

COMMERCIAL BANKING

Core Banking Agreement

**A guide to how
your terms
and conditions
are changing**



**BANK OF
SCOTLAND**

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Section 1: What is the Core Banking Agreement

The Core Banking Agreement (The Agreement) is the collective name for the documents that form your contractual agreement with us for the products and services covered by The Agreement. It includes your terms and conditions and supporting documents, such as application forms and mandates.

Your Terms and Conditions.

To make your Terms and Conditions easier to use and understand we have rewritten them, reducing duplication and simplifying language wherever possible. To help us achieve this we have restructured them into three separate documents.

1. Relationship Terms & Conditions
2. General Information on Payments, Charges & Contacts

These documents apply to all products and services under the Core Banking Agreement.

3. Product & Services Terms & Conditions

This document is specific to a product or service under the Core Banking Agreement.

Please see the following for more details:



Relationship Terms & Conditions.

This contains the general legal and regulatory terms and conditions, for all products and services provided under The Agreement, covering for example:

- ▶ How we will let you know about changes to your terms and conditions in the future.
- ▶ How we pay and charge interest.
- ▶ General terms on how you can make and stop payments.
- ▶ Notice periods to stop receiving products and services.
- ▶ Our rights to decline or delay acting on your payment instructions.
- ▶ How we will treat your confidential information.
- ▶ Keeping communication clear between us.



General Information on Payments, Charges & Contacts.

This contains the general information you will need to know, for all products and services provided under The Agreement, such as:

- ▶ Information about payment instructions including cut-off times and processing dates.
- ▶ Our standard charges. Other specific product and service charges can be obtained from your relationship team.
- ▶ General contact details.
- ▶ Braille, large print and call recording information.



Product & Services Terms & Conditions.

There are separate product and services terms and conditions for each product and service provided under the Core Banking Agreement.

These Terms and Conditions take precedence over the Relationship Terms & Conditions and General Information on Payments, Charges & Contacts. They cover:

- ▶ Product specific terms and conditions.
- ▶ Specific product contact details.

We have restructured a number of product and services terms and conditions. You can find the full list in Section 5 at the back of this guide.

Core Banking Agreement Mandates.

We have also reviewed Mandates and removed any contractual terms which conflict with the Core Banking Agreement. This has not changed your signing authorities.

Please make sure you use the new Mandates and Application forms, which will be available from your relationship team.

You can find your updated terms and conditions at **bankofscotland.co.uk/corebankingagreement**

Please make sure that you and anyone else in your business that needs to know about these changes, reads all parts of your Core Banking Agreement.

Section 2: Generic changes to terms and conditions

Increased Payment Services Regulations (PSR) protection.

The Payment Services Regulations are designed to make dealing with payments a quicker, easier and more informed experience and to provide protection for all our business and personal customers. With the introduction of the Core Banking Agreement your business will now receive the full protection provided by PSR.

The only exceptions to this are businesses that are not Micro-Enterprises, where Regulations 60 and 62 continue not to apply. This is no change to your existing PSR position. Please see the following for further details. A Micro-Enterprise is a business with a group annual turnover or balance sheet of up to €2m (or sterling equivalent) and which has fewer than ten staff.

Key PSR protection:

- ▶ **Future changes to terms and conditions** – Now when we make

changes, we will give you at least two months' written notice before the changes come into effect. In some cases this may be less than you get today. If the change is out of our control due to a change in legislation or regulations, we will give you as much written notice as possible.

- ▶ **Closing products or ending our relationship** – You may now close a product or end your relationship with us, at any time, by giving us one months' written notice, unless we've agreed with you otherwise. In some cases, you may have previously been able to do this with immediate effect.

We may now stop providing you with a product or end our relationship with you at any time by giving you two months' written notice, unless we've agreed with you otherwise. There are some circumstances when we may end our relationship immediately. Please refer to the 'Termination' section within the Relationship Terms & Conditions as we have reviewed the circumstances that may apply.

▶ **Notification of unauthorised or incorrectly executed payment transaction** – If you become aware of an unauthorised or incorrectly executed payment transaction, you should notify us without delay and no later than 13 months' after the date of the transaction.

▶ **Regulation 60: Evidence on authentication and execution of payment transactions** – If you are a Micro-Enterprise, when we are assessing whether a payment transaction was authorised by you, we cannot necessarily treat the use of any Payment Instrument as sufficient evidence to show that the payment was authorised by you.

If you are not a Micro-Enterprise, you agree that Regulation 60 of the Payment Services Regulations does not apply to you; therefore we can treat the use of any Payment Instrument as sufficient evidence to show that the payment was authorised by you.

Regulation 62: Payer's liability for unauthorised payment transaction – If you are a Micro-Enterprise, you will be responsible for any losses incurred in respect of an unauthorised transaction arising from:

The use of a lost or stolen Payment Instrument; or the misappropriation of a Payment Instrument due to you failing to keep the personalised security features of the Payment Instrument safe, up to a limit of £50 per instance of loss, theft or misappropriation.

If you have acted fraudulently or you have intentionally or with gross negligence failed to keep the Payment Instrument safe, you will be responsible for all losses.

If you are not a Micro-Enterprise, you agree that Regulation 62 of the Payment Services Regulations does not apply to you; therefore you will be responsible for all losses incurred by unauthorised transactions.

- ▶ **Changes to interest rates** – If we are making a change to an interest rate and this is based on a change to the **Reference Interest Rate** (an external rate to which a product rate is linked) or the change is favourable to you, we may make the change immediately without providing you with advance notice.

Within 30 days of us making the change, we will provide and/or make information about the change available to you.

For any other changes to interest rates, we will provide you at least two months' notice.

If changes to the Reference Interest Rate result in the interest rate which applies to your account(s) falling below 0%, negative interest rates may apply and we may charge interest to you for holding a deposit with us. Please refer to the Relationship Terms & Conditions for more information on how this could apply.

Extended payment cut-off times.

We have extended most of the payment cut-off times and processing dates. Information on payment instructions is included in General Information on Payments, Charges & Contacts. Please make sure you check the relevant cut-off times and processing dates for your products and services.

Providing or withdrawing consent to make a payment.

▶ **Providing your consent.**

We must have your consent to make a payment transaction.

The ways in which your consent will be given to us differ for each product and can be found in the specific Product & Services Terms & Conditions.

If you give consent to us for a series of recurring payments, we will treat this as if you have given your consent for all future payments in the series, unless you notify us otherwise.

▶ **Withdrawing your consent.**

Once we receive your consent, you can only withdraw it where you have provided instructions to make a payment on a future date or make a series of recurring payments. You need to give notice to us no later than the end of the Business Day on the day before the relevant payment is due to be made. It is your responsibility to notify anyone who was expecting to receive payment(s) and we will not be responsible for any loss or damage that you may suffer if you fail to do so.

If you withdraw your consent for a series of recurring payments, we will treat this as you withdrawing your consent for all future payments in the series, unless you notify us otherwise.

Name changes you need to be aware of.

- ▶ Where previous 'spot rate' was referenced this has now changed to Bank of Scotland Foreign Exchange rate. This rate is a currency

exchange rate determined by Lloyds Banking Group.

Other contractual changes.

We have aligned the contractual terms across the Core Banking Agreement for Liability, Indemnity and Circumstances beyond our or your control (Force Majeure). This means that there are some instances where you will receive more contractual protection and some where certain protections have been removed. Please refer to your Product & Services Terms & Conditions for further details.

Here are some examples:

Liability

- ▶ We have introduced a new clause to make it clear that warranties, conditions and other terms implied by statute and common law are excluded to the fullest extent possible.

- ▶ We have extended the circumstances in which we can exclude our liability to include, for example; our liability for loss of revenue or production or margin; or costs relating to wasted managerial, operational or other time; loss of or corruption of data or information and claims made against you by third parties (each whether direct, indirect or consequential). Please read the relevant clause in your Relationship Terms and Conditions.
- ▶ On some products we have introduced a cap on our liability in connection with the services to the monetary amount of the relevant transaction.
- ▶ We have removed the exclusion of our liability for fraud, mistakes on your account, consequential or indirect loss, loss of profits, loss of business or loss of goodwill, if you use a third party aggregation service.

Indemnity

- ▶ We have added wording, which means you do not need to indemnify us against losses incurred by us arising out of cheques, payment instructions or other instructions given by or on your behalf where any losses were due to the fraudulent actions of an unrelated third party.
- ▶ We have removed the indemnity from you relating to any loss that we may suffer as a result of acting on an e-mail from you, or which appeared to be from you.
- ▶ The indemnity relating to losses suffered by us due to instructions received from you have been extended to cover cheques, payment and other instructions, previously it only covered payment instructions.

Circumstances beyond our or your control (Force Majeure)

- ▶ This has been introduced to increase the protection available to you.

Providing acceptance of these changes to your Terms & Conditions.

If you have previously provided a signature of acceptance of the changes to your terms and conditions, you no longer need to do so. Now, if you accept these changes there is nothing you need to do. If you let us know that you disagree with any of the changes, our agreement with you allows you to close your products or services before the changes take effect.

About Your Account leaflet.

We have included the information that was previously in the About Your Account leaflet within the Core Banking Agreement Relationship Terms & Conditions and General Information on Payments, Charges & Contacts.

Where to find updated contact details.

Specific product and service contact details can be found in your Product & Services Terms & Conditions, there are also general contact telephone numbers within General Information on Payments, Charges & Contacts. The contact details for your relationship team have not changed.

Data Protection Notice (DPN).

The DPN wording has been removed from all specific terms and conditions and now included in Application forms.

To understand how the information you give us will be used, we recommend that you read our Privacy Statement, which you can find at bankofscotlandbusiness.co.uk/legal/personal-and-business-data

Your new terms and conditions are available at bankofscotland.co.uk/corebankingagreement

Section 3: Product and service summary of key changes to your terms and conditions

The following is a summary of the key changes to specific product and services terms and conditions. Please make sure that you and anyone else

in your business that needs to know about these changes, reads all parts of your Core Banking Agreement.

Current Accounts

- ▶ The following terms and conditions have been combined and are now called:
Sterling Account - Product & Services Terms & Conditions
Primary Corporate Account
Secondary Sterling Account
Niche Deposit Account
-

Project Bank Account (PBA)

- ▶ We will now be able to close or suspend PBAs if the account holder(s) do not follow the minimum requirements for this account required by The Government Construction Board's Fair Payment User Group. You can find further information about PBAs at www.gov.uk/government/publications/project-bank-accounts
 - ▶ We can now change our standard charges by giving you two months' written notice.
-

Pooling and Sweeping

We have consolidated the terms and conditions for Pooling and Sweeping into one suite of documents, listed below. The Master Terms apply whether you have either or both Pooling or Sweeping products. There are also account addition and withdrawal documents for Pooling. For more information please speak to your relationships team.

- ▶ Liquidity Solutions Master Terms – Product & Services Terms & Conditions
 - ▶ Sweeping Supplementary Terms – Product & Services Terms & Conditions
 - ▶ Single Currency Pooling Supplementary Terms – Product & Services Terms & Conditions
 - ▶ Cross Currency Pooling Supplementary Terms – Product & Services Terms & Conditions
 - ▶ Authority To Debit Percentage Sweep – Product & Services Terms & Conditions.
-

Sweeping

- ▶ A Certificate of Legal Validity has now been added as a stated requirement in the Master Terms.
 - ▶ How set-off applies to your sweep arrangements is now covered in the Master Terms.
 - ▶ We have made it clear that when you enter into sweeping arrangements you are doing so based on your own judgement and advisers.
 - ▶ Each party can now serve a notice to terminate a Contra Account on the other party.
-

Premier Direct Foreign Currency Cash Collection Service

- ▶ We have increased the termination notice period we will give you from one month to two months.
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Bulk Cash Till Services

- ▶ We have increased the termination notice period we need to provide to you from one month to two months.
 - ▶ On termination of the Product & Services Terms & Conditions we may submit an invoice, which shall be payable immediately.
 - ▶ In future, rather than contacting us, you will need to notify the security company of any statement discrepancy.
-

Bacstel-IP

- ▶ The following terms and conditions have been combined and are now called:
Bacstel-IP – Direct and Indirect Submitters Product & Services Terms & Conditions
Bacstel-IP – Direct Submitters
Bacstel-IP – Indirect Submitters
 - ▶ We have made your obligations to meet with the guides and rules applicable to Direct Debit Service Users and/or Direct Credit Service Users, clearer.
-

Cheques – Bulk Overnight Unencoded and Branch Delivery Service

- ▶ The following terms and conditions have been combined and are now called:
Bulk Overnight Unencoded Scheme incorporating Branch Delivery Service – Product & Services Terms & Conditions
Agency Customer Use Only
Non Agency Customer Use Only
Branch Delivery Service
 - ▶ We have reduced the termination notice period you need to provide to us from three months to one month and changed the notice period we need to give you from three months to two months.
-

Multibanking Services

Multibanking: Request for Transfer IN (MT101)

- ▶ These terms and conditions are now called:
Swift MT101 inward – Product & Services Terms & Conditions
 - ▶ We have made it clear that if the forwarding bank or executing bank account, decide to terminate The Agreement, we will also be required to terminate The Agreement.
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Multibanking: Request for Transfer OUT (MT101)

- ▶ These terms and conditions are now called:
Swift MT101 outward – Product & Services Terms & Conditions
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Multibanking: Balance & Transaction Reporting IN (MT940)

- ▶ These terms and conditions are now called:
Swift MT940 inward – Product & Services Terms & Conditions
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Multibanking: Balance & Transaction Reporting OUT (MT940)

- ▶ These terms and conditions are now called:
Swift MT940 outward – Product & Services Terms & Conditions
 - ▶ We have extended the termination period we need to provide to you, from one month to two months and increased the notice you need to provide to us, from seven days to one month.
 - ▶ We have changed the assignment notice period so that we do not have to provide any notice before an assignment is made.
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Your new terms and conditions are available at
bankofscotland.co.uk/corebankingagreement

Section 4: Corporate Cards

If you have a Corporate Card product, the Payment Services Regulations changes set out in Section 2 of this guide have been applied to your terms and conditions. We are not making any other changes. Corporate

Cards sit outside of the Core Banking Agreement and have separate terms and conditions, which can be found at [bankofscotland.co.uk/corporatecardsnotice](https://www.bankofscotland.co.uk/corporatecardsnotice)

Section 5: Products and services to new terms and conditions table

Product name	New terms and conditions
Corporate 0% Credit Interest Account	Sterling Account – Product & Services Terms & Conditions
Corporate Bespoke Call Account	Sterling Account – Product & Services Terms & Conditions
Corporate Bespoke Current Account	Sterling Account – Product & Services Terms & Conditions
Corporate Call Account	Sterling Account – Product & Services Terms & Conditions
Corporate Call Account A	Sterling Account – Product & Services Terms & Conditions
Corporate Call Managed Rate Account	Sterling Account – Product & Services Terms & Conditions
Corporate Current Account	Sterling Account – Product & Services Terms & Conditions
Corporate Deposit Account Customised	Sterling Account – Product & Services Terms & Conditions
Corporate Exempt Account	Sterling Account – Product & Services Terms & Conditions
Corporate External Bank Account	Sterling Account – Product & Services Terms & Conditions
Corporate Feeder Account	Sterling Account – Product & Services Terms & Conditions
Corporate Loan Servicing Account	Sterling Account – Product & Services Terms & Conditions

Product name	New terms and conditions
Corporate Non-Bank Subsidiary Account	Sterling Account – Product & Services Terms & Conditions
Corporate Project Bank Account	Project Bank Account – Product & Services Terms & Conditions
Corporate Standard Call Account	Sterling Account – Product & Services Terms & Conditions
Corporate Standard Current Account	Sterling Account – Product & Services Terms & Conditions
Current Account	Non Sterling Currency Account – Product & Services Terms & Conditions
Current Account – 3I Group	Non Sterling Currency Account – Product & Services Terms & Conditions
Current Account – Import	Non Sterling Currency Account – Product & Services Terms & Conditions
Current Account – Pre-shipment	Non Sterling Currency Account – Product & Services Terms & Conditions
Designated Client Account	Client Account Standard Agreement – Product & Services Terms & Conditions
Euro-Call Account	Non Sterling Currency Account – Product & Services Terms & Conditions
Financial Solutions Personal Current Account	Client Account Standard Agreement – Product & Services Terms & Conditions
Insolvency Account	Insolvency Account – Product & Services Terms & Conditions

Product name

New terms and conditions

Niche Deposit Account	Sterling Account – Product & Services Terms & Conditions
Non-Bank Subsidiary Account	Sterling Account – Product & Services Terms & Conditions
Pension Fund Account	Pension Fund Account – Product & Services Terms & Conditions
Undesignated Client Call Account	Client Account Standard Agreement – Product & Services Terms & Conditions

Service name

New terms and conditions

Account Reconciliation (TAR)	Account Reconciliation (TAR) – Product & Services Terms & Conditions
Bacstel-IP Submitter	Bacstel-IP – Direct and Indirect Submitters Product & Services Terms & conditions
Branch Delivery Service	Bulk Overnight Unencoded Scheme incorporating Branch Delivery Service – Product & Services Terms & Conditions
Bulk Overnight Unencoded	Bulk Overnight Unencoded Scheme incorporating Branch Delivery Service – Product & Services Terms & Conditions
Bulk Till – Collection and Delivery Service	Bulk Cash Till Service – Product & Services Terms & Conditions
Bulk Till – Collection and Delivery Service (Commercial Finance)	Bulk Cash Till Service – For Commercial Finance Customer only – Product & Services Terms & Conditions
Code Authenticator	Code Authenticator – Product & Services Terms & Conditions
Commercial Banking Online	Commercial Banking Online Product & Services Terms & Conditions
Corporate Online	Corporate Online – Product & Services Terms & Conditions
International Cash Management – MT101 in	Swift MT101 inward – Product & Services Terms & Conditions
International Cash Management – MT101 out	Swift MT101 outward – Product & Services Terms & Conditions

Service name	New terms and conditions
International Cash Management – MT940 in	Swift MT940 inward – Product & Services Terms & Conditions
International Cash Management – MT940 out	Swift MT940 outward – Product & Services Terms & Conditions
Pooling – Multi Currency	Liquidity Solutions Master Terms – Product & Services Terms & Conditions Cross Currency Pooling Supplementary Terms – Product & Services Terms & Conditions
Pooling – Single Currency	Liquidity Solutions Master Terms – Product & Services Terms & Conditions Single Currency Pooling Supplementary Terms – Product & Services Terms & Conditions
Premier Direct Cash Collection Service	Premier Direct Cash Collection – Product & Services Terms & Conditions
Premier Direct Foreign Currency Cash Collection Service	Premier Direct Foreign Currency Cash Collection – Product & Services Terms & Conditions
Secure Email Service	Secure Email Service Product & Services Terms & Conditions
Sweeping	Liquidity Solutions Master Terms – Product & Services Terms & Conditions Sweeping Supplementary Terms – Product & Services Terms & Conditions Authority To Debit Percentage Sweep – Product & Services Terms & Conditions
Telepay	Telepay – Product & Services Terms & Conditions
Virtual Bank Service – International Receivables and US Dollar Lockbox	Virtual Bank Service – Product & Services Terms & Conditions

For details on Account Payments and Receipts please see either Relationship Terms & Conditions or General Information on Payments, Charges & Contacts.

Our service promise.


If you experience a problem, we will always try to resolve it as quickly as possible. Please bring it to the attention of any member of staff. Our complaints procedures are published at bankofscotland.co.uk/contactus

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Bank of Scotland plc Registered Office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland no. SC327000. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 169628. Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are also covered by the Financial Ombudsman Service (FOS). (Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered). The Lloyds Banking Group includes companies using brands including Lloyds Bank, Halifax and Bank of Scotland and their associated companies. More information on the Lloyds Banking Group can be found at lloydsbankinggroup.com

All information correct as at 1 October 2015.

Get in touch

-  If you have any questions about these changes, please contact your relationship team.

Please contact us if you'd like this information in an alternative format such as Braille, large print or audio.

If you have a hearing or speech impairment you can use Text Relay (previously Typetalk).