

General Information On Payments, Charges & Contacts

Core Banking Agreement



BANK OF
SCOTLAND

Core Banking Agreement

T&Cs

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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.

1. Definitions and interpretation

- 1.1 Where the words set out below are used with capital letters in the **Terms And Conditions**, they mean as follows:

Bacs

means the scheme operated by Pay.Uk Limited. Bacs is a way of electronically transferring funds from one account to another account with us or to another bank through a bankwide fund transfer system. Please note that Bacs operates on a 3 day cycle.

Business Day

means 9am to 5pm every Monday to Friday other than public or bank holidays in England and Wales, unless you are transacting through one of our branches which opens for shorter hours or we notify you of different times for the processing of payments.

CHAPS

means the Clearing House Automated Payment System and is an electronic bank-to-bank same **Business Day** value payment made within the UK in sterling, generally used for high value interbank transactions. CHAPS payments are fast, secure and efficient with the money being transferred irrevocably on the same **Business Day** (subject to any cut-off time which applies).

Crown Dependencies

means the Isle of Man and the Channel Islands (including the Bailiwick of Jersey and the Bailiwick of Guernsey).

Direct Debits

means an instruction that you give to us which authorises an organisation to collect amounts from your account. To set up a Direct Debit, the organisation you want to pay will either provide you with a Direct Debit instruction to complete and return or help you to set up the Direct Debit over the phone or on the internet. If the organisation makes changes to the collection day or amount it will notify you in advance (normally 10 **Business Days** in advance).

EEA

means the European Economic Area.

Faster Payments

means the scheme operated by Pay.Uk Limited. Faster Payments is an electronic near real time transfer between participating member banks with the money being transferred irrevocably on the same **Business Day** (subject to any cut-off time which applies).

Inter-account transfer

means an instruction to move money between accounts held by you (or by the same legal entity) both in the same name, same right.

Lloyds Bank Foreign Exchange Rate

means a currency exchange rate determined by a member of **Lloyds Banking Group** acting in its sole discretion.

Lloyds Banking Group or LBG

means Lloyds Banking Group plc registered in Scotland with a company number of SC095000 and any of its subsidiaries from time to time.

Mandate

means an up to date authority provided by you to us relating to the operation of one or more **Product(s)**.

Our Website

means our website appearing at **bankofscotland.co.uk/business-home** (or any other URL as we may notify to you from time to time).

Payment Instrument

means any:

- i. personalised device; or
- ii. personalised set of procedures agreed between you and us such as the use of a password, security details or a **PIN**,

used by you to instruct us to execute payment transactions for you.

Payment Scheme Exchange Rate

means the foreign-exchange wholesale rate applied to card payments in foreign currencies. You can find more details about the Payment Scheme Exchange Rate in **The Agreement**.

PIN

means Personal Identification Number.

Product

means certain of our products and services to which **The Agreement** applies. Those products can be identified as they state in the header **Core Banking Agreement** and they are referred to as “**Products**” throughout this General Information On Payments, Charges & Contacts.

Standing Orders

means an instruction that you give to us to make payments, usually on a regular basis, to the bank or other financial institution of a specified person. The payment must be for a fixed amount each time. You will need to provide us with a Standing Order instruction (called a Standing Order mandate). It is your responsibility to complete the date, the amount you want us to pay from your account and when you want such payments to be made. Payments will continue as instructed unless you tell us otherwise.

Terms And Conditions

means the Relationship Terms & Conditions, any Product & Services Terms & Conditions relating

to any **Products** which we provide to you and this General Information On Payments, Charges & Contacts.

The Agreement

means the **Core Banking Agreement** which consists of:

- i. any application forms that you have signed relating to the **Products**;
- ii. any **Mandates** that you have signed relating to the **Products**;
- iii. the **Terms And Conditions**; and
- iv. any other contractual documentation that we tell you is to be read alongside the **Terms And Conditions**.

1.2 Please note that limits apply to certain types of payment, as follows:

Payment type	Limit
Bacs	£20M per payment transaction.
CHAPS	No limit.
Please note that certain Products may have separate limits which apply. If applicable, details of these limits (or where to find them) will be set out in the Product & Services Terms & Conditions for any relevant Products .	



Mandate

means an up to date authority provided by you to us relating to the operation of one or more Product(s).





If you need further information about charges, please contact your relationship team.

2. Standard charges, information and queries

2.1 This section gives a summary of our standard charges for the services most frequently used by our customers. If you need further information about charges, please contact your relationship team. Some **Products** may have separate or additional charges and, if applicable, details of those charges (or where to find them) will be set out in the Product & Services Terms & Conditions for any relevant **Products**.

- 2.1.1 Please note that not all services are available at all branches.
- 2.1.2 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.
- 2.1.3 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

Help with queries about charges

- 2.2 If you think that we have charged you an incorrect amount, please speak to your relationship team. If we cannot resolve your query there and then, we will acknowledge your query and investigate the matter as soon as possible. Following this, if we agree that we made a mistake, we will restore your account to the state it would have been in had we not charged you an incorrect amount.

Account payments

Tariff name and description	Tariff per item
Cheques – cheques paid out of your account	£1.20
Direct Debits – Direct Debit debited to your account, payment instructions to make Bacs payments and where you are a Direct Debit originator, Direct Debits you have claimed which have been returned unpaid	40p
Standing Orders	50p
Transfers to another account – Transfer to another business account in your name and with the same signing rights with the sort code starting 12 or 80	FREE
Other debits including CHAPS and Faster Payments* payments	59p
*This charge applies to posting the transaction to your account and not the charge associated with the transmission of the payment.	

Account receipts

Tariff name and description	Tariff per item
Credits paid in – charge per credit paid in	85p
NightSafe/Deposit at 3rd Party	FREE
Charge per cheque paid in	£1.20
Automated credits (including Faster Payments)	15p
Transfer from other accounts – Transfer from another business account in your name and with the same signing rights with the sort code starting 12 or 80	FREE
Other credits (including CHAPS receipts)	75p
Faster payment credit – number of lotted items	15p

Non sterling currency accounts

Tariff name and description	Tariff per item
Cash paid in or out	£2 per £100 (minimum £3) plus £10 administration fee
Cheque paid in	£5
Currency banknote orders delivered to your business address*	£5
*Charge is applied at the time of order.	

Other services

Tariff name and description		Tariff per item
Cash paid in		£1.60 per £100
Cash paid out at any branch of Lloyds Bank, Halifax or Bank of Scotland (as applicable)		£1.60 per £100
Cash exchanging (swapping one denomination for another denomination within the branch)		£2.50 per £100
Unpaid cheque, Standing Order or Direct Debit returned due to lack of funds*		£30.00
Stopped cheque	Your instruction to us not to pay a cheque you have issued	£10.00
Currency account service – account fees		£5.00 per month
Statements	Regular statement of account	FREE
	Interim statements of account ordered from a Cashpoint machine	FREE
Copy statements	Last statement (if it has been lost or was not received)	FREE
	Earlier statement	£5.00 per sheet
Audit letters	Details of balances and other information provided, with your authority, to your accountant	
	• For 1-10 accounts:	£25.00 per account
	• For 10-100 accounts:	£250
	• 100 accounts – £250 + plus the amount you agree with your Relationship Management team to cover the additional accounts you have	
	Banker's reference	£20.00
	Status enquiry	£20.00
Standing Orders and Direct Debits – A list of your Standing Orders and Direct Debits		FREE

Other services (continued)

Tariff name and description	Tariff per item
Returned cheque – If a cheque credited to your account is returned to us unpaid by another bank or branch for any reason, we will debit your account, advise you and present it again for payment	FREE
Returned item fee – Where a Standing Order payment fails the second Business Day after it was due, a returned item fee may be charged, although it will only be charged once for each item that fails even if it we continue to try to make the payment.	We will notify you via letter if a returned item fee is charged. The tariff for Standing Order returned due to lack of funds is £30.00 as per the tariff listed above

*If we have to return one of your cheques, **Standing Orders** or **Direct Debits** due to a lack of funds we will make a charge. If we are unable to pay an item for a technical reason (e.g. a cheque is out of date) we will advise you, but not make a charge.

Domestic payments

Tariff name and description	Tariff per item
Manual instructions CHAPS payment	£30.00

Pledged Account Tariff

The standard charges outlined in this document will apply to all Pledged Accounts with the addition of the Pledged Account Maintenance Fee.

	Amount	Frequency
Pledged Account Maintenance Fee	£20.00	Charged Monthly

Specialist Accounts Tariff

We offer a specialist tariff on our Segregated funds, Designated Client and Undesignated Client Call Accounts. Our specialist tariff is provided free of charge, however charges for CHAPS, International payments, Online Channels and other ancillary services apply.

You can find details of these charges further within this document.

International payments

Tariff name and description		Tariff per item
Online Instructions	Urgent Euro Payment via Commercial Banking Online	£15.00
	Non Urgent Euro (SEPA Credit Transfer) via Commercial Banking Online	£5.00
	International Payment (non Euro) via Commercial Banking Online	£15.00
Branch and Manual Payments	Euro Moneymover	£5.00 An additional £7.00 is applied for payments that do not contain a valid BIC or IBAN (save that the BIC is not required for payments made by SEPA Credit Transfer)
	International Moneymover	£28.00
Cancellation/ amendments & status requests	Applicable to all payment types.	£20.00
Note: If funds have already been paid to the beneficiary and we cannot recall them, we will refund the recall fee.		
Correspondent bank charges	Many international payments are sent through our vast network of correspondent banks across the world. Such banks may, at their discretion, levy a charge for passing the payment on to the beneficiary bank. These charges may be deducted from the amount of the payment received by the beneficiary of the payment (where the payment is made on a SHA/SHAR or BEN/CRED basis). The amount of the correspondent bank charges may vary depending on the destination country and the bank involved. Three charging codes are available for international payments: SHA/SHAR, OUR/DEBT, BEN/CRED. Where you make a payment outside of the UK and select to pay all charges (known as an OUR/DEBT charging code), a correspondent bank fee may be payable. We charge this fee so you can be certain how much it will cost to make the payment before doing so. To comply with Payment Services Regulations, payments into the UK must be made on a SHA/SHAR basis. If a payment instruction does not comply with Payment Services Regulations, you agree that we are authorised to amend it to meet these requirements and act upon such altered instruction. The correspondent bank fee will be:	

International payments (continued)

Country	Fee
USA, the EEA , Canada, Switzerland, Monaco, San Marino, Jersey, Guernsey and Isle of Man	£12
Rest of the World, excluding the UK, select currencies (please refer to the Payment Transaction Brochure on Our Website)	£20

International charges

Tariff name and description Receiving money from abroad		Tariff per item
Bank transfer	A handling fee will be charged unless the person sending the money has elected to pay this or unless the payment has been sent in euros through SEPA or Target 2 payment schemes.	Up to £100.00 = £2.00 Over £100.00 = £7.00
Cheque negotiation	Cheques lodged to a sterling account.	Up to £100, £5 Over £100, 25p per £100, per currency, per country (minimum £8; maximum £80)
Cheque collection	Depending on the country involved, collection can take from a few days to over a month. The charge is taken whether the cheque is paid or not.	Up to £100, £5 Over £100, 25p per £100, per cheque, per country (minimum £15; maximum £80)
Unpaid cheques	For negotiations the value of the cheque will be debited to your account using the Lloyds Bank Foreign Exchange Rate . This means that the amount debited to your account may differ to the amount originally credited.	£5.00 handling charge

3. Business Debit and Keycard Card charges

- 3.1 The charges below only apply to the Business Debit and Keycard Cards. Separate charges apply to all other card **Products**. Please contact us for details of these charges.

Name	Price
Debit card transactions	44p
ATM withdrawals from a Lloyds Bank, Bank of Scotland or Halifax cash machine	Free
ATM withdrawals from other machines	42p
Please note, if you're using another bank's ATM, the owner of the machine may also charge you. All machines will give you an on-screen warning of charges, in advance, allowing you to continue or cancel the transaction	
Purchase of foreign currency from a Bank of Scotland branch, travel bureau or any other provider displaying the VISA sign	Free

Using your card abroad

Name	Price
Withdrawals from ATMs displaying the VISA sign or from other banks' counters, travel agents, bureaux de change and other outlets displaying the VISA sign	
For non-Euro withdrawals:	
- There is a 2.75% non-sterling transaction fee. This is a fee for currency conversion - The total amount in sterling then incurs a 1.5% non-sterling cash transaction fee (with a minimum fee of £1.50)	
For Euro withdrawals:	
There is a 2.75% non-sterling transaction fee. This is a fee for currency conversion	
The non-sterling cash transaction fee won't be charged if you:	
- Withdraw Euro within the EEA or UK; or - Withdraw Euro from outside the EEA or UK and the cash machine operator's payment service provider is based in the EEA or UK	
If you use another bank's ATM, some providers may charge you a fee for using their machines	
All other Business Debit Card transactions	2.75% non-sterling transaction fee. This is a fee for currency conversion

If you make a card transaction in a different currency from your account, we'll use the **Payment Scheme Exchange Rate** to convert the payment on the day we take the payment from your Account. This could be different from the day you actually use your card to make payment for something.

You can find details about the exchange rates on **Our Website** business.bankofscotland.co.uk/business-debit-card and information which will help you compare our rates with other card issuers' rates.



4. Information relating to payment instructions (including cut-off times and processing dates)

- 4.1 This section contains information relating to your payment instructions, including cut-off times and processing dates.
- 4.2 The table you will need to look at will depend on whether:
 - 4.2.1 you are making or receiving the payment (see the “outbound” tables if you are making the payment and the “inbound” tables if you are receiving the payment);
 - 4.2.2 the payment is being initiated electronically (i.e. through an online service) or manually (i.e. in paper form).
- 4.3 For a full list of currency cut-off times and value dates for international payments please refer to the Payment Transaction Brochure on **Our Website**.
- 4.4 The “outbound” tables contain the following information:

Outbound payments

→ Payment type	This sets out the way that the payment will be processed. You can find more information about the different types of payments in the section entitled “Definitions and Interpretation” above.
→ Currency	This sets out the currency in which you are making the payment.
→ Cut-off time	This sets out the time by which you need to have given your payment instruction to us on a Business Day , otherwise they will not be deemed received until the next Business Day . We may amend our cut-off times from time to time and will post details of those changes on Our Website .
→ Processing date	This sets out the date on which we will begin processing your payment instruction. You must have sufficient funds (or facilities) available on this day to make the payment. While these funds will still show in your account balance and interest will continue to be paid on them (if the account is interest bearing), they will not be available to make other payments. The SEPA Credit Transfer system operates on a ‘next day basis’ which means that your account will be debited with the amount of the payment on the processing date, rather than on the execution date.
→ Execution date	This sets out the date on which the beneficiary’s bank or other financial institution will receive the payment for credit to the beneficiary’s account. The amount of the payment will also be debited from your account on this date and interest will no longer be paid on the funds. The SEPA Credit Transfer system operates on a ‘next day basis’ which means that your account will be debited with the amount of the payment on the processing date, rather than on the execution date.

4.5 The “inbound” tables contain the following information:

Inbound payments

→ Payment type	This sets out the way that the payment has been processed. You can find more information about the different types of payments in the section entitled “Definitions and Interpretation” above.
→ Domestic Currency	This sets out the domestic currency in which you are receiving the payment.
→ Value date	This sets out the date that the money received by you will start to earn interest.

Electronic payments

Important Note: The tables under the heading “Electronic Payments” only apply to payments which have been initiated electronically (i.e. through an online service).

Commercial Banking Online

Payment type	Currency	Cut-off time	Import cut-off time	Processing date	Execution date
CHAPS	Sterling	17:25	17:05	Same Business Day	Same Business Day
Single/multiple Bacs	Sterling	17:00	16:40	Same Business Day	3 Business Days*
In House Transfer	Sterling	23:45	23:25	Same Business Day	Same Business Day
In House Transfer	Same Currency	17:50	17:30	Same Business Day	Same Business Day
In House Transfer	Cross Currency	16:00	15:40	Same Business Day	Same Business Day
Faster Payments	Sterling	23:55	23:35	Same Business Day	Same Business Day

*The industry standard Bacs payment cycle takes 3 **Business Days** and the deemed point in time of receipt and the day on which the payer’s account will be debited will be the third **Business Day**.



Inbound payments

Electronic Inbound – Domestic Payments (i.e. sterling payments received by you)

Payment type	Currency	Cut-off time	Value date
All	Sterling	N/A	All domestic payments will be credited to your account and start earning interest on the Business Day that we receive the funds.

Note: If you receive funds via **Faster Payments** during a non **Business Day**, the funds will be made available to you immediately.



Example

If we receive funds from a person making a payment to you from an account within the UK on Tuesday (Day 1), the funds will be credited to your account on Tuesday (Day 1) and will start to earn interest on Tuesday (Day 1). However, if we receive funds from a person making a payment to you on Saturday, because Saturday is not a **Business Day** the funds will be deemed received on the following Monday (Day 1), will be credited to your account on Monday (Day 1) and will start to earn interest on Monday (Day 1) (assuming that the Monday is not a bank holiday, in which case the funds would be deemed received on Tuesday, credited to your account on Tuesday and start to earn interest on Tuesday).

Manual payments

Important Note: The tables under the heading “Manual Payments” only apply to payments which have been initiated in paper form, or as agreed with your relationship team. Our online services may offer more favourable cut-off times – please see the section entitled “Electronic Payments” or contact your relationship team for further details.

Manual Outbound – Domestic Payments (i.e. payments made by you to an account within the UK)

Payment type	Currency	Cut-off time	Processing date	Execution date
CHAPS	Sterling	15:00	Same Business Day	Same Business Day



Example

If you give instructions to us to make a **CHAPS** payment in sterling to a beneficiary in the UK before 15.00 on Tuesday (Day 1), we will begin processing your payment on Tuesday (Day 1) and the beneficiary’s bank or other financial institution will receive the payment on Tuesday (Day 1).

However, if you give instructions to us at 15.30 on Tuesday (Day 1), you have missed the cut-off time so your payment instructions will be deemed received on Wednesday (Day 2), we will begin processing the payment on Wednesday (Day 2) and the beneficiary’s bank or other financial institution will receive the payment on Wednesday (Day 2).

We cannot guarantee that the beneficiary’s bank or other financial institution will make the funds available to their customer on the day that they receive the payment.





5. International payments – BIC and IBAN

Information about BIC and IBAN

- 5.1 The section entitled “Payment instructions” in the Relationship Terms & Conditions explains that you are required to provide IBAN and BIC when 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**. You may also be asked to provide your IBAN and BIC if a person is making a payment to you in these circumstances. Please note that SEPA Credit Transfers and **Direct Debits** do not apply to the **Crown Dependencies**.
- 5.2 You will also need an IBAN and BIC to transfer money to some non-**EEA** countries where the use of BIC and/or IBAN is mandatory. Payments may be returned if the information is not included and you could incur an additional fee. For certain international payments, there may be other mandatory payments requirements. Please speak to your relationship team if you require further information.
- 5.3 A BIC is a code by which your bank is identified throughout the world in a standardised format.
- 5.4 An IBAN is partly made up of your existing sort code and bank account number and is standardised into an internationally recognisable format.
- 5.5 You can find details of the BIC and the IBAN which apply to your account on your sterling and non sterling currency account statements or by speaking to your relationship team.

- 5.6 IBANs vary in length and include a mixture of letters and numbers. When filling in a form instructing us to make a payment for which an IBAN is required, you may not need to use all of the available boxes which are displayed. An IBAN printed on an invoice is likely to be prefixed with the word IBAN e.g. IBAN AT 61 1904 3002 3457 3201. The word IBAN and the spaces are not needed on the form. You can check the validity of an IBAN on the internet by accessing the IBAN checker website. Some examples of IBANs are:

- Austria AT 611904300234573201
- France FR1420041010050500013M02606
- Germany DE89370400440532013000
- Ireland IE29AIBK93115212345678
- UAE AE0702212305678901234567

6. Standing Orders

Standing Order frequency

- 6.1 The following **Standing Order** payment frequencies are possible:
 - 6.1.1 weekly;
 - 6.1.2 four-weekly;
 - 6.1.3 monthly;
 - 6.1.4 bi-monthly;
 - 6.1.5 quarterly;
 - 6.1.6 half-yearly; and
 - 6.1.7 yearly.
- 6.2 These are the only frequencies that will be accepted or processed by us, and must be stated in your **Standing Order** mandate.

Funding for Standing Orders

- 6.3 **Standing Orders** will be debited from your account at any time from 00:30am on the due date.
- 6.4 You need to have sufficient cleared funds or an appropriate account limit in place to meet the **Standing Order** at the latest by 15:30 on the date that the **Standing Order** is due to be made or the **Standing Order** may not be paid.
- 6.5 **Standing Orders** will not show on your account until they have been paid.

Standing Order payments

- 6.6 You can set up a **Standing Order** for up to a maximum of £99,999. If you need to make a payment over this amount it will either need to be split over a number of **Standing Orders** or processed via an alternative payment method.
- 6.7 Your account will be debited and the beneficiary's account will be credited on the day of the **Standing Order**.
- 6.8 Where the due date falls on a day which is not a **Business Day**, the payment of the **Standing Order** will be made on the next available **Business Day**.

Standing Order – same Business Day retries

- 6.9 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 A **Standing Order** will be cancelled after four consecutive missed payments.

7. Direct Debits

- 7.1 A Direct Debit is a payment that is collected from your bank account by an organisation based upon an instruction you have provided. Your instruction allows the organisation you want to pay to collect varying amounts from your account but only if you have been given advance notice of the amounts and dates of collection.
- 7.2 Once you have agreed the amounts and dates of collection, the money is deducted automatically. If the organisation you are paying wants to change an amount or date of collection, they have to tell you about it first.
- 7.3 A dormancy period rule exists as a safeguard to protect payers from **Direct Debit** Instructions being live on their bank account indefinitely. In the case of UK Direct Debits banks hold details of Instructions on file for a minimum period of 24 months from lodgement of the **Direct Debit** Instruction, in the event of no collections, or from the date of the last payment. After the dormancy period has passed, the bank will remove details of the Instruction from their system. Before claiming further **Direct Debit** payments the organisation must obtain a new **Direct Debit** Instruction or your authority to continue collecting. If this is not done your **Direct Debit** payment may be returned by your bank.
- 7.4 The Relationship Terms & Conditions set out a number of circumstances in which you may have a right to a refund (for example, if an unauthorised payment has been made from your account). In those circumstances, you may also have rights to a refund under the UK Direct Debit Scheme. Details of the UK Direct Debit Scheme are widely available on the internet.



Details of the UK
Direct Debit Scheme
are widely available
on the internet.

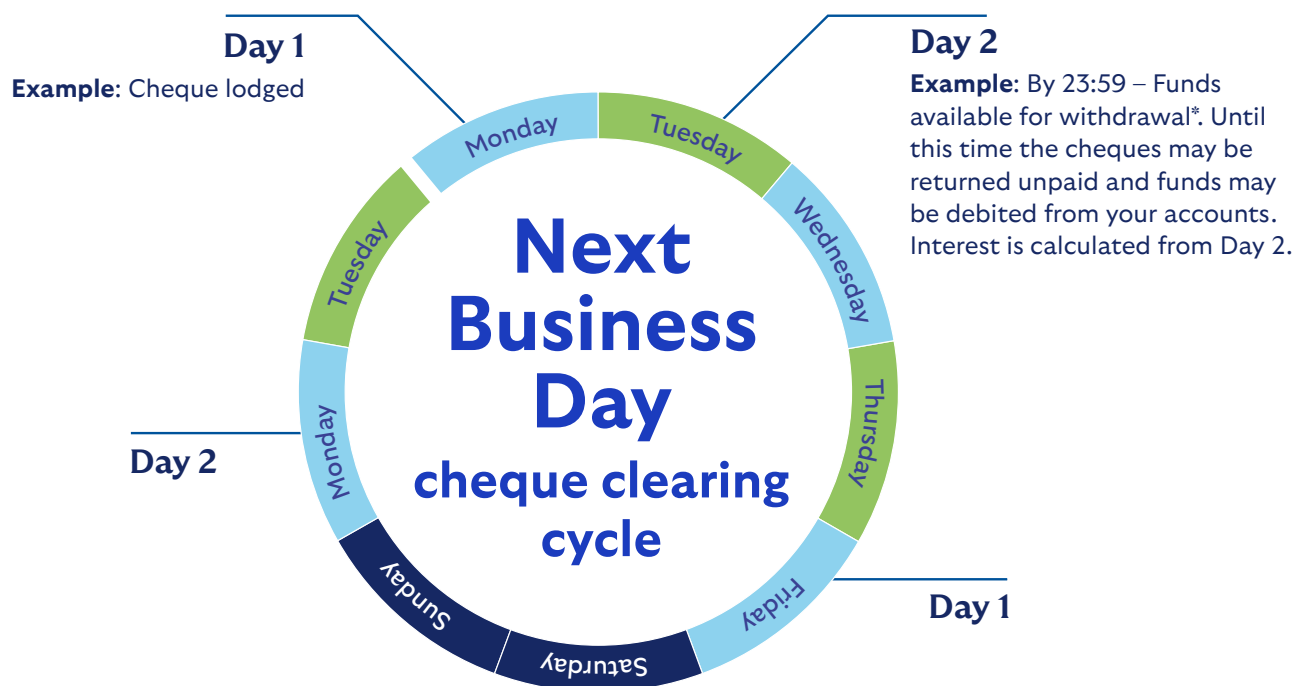
8. Cheques

Information relating to sterling cheques issued in the UK

All banks in the UK use the Next **Business Day** cheque clearing cycle for sterling cheques issued in the UK. The UK cheque clearing system exchanges scanned digital images of cheques.

You should anticipate money from cheques you write leaving your account on the next **Business Day**; and money being cleared from cheques you deposit on the next **Business Day**. **You should always ensure you have sufficient funds in your account prior to issuing a cheque.**

This is how the new cheque clearing cycle works for a Sterling cheque paid into a Sterling account



* Subject to post payment fraud measures.

- More information about how the cheque clearing cycle works across UK banks can be found on the payment scheme website managed by the Cheque and Credit Clearing Company.
- Timescales align with industry guidelines. Interest calculations and the availability of funds may be earlier in certain circumstances.
- Cheques paid in at a branch after 17:00 on a **Business Day** or any day which is not a **Business Day** may not begin to be processed until the next **Business Day**. Some branches have an earlier cut-off than 17:00. A notice will be displayed in such branches which will specify the earlier cut-off time. Cheques paid in via alternate methods than a branch will have different cut-off times. Please refer to the specific T&Cs for that method of deposit for more details or contact your relationship team for further information.
- Postal Cheque Service – You can pay in cheques via post. If you send us a cheque in the post, the timings shown in the clearing cycle diagram above will generally start the day after your cheque is received. If there is a postal delay, it may take longer for the money to become available in your account. Until we receive the cheque from you, we will not have any responsibility or liability in relation to it. For more information search ‘Postal Cheque’ on **Our Website: [Business.bankofscotland.co.uk](https://business.bankofscotland.co.uk)**
- If you regularly receive cheques for deposit, please contact your relationship team for information about our Bulk Cheque Processing Service.

Cheque clearing

- 8.1 The cheque clearing cycle includes:
- 8.1.1 the time that it takes before interest starts to accrue on funds paid into an account by cheque;
 - 8.1.2 the time that it takes before funds paid into an account by cheque can be withdrawn; and
 - 8.1.3 the time that it takes for a cheque to clear.
- 8.2 Any unused cheques belong to us and must be returned to us (or to someone acting for us) if we ask you to return them.
- 8.3 You should ensure that all cheques issued or deposited by you are completed in black ink, in line with industry standards. Use of coloured ink can affect the scanning process, resulting in cheque rejections.
- 8.4 All cheques issued or deposited by you should be fully complete and properly payable to the beneficiary.

Returned cheques

- 8.5 If we need to return a cheque that you have written due to lack of funds, we will notify you by post within two **Business Days**. An image of the cheque will be included for information.

How to stop a cheque

- 8.6 Next **Business Day** cheque clearing means that there is not a lot of time available to stop a cheque. If you need to stop a cheque or a series of cheques being paid, you should contact us as soon as possible. You will need to provide us with:
- 8.6.1 the cheque number;
 - 8.6.2 the amount of the cheque;
 - 8.6.3 the date of issue of the cheque; and
 - 8.6.4 the name of the intended beneficiary.
- 8.7 You will be asked to provide details of any replacement cheque that you write.
- 8.8 You may have to pay a fee for stopping a cheque. The section above entitled “Standard charges, information and queries” contains details of the fee.

Cheques signed by facsimile or other printed signature

- 8.9 You must inform us in writing if you would like to issue cheques which are signed with a facsimile or any other printed signature (for example, by pre-printing, rubber stamp, cheque signing machine or laser). You will need to give us specimens of those signatures. If you do not inform us and provide us with specimen signatures, we may reject those cheques. However, we are authorised to pay such cheques if they reasonably appear to have been issued by you.
- 8.10 If you use printed signatures of any kind, it is your responsibility to keep them safe and secure and not available to anyone who is not authorised by you to use them, and you agree that we do not need to check whether a printed signature has been added with your authority or the authority of any **Authorised Signatory** in relation to the relevant **Product**. We will not have any responsibility to you for any loss or damage that you may suffer unless it would have been apparent to a reasonable banker processing those cheques that the signature or facsimile (as applicable) was not the signature or facsimile authorised by you or that the cheque had been altered or falsified in any way.

Cheque deposits

- 8.11 We reserve the right to refuse payment on any cheque that is presented to us more than six months after the date of the cheque. If you have been issued with a cheque that is more than six months old, you should ask the person that provided the cheque to you to write a new cheque and you should destroy or return the old cheque to them.
- 8.12 If we have been advised that a cheque you have paid into your account is being returned unpaid, we will write to you with details of the returned cheque. This will usually be within two **Business Days** of the advice to us. An image of the cheque will be included for information.
- 8.13 For cheques deposited, certainty of funds and clearance for interest purposes will occur on Day 2.

Information relating to sterling cheques issued outside of the UK

- 8.14 Cheques drawn abroad in sterling may be paid in, but will follow a different process. Please contact your relationship team for further details.

Information relating to foreign currency cheques

- 8.15 The processing times for dealing with UK cheques do not apply to foreign currency cheques. The processing times for foreign currency cheques are dealt with below.

UK Euro cheques deposited into a euro or sterling account

- 8.16 If you pay a UK Euro cheque into your account and your account is held in euro then you can take the amount out of your account on the third **Business Day** after the **Business Day** that we receive it. If you pay a UK Euro cheque into your account and your account is held in sterling then you can take the amount out of your account on the fourth **Business Day** after the **Business Day** that we receive it. Please note that UK Euro cheques may still be returned unpaid after the cheque clearance date and after funds have been withdrawn.

Foreign currency cheques/money drafts issued by a financial institution outside of the UK

- 8.17 Due to the complexities of overseas cheque presentation rules, we will either **Collect** or **Negotiate** a foreign cheque.
- 8.18 If we **Negotiate** the cheque we will buy it from you by paying into your Account the sterling equivalent of the cheque within six **Business Days** after the day that we receive it, using the relevant reference exchange rate prevailing on that day.
- 8.19 If we **Collect** the cheque we will pay into your account the currency equivalent of the cheque on the **Business Day** that we receive payment from the paying bank using the **Lloyds Bank Foreign Exchange Rate** prevailing on that day (if the cheque is in a different currency from the account). We will tell you if a cheque has been **Collected**.

Example for UK Euro cheques deposited into a euro or sterling account



- 8.20 If a foreign financial institution returns a foreign currency cheque or asks for money to be returned to it in a foreign currency, we will take the sterling equivalent from your account. We will calculate the amount based on the **Lloyds Bank Foreign Exchange Rate** prevailing on the day that we debit your account, therefore the amount debited from your account could be a greater or lesser sum than the original value of the cheque.
- 8.21 Foreign currency cheques that are returned to us from overseas may be sent on a collection basis and may incur correspondent bank charges.
- 8.22 Sometimes it is not possible to obtain payment of foreign cheques because of local foreign exchange or other restrictions. In such circumstances, we will notify you that we are unable to obtain payment.

Terms explained

→ Negotiate

We pay the money into your account and then wait for the other financial institution to send the money to us.

However, even though we pay the money into your account and we let you take some or the entire amount of the cheque/money draft out of your account, that does not mean that the cheque has been fully 'cleared'.

The cheque may, therefore, be returned by the other financial institution as unpaid and the funds may subsequently be recalled from your account at any time.

→ Collect

We will present the cheque/money draft to the financial institution where the person who wrote the cheque or ordered the money draft has their account.

A credit is made to your account after payment has been received from the relevant financial institution.

Depending on where the cheque is drawn, this can take from a few days to eight weeks and, if the cheque is returned unpaid, the funds may subsequently be recalled from your account.

A close-up photograph of a person's face, partially obscured by a blue plastic rain poncho. The person is smiling slightly. Rain is falling heavily around them, creating a blurred background of green foliage.

22.5%

Our standard rate for unauthorised borrowing on sterling accounts is 22.5% above the Bank of England bank rate.

9. Unauthorised borrowing

- 9.1 Our standard rate for unauthorised borrowing on sterling accounts is 22.5% above the Bank of England bank rate, or any other rate agreed between you and us in writing. For the purpose of calculating any unauthorised borrowing rate in this clause, if the Bank of England bank rate falls below 0%, the Bank of England bank rate will be treated as 0% until such time it exceeds 0%.
- 9.2 For details of unauthorised borrowing rates on accounts held with us in currencies other than sterling, please see the Product & Services Terms & Conditions for the account.

10. Large print, Braille, audio and call recording

- 10.1 Please contact us if you would like us to provide any or all of the documents that make up **The Agreement** in an alternative format such as Braille, large print or audio.
- 10.2 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 Relay UK. More information on the Relay UK Service can be found at www.relayuk.bt.com
- 10.3 Calls may be monitored or recorded in case we need to check that we have carried out your instructions correctly, for reasons relating to security and/or to help improve our quality of service.



Contact

The ways in which you can contact us and our contact details will differ depending on which Product you need to discuss with us.

11. General contact telephone numbers

The ways in which you can contact us and our contact details will differ depending on which **Product** you need to discuss with us. You can find contact details relating to each **Product** in the relevant Product & Services Terms & Conditions.

In addition to the contact details set out in the Product & Services Terms & Conditions you may contact us on the following telephone numbers:



Customers with Bank of Scotland
Commercial Banking
General enquiries
0345 600 8526



Commercial Banking
Online helpdesk
0808 202 1390



International Payment
Services helpdesk
0345 604 4121



Lost and Stolen

If your card, **PIN**, security information (or any other **Payment Instrument**) has been lost, stolen or misused or disclosed to a third person then please notify us without undue delay by calling:

Bank of Scotland **0800 028 8335**

Our Website

means our website appearing at

business.bankofscotland.co.uk/business-home

(or any other URL as we may notify to you from time to time)





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