

COMMERCIAL BANKING

Core Banking Agreement



Insolvency Notice Account Terms

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

These Product & Services Terms & Conditions are for the Insolvency Notice Account. They apply in addition to our Relationship Terms & Conditions and the General Information on Payments, Charges & Contacts. If you have any queries please contact your relationship manager.

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 a Party who did not obtain it (whether directly or indirectly) from the Disclosing Party;

...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

...is trivial or obvious, 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.

...Company has 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 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

1. Definitions

1.1 We also use the following defined terms throughout these Product & Services Terms & Conditions:

Account

means the insolvency notice account that you have applied for and opened with us denominated in the currency agreed at account opening requiring 32 or 95 calendar days' notice for withdrawal of funds, as instructed by you.

Administrator

means an **Insolvency Practitioner** appointed under the Insolvency Act 1986 by the court under an administration order or by a floating charge holder or by the **Insolvent Entity** or its directors filing the requisite notice at court.

Insolvency Account

means the insolvency account that you have opened with us for day-to-day banking transactions, on the separate Product & Services Terms & Conditions provided to you.

Insolvent Entity

means the individual or entity in relation to which you act as an **Insolvency Practitioner** to manage and/or transact their affairs and/or asset(s) or effect the sale of charged property.

Insolvency Practitioner

means an insolvency practitioner practicing in the United Kingdom appointed as a **Liquidator**, **Administrator**, **Trustee in Bankruptcy**/**Sequestration**, **Nominee/Supervisor** or an official receiver or an **LPA Receiver** or, in Scotland, a trustee appointed under a **Trust Deed**.

Interest Rate

means the rate of interest, if any, paid on your **Account**, details of which are available from your relationship manager.

Liquidator

means an **Insolvency Practitioner** appointed by law, including by the court under a winding up order or by a requisite resolution of the members/creditors of the **Insolvent Entity**.

LPA Receiver

means a person appointed under the Law of Property Act 1925 and/or a fixed charge by a lender holding a fixed charge over property to enforce the lender's security.

Notice

means a notice of withdrawal of funds from your **Account**.

Nominee/Supervisor

means an **Insolvency Practitioner** appointed to supervise the implementation of a company voluntary arrangement.

Reversion Rate

means the rate of interest agreed at account opening with your relationship manager that will apply for the duration of the notice period to funds specified in a **Notice**.

SWIFT

means Society for Worldwide Interbank Financial Telecommunication.

SWIFT Message

refers to the payment and messaging service utilising the **SWIFT** network.

Trust Deed

means a voluntary trust deed for creditors entered into by the **Insolvent Entity** consistent with the terms of section 59 of and schedule 5 to the Bankruptcy (Scotland) Act 1985.

Trustee in Bankruptcy/Sequestration

means an **Insolvency Practitioner** who takes control of a bankrupt person's assets in accordance with the Insolvency Act 1986 or the Bankruptcy (Scotland) Act 1985.

2. Eligibility

2.1 The **Account** is only available to **Insolvency Practitioners** who already have an **Insolvency Account**.

- ▶ The **Account** is only available to **Insolvency Practitioners** who already have an **Insolvency Account**.

3. Purpose of your Account

3.1 This **Account** cannot be used to make regular payments (you can't use it like you would use your **Insolvency Account** and regular payments such as direct debits are not permitted). This means certain provisions of the Payment Services Regulations do not apply to this **Account**. Where this is the case, we have varied the relevant provisions of the Relationship Terms & Conditions in these Product & Services Terms & Conditions.



INSOLVENCY PRACTITIONER

means an insolvency practitioner practicing in the United Kingdom appointed as a Liquidator, Administrator, Trustee in Bankruptcy/Sequestration, Nominee/Supervisor or an official receiver or an LPA Receiver or, in Scotland, a trustee appointed under a Trust Deed.

4. Running your account

- 4.1 To make a withdrawal from your **Account**, you must provide a **Notice** in accordance with the relevant calendar day notice period on your **Account**, including the details of the amount to be withdrawn. The notice period will commence from the **Business Day** your **Notice** is received by us (for example, for 32 day notice accounts, where notice is served before 5pm on 31 December (where the 31 December is a **Business Day**), the funds will be accessible from 1 February. You can find details of the notice period in the application form.
- 4.2 Each **Notice** should be sent via email to **CPNoticeDepositAccounts@lloydsbanking.com**. A **Notice** can also be sent via **SWIFT** Message.
- 4.3 Payment instructions should be made via the online services you have with us after the required notice period has elapsed, and for the amount indicated in the **Notice**.
- 4.4 Where a **Notice** has not been provided, we can prevent the withdrawal of funds.
- 4.5 Cheques, debit cards and Cashpoint cards are not provided and cannot be linked to your **Account**.
- 4.6 If the **Account** is held in joint names, we will send statements of account and notices (addressed to all of you) to the first named person in the application form for the **Account**.
- 4.7 You acknowledge that any instructions sent or received via **SWIFT** will be subject to **SWIFT** rules and standards.
- 4.8 You are responsible for ensuring that your use of an **Account** does not breach any applicable law, regulation, code of conduct or guidance to which you are subject.

5. Interest on money in your Account

- 5.1 From the date on which we receive a **Notice**, the **Reversion Rate** will apply to funds specified in a **Notice**. The **Reversion Rate** will apply for the duration of the notice period. If you cancel a **Notice**, the rate of interest will from the date we receive such cancellation notice, return to the original agreed interest rate. The **Reversion Rate** will be equal to the **Interest Rate** unless your relationship manager notifies you otherwise.
- 5.2 We reserve the right to change the **Interest Rate** applicable to your **Account** and any changes to the applicable **Interest Rate** will be applied to your **Account** the next **Business Day**.
- 5.3 The **Interest Rates** and the balances in relation to which such rates are payable are available from your relationship manager.

6. Fees and charges

- 6.1 If you are the recipient (i.e. a payee) of a payment we can deduct our charges as set out in the General Information on Payments, Charges & Contacts document, and Appendix 3 of the application form, from the money transferred before crediting it to you. 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.
- 6.2 **Account** transaction charges incurred in respect of the **Account** will be debited to that **Account** on the dates and frequency agreed with us.
- 6.3 We can pass onto you other charges to cover any additional work involved in monitoring an **Account**. You will be pre-notified of these charges by your relationship manager.
- 6.4 We can increase any of our charges, or introduce a new charge, applicable to your **Account** and will notify you before we do so.
- 6.5 We will tell you the charge for any other service or product before we provide that service or product, and at any time you ask.

7. Changes

- 7.1 Other changes

If we are making any non-favourable changes to our **Agreement**, we will provide at least 14 days' advance written notice to you (unless the changes are required due to changes in relevant legislation or regulation and we are prevented from giving you 14 days' written notice. In those circumstances, we will give you as much written notice as possible.)
- 7.2 If you are not happy with the non-favourable change

If we notify you of a non-favourable change, you can object within 14 calendar days by emailing us at **CPNoticeDepositAccounts@lloydsbanking.com**. Where you object, we will not make that non-favourable change until the relevant notice deposit period applicable to your **Account** (i.e. 32 or 95 days) has expired. After this point you should withdraw your funds or close your **Account**, otherwise we will implement the non-favourable change and you will be deemed to have accepted it.



We will tell you the charge for any other service or product before we provide that service or product, and at any time you ask.



8. Termination/Closing your Account

- 8.1 We reserve the right to require an **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 any other consequential or indirect losses whatsoever and howsoever arising.
- 8.2 You may close your **Account** on not less than the applicable time period stipulated above for the withdrawal of funds. For example, the 32 Day **Notice Account** can only be closed by you giving us 32 days' prior written notice.
- 8.3 If there is more than one of you and the relationship between you ends, we will ask for instructions from all of you. Provided we receive clear instructions from all of you agreeing to this, we will remove the **Account** holder who is leaving the relationship from the **Account** and the **Account** will continue in the name of the remaining **Account** holders.
- 8.4 Where your role is being replaced, we may need to suspend the **Account** if we need written evidence of any replacement's right to instruct us in relation to the **Account**.
- 8.5 When your appointment as **Insolvency Practitioner** ends, including where you are taking a new appointment over the **Insolvent Entity**, you must close your **Account** unless we agree with you otherwise.



9. Indemnity

- 9.1 You shall indemnify us and keep us indemnified against all claims, actions, damages, liabilities, losses, costs and expenses suffered or incurred by us arising:
- 9.1.1 as a consequence of any breach by you of any of as a consequence of any breach by you of any of your obligations under **The Agreement**;
 - 9.1.2 as a consequence of any act or omission of a third party which, if that third party had been a party to **The Agreement** as an additional **Insolvency Practitioner**, would have constituted a breach of its obligations under **The Agreement**;
 - 9.1.3 as a result of any action, claim or demand arising from any misrepresentation, misleading or negligent statement, or failure to provide information required or any **Legal or Regulatory Requirement**, which (in each case) is made by you in relation to any **Account**; and/or
 - 9.1.4 as a result of us being obliged to indemnify any **Insolvent Entity** for any loss of funds held in the **Account**, where such loss arises as the result of any act, omission, error or unlawful act on your part.
- 9.2 Should any liability arise under this clause and you are acting under **The Agreement** as an **Administrator** it is agreed that you act at all times as an agent of the **Insolvent Entity** and you shall have no personal liability under **The Agreement** or otherwise except in circumstances of fraud, wilful misconduct and/or gross negligence. Notwithstanding the foregoing, in the absence of any personal liability on your part, you agree that any and all liabilities arising to us under or in connection with **The Agreement** will be met out of the assets of the **Insolvent Entity** during the administration process as an unsecured debt of the **Insolvent Entity** in administration on terms no less favourable than other liabilities which arise during the continuance of the administration. Any liabilities arising to us which remain unpaid at the end of the administration shall rank (and be payable) as liabilities of the administration pursuant to paragraph 99(4) of Schedule B1 to the Insolvency Act 1986.
- 9.3 Should any liability arise under this clause and you are acting under **The Agreement** as a **Liquidator** it is agreed that you act at all times as an agent of the **Insolvent Entity** and you shall have no personal liability under **The Agreement** or otherwise except in circumstances of fraud, wilful misconduct and/or gross negligence. Notwithstanding the foregoing, in the absence of any personal liability on your part, you agree that any and all liabilities arising to us under or in connection with **The Agreement** shall rank (and be payable) as liabilities of the liquidation pursuant to Rule 6.42 or 7.108 of the Insolvency (England and Wales) Rules 2016 (as applicable) or, as appropriate, Rule 4.67 of the Insolvency (Scotland) Rules 1986.
- 9.4 Should any liability arise under this clause and you are acting under **The Agreement** as an **LPA Receiver** you will be personally liable to us pursuant to section 37(1) of the Insolvency Act 1986 for any and all liabilities arising to us under or in connection with **The Agreement** only to the extent of receivership assets in your custody or under your control, except in circumstances of fraud, wilful misconduct and/or gross negligence.
- 9.5 Should any liability arise under this clause and you are acting under **The Agreement** as a **Trustee in Bankruptcy/Sequestration** it is agreed that you shall have no personal liability under **The Agreement** or otherwise except in circumstances of fraud, wilful misconduct and/or gross negligence. Notwithstanding the foregoing, in the absence of any personal liability on your part, you agree that any and all liabilities arising to us under or in connection with **The Agreement** shall rank (and be payable) as liabilities of the bankruptcy pursuant to Rule 10.149 of the Insolvency (England and Wales) Rules 2016 or, as appropriate, section 51 of the Bankruptcy (Scotland) Act 1985.
- 9.6 Should any liability arise under this clause and you are acting under **The Agreement** as a **Nominee/ Supervisor** it is agreed that you act at all times as agent of the **Insolvent Entity** and you shall have no personal liability under **The Agreement** or otherwise except in circumstances of fraud, wilful misconduct and/or gross negligence. Notwithstanding the foregoing, in the absence of any personal liability on your part, you agree that any and all liabilities arising to us under or in connection with **The Agreement** will be met out of the assets of the **Insolvent Entity** during the company voluntary arrangement process as an unsecured debt of the **Insolvent Entity** on terms no less favourable than other liabilities which arise during the continuance of the company voluntary arrangement. Any liabilities arising to us which remain unpaid at the conclusion of the company voluntary arrangement shall rank and be payable as liabilities of the company voluntary arrangement.

10. Liability for losses

- 10.1 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 the **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 pursuant to this clause 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.
- 10.2 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" or "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.

11. Set-off

- 11.1 If you owe us money on another account (including a loan or deposit or current account) which is held in the same capacity as the **Account**, we may use money in any of your 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.

12. Email communications

- 12.1 You authorise us to accept emails from you for general communication purposes. Please note that we will not accept payment instructions from you via email. Payment instructions can only be issued and accepted in accordance with this **Agreement**.
- 12.2 Notwithstanding the above, we will not be responsible for any loss you suffer from our failure to respond to an email from you where:
- a. instructions we receive from you are beyond the scope as set out in above;
 - b. your email is unclear or illegible in any way;
 - c. we doubt the validity of your email and it is in our interest to query it with you;
 - d. we are unable to receive your email due to any system error; or
 - e. your contact at the Bank is unavailable, which causes a delay.
- 12.3 Notwithstanding the above, you acknowledge that we may act on an email that we reasonably believe you have sent us and you will indemnify us against any loss we suffer as a result of acting in good faith on an email from you, or apparently from you.

13. Other terms

- 13.1 These Product & Services Terms and Conditions apply to the **Account** only. If you enter into a separate agreement with us for the supply by us of specific services, whether by electronic or automated facility or otherwise, the provisions of any such separate agreements and related instructions, and your instructions to us in that connection, shall apply. In the event of any overlap and/or inconsistencies between these Product & Services Terms and Conditions and any other terms and conditions relating to any of our other products and services, the terms and conditions relating to such other products and services will take precedence in respect of those products and services.
- 13.2 Where there is more than one of you, you confirm that under the terms of your appointment any act required or authorised to be done by you may be done by any of you.

