

COMMERCIAL BANKING

Core Banking Agreement



Sterling Account

Product & Services
Terms & Conditions



**BANK OF
SCOTLAND**

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Core Banking Agreement
("The Agreement") contains
terms, conditions and
important information that
apply to certain of our
products and services.
Those products and services
can be identified as they
state in the header
Core Banking Agreement.

Important Information

The following documents detail both your and our rights and obligations in relation to the Products.



Relationship Terms & Conditions

These contain the general relationship terms and conditions for all **Products** under **The Agreement**;



Product & Services Terms & Conditions

These contain additional terms and conditions for a specific **Product** provided under **The Agreement**; and



General Information On Payments, Charges & Contacts

This contains the general information you will need to know in respect of payments and standard charges under **The Agreement**. Also included are general contact details and information on large print, Braille and call recording.

You need to read

Product & Services Terms & Conditions, relating to a **Product** that we agree to provide to you alongside the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts.

You can find a copy of each of these at bankofscotland.co.uk/corebankingagreement or request a copy from your relationship team.

...the date on which these Product & Services Terms & Conditions are deemed to come into effect, as set out in the application form for these Product & Services Terms & Conditions and notwithstanding the date or dates of execution of the application form for these Product & Services Terms & Conditions.

l. **Commission**
means the percentage-based commission and/or the margin-based commission, as calculated in accordance with the Pricing Schedule.

...disclosed to it lawfully by the Disclosing Party who did not obtain it (whether directly or indirectly) from the Disclosing Party;

iii. was in the public domain at the time of receipt by the Receiving Party or subsequently entered into the public domain other than by reason of breach of the Agreement or breach of any obligation of confidence owed by the Receiving Party or its agents or subcontractors to the Disclosing Party; or

iv. is trivial or obvious,

v. and (for the avoidance of doubt) the iSITE Service and the iSITE Guide are **Confidential Information**.

o. **Consent to Rely**
means the optional consent to rely set out in the application form for these Product & Services Terms & Conditions.

p. **Control**
has the meaning given to it by section 840 of the Income and Corporation Taxes Act 1988.

q. **Control Account**
has the meaning given to it in clause 23.6.

r. **Designated Client Account**
means any account held by us in your name and which is designated as holding funds beneficially owned by one or more Clients who are named or otherwise identified in the title of that account.

...the company as the meaning given to it by section 1159 of the Companies Act 2006.

v. **Intellectual Property Rights**
means all patents, trade or service marks, registered designs, copyrights, design rights, database rights, rights to extract information from a database, know how or any other industrial or commercial property right whether future or presently existing and any application for the foregoing.

w. **Internal Payment Instruction**
means an instruction to transfer money electronically from an Account held in an Account Group to another Account held either in the same Account Group or in another Account Group.

► **ACCOUNT**
means any Undesignated Account, Designated Client Account or Client Own Name Account or any other account type identified by us in writing from

ACCOUNT

means any Current Account and/or Deposit Account that you hold with us excluding those products or accounts where separate terms and conditions have been provided to you



1. Definitions

1.1 Words and expressions as defined in the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts have the same meaning in these Product & Services Terms & Conditions unless otherwise stated in these Product & Services Terms & Conditions. We also use the following defined terms throughout these Product & Services Terms & Conditions.

Account

means any **Current Account** and/or **Deposit Account** that you hold with us excluding those products or accounts where separate terms and conditions have been provided to you.

Authorised Debit Interest Rate

means the agreed rate of interest charged on an **Account** for authorised overdraft borrowing as advised to you by your relationship team and confirmed in your most recent **Facility Letter** (where appropriate) or as otherwise provided to you in writing.

Blocking Notice

means the notice that the **Third Party Charge Holder** may send to us in the event that a default occurs under the terms of the third party charge.

Charging Cycle

means the charging cycle relating to the payment of charges, which shall be monthly unless otherwise agreed with your relationship team.

Credit Interest Rate

means the rate of interest, if any, paid on an **Account**, details relating to which are set out on **Our Website**, or are as otherwise agreed between you and us in writing.

Current Account(s)

means any instant access sterling current account(s) excluding those products or accounts where separate terms and conditions have been provided to you.

Deposit Account(s)

means any sterling deposit account(s) including instant access accounts excluding those products or accounts where separate terms and conditions have been provided to you.

Facility Letter

means the document detailing specific terms and conditions relevant to an overdraft or other borrowing agreed by your relationship team (as amended, varied or supplemented from time to time).

Instructions

means an instruction made in accordance with the section titled "Who is authorised to give instructions to us" in the Relationship Terms & Conditions which authorises us to pay money out of an **Account**.

Interest Cycle

means the charging cycle relating to the payment of interest, which shall be monthly unless otherwise agreed with your relationship team.

Pledged Account

means an **Account** that you hold with us where you have notified us that the funds held in that **Account** are subject to a charge or other arrangement to the benefit of a third party.

Pledged Account Acknowledgment Letter

means the letter from us setting out the terms on which the **Pledged Account** will operate.

Third Party Charge Holder

means an entity that has a legal right to exercise control over the funds in the **Pledged Account**.

Third Party Provider

means a service provider authorised by law to access information or make payments for you from your payment accounts.

Trading Account

means an account used by you for day to day banking transactions.

Unauthorised Debit Interest Rate

means the standard unauthorised debit interest rate charged on an **Account** for unauthorised overdraft borrowing, details of which are available in the General Information On Payments, Charges & Contacts and from your relationship team, or are as otherwise agreed between you and us in writing.

Uncleared Balance

means any balance which is still to be cleared through the clearing cycle after being paid into an **Account**.

2. Eligibility

- 2.1 The minimum age for opening and operating an **Account** is 18.

3. Purpose of a Current Account a Deposit Account and a Pledged Account

- 3.1 A **Current Account** may be used as a **Trading Account**.
- 3.2 A **Current Account** must not be used as a **Pledged Account**. A **Deposit Account** must not be used as a **Pledged Account**.
- 3.3 A **Deposit Account** must not be used as a **Trading Account**. If a **Deposit Account** is used as a **Trading Account** we will charge you for transactions by applying the charges set out in the tariff provided in the General Information On Payments, Charges & Contacts (as varied from time to time in accordance with the section titled "Terms applying to charges" in the Relationship Terms & Conditions).
- 3.4 There is no requirement to open or maintain a **Current Account** to operate a **Deposit Account**.
- 3.5 In relation to **Pledged Account** only:
- 3.5.1 a **Pledged Account** is an **Account** which has become a **Pledged Account** because you have notified us that the funds held in that **Account** are subject to a charge or other arrangement to the benefit of a third party and we have sent you the **Pledged Account Acknowledgment Letter**.
- 3.5.2 the **Third Party Charge Holder** may request to take full control of the **Pledged Account** by sending a **Blocking Notice**. The **Blocking Notice** instructs the Bank to block the **Account** in order for the **Third Party Charge Holder** to take control of the **Account** and withdraw the funds they are owed.
- 3.5.3 a **Pledged Account** will continue to operate in line with your mandate, however it will be removed from any shared overdraft facility or pooling arrangement.
- 3.5.4 in the event that we are made aware that a charge or other arrangement you have agreed to that is to the benefit of a third party has become enforceable, we reserve the right to freeze or block any **Account** whilst the validity of the request is established and have no liability in respect of this. You agree to indemnify us, our agents, employees, officers and directors for any damages, costs or losses to any person whatsoever arising as a result of taking or not taking any action under or in connection with this clause unless directly caused by our gross negligence or willful misconduct.
- 3.6 In relation to a **Deposit Account** only:
- 3.6.1 you cannot make cash deposits into a **Deposit Account**; and
- 3.6.2 debit cards are not provided and cannot be linked to a **Deposit Account**.

4. Instructions

4.1 The ways in which consent for a payment transaction will be given to us by you are:

- 4.1.1 in writing;
- 4.1.2 making a request for a cash withdrawal at any bank counter;
- 4.1.3 in accordance with the Product & Services Terms & Conditions relating to any online/internet banking service, provided you have registered for such service;
- 4.1.4 in the case of a direct debit or standing order on the **Account**, by completing and signing the relevant form setting up the direct debit or standing order;
- 4.1.5 by entering your PIN or providing any other security code (when using a debit card, Cashpoint card or an online/internet banking service that we provide to you); and/or
- 4.1.6 through a **Third Party Provider**, by following any procedures required by such **Third Party Provider**; and/or
- 4.1.7 by presenting a completed cheque to any person, and consent will be provided at the time that any of the actions set out in clause 4.1 are taken by you.

4.2 We will not accept **Instructions** given by fax or email.

4.3 You agree that you shall be liable to us for all sums that become due to us in connection with these Product & Services Terms & Conditions. 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 any cheques, payment instructions or other

instructions given by you or on your behalf in accordance with your **Mandate**, except where:

- 4.3.1 it should have been readily apparent to a reasonable banker processing such cheques, payment instructions or other instructions in the ordinary course of business that (where applicable) the signature was not the signature or facsimile authorised by you or that any cheques, payment instructions or other instructions had been altered or falsified in any way; and/or
- 4.3.2 any losses, claims, actions, proceedings, demands, damages, costs and expenses incurred or sustained by us were as a result of the fraudulent actions of an unrelated third party.

5. Interest on money in an Account

5.1 Until further notice, interest (if payable on the Account) is calculated on a daily basis on cleared credit balances at the Credit Interest Rate. Interest will be credited to the Account on a

monthly basis, unless otherwise agreed between the Account Holder(s) and their relationship team. Any interest will be taxed according to your individual circumstances and as specified by law.

6. Borrowing

6.1 Borrowing is not permitted on a **Deposit Account** or a **Pledged Account**. If a **Deposit Account** or a **Pledged Account** does become overdrawn, unauthorised borrowing interest will be charged.

6.2 In relation to a **Current Account** only:

6.2.1 you should only overdraw a **Current Account** within an overdraft limit agreed in advance with your relationship team. The overdraft limit will be confirmed in writing by your relationship team. We normally confirm the limit on an annual basis if the borrowing facility is to continue or at such other time that the limit is changed with our agreement;

6.2.2 we may at our sole discretion permit you to exceed any agreed overdraft limit or overdraw a **Current Account** where an overdraft limit has not been agreed in advance with your relationship team. Such amounts will constitute unauthorised borrowing and will incur unauthorised borrowing interest;

6.2.3 fees or charges may apply in relation to your overdraft. These include arrangement fees for the setting up and renewal of an overdraft facility and charges for taking security. These fees or charges will be advised to you by your relationship team at the time of your request and confirmed in writing in your most recent **Facility Letter** or otherwise. These fees and charges are not refundable if the overdraft facility is not used; and

6.2.4 authorised borrowing will incur interest at the **Authorised Debit Interest Rate** on the total amount outstanding (including any **Uncleared Balance**) within your agreed overdraft limit. Interest will be debited to a **Current Account** in line with the **Interest Cycle**.

6.3 Unauthorised borrowing will incur interest at the **Unauthorised Debit Interest Rate** and will be charged when the overdrawn balance on an **Account** (including any **Uncleared Balance**) exceeds the agreed overdraft limit or alternatively when an **Account** goes overdrawn (including any **Uncleared Balance**) when there is no agreed overdraft limit. Interest will be debited to an **Account** in line with the **Interest Cycle**.

6.4 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.

6.5 Nothing in **The Agreement** restricts our right to refuse to allow any overdraft or other borrowing or increase in any overdraft or other borrowing.



7. Charges

- 7.1 Charges will apply to an **Account** and any transactions on an **Account**, as set out in the General Information On Payments, Charges & Contacts, or as otherwise agreed in writing with your relationship team.
- 7.2 If you are the recipient of a payment (i.e. a payee) we may deduct our charges as set out in the tariff 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 money we receive and of our charges for receiving the money.
- 7.3 **Account** transaction charges will be debited to an **Account** in line with the **Charging Cycle** (unless otherwise agreed with your relationship team).
- 7.4 Unless we tell you or you request otherwise, we will send you pre-notification of **Account** transaction charges and debit interest at least 14 days in advance of them being debited to an **Account**.
- 7.5 We will tell you the charge for any other service or product before we provide that service or product to you, and at any time that you ask.

► SIGNATORY

If you appoint a new Authorised Signatory, you must complete a new Mandate. We must be satisfied with our identification, background and other checks in relation to the new Authorised Signatory before we will be prepared to accept instructions from that person.

8. Changes to your information

- 8.1 If you appoint a new **Authorised Signatory**, you must complete a new **Mandate**. We must be satisfied with our identification, background and other checks in relation to the new **Authorised Signatory** before we will be prepared to accept instructions from that person.
- 8.2 It normally takes us seven **Business Days** to process any changes to your **Mandate**. Until the changes have been processed and we are satisfied with our identification, background and other checks (if applicable), we can continue to rely on your existing **Mandate**.
- 8.3 Any account level **Mandate** authorities that need to be amended for a **Pledged Account** should be arranged in the normal way.

► CHANGES

It normally takes us seven Business Days to process any changes to your Mandate. Until the changes have been processed and we are satisfied with our identification, background and other checks (if applicable), we can continue to rely on your existing Mandate.

9. Liability

- 9.1 We will only be liable for any reasonable losses, costs and expenses incurred by you which arise directly from our breach of contract or negligence in relation to an **Account** 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 our breach or negligence. Our liability in connection with the services provided under these Product & Services Terms & Conditions will be limited to the monetary amount of the relevant transaction in relation to the **Account** pursuant to which our breach of contract or negligence occurred.
- 9.2 Nothing in these Product & Services Terms & Conditions limits or excludes our liability in any way under the sections titled "Refunds for incorrectly executed payment instructions", "Refunds for incorrect payment amounts/sums" and "Refunds for unauthorised transactions" in the Relationship Terms & Conditions. Any limitation on your liability under the section titled "Your responsibility for unauthorised transactions" in the Relationship Terms & Conditions will not be affected or prejudiced by any term of these Product & Services Terms & Conditions.
- 9.3 In relation to **Pledged Accounts** only:
The Bank, its agents, employees, officers and directors will not be liable for and you will indemnify us in respect of any damages, costs or losses to you, the **Third Party Charge Holder** or any other person or have any liability whatsoever arising as a result of taking or not taking any action under or in connection with the third party charge, the **Pledged Account Acknowledgment Letter**, the **Blocking Notice** or any related documentation or notices relating to the **Pledged Account** unless directly caused by its gross negligence or willful misconduct.

10. Contact details

10.1 You can contact us:



by telephone on
0345 835 7478; or



by post
Bank of Scotland,
Commercial Servicing,
Edinburgh BX2 1LB



or by such other contact
methods as we may from time
to time advise you.

10.2 Further contact details are set out within General Information On Payments, Charges & Contacts.



11. Other terms

- 11.1 Each of our services and products have separate terms and conditions applying to them (including in the form of other Product & Services Terms & Conditions).
- 11.2 These Product & Services Terms & Conditions apply to the services provided to you under these Product & Services Terms & Conditions. Subject to clause 11.3 and clause 11.4, if separate terms and conditions (including in the form of other Product & Services Terms & Conditions) are provided to you by us for the supply by us of any of our other products or services (either electronic, automated or other), the provisions of any such separate agreements will apply to those products and services.
- 11.3 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply of the services provided to you under these Product & Services Terms & Conditions, these Product & Services Terms & Conditions will take precedence.
- 11.4 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply by us of any of our other products and services (either electronic, automated or other), the terms and conditions relating to such other products and services will take precedence in respect of the provision by us to you of those products and services.



SERVICES

Each of our services and products have separate terms and conditions applying to them (including in the form of other Product & Services Terms & Conditions)

