provider to access information on your Accounts or make payments from your Accounts online as long as it is open and transparent about its identity and acts in accordance with the relevant regulatory requirements. We will treat any instruction from a Third Party Provider as if it were from you.
- 4.9 We may refuse to allow a Third Party Provider to access your Account if we are concerned about unauthorised or fraudulent access by that Third Party Provider. Before we do this we will tell you and explain our reasons for doing so, unless it is not reasonably practicable, in which case we will tell you immediately afterwards.

In either case, we will tell you in the way which we consider most appropriate in the circumstances. We won't tell you where doing so will compromise our reasonable security measures or otherwise be unlawful. We may make available to a Third Party Provider a specific means of accessing your Account. If we do, and it tries to access your Account by a different way, we may refuse to allow that access.

- 4.10 If you think a payment may have been made incorrectly or is unauthorised, you must tell us as soon as possible even where you use a Third Party Provider.
- 4.11 If you (or an authorised user) provide consent to a Third Party Provider to access your Account data so they can provide account information services or initiate transactions on your behalf, you consent to us sharing your information (which may include personal data relating to authorised users) with the Third Party Provider as is reasonably required for them to provide their services to you.

5. Fees/Charges

- 5.1 We reserve the right to impose charges in accordance with the scale of charges provided in our Charges Brochure and also available on our website at bankofscotlandbusiness.co.uk as varied from time to time in accordance with clause 12. You can contact your relationship team at any time to get full information on our charges.
- 5.2 We reserve the right to take account of transactions on your Account in assessing charges payable in respect of your current account.

6. Interest

- 6.1 Interest is calculated on a daily basis on cleared credit balances at the standard rate of credit interest as made available in our branches and on our website bankofscotlandbusiness.co.uk or such other rate as you and we may have agreed in writing. Interest will be credited to your account monthly or on such other frequency or dates agreed with us.
- 6.2 Any interest will be paid without the deduction of tax. You are responsible for ensuring that payment is made to the relevant revenue authorities for any tax liability due in respect of interest earned on your account.
- 6.3 You can contact your relationship team to check your interest rates and to get details of interest rate changes at any time.

7. Payment instructions

- 7.1 We will contact you by telephone or text message if we need to tell you about suspected or actual fraud or a security threat to your Account.
- 7.2 In order for a payment instruction from you to be properly executed by us, you must provide us, as applicable with:
- for sterling payments to a sterling account in the UK: the payee bank's Faster Payments Service enabled Sort Code and Account number and, if required, payee's full name and address; or
 - for payments to an international account: subject to clause 7.2 (c) below, the payee bank's BIC number and IBAN number and, if required, payee's full name and address, the payee bank's SWIFT address or National Clearing Code; or
 - for euro payments to an account within a SEPA country: the IBAN number and, if required, payee's full name and address, the payee bank's SWIFT address or National Clearing Code. Sometimes we will also require the BIC.

By 'SEPA' we mean the Single Euro Payments Area and a 'SEPA country' means any of the countries or territories listed from time to time on the European Payment Council's website as being part of SEPA.

We will rely on the Sort Code and Account number for the payee that you provide to us. You are responsible for giving us the correct details and for checking that you have done so. We will also rely for payment instructions upon the signature provided under the Authority or, in the case of telephone and on-line banking, the specific requirements that apply in the terms and conditions for those banking channels. We shall not be liable if you provide incorrect identifiers in respect of debit transactions.

- 7.3 We may not be able to carry out a payment instruction if the bank or building society you are sending the payment to is not a member of the Faster Payments Service or a participant in the Faster Payments Service. If we cannot make a payment using the Faster Payments Service we will notify you or make this information available to you as described in clause 9 and you can contact us to ask if there is any other method available to make the payment. Until we have received an instruction from you that we can properly execute by an alternative method we will not make the payment.
- 7.4 Payment transactions will be shown on your Account in sterling (GBP) and will be executed in sterling (GBP) unless otherwise agreed.
- 7.5 Unless agreed otherwise, we use a Reference Exchange Rate for foreign exchange transactions. We may change our Reference Exchange Rates at any time and without notice to you. Such changes to a Reference Exchange Rate will be applied immediately. You can obtain details of our Reference Exchange Rates by telephoning the number given in the Payment Transaction brochure or such other number as we advise from time to time.
- 7.6 You can consent to our making a payment or a series of payments from your Account before we make the payment and if we agree, after you make the payment. We will inform you of our requirements for consent, which you must follow. You will be able to consent to payments through a Third Party Provider, by following any procedures required by such third Party Provider.
- 7.7 You can withdraw your consent to payment at any time up until we receive your payment instruction. In the case of a series of payments, you may withdraw your consent to our making them up until the end of the Business Day before the day set for the first payment and we will operate your Account on the basis that you do not consent to making the other payments.
- 7.8 Once we receive your payment instruction, you cannot withdraw your consent to the payment unless:
- ▶ in the case of a direct debit payment you inform us that you withdraw your consent by informing us at any time before the end of the Business Day preceding the day agreed for debiting the funds; or
 - ▶ in the case of a payment other than a direct debit, you inform us that you withdraw your consent at any time up to the cut-off time on the Business Day immediately before that set for the payment.
- 7.9 If you withdraw your consent to our making a payment, we will be entitled to charge you a fee to compensate us for the reasonable costs and expenses we incur in relation to this.

8. Payments to and from your Account, other than by cheque

- 8.1 Unless your payment is initiated by way of a Paper Payment Order, we will execute payment instructions for payments out of your account in sterling, euro or other EEA currencies in accordance with our processing cycles so that the amount to be transferred reaches the payee's bank in all events no later than:
- 8.1.1 for payments in sterling: where the payee's bank is within the UK, the next Business Day after the Business Day on which we received your instruction; or, where the payee's bank is elsewhere in the EEA, the fourth Business Day after the Business Day on which we received your instruction;
- 8.1.2 for payments in euro: where the payee's bank is within the UK or EEA, the next Business Day after the Business Day on which we received your instruction;
- 8.1.3 for payments in any other EEA currencies: where the payee's bank is within the UK or EEA, the fourth Business Day after the Business Day on which we received your instruction.

For payments out of your account where the payment is initiated by way of a Paper Payment Order, we will execute payment instructions in accordance with our processing cycles so that the amount to be transferred reaches the payee's bank in all events no later than (in the case of payments in sterling in the UK and payments in euro anywhere within the EEA) the end of the second Business Day after the Business Day on which we received your instruction, or (in the case of such payments in sterling in the EEA, other than the UK, and payments in other EEA currencies anywhere within the EEA), the fourth Business Day after the Business Day on which we received your instruction.

For payments outside the UK or EEA and/or in non-EEA or non-UK currencies different timescales will apply.

Where we receive a payment instruction from you for execution on a specific day, you agree that the time of receipt is deemed to be the specific day on which we are to execute the payment instruction. We must receive payment instructions before the cut-off time specified or referred to in the Need to Know brochure or we will deem the instruction to have been received on the next Business Day. Instructions received on days which are not Business Days will also be deemed to have been received on the next Business Day.

- 8.2 Once we receive your payment instruction, you cannot revoke it except in the following circumstances:
- ▶ in the case of a direct debit payment you inform us in writing that you withdraw your consent no later than the Business Day before the account is due to be debited; or
 - ▶ where a specific day has been agreed for execution, you inform us in writing that you withdraw your consent no later than the Business Day before execution.
- 8.3 We will send the full amount of the payment to the person named in your payment instruction. We will send the money without deducting any of the charges we incur for making the payment but will deduct our charges from your Account which shall be set out in our invoices.
- 8.4 If we receive money payable to your Account, you agree to our deducting our reasonable charges from the money payable before applying them to your Account. We will not deduct any other charges from that money before paying it into your Account. If we deduct any charges under this clause, we will give you details of the amount of the money we receive and of our charges for receiving the money in our invoices.
- 8.5 Payments will reach the bank of the person to whom any payment is made in accordance with the information provided and as varied from time to time in accordance with clause 12. Times may differ according to currency and location, especially if payments are being made outside the EEA.
- 8.6 If we receive an electronic payment for you in sterling or euro on a Business Day, we apply the monies to your Account and make them available for you immediately we receive them. If we receive a payment for you on a non-Business Day, we apply the monies to your Account and make them available for you on the next Business Day. For payments received in other currencies, the monies are made available to you after the payment has been converted into sterling. How long this takes depends on when we receive the payment and the foreign exchange market for that currency. Please refer to our Payment Transaction brochure for further information.

If sterling cash is paid into your Account through deposit points or by way of some other deferred checking service the cash will not be received by us until we have taken the money from the machine and/or envelope. In some cases this might not be until the next Business Day but if you use these types of services we will tell you when we are deemed to have received the money.

You agree to our deducting our reasonable charges from the money payable before applying them to your account. We will not deduct any other charges from that money before paying it into your account. If we deduct any charges under this clause, we will give you details of the amount of the money we receive and of our charges for receiving the money in our charges invoices.

- 8.6.1 Please note that not all services are available at all branches.
- 8.6.2 When you use the deposit point to place your Deferred Checking Bag, the cut off time is 1 hour before branch closing time or, if the branch closes at 5pm or later, 4pm (Monday to Friday). If you make a deposit after the displayed time (Monday to Friday), it will be processed and paid into your account on the next business day. There are no changes to the cut off time scales when if you hand your deposit over the counter.
- 8.6.3 If you choose to use one of our mobile branches please be aware that there will be a limit to the amount of cash and coin you can deposit or withdraw and these limits may be less than at branches with counters. If you would like more information on the limits that apply please consult our website at bankofscotland.co.uk/mobilebranches

Confirmation of Payee

- 8.7 We participate in the confirmation of payee service. This is a name checking service to help stop certain types of domestic payments that are made in sterling going into the wrong account. We will check the name of the account you want to pay against the name you are using to set up the payment ("Confirmation of Payee").
- 8.8 If you add a new recipient to your account so that you can send them a payment (with us in branch, online or on the phone), we will contact the bank (or other financial institution) of the person, business or organisation you want to pay to check the name on the account matches the name you have given us. We will also check if it is a personal or business account. If the other bank or financial institution is making Confirmation of Payee checks, they will tell us if the name matches, does not match or partially matches the name you have given us. They will also tell us if it is a business or personal account and they will give us other relevant information, for example, if the account has switched to another bank. We will display or tell you this information so that you can decide if you want to continue setting up the new recipient.
- 8.9 If we do not give you an exact 'match' result, you will be asked if you want to continue making the payment. If you make the payment and this goes to the wrong person, business or organisation, we may not be able to get your money back for you. If you do get an exact 'match' result and you make a payment which goes to the wrong person, business or organisation, you may be entitled to a refund, depending on the circumstances.
- 8.10 If someone adds you to their account as a payment recipient and Confirmation of Payee checks are made, their bank or financial institution will make these checks with us about you and your account. In response to Confirmation of Payee checks, we will give information about you and your account to:
- ▶ other customers of ours;
 - ▶ other banks (or other financial institutions, who may be eligible to participate in Confirmation of Payee) who will pass this on to their customers.

This information can include the full name of any account held by you with us, including, if applicable, the name of any underlying client on whose behalf you may have opened the account, whether the account is a business account or a personal account or if your account has switched to another bank. Please refer to our Privacy Notice which explains your privacy rights.

9. Stopping a payment instruction

- 9.1 If we refuse to act on your payment instruction or we are unable to act upon your payment instruction we will, where it is reasonable or we are required to do so, notify you or make available to you, the reason why the payment instruction was not executed as soon as possible and in any event within the designated maximum execution times for payment transactions of that type as set out in our Payment Transaction brochure.
- 9.2 Subject to any legal or regulatory requirements which may apply, we will notify you, or make the information available to you, that we have refused to act on your instructions and stopped the payment or were not able to act on your instructions. If this has been due to your giving incorrect information you can contact us and we will tell you how to put this right. We will notify you or make this information available to you in the manner that we reasonably believe is most appropriate having regard to the way in which you have sought to instruct us and the terms of our relationship with you. We will be entitled to charge for any costs we reasonably incur.

10. Refunds

- 10.1 Where you give us a payment instruction but your consent to the payment:
- ▶ does not specify the exact amount of the payment; and
 - ▶ the amount is more than you can reasonably expect to pay having regard to the previous history on your Account, any other circumstances relevant to you, the Account or the person to whom the payment is made;
 - ▶ we will refund the full amount of the payment provided you request the refund within eight weeks from the date on which the funds were debited.

- 10.2 If you request a refund we may ask you to provide such information or further information as we consider reasonably necessary to show that the payment satisfied the requirements for refund.
- 10.3 We shall inform you of our decision regarding your request for a refund within ten Business Days of our receipt of the information you provide under clause 10.2.
- 10.4 The foregoing provisions of this clause 10 do not apply to direct debits which have been incorrectly debited to your Account and your refund rights under the Direct Debit scheme will continue to apply. You should tell us immediately you think that there has been an incorrect direct debit payment so that we can arrange a refund.

11. Termination/Closing of Accounts

- 11.1 This Agreement shall continue until terminated in accordance with this clause.
- 11.2 We may terminate this Agreement immediately if any of the following occur:
- a. any information you have given us or give us in the future (whether in connection with this Agreement or not) is inaccurate;
 - b. if any material litigation is, or material administrative, criminal or judicial proceedings are, being taken against you at the time this Agreement is signed and you have not informed us in writing before entering into this Agreement ("material" means likely, if successful, to have any damaging effect on your business);
 - c. if you are a sole trader you die, become of unsound mind, become insolvent (or in Scotland, apparently insolvent) a bankruptcy petition (or in Scotland, a petition for sequestration) is presented against you, or steps are taken to appoint an administrator, judicial factor or similar officer to you or you apply to the court for a moratorium or make a proposal to creditors for a voluntary arrangement or you grant a trust deed for creditors or take any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of your indebtedness;
 - d. if you are a limited company or limited liability partnership, you have a petition presented or resolution passed for winding up or an administration order or a notice of intention to appoint an administrator is issued or notice of appointment of an administrator is filed with the court or you have a receiver appointed over all or part of your assets or you cease to trade, or you are deemed by law unable to pay your debts, or you make an application in connection with a moratorium or a proposal to creditors for a voluntary arrangement or take any action (including entering into negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of your indebtedness, including in Scotland granting a trust deed for creditors;
 - e. if you are a partnership (including a limited liability partnership) or unincorporated association, you dissolve or a petition is presented for an order to be made for the winding-up of the partnership or an application or a petition is presented or made for an administration order against the partnership;
 - f. if you are a limited liability partnership, any member ceases without our written consent to be a member or you cease for any reason to be a limited liability partnership;
 - g. if closure is required by the order of any court or direction or decision of a regulator or any other regulatory requirement; or
 - h. you breach in a material way this Agreement or any other agreement with us.
 - i. We reasonably consider that:
 - there is illegal or fraudulent activity on or connected to the Account;
 - you are or may be behaving improperly – for example in a threatening or abusive way; or
 - by continuing the agreement we (or another company in the Lloyds Banking Group) may be exposed to action from a government, regulator or other authority or may break a regulatory requirement.

- 11.3 We reserve the right to require an Account(s) to be closed without giving a reason. This applies even if closure of the Account(s) results in a loss of tax benefits, and we will not be liable to compensate you for any loss of tax benefits or any other consequential or indirect losses whatsoever and howsoever arising. We will not close an Account without giving you at least two months' notice in writing.
- 11.4 Subject to clause 11.2 we may terminate this Agreement by giving you not less than two months' notice.
- 11.5 You may terminate this Agreement at any time by informing us in writing.
- 11.6 Closure of your Account by you or us will not release you from any liability in respect of any sums owing to us or from any previous liability or indemnity for any act performed by us in accordance with instructions previously received from you or an authorised signatory.
- 11.7 We may remove an authorised signatory from your account if we reasonably believe a regulatory requirement means we have to. We will tell you if we have to remove an authorised signatory, but we may not be able to give you a reason.

12. Variation

- 12.1 We may change or introduce (where appropriate):
- ▶ interest rates, including their type or the way they are calculated or charged. The new rates apply to your Account from the date the rate changes;
 - ▶ charges and annual fees;
 - ▶ statement dates; and/or
 - ▶ these terms and conditions.
- 12.2 Subject to clauses 12.3 and 12.4, we will notify you by notice in writing at least two months before we make any change to these terms and conditions. You will be deemed to have accepted any such change if you do not notify us to the contrary before the date any such change comes into effect. However, if you choose not to accept any change:
- ▶ you can close the Account at any time before the change comes into effect provided that any outstanding amounts on the Account are paid; or
 - ▶ our notice of the change shall be deemed to be notice of termination given under clause 11.4 and this Agreement will terminate the day before any change comes into effect. Should there be any outstanding balance on the Account it will become immediately due and payable on termination.
- 12.3 We may change this Agreement at any time to reflect changes in law, regulation or codes of practice which apply to us or the way we are regulated. We will always endeavour to give you at least two months' notice of such changes in accordance with clause 12.2 wherever possible. Where this is not possible we will give you as much prior notice as reasonably practicable.
- 12.4 Notwithstanding clause 12.2 we may change our interest rates at any time if the change is:
- 12.4.1 to your advantage; or
 - 12.4.2 a change to a Reference Exchange Rate; or
 - 12.4.3 a change to a Reference Interest Rate,
- We will provide and/or make information about the change available to you by post, by email, by statement, by publishing details of the change on our website or by posting a notice on an online service which you receive from us, within 30 days of making the change.
- 12.5 When we tell you personally about a change we can do this by letter, email, text, statement, statement inserts or messages or in any other way which is sent to you individually.
- 12.6 We will update our website within three Business Days of a rate change taking effect.
- 12.7 We will not change a fixed rate or a bonus rate on your account for the time we have agreed to keep it fixed.

13. Cheques and Cheque clearing

- 13.1 Banking of cheques for payment will at all times be subject to the rules, and clearing processes, of any cheque clearing systems used by the Bank.
- 13.2 We reserve the right to refuse payment on any cheque that is presented more than six months after the date of the cheque.
- 13.3 If you require information in relation to cheques (for example, in relation to charges or clearing processes), please refer in the first instance to the latest Need to Know Brochure or consult our website at bankofscotlandbusiness.co.uk If you have any queries or need further information please contact your relationship team.
- 13.4 The processing times for dealing with UK cheques do not apply to foreign cheques paid into your Account. We may at our sole discretion either negotiate a foreign cheque or collect it. If we negotiate the cheque we will buy it from you by paying into your Account the sterling equivalent of the cheque within six business days after the day that we receive it, using the relevant Reference Exchange Rate prevailing on that day. If we collect the cheque we will pay into your Account the sterling equivalent of the cheque on the day we receive payment from the paying bank using the relevant Reference Exchange Rate prevailing on that day. You can obtain details of Reference Exchange Rates by telephoning the number given in the Payment Transaction brochure or such other number as we advise from time to time.

If the foreign bank returns the cheque or asks for money to be returned, we will take the currency or sterling equivalent from your Account. If we converted the cheque into sterling we will recalculate the amount based on the Reference Exchange Rate prevailing on the day we debit your Account.

Occasionally it is not possible to obtain payment of foreign cheques because of local foreign exchange or other restrictions.

Further information on foreign cheques is set out in our International Services brochure. Details of charges for negotiated or collected cheques are set out in our International Services tariff brochure under Negotiations and Collections. Copies of these brochures are on our website at bankofscotlandbusiness.co.uk or alternatively, contact your relationship manager.

14. Notice

- 14.1 Any notice (other than notification on changes to interest rates referred to in clause 12 above) to be given by either party in relation to your Account shall be written, and either sent by facsimile (in which case deemed to be received the next Business Day after sending), post or otherwise delivered to the other party (and deemed received upon receipt). The address for any such notice for us will be the branch where the Account was held, until further notice. The address for any such notice for you will be the address given on the application form for the opening of this Account. Either party may change address for communication by giving seven days' notice in writing to the other party.

15. Third Party Rights

- 15.1 Nothing in this Agreement confers or is intended to confer a benefit enforceable by a person who is not a party to it and such a person shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

16. Governing law and language

- 16.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed and construed in accordance with the laws of England and Wales if your Account is held in England and Wales or the laws of Scotland if your Account is held in Scotland. The courts of either England and Wales or of Scotland (depending on where your Account is based) shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising out of or in connection with this Agreement).
- 16.2 The language of this Agreement is English and all communications and notices between us shall be in English.

17. Defined Terms

"Account" means an Insurer Trust Account, Safeguarding Account or Segregated Funds Account as relevant;

"Account Letter/s" means the Insurer Trust Letter, Safeguarding Account Letter and/or Segregated Funds Account Letter as relevant;

"Business" means any body corporate or unincorporated, sole trader or partnership named in this Agreement and where the Business (not being a body corporate) consists of two or more persons, then this definition means all or any of them and the liability of such persons will be joint and several;

"Business Day" means 9 am to 5 pm Mondays to Fridays other than public and bank holidays in England and Wales, or Scotland (if in Scotland) unless transacting through one of our branches which opens for shorter hours or we notify you of different times for the processing of payments to and from your Account;

"Charges Brochure" means any brochure or leaflet of ours that sets out the charges that apply to your Account;

"EEA" means the European Economic Area;

"Faster Payments Service" means the payments service which allows faster electronic payments to be made between accounts in the UK with Sort Codes capable of receiving faster payments held with banks and building societies which are either members of the service or participants in the service;

"Insurer Trust Account" means an Account open in your name and which is designated as holding funds beneficially owned by one or more insurance company clients who are not named or otherwise identified in the title of that Account;

"Insurer Trust Letter" means the letter (which forms part of The Agreement) from us to you confirming, amongst other things, how credits in the Insurer Trust Account are held;

"Law" means any applicable Act of Parliament, subordinate legislation, regulation or rule and any statement of practice, guidance note or interpretation published by any regulatory authority, industry body or other institution: (a) regulating the relevant business of either party from time to time; or (b) whose guidance that party is accustomed to following;

"Lloyds Banking Group" includes Lloyds Bank plc and a number of other companies using brands including Lloyds Bank, Halifax and Bank of Scotland, and their associated companies;

"Micro-enterprise" means any enterprise, or group of enterprises of which it forms part, which at the time you enter into this Agreement, employs fewer than 10 persons and whose annual turnover and/or balance sheet total does not exceed EUR 2 million (or its equivalent);

"Paper Payment Order" refers to any instruction from you to us to make a payment that is issued by you in a paper form, including instructions on completed bank forms or those sent to us by way of letter and fax and whether such instruction is delivered to us by post, in person or by fax transmission;

"Payment instrument" means any personalised device or personalised set of procedures agreed between you and us which you use in order to initiate a payment but for the avoidance of doubt does not include cheques or bankers drafts;

"Payment Services Regulations 2017" means the Payment Services Regulations 2017 (S.I. 2017/752), as amended or replaced from time to time;

"Reference Exchange Rate" means the exchange rate which is used as the basis to calculate any currency exchange and which we make available;

"Reference Interest Rate" means a publicly available interest rate such as the Bank of England bank rate;

"Safeguarding Account" means an Account open in the name of a Payment Service Provider (as defined in the Payment Services Regulations 2017) and is holding funds which need to be ring fenced from other funds you hold;

"Safeguarding Account Letter" means the letter (which forms part of The Agreement) from you to us confirming, amongst other things, how credits in the Safeguarding Account are held;

"Segregated Funds Account" means an Account opened in your name and which is holding funds which need to be ring fenced from other funds you hold;

"Segregated Funds Account Letter" means the letter (which forms part of The Agreement) from us to you confirming, amongst other things, how credits in the Segregated Funds Account are held;

"Third Party Provider" means a service provider authorised by law to access information or make payments for you from your payment accounts;

"we"/"us"/"our"/"Bank" means Bank of Scotland plc, registered in Scotland No. SC327000. Registered and Head office: The Mound, Edinburgh EH1 1YZ and its successors and assigns;

"you"/"your" means the Business named in this Agreement.

18. Help and Information

- 18.1 If you require a copy of this Agreement or any document referred to in it please consult our website at bankofscotlandbusiness.co.uk in the first instance. If you have any queries about your Account or need further information please contact your relationship manager.
- 18.2 We aim to provide the highest level of customer service possible. However, if you experience a problem, we will always seek to resolve this as quickly and efficiently as possible. If something has gone wrong please bring this to the attention of any member of staff. The complaint procedures are also published on our website: bankofscotlandbusiness.co.uk/contactus
- 18.3 You should let us know as soon as possible if your business is experiencing financial difficulties. We will always seek to help you and develop a repayment plan with you.

Information correct as at: June 2022.

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