

BUSINESS BANKING

Your account charges explained



**BANK OF
SCOTLAND**

To ensure you have everything you need to know about our charges, this brochure has been designed to let you know when and how they will be applied. The charges included in this booklet are correct at the time of going to print. For our most up-to-date rates, please visit bankofscotland.co.uk/businessratesandcharges

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Introductory offers

To welcome you to Bank of Scotland, we've the following introductory offer:

- ▶ 18 months' free day-to-day banking for small businesses, including individuals, with an annual turnover of under £1 million, setting up their first business bank account within the first 12 months of trading.
- ▶ 6 months' free day-to-day banking for businesses with an annual turnover of under £1 million and hold a business current account elsewhere.

This means that all the charges listed in the day-to-day Business Current Account Payments section on pages 4, 5 and at the top of page 6 will be free, including cheques, Standing Orders, cash, Direct Debits, deposits and withdrawals. All we ask is that you operate your account in credit or within agreed limits and don't go overdrawn without agreeing it with us first.

We do not pay credit interest on our Business Current Account.

Help with queries

If at any point you think we've charged you the wrong amount, please speak to your business management team on **0345 300 0268** between 7am–8pm Monday to Friday (except Bank Holidays) and 9am–2pm on Saturday. If we can't resolve your query there and then, we will acknowledge it within five working days and sort it out as soon as possible. Then, if we agree we've made a mistake, we'll refund the money.

As the law stands, most banking services are exempt from VAT. If the situation changes, then we will add VAT at the appropriate rate.

Keeping your charges low

Services that cost us more to process are going to cost you more to use; for instance, writing and accepting cheques.

So here are some ways to cut the cost of day-to-day business banking once your introductory period of free banking has run its course.

Go online

You can save money by using **Business Internet Banking**, our Internet Banking service, to make direct payments to suppliers or staff. This online service lets you pay bills, transfer money, check account balances, set up and amend Standing Orders, view and cancel most Direct Debits, and print out statements. We also have a free optional **Online Payment Control** service to help businesses who want to delegate payment responsibility while keeping control. The service allows a user's individual payment limit to be set for each transaction or two or three people can be chosen to authorise all payments online. **Business Internet Banking** is available 24 hours a day, seven days a week†. To register visit bankofscotland.co.uk/business

Pay by Direct Debit

Why not make regular payments within the UK, such as phone bills or National Insurance contributions, by Direct Debit rather than by cheque? As Direct Debits are a cheaper option, the savings will soon add up over a 12-month period.

Get cash with your card, not a cheque

Instead of cashing a cheque, use your Business Debit card* in any UK bank cash machine to get cash – it's free of charge.

Cut the cost of paying in

If your cashflow's healthy, wait until you've got several cheques before paying them in together as a single credit. Remember you are charged for every credit that you pay in over the counter, so paying in several cheques together rather than one by one means that, in addition to the cheque item fee, you only get charged for one credit. Alternatively, you can use our **Immediate Deposit Machines** or **Night Safes** where we don't charge for paying in credits.

Accumulate any spare cash that you're going to re-use soon and keep it in a safe at your business premises. Re-using £100 cash each week could save you money in bank charges over the course of the year – but don't forget to record all your earnings and make sure you don't exceed the cash sum that your insurance policy allows you to keep on the premises.

Get your customers to pay automatically

Customers who pay you regular amounts may be happy to use automated credits like Standing Orders. Even one-off payments could be cheaper for both of you through Bacs, Telephone or Internet Banking.

Keep an eye on your money

Check up on your finances once a week or every business day if you need it with our Internet, Telephone Banking, or free Text Alert services. We'll send free text messages to your mobile phone, showing your account balance and the last six transactions – once a week or every day if you need it.

Agree borrowing up front

If you need to borrow money, even for a short time, make sure you talk to us first to avoid extra charges for unauthorised borrowing.

* Business Debit cards are subject to application.

† Occasionally we may need to carry out essential maintenance, resulting in some interruption to service.

Business Current Account

With our Business Current Account, you pay a set price for basic transactions. All charges and interest are calculated monthly, from the 10th of one month to the 9th of the next. The first regular invoice you receive following each charging period will show any account transaction charges you have incurred and these will be collected 18 days (or the next working day) after the date of the invoice.

Your monthly statement will show any debit interest that is payable to us and this will be collected on the 9th of the following month (or the next working day) after the statement.

If there are charges to pay but you're not due a regular statement, we'll send you an extra one free of charge.

We do not pay credit interest on this account.

Day-to-day Business Current Account Payments

Transaction type	Business Current Account (Charge per item)
Monthly Account Fee	£6.50
Electronic payments (in or out)	Free
Cash payments (in or out)	£1 (per £100) For the first £1,500 per month £0.80 (per £100) For anything over £1,500 per month
Cheque payments (in or out)	£0.65
Credits in (Counter payment and Deposit Point)	£0.65

Other

Credits paid in via Immediate Deposit Machine	Free
Credits paid in via Night Safe	Free
Cash exchanged	£1.65 per £100
Other credits – such as a CHAPS credit paid in	£0.65
Other debits – such as CHAPS paid out	£0.65
Bacs – file submitted*	£4
Bacs – debit or credit item*	Free
Telepay or Teledebit item*	£0.32

* Bacs and Telepay setup fees may apply. Terms and Conditions available on request.

Day-to-day Business Current Account Payments (continued)

What's included in these charges

Transaction type	Description	What's included
Monthly Account Fee	The fee charged for the provision of the services that are available to you to operate your account with us	Monthly Account Fee
Electronic payments (in or out)	Any payment in or out of your current account by Debit card and Online Banking Withdrawing cash from an ATM, making a transfer between your Bank of Scotland accounts using an automated channel such as Online Banking	UK Sterling Direct Debits Standing Orders Debit Card Transactions Other Bank ATM Withdrawals ¹ Internet/Phonebank Debits Internet/Phonebank Credits Faster Payment Debit Faster Payment Credit Internet Bulk Payments Automated Credits Transfers to other Accounts Transfers from other Accounts LBG Cashpoint Withdrawals
Cash payments (in or out)	Any cash payment in or out of your current account made via a branch counter, Immediate Deposit Machine, or bulk or remote cash deposit service	Cash paid in ² Cash paid out ³ Immediate Deposit Machine Cash paid in

All charges are per item unless stated otherwise.

¹ The owner of the machine may charge you for this transaction. All LINK machines will give you an on-screen warning of charges, in advance, allowing you to continue or cancel the transaction.

² 'Cash paid in' fees will be charged based on the full value of cash handed over at the branch counter.

³ This includes the use of debit cards to withdraw cash over branch counters and where a bank giro credit is paid using either a Debit card or a cheque drawn on your account and processed as cleared funds.

Day-to-day Business Current Account Payments (continued)

What's included in these charges

Transaction type	Description	What's included
Cheque payments (in or out)	Any cheque payment in or out of your current account made via a branch counter, Immediate Deposit Machine, or bulk or remote cash deposit service.	Cheques paid in Cheques
Credit in fee	Credit in is a fee charged when paying in a credit of cheques and/ or cash at the branch counter or through a deposit box. We do not charge a credit in fee when you use an Immediate Deposit Machine or Night Safe.	Credits paid in

Day-to-day example of transaction charges

Transaction charges

Transaction type	Charge
2 x cheque	£1.30
Credit in fee	£0.65
£100 paid in at a branch counter	£1.00
Total transaction charge	£2.95

Other service charges

Bankers draft	Charge
Bankers draft (sterling)	£20

Special cheque presentation

A cheque paid into your account sent direct to another branch or bank for payment. Normally this service is used to find out earlier if a cheque is going to be paid, although it doesn't speed up the clearing process	£10
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Other service charges (continued)

Electronic fund transfer 'CHAPS' payment

Transfer of funds for same-day value	£30
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Stopped cheque

Your instruction to us not to pay a cheque that you have issued	£10
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If the cheque has been lost or stolen	Free
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Statements

Charge

You will receive a regular monthly statement of your account	Free
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Intermediate statements

Ordered at branch	£3
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Copy statements	£5 per sheet
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Vouchers with statements

Cheques and/or credit vouchers returned with your statement	£5 per sheet
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Monitoring

Where, by agreement, we will monitor your account on a regular basis to make transfers in accordance with your instructions:	
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Daily monitoring	£20 per month
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Weekly monitoring	£7 per month
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Monthly monitoring	£5 per month
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Status enquiry

Where you can request information about a third party to assess if they can commit to a financial arrangement or make a payment. This can only be requested with the third party's consent and the information is based on their account status at the time of enquiry.	£10.21 (includes VAT*)
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Audit letter

Details of balances and other information provided, at your request, to your accountant	£25 per hour plus VAT (min £25)
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Other service charges (continued)

Clerical administration fee

We are happy to discuss your day-to-day business banking activities without charge. However, if we spend a significant amount of time on a specific area not covered in this brochure, we may charge a fee. In all cases this will be agreed with you first.

Using other banks

Other banks sometimes charge us when you use their counter services. In turn, we may pass these costs on to you. Your branch will be able to tell you which banks charge and why.

Inter-Bank Agency Agreements are arrangements between banks to provide a range of branch counter services to another bank's customers by prior arrangement.

They provide a convenient service to business customers who find the accessibility of their own bank's branches difficult – for example due to location.

How do they work?

The nature and range of the counter services offered under an Inter-Bank Agency Agreement is at the discretion of the providing bank.

Once the service is set up, Bank of Scotland will claim back charges from the customer's own bank on a quarterly basis. The additional charge, if any, made by the account-holding branch is negotiated with their customer.

The Counter Services available at Bank of Scotland branches are as follows:

- ▶ Cash payments (in or out)
- ▶ Cheques paid in
- ▶ Bank Giro credits
- ▶ Wages/salary cheques cashed
- ▶ Night safes
- ▶ Special presentations (cheques)
- ▶ Returned cheques collected.

While we wish to be as helpful as possible, there may be local circumstances where we are unable to provide this service.

Other services

Some charges may not be included in your pre-notification. If this is the case, we'll call or write to tell you how much the service will cost, before we provide it.

*VAT is 20% as at 4 August 2015.

International services

If your business imports or exports goods and services, we have a range of international services to support your business. To find out the details of our service charges, please speak to your business management team or see our Business Banking International Services tariff.

Business Debit and Cashpoint® Card charges

These charges will apply in addition to any current account debit charges (see day-to-day banking transactions for all three tariffs).

Using your card in the UK

Charge

ATM withdrawals from a Lloyds Bank, Bank of Scotland or Halifax cash machine

Free

ATM withdrawals from other machines (LINK and non-LINK)

Free

However, the owner of the machine may charge you

All LINK machines will give you an on-screen warning of charges, in advance, allowing you to continue or cancel the transaction

Purchase of foreign currency or travellers' cheques from a Bank of Scotland branch, travel bureau or any other provider displaying the VISA sign

Free

Using your card abroad

Withdrawals from ATMs displaying the VISA sign or from other banks' counters, travel agents, bureaux de change and other outlets displaying the VISA sign

The converted sterling value includes a 2.75% non-sterling transaction fee; the total converted sterling value then incurs an additional 1.5% non-sterling cash transaction fee (minimum £1.50)

If you are using 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

All charges are per transaction unless stated otherwise. The above fees only apply to the Business Debit and Cashpoint cards, and separate fees are applicable to all other card products. Please refer to your business management team for details of these charges.

Charges when you borrow

If you need to borrow money for any purpose or period, please talk it over with us first to avoid paying unauthorised borrowing charges. Then, once we've agreed terms, we'll write to you to let you know the interest rate, when it's charged and the fees payable. In the case of an agreed overdraft, the limit, review date and current interest rate will be shown on your statement, and we will give you written confirmation of the terms at the time they are agreed. Please speak to your business management team for further details of the interest rate and fees that apply to our borrowing facilities. Typical charges include:

- ▶ **An arrangement fee which is dependent on the amount you borrow**

▶ Security fees

If required, we will arrange security against your borrowing. Your business management team can provide an estimate of the fees and expenses which may be payable in a given situation. You will also be required to pay expenses and fees which we may incur, such as:

- ▶ Solicitors' and/or valuation fees
- ▶ Expenses in connection with enquiries made about the security subject
- ▶ Fees payable to register the security.
- ▶ Early repayment charges may apply on fixed rate loans, on any amount you repay in addition to your agreed repayments.

ANY PROPERTY GIVEN AS SECURITY WHICH MAY INCLUDE YOUR HOME, MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE OR OTHER DEBTS SECURED ON IT.

All lending is subject to a satisfactory credit assessment and we will need your permission to carry out a credit check on you and your business.

You should not apply for an amount that you cannot comfortably afford to repay now and in the future to avoid the possibility of legal action.

Unauthorised borrowing

If you overdraw your account or exceed an overdraft limit without prior agreement, you'll be charged a higher rate of interest on this unauthorised borrowing.

The rate is displayed in all branches and on our website at bankofscotland.co.uk/businessratesandcharges

Because of the additional work involved in monitoring your account, we may also charge the following fees:

Unauthorised borrowing fee	Charge
The first time you overdraw your account or exceed your agreed limit with us by £50 or more, an Unauthorised Borrowing Fee (UBF) is chargeable. After that, the UBF is chargeable every time you increase your unauthorised borrowing by £50 or more from the previous day's closing balance unless a higher limit is agreed with us, or until the account is within its existing limit or in credit.	£15 (one charge per day, maximum)
Unpaid item	
Where you do not have enough money available to make a payment and we do not agree to extend an unauthorised overdraft, you will not be able to make that payment. We will write to let you know and will charge the following fee for each item we do not pay.	£35 for each item not paid

We'll contact you every time we return an item unpaid. Any unauthorised borrowing or return item charges will be accrued into one lump sum and charged on a monthly basis.

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/business/contactus**

Get in touch

 bankofscotland.co.uk/business

Please contact us if you would 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 the Next Generation Text (NGT) Service (previously Text Relay/Typetalk) or if you would prefer to use a Textphone, please feel free to call us on **0345 300 2755** (lines open 7am–8pm, Monday–Friday and 9am–2pm Saturday).

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.

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 169628.

We subscribe to The Lending Code; copies of the Code can be obtained from www.lendingstandardsboard.org.uk

Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all Business customers will be covered.

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