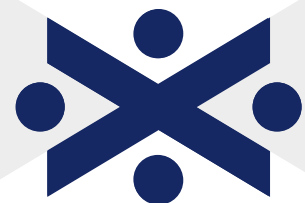


COMMERCIAL BANKING

# Terms and Conditions.

Commercial Loan Servicing Account  
June 2022



**BANK OF  
SCOTLAND**

# General Terms and Conditions which apply to a Commercial Loan Servicing Account

## 1. Terms which apply to your account(s)

- 1.1 This document together with the information given in any application and any Charges Brochure and the Facility Letter (together, the "Agreement") set out the terms and conditions which apply to your Commercial Loan Servicing Account(s) and to your repayment and account opening obligations under the terms of the Facility Letter (or any authority to operate the account or any subsequent properly authorised addition or alteration to it) ("the Authority"). In addition, specific terms and conditions will apply to certain business accounts and services and these will be supplied to you if you apply for such accounts and services.
- 1.2 This Agreement replaces any terms and conditions or other agreements that may have applied to your account(s).
- 1.3 Your account will be with Bank of Scotland plc. Registered and Head Office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland No. SC327000 ("the Bank").
- 1.4 Subject to any legal or regulatory requirements which may apply, we are authorised to act upon any instruction, agreement or arrangement that is in accordance with the Authority without enquiring about its purpose, or the circumstances in which it is given, or about the disposition of any proceeds. Therefore, if any one Authorised Signatory is authorised to carry out any transaction, that person will be able to, for example, withdraw any money from any of your account(s) (which may be without the knowledge of the other signatories). You will be responsible to us for all or any of the debts or liabilities on your account. Where you are an Organisation, the Organisation will be responsible to us for all or any of the debts or liability on the Organisation's accounts save that when the Organisation is not a separate legal entity then each Authorised Signatory will be liable for all (and not just a share) of the debts or liabilities on the Organisation's accounts.
- 1.5 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.

## We reserve the right to decline to open an account

- 1.6 You acknowledge that financial markets transactions which are traded directly between you and Bank of Scotland plc under any trading name will be subject to the terms and conditions issued from time to time by Bank of Scotland plc.
- 1.7 If you are a limited company, on request, you must promptly send us a certified copy of your Memorandum and Articles of Association (or the equivalent constitutional documents for companies incorporated outside the UK) and of changes to them and Special Resolutions amending them. If you are a limited liability partnership, on request you must promptly send us a certified copy of your incorporation document and certificate of incorporation.
- 1.8 You must promptly send us without request (if you are a limited company or limited liability partnership):
  - ▶ a certified copy of any future Board resolutions which affect the terms of the Authority;
  - ▶ details of any changes to your directors, company secretary (if any), and other officers, senior managers and authorised signatories.
- 1.9 If you are an Organisation, on request you must promptly send us a certified copy of the Rules or Constitution of the Organisation
  - ▶ we need not concern ourselves as to whether or not any transaction in which we become involved, or of which we become aware, as a result of transactions under the Authority or under other resolutions, are for business purposes which are permitted by any members' agreement of the limited liability partnership authorised under Regulation 7(6) of the Limited Liability Partnership Regulations 2001; and any other resolution(s) on behalf of the limited liability partnership shall be valid even if we are aware that the business purposes may not be so permitted or authorised;

- 1.10 any two members may attest the sealing by the limited liability partnership (if it has a seal) of any deed or may sign any document expressed (in any form of words) to be executed as a deed by the limited liability partnership, to the extent that (upon such attestation or signature, and dating) such document shall be treated as a deed binding the limited liability partnership and as having been validly executed and delivered by the limited liability partnership.
- 1.11 Any termination of or alteration to the Authority shall not release you from 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 the authorised signatories under the Authority.

## 2. Instructions

- 2.1 Your account must only be used to make payments due under the Facility Letter. You cannot make cash deposits into the account and debit cards are not provided and cannot be linked to the account.
- 2.2 Consent for a payment transaction will be given to us by you as authorised in your Facility Letter. We will not accept instructions given by fax or email.
- 2.3 Payments into the account cannot be made in cash. You can make payments into the account by transfer from another bank account. Withdrawals can only be made by transferring funds to us as detailed in the Facility Letter.
- 2.4 You agree that you shall be liable to us for all sums that become due to us in connection with the Agreement. We shall not be liable for and you shall indemnify us in respect of all losses, claims, actions, proceedings, demands, damages, costs and expenses incurred or sustained by us arising out of or in connection with the account.
- 2.5 You must follow any security procedures we specify and any changes to them.
- 2.6 Any resolution(s) on behalf of the Organisation shall be valid even if we are aware that the business purposes may not be so permitted or authorised.
- 2.7 We may insist on you confirming any electronic communication in conventional written form by the next Business Day. We need not wait for confirmation before acting on the instruction.
- 2.8 We can communicate with you by any form of electronic communication by which you have chosen to be able to give us instructions.
- 2.9 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.
- 2.10 You understand that it is necessary for us to process personal data as part of our provision of the accounts and services we provide to you. The Data Privacy Notice explaining how we may process personal data, and how an individuals' rights can be exercised, can be viewed at the following website: [bankofscotland.co.uk/businessprivacy](http://bankofscotland.co.uk/businessprivacy). Unless you are explicitly advised to the contrary, the Bank acts as a Controller (meaning it determines the purposes and means of the processing of personal data) for the personal data processed as part of its services. Any personal data obtained by the Bank processed only for the purposes of the Bank's compliance with the Money Laundering Regulations 2017 will be processed only for the purposes of preventing money laundering or terrorist financing, unless the use of the data is otherwise permitted by law or you give us consent to the proposed use of the data.

## 3. Business Relationship Terms

- 3.1 We will use reasonable care and skill in providing services and managing your day-to-day banking needs, but you should bear in mind that:
  - 3.1.1 our relationship services are for your general guidance and information only and they are based on information that we know from operating your accounts or that you have given us;
  - 3.1.2 there may be occasions when you should take specialist advice rather than solely relying on our services;
  - 3.1.3 we are not responsible for how you interpret information we provide, or implement any action you choose to take;
  - 3.1.4 any termination of or alteration to the Authority shall not release the Organisation or where applicable the authorised signatories from 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 the authorised signatories under the Authority.

3.2 As you retain sole responsibility for deciding whether to act on it, we will not be liable if you rely on financial information we supply; or if you choose to act on any suggestions or guidance we give you, whether or not they derive from tools we make available to you. Such suggestions or guidance are not provided to make decisions for you and there will be areas where you may wish to obtain more expert advice.

## 4. Running your Account

4.1 You will examine bank statements, invoices, confirmations and communications sent to you within a reasonable time after you receive them and will promptly advise us as soon as possible of any apparent mistake or discrepancy. Delay in notification may make correcting any error difficult.

4.2 In certain circumstances we may refuse to accept a payment into the account.

4.3 Borrowing is not permitted on your account. If the account does become overdrawn, unauthorised borrowing interest will be charged.

4.4 You can only make withdrawals from the account for the Purpose. You cannot use the account for day to day banking transactions. You should only issue instructions to us to withdraw funds from your account where there are sufficient funds available at the time those instructions were issued. However, if at any time such instructions would result, without prior arrangement, in the account becoming overdrawn, we may in our sole discretion and without contacting you, allow an overdraft to be created. In these circumstances the new or excess overdraft is an unauthorised overdraft and you will be charged at the applicable rate for unauthorised borrowing. For details of our unauthorised borrowing interest rate please refer to our Charges Brochure or [bankofscotlandbusiness.co.uk](http://bankofscotlandbusiness.co.uk). Interest is calculated on the cleared daily balance of the new or excess overdraft and is payable for the duration of the new or excess overdraft.

4.5 We shall have the right to stop a Payment instrument on reasonable grounds relating to:

- a. the security of the Payment instrument;
- b. the suspected unauthorised or fraudulent use of the Payment instrument; or
- c. your ability to repay any credit advanced to you.

4.6 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.

4.7 We may suspend an account, facility or service if we reasonably suspect fraud or unauthorised access, if you have failed to give us information we are required by law to hold about you or if a regulatory requirement means we have to. We do not have to tell you in advance before we do this.

## 5. Fees, Charges and Interest Rates

5.1 No interest will be paid on any money held in your account

5.2 Unauthorised borrowing will be charged at the applicable unauthorised borrowing rate and will incur other unauthorised borrowing charges.

## 6. Payment transactions to and from your account

6.1 The only payments permitted on your account are to service repayments to us under the Facility Letter.

6.2 Payments into the account cannot be made in cash. You can make payments into the account by transfer from another bank account. Withdrawals can only be made by transferring funds to us as detailed in the Facility Letter.

6.3 You must provide us with certain key information for us to execute your payment instructions. The unique identifier information is the beneficiary's Sort Code and account number. We will always rely on the unique identifier for the purposes of processing your payment instructions.

6.4 You will also need to provide us with the amount of the payment that you wish to make and we may also request the full name and address of the beneficiary of the payment for legal and/or regulatory purposes or if the financial institution receiving the payment requires this. We do not consider this information to be part of the unique identifier for the purposes of processing your payment instruction and we will not use this information for the purposes of processing the payment.

6.5 Payment transactions will be shown on your account in sterling (GBP) and will be executed in sterling (GBP) unless otherwise agreed.

6.6 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.

6.7 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.

6.8 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:

6.8.1 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;

6.8.2 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;

6.9 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.

6.10 We must receive payment instructions before the cut-off time specified in the Payment Transaction 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.

6.11 Once we receive your payment instruction, you cannot revoke it except 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.

6.12 If we are unable to make a Standing Order payment from your account because you do not have enough money in your account on the Business Day that the Standing Order payment is due to be made (and we do not agree to any request made by you to use an unauthorised overdraft or increased borrowing limit to make the payment), then we will try to make the payment again on that Business Day and on the next Business Day.

6.13 If we have been unable to make the payment after these attempts, the payment will be designated as a missed payment.

6.14 A Standing Order will be cancelled after four consecutive missed payments.

## 7. Stopping a payment instruction

7.1 We have the right to not execute any particular payment instruction where it is reasonable to do so, for example if you are in breach of this Agreement, or we (or the systems we use) reasonably suspect the payment instruction is fraudulent, or we are otherwise unable to make a payment under this Agreement. If we have declined the 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.

7.2 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.

## 8. Refunds

- 8.1 Where you give us a payment instruction for a transaction or series of transactions to be initiated by or through a payee but your authorisation:
- 8.1.1 does not specify the exact amount of the payment; and
  - 8.1.2 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 8 weeks from the date on which the funds were debited.
- 8.2 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.
- 8.3 We shall inform you of our decision regarding your request for a refund within 10 Business Days of our receipt of the information you provide under this clause.

## 9. Communicating with you

- 9.1 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 or. If you prefer paperless communications from us, we will communicate and make available all relevant transaction information with you through the internet banking service accessible at [bankofscotlandbusiness.co.uk](http://bankofscotlandbusiness.co.uk). You will examine bank statements, confirmations and communications sent to you within a reasonable time after receiving them and will promptly advise us as soon as possible of any apparent mistake or discrepancy. Delay in notification may make correcting any error difficult.
- 9.2 The language of this Agreement shall be English and all information provided, made available and notified to you shall be in English.
- 9.3 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.

## 10. Liability

### General

- 10.1 You must notify us by telephone 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.
- 10.2 You will be liable for all unauthorised transactions on your account if you have acted fraudulently.
- 10.3 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.

### Micro-enterprises

The provisions of this clause 10.2 shall apply if you are a Micro-enterprise.

- 10.4 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 we will refund the amount of the transaction or payment to your account. We will also refund to you any 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.
- 10.5 Where we are liable for an unauthorised transaction on your account, and subject to you complying with any security obligations that we have notified to you relating to the funds transfer, we will refund to your account the amount of the transaction or payment and any charges directly incurred on the account as a result of the transaction or payment if the payment was in fact unauthorised and pay you any interest you have missed out on so that it is as if the unauthorised payment or transaction had not taken place. Beyond this we will have no further liability for an unauthorised transaction.

- 10.6 When we are assessing whether a payment transaction was authorised by you we cannot necessarily treat the use of the funds transfer as sufficient evidence of such authorisation, although this is one of the factors that we will take into consideration.
- 10.7 If you have an account with an overdraft which is regulated by the Consumer Credit Act 1974, these terms do not prejudice any rights or obligations that you may have under that Act for unauthorised use of credit facilities.

### Non-Micro-enterprises

- 10.8 Clause 10.2 shall not apply if you are not a Micro-enterprise. Instead this clause 10.3 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.
- 10.9 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 10.3.1 shall be limited:
- i. 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
  - ii. to the amount of any interest and charges directly incurred by you on the account that would not have been incurred otherwise.
- 10.10 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.
- 10.11 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 funds transfer, 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.
- 10.12 Nothing in this clause 10 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.
- 10.13 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.

## 11. Force Majeure and Sanctions

- 11.1 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.
- 11.2 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 it 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.

## 12. Modifications to Terms and Conditions/Termination/Closing of account

- 12.1 Subject to the terms of the Facility Letter, 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 bank form that we provide for that purpose and sending it to us at your branch or wherever your relationship manager is based. You must give us at least two clear Business Days after we receive your communication to put it into effect.
- 12.2 We may change any provision of this Agreement.
- 12.3 Subject to clause 12.4, we will notify you in writing at least two months before we make any change to this Agreement. 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 12.10 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.
- 12.4 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 12.3 wherever possible. Where this is not possible we will give you as much prior notice as reasonably practicable.
- 12.5 When we tell you about a change we will do so by letter, email, text, statement, statement inserts or messages or in any other way which is sent to you individually.
- 12.6 If we agree to fix any condition for a certain time, we will not change it during that time.
- 12.7 Where we can notify you about a change in a number of different ways under the terms of the Agreement, we will do so in a way that we reasonably think is likely to come to your attention and which satisfies legal and other regulatory requirements.
- 12.8 This Agreement will continue until terminated in accordance with this clause.
- 12.9 We may terminate this Agreement immediately if any of the following occur:
- a. if 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 you fail at any time to meet any checks required by law or regulation;
  - h. if closure is required by the order of any court or direction or decision of a regulator or any other regulatory requirement;
  - i. if you breach in a serious or repeated way this Agreement or any other agreement with us; or
  - j. 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.
- 12.10 We may terminate the SEPA Debtor DD Service in respect of the B2B Scheme immediately if you cease to be eligible to be classified as a "Business Customer" under the B2B Rules.
- 12.10B As the account is used to service loan repayments under the Facility Letter, once the loan has been repaid or cancelled, you must close the account. We may also close the account without further notice to you. Until such time as the account is closed, you will continue to be liable for any liabilities in respect of the account. Any credits in the account on closure will be returned to you.
- 12.11 Subject to clause 12.9 and 12.10B we may terminate this Agreement by giving you at least two months' written notice.
- 12.12 As the account is used to service loan repayments under the Facility Letter, once the loan has been repaid or cancelled, you must close the account. We may also close the account without further notice to you. Until such time as the account is closed, you will continue to be liable for any liabilities in respect of the account. Any credits in the account on closure will be returned to you.
- 12.13 We reserve the right to require any account to be closed without giving a reason. This applies even if closure of the account results in a loss of tax benefits, and we will not be liable to compensate you for any loss of tax benefits or other consequential or indirect losses whatsoever and howsoever arising.
- 12.14 Subject to the term so the Facility Letter, you may terminate this Agreement by giving us at least one month's written notice. We shall not charge you for the termination of this Agreement after 6 months from its commencement.
- 12.15 Any closure of your accounts by you or by us will not release you or where applicable the Organisation or where applicable the authorised signatories from any liability in respect of any sums owing to the Bank or from any previous liability or indemnity for any act performed by the Bank in accordance with instructions received from you or an Authorised Signatory under the Authority. Should there be any outstanding balance on any of your accounts it will become immediately due and payable on termination.
- 12.16 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.

## 13. Partnership terms

- 13.1 If you are a partnership, the following shall apply:
- 13.2 Any signature authorised by the Authority may be in the name of a partner, the partnership or any Authorised Signatory.
- 13.3 Each partner (whether or not they have signed the Authority) will be jointly and severally liable for all liabilities of whatever nature of the partnership to us together with interest, fees and charges. Therefore each partner is separately responsible to us for all debts and liabilities of the partnership and not just a share of them. We may take action against all or any of the partners. Please refer to our separate leaflet on joint and several liability for further details.
- 13.4 If there is a dispute between the partners about the partnership accounts, we may require all partners to authorise transactions until all partners agree how the partnership accounts are to be run. Therefore no payments out of the partnership accounts will be made unless authorised by all partners and all facilities requiring authorisation from only one partner or Authorised Signatory, for example cards, internet or electronic banking, will be suspended until the dispute is resolved. Payments made to the partnership will be paid into the partnership accounts in the usual manner.

- 13.5 If any partner dies or ceases to be a partner of the partnership, we may treat any continuing partners as having full power to carry on the partnership's business and to deal with its assets as if there had been no change in the partnership. This applies unless we receive written notice to the contrary from any of the continuing partners, or from the executors, legal personal representatives or trustees of any deceased partner.
- 13.6 If we are owed money on the partnership accounts or on outstanding loans:
- ▶ when a partner dies, the deceased partner's estate remains responsible for paying the debt and we may require payment from the deceased partner's assets;
  - ▶ when a partner leaves the partnership, each partner (including the partner who has left) remains separately responsible to us to repay all the debts.
- 13.7 The partners will notify us immediately (in such form as we require) of any changes in the partnership, and the current partners will ensure that any incoming partners sign a confirmation of the existing authorities to us.
- 13.8 The Authority will not be affected by:
- ▶ any change in the name of the partnership; or
  - ▶ any change in the partners of the partnership as a result of death, bankruptcy;
  - ▶ retirement, any new partner(s) joining or otherwise.
- 13.9 Any termination of or alternation to the Authority shall not release the partners from any previous liability or indemnity for any act performed by us in accordance with instructions previously received from the partners or an Authorised Signatory under the Authority.

### 13A. Rights and duties of authorised signatories

#### This clause 13A applies to Organisations

- 13A.1 Although any account opened with us would be opened in the name of the Organisation as relevant, instead of its officials or authorised signatories where the Organisation is not a separate legal entity, the terms of the Authority and any specific terms of any account opened with us shall apply to each Authorised Signatory. If there is a breach of such terms, the Bank may take appropriate actions against each and every one of the authorised signatories, for example if any account becomes overdrawn, the Bank may take action to recover the whole of any debt from all or any of the authorised signatories. For Schemes, such joint and several liability shall only be in respect of the account(s) in the name of the Scheme and no other account(s) in any other name and the liability of any corporate trustees shall be limited to the extent of the assets of the Scheme but without prejudice to the joint and several liability of the other parties to the account(s). Please refer to our separate leaflet on joint and several liability for further details.
- 13A.2 If there is a dispute between the authorised signatories about the Organisation's account, we may require all authorised signatories to authorise transactions until all authorised signatories agree how the Organisation's account is to be operated. Therefore no payments out of the Organisation's account will be made unless authorised by all authorised signatories and all facilities requiring authorisation from only Authorised Signatory, for example cards, internet or electronic banking, will be suspended until the dispute is resolved. Payments made to the Organisation will be paid into the Organisation's account in the usual manner.
- 13A.3 We will send all correspondence relating to the Organisation's account to the correspondence address of the Organisation and marked for the attention of the contact name of the Organisation as specified by you to us during the account opening interview. We may give any information about the Organisation's account to all or any of the authorised signatories.
- 13A.4 Where the Organisation is not a separate legal entity, if any Authorised Signatory dies or ceases to be an Authorised Signatory, we may treat any continuing authorised signatories as having full power to carry on the Organisation's business and to deal with its assets as if there had been no change in the Organisation. This applies unless we receive written notice to the contrary from any of the continuing authorised signatories, or from the executors, legal personal representatives or trustees of any deceased Authorised Signatory.
- 13A.5 Where the Organisation is not a separate legal entity, if we are owed money on the Organisation's accounts or on outstanding loans:
- ▶ when an Authorised Signatory dies, the deceased Authorised Signatory's estate remains responsible for paying the debt and we may require payment from the deceased Authorised Signatory's assets;

- ▶ when an Authorised Signatory leaves the Organisation, each Authorised Signatory (including the Authorised Signatory who has left) remains separately responsible to us to repay all the debts.

The Authority will not be affected by:

- ▶ any change in the name of the Organisation; or
- ▶ any change in the Authorised Signatory as a result of death, bankruptcy;
- ▶ retirement, any new Authorised Signatory(s) joining or otherwise.

- 13A.6 Any termination of or alternation to the Authority shall not release the authorised signatories from any previous liability or indemnity for any act performed by us in accordance with instructions previously received from an Authorised Signatory under the Authority.

### 14. Authority of signatories/Sole Trader/each partner/Director/Member to operate accounts under the Authority

- 14.1 This clause is subject to the terms of the Facility Letter.
- 14.2 If you are a sole trader, you will have authority to make withdrawals for the Purpose.
- 14.3 If you are a partnership or limited company or limited liability partnership, unless you have provided otherwise in the Authority each of the partners/directors/members named as signatory to the account has individual authority without to make withdrawals for the Purpose. Therefore, each of these partners/directors/members will be able, for example, to withdraw money from any of your accounts (which may be without the knowledge of the other partners/directors/ members). We will not be obliged to make enquiries about the purpose of any transactions or the partner/director/member's authority to conduct them.
- 14.4 If you are an Organisation, unless you have provided otherwise in the Authority each signatory has individual authority to make withdrawals for the Purpose. Therefore, each of these signatories will be able, for example, to withdraw money from any of the Organisation's accounts. We will not be obliged to make enquiries about the purpose of any transactions or the signatory's authority to conduct them.
- 14.5 If you do not want a partner/director/member/Authorised Signatory to have that authority please give details in the Authority.

### 15. Authority to change the Authority

- 15.1 Subject to the terms of the Facility Letter, a sole trader may notify us of a change to the Authority (or Authorities that have already been changed) by writing to us.
- 15.2 Subject to the terms of the Facility Letter, if you are a partnership, you may notify us of a change to the Authority (or Authorities that have already been changed) by any two partners permitted by the Authority (or by one partner if only one partner is permitted by Section 2) writing to us. If none of the signatories are partners you can change the Authority by any two partners writing to us.
- 15.3 Subject to the terms of the Facility Letter, if you are a limited company or a limited liability partnership, you may notify us of a change to the Authority (or Authorities that have already been changed) by any two authorised signatories permitted the Authority (or by one Authorised Signatory if only one signatory is permitted by the Authority) writing to us, or by providing us with an amending resolution passed by (if in the case of a limited company) the board of directors and certified by a director or the secretary or (if in the case of a limited liability partnership) the members and certified by a member.
- 15.4 Subject to the terms of the Facility Letter, if you are an Organisation, you can change the Authority (or Authorities that have already been changed) by any two authorised signatories named in the Authority (or by one Authorised Signatory if there is only one signatory named in the Authority) writing to us or completing a bank form. This includes adding to or changing the signatories.

### 16. Authorised signatories who are not Sole Traders/ Partners/ Directors/Members

- 16.1 This clause is subject to the Terms of the Facility Letter.
- 16.2 If you are a sole trader and you want someone other than yourself to have authority to authorise transactions or other business with us, and to operate your accounts, he or she will need to be named in the Authority and supply us with personal and signature details. You will be personally responsible to us for all or any of the transactions carried out by any persons you have authorised to undertake any transactions on your behalf. Authorised signatories other than yourself are just signatories and do not have any responsibilities for any debts or liabilities to us on the account.

- 16.3 If you are a partnership or a limited company or a limited liability partnership and you want someone other than a partner/director/member to have authority to authorise transactions or other business with us, and to operate your accounts he or she should be named in the Authority and supply us with personal and signature details.
- 16.4 If you wish to put conditions or restrictions on the authority of that person, please give details in the Authority. If you do not give any details, each Authorised Signatory has individual authority without any restriction to operate all the accounts of the business. The Authorised Signatory will be able, for example, to withdraw money from any of your accounts (which may be without the knowledge of the sole trader/partners/directors/members/signatories). We will not be obliged to make enquires about the purpose of any transaction or the authority of the signatory to conduct them. We will also give these signatories any information about the accounts of the Business.
- 16.5 If you are a partnership, each partner of the partnership shall be personally liable to us for all or any of the transactions carried out by any authorised signatories (whether or not they are partners). Authorised signatories who are not partners are just signatories and do not have any responsibility for any debts or liabilities to us in relation to the partnership's account(s).

## 17. Using money between accounts

- 17.1 If you owe us money on an account (including a loan, credit card, mortgage, current, savings or other account), we may use money in any of your other accounts with us to reduce or repay (by way of set off or otherwise) what you owe us without telling you before we do so.

## 18. Notice

- 18.1 Any notice 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 by hand 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 you have given us for correspondence. Either party may change address for communication by giving seven days' notice in writing to the other party.

## 19. Third Party Rights

- 19.1 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.

## 20. Governing law and jurisdiction

- 20.1 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. The courts of England and Wales or 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).

## 21. Defined Terms

**"Account"** means any loan servicing instant access sterling current account used solely for the purpose of processing loan payments under the Facility Letter;

**"Authorised Signatory"** means a person or body corporate authorised under the Authority for the Purpose; "account" means any loan servicing instant access sterling current account used solely for the purpose of processing loan payments under the Facility Letter;

**"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 and includes for the avoidance of doubt an Organisation;

**"Business Day"** means 9 am to 5 pm Mondays to Fridays other than public and bank holidays in England and Wales, 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, including, where appropriate, international as well as UK charges that apply to your account;

**"Data Privacy Notice"** means the data privacy notice explaining how we may process personal data, and how an individuals' rights can be exercised, which can be viewed at the following website: [bankofscotland.co.uk/businessprivacy](http://bankofscotland.co.uk/businessprivacy)

**"Facility Letter"** means the document detailing specific terms and conditions relevant to borrowing agreed by your relationship team (as amended, varied or supplemented from time to time);

**"Limited Liability Partnership Regulations 2001"** means the Limited Liability Partnership Regulations 2001 (S.I. 2001/1090) as amended or replaced from time to time;

**"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 has an annual turnover (or balance sheet) of less than €2 million (or its equivalent);

**"Organisation"** means any body corporate or unincorporated, sole trader or partnership named in this Agreement and where the Organisation (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 and includes, but is not limited to Companies, Limited Liability Partnerships, Executors, a school (state, independent or private school trust), Schemes, non incorporated clubs, charities, societies or non-personal trusts and credit unions;

**"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 banker's drafts;

**"Payment Services Regulations 2017"** means the Payment Services Regulations 2017 (SI 2017/752) as may be amended or superseded from time to time;

**"Purpose"** means reduction of your debt by way of loan repayments under the Facility Letter;

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

**"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.

## 22. Help and information

- 22.1 If you require a copy of this Agreement or any document referred to in it, please consult our website at [bankofscotlandbusiness.co.uk](http://bankofscotlandbusiness.co.uk) in the first instance. If you have any queries about your account or need further information, please contact your relationship team.
- 22.2 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: [business.bankofscotland.co.uk/contactus](http://business.bankofscotland.co.uk/contactus)
- 22.3 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.

## 23. Resolutions

- 23.1 The following are the resolutions of the Organisation which are the Organisation's authority to the Bank and the Bank is authorised to act on the Organisation's instructions when given in accordance with the Authority.
- 23.2 We, the Organisation, hereby appoint Bank of Scotland plc ("the Bank") as our bankers and apply for the account(s) and service(s) as indicated to the Bank. We authorise the Bank to operate our account(s) whether opened now or in the future in accordance with the terms as set out in the facility letter between us and the Bank under which we agree to make certain loan repayments to the Bank as detailed therein (Facility Letter) and the General Terms and Conditions and these terms are approved.
- 23.3 We, the Organisation, hereby agree that: a loan servicing account ("the account") be opened with the Bank; for the purposes of the Authority references to "account or accounts" mean the account whether opened now or in the future; the terms set out in the General Terms and Conditions and the Facility Letter and separate terms and conditions governing the use of the accounts shall apply to the accounts; the Bank is authorised to act on any instructions received from the people named in and in accordance with the Facility Letter and any authority with the Bank and debit the account(s) via funds transfer; the Authority will apply whether the account is in credit or overdrawn, even where the account will become overdrawn as a result of the debit.
- 23.4 We, the Organisation, hereby agree that we will make the payments detailed in the Facility Letter to the Bank by funds transfer from another bank account.
- 23.5 The Bank may act on any instructions given pursuant to the Authority provided by these resolutions without at any time making any enquiries as to the circumstances of the instructions or why such instructions were given.
- 23.6 The Bank is authorised to accept changes to this Authority from the Authorised Signatories acting within the Authority.
- 23.7 The Bank will be provided with the Rules and the Resolutions or Constitution of the Organisation for inspection and also with copies of any resolutions amending them that may from time to time be passed and certified by the Chairperson or the Secretary.
- 23.8 The Bank will also be provided with a list of the names of the officials of the Organisation and also with copies of any resolutions amending them that may from time to time be passed and certified by the Chairperson or the Secretary.
- 23.9 The Authority will not be affected by any change in the name of the Organisation, but the Bank will be notified of any changes and the Organisation will complete all necessary documentation as requested by the Bank.
- 23.10 The authorised signatories, acting within the Authority, may only use the account to make loan repayments under the terms of the Facility Letter. Borrowing is not permitted on the account.
- 23.11 The Bank is authorised to accept all instructions to pay to or debit from the account the loan repayments scheduled under the Facility Letter.
- 23.12 We have read and understood and agree to the terms set out on in the Data Privacy Notice on how our business information will be used by the Bank.
- 23.13 The Authority shall remain in force until changes are notified to the Bank in accordance with the provisions of the Authority.
- 23.14 It is certified that the above resolutions were duly passed in accordance with the Organisation's Rules or Constitution (if any) and entered into the Organisation's minute book (if any) and that the specimen signatures shown in the Authority are correct and that all signatories are duly authorised on behalf of all members to enter into legally binding obligations with the Bank on behalf of the Organisation.

## 24. Declarations

- 24.1 This section will apply if there is only one Authorised Signatory to the account. The sole Authorised Signatory confirms that:
- there are no rules or constitution for the Organisation;
  - there is no Chairperson, Treasurer, Secretary associated with the Organisation;
  - the sole Authorised Signatory is the only party responsible for operating the account;
  - a loan servicing account or accounts ("the accounts") be opened with Bank of Scotland plc (the "Bank") references to "account or accounts" means the account whether opened now or in the future;
  - the terms set out in the General Terms and Conditions and separate terms and conditions governing the use of the account(s) shall apply to the account;
  - the Authority shall apply whether the account is in credit or overdrawn, even where the account will become overdrawn as a result of the debit;
  - the Bank may act upon instructions pursuant to the Authority given by me and (if applicable) authorised signatories appointed by me;
  - the Authority will not be affected by any change in the name of the Organisation but the Bank will be notified of any changes and the Organisation will complete all necessary documentation as requested by the Bank;
  - the information given in the Authority is full and correct and the Authorised Signatory authorises the Bank to make any enquiries necessary for confirmation of the above information and for credit.



