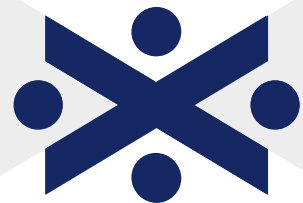


COMMERCIAL BANKING

# Terms and Conditions.

Business Current Accounts



**BANK OF  
SCOTLAND**

# General terms and conditions which apply to all accounts for a Sole Trader/Partnership/Limited Liability Partnership or Limited Company/School/Credit Union/Other unincorporated bodies/Trusts (including Executor/Administrator and Pensions)

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

1.1 This document together with the information given with your application and any Charges Brochure (together, the "Agreement") set out the terms and conditions which apply to your business account(s), including business current account(s) and to "Your authority to operate accounts" ("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.

Where you apply for the provision of banking services:

- ▶ by bank card, debit card, charge card, credit card or any other card introduced by the Bank from time to time; or
- ▶ by electronic or similar means; or
- ▶ by any other means that may be introduced by the Bank from time to time;

specific terms for such services will apply. If there is any conflict, those specific terms will override the terms of the Authority and/or these general terms and conditions.

This Agreement replaces any terms and conditions or other agreements that may have applied to your account.

1.2 Your account will be held with Bank of Scotland plc.

Registered and Head Office: The Mound, Edinburgh EH1 1YZ.  
Registered in Scotland No. SC327000.

1.3 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 (or any subsequent properly authorised addition or alteration to it) without enquiring about its purpose, or the circumstances in which it is given, or about the disposition of any proceeds. 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. 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.

1.4 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.

1.5 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 If you are an Organisation, on request you must promptly send us a certified copy of the Rules or Constitution of the Organisation and any changes to them together with any resolutions amending them duly certified by the Secretary or Chairperson where relevant and any other 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.

1.9 You must promptly send us without request (if you are a limited company or limited liability partnership):

- ▶ a certified copy of any future Board/LLP resolutions which affect the terms of the Authority;
- ▶ details of any changes to your directors/members, company secretary (if any), and other officers, senior managers and authorised signatories.

1.10 If you are a limited liability partnership:

- ▶ 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 or authorised under Regulation 7(6) of the Limited Liability Partnership Regulations 2001; and any instructions within the terms of the Authority or 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;
- ▶ 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 You must promptly send up without request: (a) a certified copy of any future resolutions which affect the terms of the Authority; and (b) details of any changes to your officials and authorised signatories.

1.12 If you are an 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 the Organisation's Rules and any instructions within the terms of the Authority or any other 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.

1.13 If a petition is presented to wind up the business we shall have no further obligation to pay any sums from the account until the petition is dismissed.

1.14 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. Communications: General authority to Bank to accept internet/iDTV/WAP/email/telephone/fax/any other electronic communications

2.1 Subject to the following sub-clause, we may accept your instructions even if they are not given in conventional written paper form such as by letter or on cheques. This would cover any form of electronic or telephonic communication, including those not currently available. It applies to all present and any future business on your accounts.

2.2 The Authority enables us to accept instructions given by electronic communications from you. It does not imply that we can or do currently actually accept all the types mentioned. We will tell you what types we will accept.

2.3 Note that there may be no signature, security or password protection for email, phone, fax and other future forms of electronic communication. You should bear this in mind if you decide to permit us to accept those types of instruction.

2.4 Where we agree to accept instructions in electronic format, we will not be able to act on the instructions unless they are legible and clear.

2.5 We may decline to act on an electronic communication, even if we have told you we will in general accept that type of instruction. We may do this if we consider there is doubt about the validity of the electronic communication and it is in our or your interest to query it with you. However, we are not obliged to check or consider the validity of your electronic communications unless we have previously agreed a system of validation with you, such as the use of digital signatures.

- 2.6 If we come to believe that you may not have properly authorised an electronic communication we may, after making reasonable efforts to check whether it was authorised, refuse to act on the instruction and take steps to reverse any action already taken on it.
- 2.7 Without prejudice to clause 10.1, we may act on any electronic communication which we reasonably believe you have given us, even if in fact it has not come from you.
- 2.8 You must follow any security procedures we specify. We may also require you to sign a separate agreement before you can use some types of electronic communication to send us instructions and to access some kinds of services and accounts by electronic communication. If there is any conflict, the specific terms of that subsequent agreement will override the terms of the Authority.
- 2.9 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.
- 2.10 We can communicate with you by any form of electronic communication by which you have chosen to be able to give us instructions.
- 2.11 We advise:
- ▶ against using analogue mobile or cordless phones to contact us as they can sometimes be intercepted or overheard;
  - ▶ you to be careful not to let other people see your details if you are on-line in a public place;
  - ▶ against using email for sending us confidential information.
- 2.12 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.
- 2.13 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:
- ▶ 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;
  - ▶ there may be occasions when you should take specialist advice rather than solely relying on our services;
  - ▶ we are not responsible for how you interpret information we provide, or implement any action you choose to take; and
  - ▶ 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. A. 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 Your account should not become overdrawn without arrangements

having been made with us nor should the account operate in excess of the agreed borrowing limits.

- 4.4 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 or, where an overdraft limit has been agreed and the withdrawal will not cause that limit to be exceeded. However, if at any time such instructions would result, without prior arrangement, in the account becoming overdrawn, or the agreed overdraft limit being exceeded, we may in our sole discretion and without contacting you, allow an overdraft to be created or allow the agreed overdraft limit to be exceeded. 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 may at any time, without giving you notice, withdraw or restrict any right to an overdraft or demand immediate repayment of your overdraft. We will write to you if we require any repayment of your overdraft.
- 4.6 Our Need to Know brochure sets out the steps you should take to help protect your accounts, which include not giving out account or security details, such as any PIN to anyone. If you tell us that your cheque book, debit card or Keycard has been lost or stolen or that someone else knows your PIN or other security information, we will take action to try to prevent these from being used. More detailed procedures for specific services may be set out in greater detail in the terms and conditions and/or brochures that are specific to those services.
- 4.7 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 laser) 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.
- 4.8 You acknowledge that if you choose to complete cheques (other than the 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.
- 4.9 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.
- 4.10 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.
- 4.11 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.

#### 4. B. Third Party Providers

- 4.12 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.
- 4.13 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.

- 4.14 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.
- 4.15 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 and Interest Rates

- 5.1 Our Charges Brochure sets out and/or refers to how, when and what we charge for the range of services we provide, as well as the applicable rates of interest, if any. For a copy of any brochure please contact your relationship manager or see our website [bankofscotlandbusiness.co.uk](http://bankofscotlandbusiness.co.uk)
- 5.2 The terms and conditions for any agreed overdrafts, including the overdraft interest rate for agreed overdrafts, will be detailed in a separate overdraft facility letter.
- 5.3 Unauthorised borrowing will be charged at the applicable unauthorised borrowing rate and will incur other unauthorised borrowing charges.
- 5.4 If you are the recipient (i.e. a payee) of a payment we may deduct our charges as set out in the Charges Brochure from the money transferred before crediting it to you. If we deduct any charges under this clause, we will give you details in your regular bank statements or charges invoices (or other agreed means by which you wish to be notified) of the amount of the money we receive and of our charges for receiving the money.
- 5.5 We may change any of our charges at any time. We will tell you (in accordance with clause 12) at least two months before the change to the charge takes effect.
- 5.6 Before we deduct interest or charges for maintaining and running your accounts which have built up over a charging period, we will give you at least 14 days' notice of how much we will deduct. Please refer to the Charges Brochure for the relevant dates of the applicable charging period.
- 5.7 Notwithstanding clause 12.3 we may change our interest rates at any time and without notice to you if such a change is:
- 5.7.1 to your advantage;
  - 5.7.2 a change to a Reference Interest Rate; or
  - 5.7.3 a change to the Reference Exchange Rate.

we will tell you about the change by making details available in our branches within three Business Days of making the change or by telling you personally within 30 days of making the change.

- 5.8 We will update our website within three Business Days of an interest rate change taking effect.
- 5.9 Where we pay interest on credit balances on a business current account, interest will accrue daily and will be paid monthly.

## 6. Payment transactions to and from your account, other than cheques

- 6.1 In order for a payment instruction from you to be properly executed by us, you must provide us, as applicable with certain information. The information we need depends on the currency of the payment and the location of the beneficiary's account and is known as the unique identifier:
- a. If you are making a sterling payment into an account in the UK, 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.
  - b. 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; or
  - c. if you are making a payment in a foreign currency into an account in the UK or any payment into an account based outside of the UK but within the EEA, the unique identifier information is the beneficiary's

International Bank Account Number "IBAN") and the Bank Identifier Code ("BIC") (save that the BIC is not required to be provided by you for payments made by SEPA credit transfer and the BIC does not, therefore, form part of the unique identifier for such payments). We will always rely on the unique identifier for the purposes of processing your payment instructions.

- d. You will also need to provide us with the currency and 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; or
- e. If you are making a payment into an account based outside of the UK or EEA, you should contact your relationship manager for details of the information that you will need to provide and what constitutes the unique identifier

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.

- 6.2 We may not be able to process your payment instructions if we are sending the payment using a payment scheme (for example Faster Payments) and the financial institution to which we are sending the payment is not a member of the relevant payment scheme or if the amount of the payment exceeds any value limit which is permitted under the relevant payment scheme. If we cannot make a payment using the relevant payment scheme we will notify you or make this information available to you so that we can discuss with you alternative ways that we could make the payment (and any charges that may be payable by you as a result). We will not make the payment until we receive an instruction from you that we can make the payment using an alternative method. If, in exceptional circumstances, we are unable to make the payment using an alternative method, we will notify you of this and the reason for this or make this information available to you (unless the law prevents us from doing so or it would undermine security measures) within the timescales that we would have processed your payment.
- 6.3 Payment transactions will be shown on your account in sterling (GBP) and will be executed in sterling (GBP) unless otherwise agreed.
- 6.4 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.
- 6.5 You must give consent before the execution of a payment transaction or a series of transactions and, depending on the Payment instrument or procedure, in one of the following ways:
- a. for transactions initiated in writing (other than by facsimile), by written instructions signed in accordance with the Authority;
  - b. for telephone banking transactions, in accordance with the terms and conditions governing your telephone banking service with us;
  - c. for a debit card or Keycard linked to the account, in accordance with the terms and conditions governing that card;
  - d. for direct dial or online services linked to the account, in accordance with the terms and conditions governing the internet banking service linked to the account (for the avoidance of doubt, we do not accept payment instructions or consent to a payment transaction by email);
  - e. through a Third Party Provider, by following any procedures required by such Third Party Provider; and
  - f. for any other transaction linked to the account, the method and form of consent as agreed with you from time to time.
- 6.6 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:
- 6.6.1 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;
  - 6.6.2 for payments in euro: where the payee's bank is within the EEA (including the UK), the next Business Day after the Business Day on which we received your instruction;

6.6.3 for payments in any other EEA currencies: where the payee's bank is within the EEA (including the UK), the fourth Business Day after the Business Day on which we received your instruction.

Note that our electronic services may offer more favourable cut-off times and may be cheaper than where payment is initiated by way of a Paper Payment Order. 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 case of payments in sterling in the UK and payments in euro anywhere within the UK or EEA) the end of the second Business Day after the Business Day on which we received your instruction, or (in case of such payments in sterling in the EEA, other than the UK, and payments in other EEA currencies anywhere within the UK or 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 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.

6.7 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.

6.8 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.

6.8.1 Please note that not all services are available at all branches.

6.8.2 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 timescales if you hand your deposit over the counter.

6.8.3 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](http://bankofscotland.co.uk/mobilebranches)

6.9 Where we have been notified by a UK payment scheme service such as the Current Account Switching Service, that the recipient of one of your standing orders and/or bill payments (payees set up on your account which you may at any time subsequently make payments on variable dates and/or for variable amounts) has moved their current account to another bank participating in the Current Account Switching Service, we will update the recipient's new Sort Code and Account number without further notice to you to ensure that your payment reaches the correct account within applicable timescales.

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

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

## Confirmation of Payee

6.11 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").

6.12 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.

6.13 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.

6.14 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, 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.

## 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 eight 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 clause 8.2.
- 8.4 The foregoing provisions of this clause 8 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.

## 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, in branch or via telephone banking. 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, invoices, 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 If you require information on an individual payment transaction (for example, in relation to charges or execution times), please refer in the first instance to the latest Need to Know brochure or contact your relationship team.
- 9.3 The language of this Agreement shall be English and all information provided, made available and notified to you shall be in English.
- 9.4 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

### 10.1 General

- 10.1.1 The extent of your liability for any losses you incur in respect of an unauthorised payment transaction:
- a. arising from the use of a lost or stolen Payment instrument linked to your account, or a misappropriation of the security features of a Payment instrument linked to your account, or
  - b. where you have acted fraudulently or with intent or gross negligence failed to take reasonable steps to keep safe any of the personalised security features of a Payment instrument linked to your account, is set out in the terms and conditions governing the use of the relevant Payment instrument.
- 10.1.2 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.
- 10.1.3 You will be liable for all unauthorised transactions on your account if you have acted fraudulently.
- 10.1.4 When giving us payment instructions (other than cheques) 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.

### 10.1.5 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.

### 10.1.6 You are responsible for ensuring that cheques issued by you are correctly and legibly completed and signed.

### 10.2 Micro-enterprises

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

#### 10.2.1 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 a cheque payment on your account, we will refund the amount of the transaction or payment to your account. 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.

#### 10.2.2 Where we are liable for an unauthorised transaction on your account or 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 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.

#### 10.2.3 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.

#### 10.2.4 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 have under that Act for unauthorised use of credit facilities.

#### 10.2.5 Where a payment instruction is initiated by a payee (for example, a direct debit),

- a. 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;
- b. 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.

### 10.3 Non-Micro-enterprises

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.

#### 10.3.1 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 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.

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.

- 10.3.2 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.
- 10.3.3 When we are assessing whether a payment transaction was authorised by you:
- a. 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:
    - i. take all reasonable steps to keep the Payment instrument safe; or
    - ii. use the Payment instrument in accordance with this Agreement.
- 10.3.4 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 10.3.4 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 this we will not have any further liability to you.
- 10.4 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.
- 10.5 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.
- 10.6 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 6.6, 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).
- 10.7 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.

## 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 us or any member of the Lloyds Banking Group or any of our 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 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 clauses 12.5 above and 5.7 above, 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 Subject to clause 12.9 we may terminate this Agreement by giving you at least two months' written notice.

12.11 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.

12.12 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.

12.13 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.

12.14 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

If you are a partnership, the following shall apply:

- 13.1 Any signature authorised by the Authority may be in the name of a partner, the partnership or any authorised signatory.
- 13.2 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.
- 13.3 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.
- 13.4 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.
- 13.5 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.

13.6 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.

13.7 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.

13.8 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.

13A.6 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.

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/trustees/Executors/Sole Trader/each Partner/Director/Member to operate accounts under the Authority

- 14.1 If you are a sole trader, you will have authority without any restriction to authorise any transaction or other business (including opening any further accounts in your name or in the name of the business or applying for further services) with the Bank, and to operate all your accounts.
- 14.2 If you are a partnership or limited company or limited liability partnership, unless you have provided otherwise in Section 2 of the Authority each of the partners/directors/members named in Section 2 as signatory to the account(s) has individual authority without any restriction to operate all your accounts. 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.
- 14.3 If you are an Organisation, unless you have provided otherwise in Section 3, "Signing Restrictions", of the Authority each signatory named in Section 2 of the Authority has individual authority without any restriction to authorise any transaction or other business (including opening any further accounts in your name or in the name of the Organisation or applying for any further services) with the Bank, and to operate all the Organisation's accounts. Therefore, each of these signatories will be able, for example, to withdraw money from any of the Organisation's accounts, or set up an overdraft (which may be without the knowledge of the other signatories). We will not be obliged to make enquiries about the purpose of any transactions or the signatory's authority to conduct them.
- 14.4 If you do not want a partner/director/member/authorised signatory/trustee/Executor to have that authority please give details in Section 2 of the Authority.

## 15. Authority to change the Authority

- 15.1 A sole trader may notify us of a change to the Authority (or Authorities that have already been changed) by writing to us. This includes changing the authorities in clauses 14 or 16 of these terms and conditions for example adding the names of new signatories.
- 15.2 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 Section 2 of the Authority (or by one partner if only one partner is permitted by Section 2) writing to us.
- This includes changing the authorities in clauses 14 or 16 of these terms and conditions for example adding the names of new signatories. If none of the signatories are partners you can change the Authority by any two partners writing to us.
- 15.3 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 by Section 2 of the Authority (or by one authorised signatory if only one signatory is permitted by Section 2) 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. This includes changing the authorities in clauses 14 or 16 of these terms and conditions for example adding the names of new signatories.
- 15.4 If you are an Organisation, you can change the Authority (or Authorities that have already been changed) by any two authorised signatories named in Section 2 of 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 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 Section 2 of 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 your account(s).

- 16.2 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 Section 2 of the Authority and supply us with personal and signature details.
- 16.3 If you wish to put conditions or restrictions on the authority of that person, please give details in Section 2 of 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 enquiries 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.
- 16.4 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).

## 16A. Trust Corporation

This section applies to Executors.

- 16A.1 These terms and conditions continue to apply if an executor or administrator is a trust corporation save that where liability is referred to herein, any liability to the Bank will be that of the trust corporation

## 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. Application of insurance monies

- 18.1 If you have taken out a general insurance policy through us in connection with one of our accounts, we will hold any money we receive in relation to the insurance (including any premiums, and any claims payments and premium refunds paid to us by the insurer) in our capacity as a bank approved by the Prudential Regulation Authority and the Financial Conduct Authority, rather than as a trustee for you (or in Scotland as an agent for you), and the Financial Conduct Authority's client money rules do not apply to the money.

## 19. Cheques and Cheque clearing

- 19.1 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.
- 19.2 We reserve the right to refuse payment on any cheque that is presented more than six months after the date of the cheque.
- 19.3 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](http://bankofscotlandbusiness.co.uk). If you have any queries or need further information please contact your relationship team.
- 19.4 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 on the Business Day 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 Exchange Rate prevailing on that day. You can obtain details of our 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 the money to be returned, we will take the currency or the sterling equivalent from your account. If we converted the cheque into sterling, we will recalculate the amount based on the 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 under Negotiations and Collections. Copies of these brochures are on our website at [bankofscotlandbusiness.co.uk](http://bankofscotlandbusiness.co.uk) or alternatively contact your relationship manager.

## 20. Notice

20.1 Any notice (other than notification on changes to interest rates referred to in clauses 5.7 and 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 by hand to the other party (and deemed received upon receipt). The address for any such notice for us will be the Bank of Scotland plc, The Mound, Edinburgh EH1 1YZ, 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.

## 21. Third Party Rights

21.1 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.

## 22. Governing law and jurisdiction

22.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed and construed in accordance with either 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 held) 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).

## 23. Defined Terms

**"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 9am to 5pm 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, including where appropriate, international as well as UK charges that apply to your account;

**"Current Account Switching Service"** means a UK payments industry service operated by Bacs Payment Schemes Limited which facilitates the transfer of bank accounts from one participating bank to another participating bank;

**"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)

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

**"Executors"** means executors or administrators or intended executors;

**"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;

**"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 EUR 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;

**"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 may be amended or superseded 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;

**"Scheme"** means any pension scheme or pension trust;

**"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.

## 24. Help and information

24.1 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.

24.2 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](http://bankofscotlandbusiness.co.uk/contactus)

24.3 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.

## 25. Resolutions

25.1 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.

- a. 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 Sections 2 and 3 of the Authority and the General Terms and Conditions and these terms are approved.
- b. We, the Organisation, hereby agree that: a current account or accounts or (if applicable) a deposit account or accounts ("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 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 Section 2 (the "Authorised Signatories") and in accordance with Section 3 ("Signing Restrictions") of the Authority to pay from or debit the account(s) either in writing or via any electronic or other automated payment or funds transfer system that the Bank makes available to the Organisation, by telephone, bank card, debit card, credit or by any other means that may be introduced by the Bank; 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.
- c. We, the Organisation, hereby agree that the Authorised Signatories are authorised acting within the Authority to: arrange with the Bank from time to time for advances to the Organisation by way of loan or overdraft; withdraw and deal with any of the Organisation's property which the Bank may hold from time to time; and approve and authorise the execution on behalf of the Organisation of any contracts, agreement or other document with any part of the Lloyds Banking Group for the provision of banking services.
- d. We, the Organisation, hereby approve and authorise the signing on

behalf of the Organisation of any indemnities or counter-indemnities which the Bank may require from time to time;

- 25.2 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 and authorisation given by you to allow your creditor to send instructions to us to initiate Collections for debiting your account.
- 25.3 The Bank is authorised to accept changes to this Authority from the Authorised Signatories acting within the Authority.
- 25.4 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.
- 25.5 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.
- 25.6 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.
- 25.7 The authorised signatories, acting within the Authority, may from time to time: (a) withdraw and deal with any of the Organisation's property or securities which the Bank may hold from time to time; (b) arrange with the Bank from time to time for advances to the Organisation by way of loan or overdraft; (c) approve and authorise the execution on behalf of the Organisation of any contract, agreement or other document with any part of the Lloyds Banking Group for the provision of banking services; (d) give orders or instructions which are in favour or for the benefit of themselves or to discharge their individual obligations to the Organisation or to others; arrange for the granting of documentary or other credits or the issue of guarantees or other undertakings by the Bank whether within or outside the UK and whether by itself or its correspondents; (e) arrange for the discounting of any bills endorsed on behalf of the Organisation; (f) except as otherwise excluded in the General Terms and Conditions, give instructions and sign any agreement (whether committed or optional) regarding: entering the purchase, sale or exchange of any foreign exchange or securities; entering any transactions relating to the purchase, sale, exchange, payment or setting off of sums of money determined by reference to present or future interest or currency exchange rates including interest rate and currency swaps, caps and floors, forward rate agreements, forward foreign exchange contracts and options on any such transactions;
- 25.8 The Bank is authorised to accept all instructions to pay to or debit from the account all our cheques, drafts, orders, receipts for money, bills, promissory notes, negotiable instruments, documentary credits and any other similar instruction in accordance with the Authority.
- 25.9 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.
- 25.10 The Authority shall remain in force until changes are notified to the Bank in accordance with the provisions of the Authority.
- 25.11 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 Section 2 of 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.

## 26. Declarations

- 26.1 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 current account or accounts or (if applicable) a deposit 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 and for credit assessment.

Information correct as at: November 2021.

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