

ePay Virtual Agreement

We have inserted a number of headings into these terms and conditions in order to make them easier to read.

The headings are not intended to affect the way that the terms and conditions are interpreted.

1 Definitions and interpretation

1.1 Where the words set out below are used with capital letters in these terms and conditions, they mean as follows:

Affiliate: in relation to a Customer which is a body corporate, any subsidiary or holding company of such body corporate and any subsidiary of any such holding company for the time being.

Agreement: the Agreement, including the application form, signed between the Bank and the Customer and any other documentation signed between the Bank and the Customer or notified by the Bank to the Customer in accordance with these terms and conditions.

Annual Transaction Spend: has the meaning given in Schedule 2.

Authorisation: the consent we give to a merchant or its payment service provider (via the relevant Payment Scheme) to submit a Card Transaction for processing and settlement.

Bank, we or us: Bank of Scotland plc registered in Scotland with a registered office address of The Mound, Edinburgh, EH1 1YZ and a registered company number of 327000 (and any successors or assigns of Bank of Scotland plc).

Billing Cycle: the period of one month between Statements.

Business Account: the control account that governs the Services provided to the Customer (specifying the Scheme Limit, RCN Accounts and RCN Limits), opened and maintained by the Bank in the name of the Customer.

Business Account Statement: a monthly statement of the Business Account setting out a record of all Card Transactions and Charges incurred for each RCN Account that were not included on previous monthly statements.

Business Day: a day (excluding Saturday and Sunday and public holidays) on which banks are generally open for business in England.

Card Transaction: any purchase of goods and/or services made by use of a VCN which is debited to the relevant RCN Account.

Cardholder: any individual authorised by the Customer from time to time to request or use a VCN issued by the Bank in accordance with the terms of the Agreement.

Charges: the charges applicable to the Services which are agreed with the Customer at the start of the Agreement (as may be varied from time to time pursuant to clause 9.2) or as otherwise notified to the Customer in writing from time to time in accordance with the Agreement.

Charity: any body whose annual income, at the date of entering into the Agreement, is less than £1 million and is:

- (i) in England and Wales, a charity as defined by section 1(1) of the Charities Act 2006;
- (ii) in Scotland, a charity as defined by section 106 of the Charities and Trustee Investment (Scotland) Act 2005; or
- (iii) in Northern Ireland, a charity as defined by section 1(1) of the Charities Act (Northern Ireland) 2008.

Commencement Date: means the date on which we agree with you that the Services will commence.

CNP Card Transaction: means a 'card not present' Card Transaction such as Card Transactions that are initiated through e-Commerce, telephone, mobile telephone or mail order or any other Card Transactions for which a tangible plastic card is not physically swiped or dipped.

Corporate Administrator: a representative nominated by the Programme Administrator from time to time on the forms provided by us for this purpose, and who will carry out the functions set out or referred to in this Agreement.

Customer, you or your: any business in whose name a Business Account is maintained by the Bank, as identified on the application form.

Implementation Clawback: shall have the meaning given in Schedule 2.

Implementation Costs: shall have the meaning given in Schedule 2.

Initial Term: means a period of one year, or six months if you are a Micro-Enterprise or a Charity, commencing on the Commencement Date.

Insolvent:

- (i) if you are an individual, where you or any other person takes (or threatens to take) any step in connection with:
 - your bankruptcy (including, for the avoidance of doubt, if a bankruptcy petition is presented against you, or you petition for your own bankruptcy);
 - the making of any composition, compromise, assignment or arrangement with any of your creditors;
 - the appointment of an interim receiver of your property under section 286 of the Insolvency Act 1986;
 - the appointment of any other, receiver or manager of any of your assets; any analogous procedure in any jurisdiction;
 - you are unable or admit inability to pay your debts as they fall due or you are deemed to or declared to be unable to pay your debts under applicable law; or
 - you cease or threaten to cease to carry on business;
- (ii) if you are a company, partnership, limited partnership, or limited liability partnership, where you (or any other person) takes (or threatens to take) any step in connection with:
 - any suspension or re-scheduling of payments by you, a moratorium of any of your indebtedness or your dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
 - the making of any composition, compromise, assignment or arrangement with any of your creditors;
 - the appointment of an administrator in respect of you (including, for the avoidance of doubt, the filing of a notice of intention to appoint an administrator, or an application being made to court for the appointment of an administrator in respect of you);
 - the appointment of a liquidator in respect of you (including the presentation of a winding up petition, the convening of a meeting of members or creditors for this purpose, or any resolution being passed to appoint a liquidator in respect of you);
 - the appointment of a receiver or any similar officer in respect of you or any of your assets;
 - any other analogous procedure in any jurisdiction;
 - you are unable or admit inability to pay your debts as they fall due (or you are deemed to or declared to be unable to pay your debts under applicable law) or the value of your assets is less than your liabilities (taking into account contingent and prospective liabilities); or
 - you cease or threaten to cease to carry on business.

Liability: liability arising out of or in connection with the Agreement, whether in contract, tort, misrepresentation, restitution, under statute or otherwise, including (without limitation) arising from a breach of, or a failure to perform or defect or delay in performance of, any of a party's obligations under the Agreement, in each case howsoever caused including (without limitation) if caused by negligence.

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

Mastercard Processing Services Agreement: means the Mastercard Processing Services Agreement between the Bank and Mastercard Europe sprl dated 1 August 2012.

Micro-Enterprise: an enterprise which, at the date of entering into the Agreement, employs fewer than ten (10) persons and its annual turnover and/or annual balance sheet total does not exceed two (2) million euro.

Non Sterling Card Transactions: any transaction performed by a Cardholder with a RCN in a currency other than sterling.

Online Servicing Capabilities: the suite of web-based processing, management and maintenance services provided in respect of the Services as more particularly set out in Schedule 1 as amended and updated from time to time in accordance with clause 3.3.

Payment Account: means the account nominated by the Customer for payment of Card Transactions and Charges under clause 6.

Payment Scheme: Mastercard.

Payment Scheme Exchange Rate: means the foreign exchange wholesale rate set by Mastercard and applied to Non Sterling Card Transactions to convert them to the currency of the RCN Account, which can be found at <https://www.mastercard.com/global/currencyconversion/>.

Payment Services Regulations: the Payment Services Regulations 2017 (S.I. 2017/752).

Programme Administrator: means the representative or representatives nominated by the Customer from time to time on the form provided by us for this purpose, and who will carry out the functions set out or referred to in the Agreement as being for the Programme Administrator.

RCN: means the real card number linked to a particular RCN Account which provides the funding card and settlement account for VCNs under that RCN.

RCN Account: an individual control account operated under the Business Account and opened and maintained by the Bank in the name of an individual authorised by the Customer for each RCN issued by the Bank as part of the Services.

RCN Account Statement: the monthly statement setting out a record of all Card Transactions and Charges under a specific RCN Account made available by the Bank under clause 6.1, that were not included on previous monthly statements.

RCN Limit: the sums approved by the Bank under clause 2 as the maximum amounts of spending permitted on each RCN during a Billing Cycle (including any Card Transactions not yet debited and any authorisations the Bank has given in respect of prospective Card Transactions).

Scheme Limit: the sum specified (in writing) from time to time by the Bank, and any changes to that sum that are agreed by the Bank, being the maximum spending (including any Card Transactions not yet debited and any Authorisations given in respect of prospective Card Transactions) permitted per Billing Cycle by the Customer cumulatively on all the Customer's RCN Accounts.

Services: the facilities to be provided to the Customer and Cardholders under the Agreement as specified in Schedule 1, together with any additional Online Servicing Capabilities or other services associated with the RCN Accounts or VCNs that the Bank or any other member of Lloyds Banking Group may make available to the Customer or to Cardholders from time to time.

Supplier: any person or entity who agrees, by arrangement with the Bank and/or Mastercard to accept the VCN as payment for goods and/or services as notified to the Customer from time to time.

System Terms: means such materials, user guides and terms as we provide you with from time to time in respect of the Online Servicing Capabilities.

TPP: a third party provider, authorised by law to access information from your payment accounts. For example this might include an account aggregator which gives you a consolidated view of your account information across multiple providers.

VCN: means a unique single or multi-use virtual card number that is linked to an RCN and is used in place of that RCN in relation to a CNP Card Transaction.

Website: the website and associated services of the Bank appearing at www.business.bankofscotland.co.uk or any other URL as the Bank may notify to you from time to time.

1.2 In these terms and conditions, when we refer to a statute or statutory provision, this includes any subordinate legislation made under it and any modifications, amendments, extensions, consolidations, re-enactments and/or replacements of that statute, statutory provision and/or subordinate legislation which are in force from time to time.

2 Use of the Card Payment Facility

- 2.1 Following the signature of the application form relating to the Agreement by the Bank and the Customer, the setting up of the Business Account, the Scheme Limit, RCN Limits and all other administrative arrangements, the Bank will create RCN Accounts for the Services which are available to be used by the Customer in accordance with the terms of the Agreement.
- 2.2 Each RCN and associated VCNs may only be used within the RCN Limit agreed with the Bank for that RCN.
- 2.3 Cardholders may only present VCNs to complete Card Transactions with Suppliers who accept the VCN as payment.
- 2.4 The Customer shall ensure that:
 - 2.4.1 Programme Administrator(s) are fit and proper persons and that they comply with the terms of the Agreement at all times;
 - 2.4.2 any changes to the Programme Administrator(s) will be notified in writing to the Bank by an authorised signatory of the Customer. The Bank will then provide the Customer with a form to be completed for the appointment of a new Programme Administrator;

2.4.3 a Cardholder does not allow any other person to use a VCN generated for it and shall always keep it safe;

2.4.4 each Cardholder will follow such security and other procedures as the Bank stipulates for the use of the RCN Accounts and VCN(s) at all times (including, without limitation, the security procedures set out in clause 2.6); and

2.4.5 no Cardholder is under any liability to make any payment and no representation or statement is made by the Customer or any of its employees, contractors or agents (including the Programme Administrator(s)) which purports to impose liability on any Cardholder for the making of any such payment.

2.5 You must use, and you must ensure that any Cardholder uses, any security devices and the RCN and VCN provided by us in accordance with any instructions that we give to you and you must take, and you must ensure that any Cardholder takes, all reasonable steps to keep them safe.

2.6 You must take, and you must ensure that any Cardholder takes, the following steps:

2.6.1 do not give or disclose details relating to any RCN Account or the Business Account to anyone else or allow anyone else to use them;

2.6.2 do not give or disclose details relating to any security devices or the RCN or VCN to anyone else or allow anyone else to use them;

2.6.3 store all information relating to any RCN or VCN, any RCN Accounts or the Business Account safely and dispose of any information securely and permanently; and

2.6.4 inform us as soon as possible if you do not receive a Business Account Statement, or a Cardholder does not receive a RCN Account Statement, or any other financial information that you or a Cardholder is expecting to receive from us.

2.7 All Non Sterling Card Transactions will be converted to the currency of the RCN Account and debited to the RCN Account at a rate of exchange, which is a combination of the Payment Scheme Exchange Rate and a Non Sterling Card Transaction fee of 2.75% imposed by the Bank, which may be amended from time to time. All Non Sterling Card Transactions will be converted to the RCN Account currency the day the Card Transaction is debited to the RCN Account which may be after the day the Card Transaction is carried out. The Non Sterling Card Transaction fee of 2.75% is added to the converted RCN Account currency amount and this fee and the converted RCN Account currency amount will be shown on the RCN Account Statement and the Business Account Statement.

2.8 The Customer undertakes to ensure that no VCN or RCN is used in a manner prohibited by law and, in the case of a Customer which is a body corporate, the provisions of Part 10 Section 197 of the Companies Act 2006.

2.9 The Customer may request an increase in the Scheme Limit (via its relationship manager) from time to time. All requests will be subject to the Bank's usual credit review and approval process.

2.10 A Supplier may contact the Bank or an agent acting for the Bank for Authorisation.

2.11 If Authorisation is given, that Card Transaction will immediately reduce the total amount that can be drawn within the relevant RCN Limit and the Scheme Limit even though the amount of the Card Transaction may not yet have been debited to the Business Account.

2.12 The Authorisation of a Card Transaction can include authorising any single Card Transaction or pre-authorising a future Card Transaction for a certain or uncertain amount or a series of recurring payments on future dates.

2.13 If we are authorised in advance to make a future Card Transaction and the amount of the transaction is not known, we may reserve funds in the ePay Business Account or relevant RCN Account if you or the Cardholder consent to an exact amount of funds to be reserved. Reserved funds will be released when we are made aware of the amount of the Card Transaction.

2.14 We will treat a payment instruction requesting that we execute a payment to have been received by us at the time that it is actually received by us, unless we are instructed to carry out a Card Transaction on a future date or a series of recurring Card Transactions on future dates.

2.15 If we are instructed to carry out a Card Transaction on a future date, we will treat the date that we are required to carry out the Card Transaction as the date that we receive the payment instruction (this is known as the date of deemed receipt).

2.16 If we receive (or are deemed to receive) any payment instruction after the cut-off time on any Business Day or on a day which is not a Business Day, we will treat that payment instruction to have been received by us on the next Business Day. You can find our payment cut-off times on our Website.

2.17 A Card Transaction will be regarded as authorised by both the Customer and a Cardholder where a Cardholder authorises the Card Transaction by following the instructions provided by the Supplier to authorise the Card Transaction, which includes, without limitation, providing the CVV code to the Supplier or providing a screenshot of the VCN and CVV code to the Supplier.

- 2.18 Once a Card Transaction is regarded as authorised by the Customer and a Cardholder in accordance with clause 2.17, such authorisation can only be withdrawn where we have been instructed to:
- 2.18.1 carry out a Card Transaction on a future date; or
- 2.18.2 carry out a series of recurring Card Transactions,
- in which case a Card Transaction can be cancelled by the Customer or the Cardholder telling the Supplier, the other party that the Cardholder has made the arrangement with or us provided that the Customer or the Cardholder gives notice no later than the end of the Business Day on the day before the relevant Card Transaction is due to be made.
- 2.19 Once the Customer or the Cardholder has notified us that they withdraw authorisation for the Card Transaction, we will not carry out the relevant Card Transaction(s). However, it is your responsibility to notify anyone who was expecting to receive such payment(s) and we will not be responsible for any loss or damage that you may suffer if you fail to do so.
- 2.20 We may ask for clarification of which Card Transaction the Customer or the Cardholder is stopping and/or, if appropriate, request written confirmation that authorisation for a recurring transaction arrangement has been withdrawn. We will treat any future Card Transactions made pursuant to that arrangement as unauthorised. You will also need to tell anyone you make regular payments to if your account is closed otherwise they may not be able to collect your payments. If you do miss a payment for this reason, we are not liable to you for any loss or damage you suffer as a result.
- 2.21 The Bank has the right to decline to process or delay processing any Card Transaction, and the Bank will not have any responsibility to you for any loss or damage that you may suffer as a result, if:
- 2.21.1 you are in breach of the Agreement;
- 2.21.2 the Card Transaction would exceed the relevant RCN Limit or the Scheme Limit;
- 2.21.3 the terms of the account held by the beneficiary of the payment prevent completion of the Card Transaction;
- 2.21.4 the Card Transaction seems unusual when considering the way that the relevant RCN Account is normally used or we reasonably believe a Card Transaction may be fraudulent;
- 2.21.5 by processing the Card Transaction, we would infringe any law, regulation or the rules of the payment system under which the Business Account is issued or good industry practice;
- 2.21.6 not acting on the instruction to process the Card Transaction or delaying to act on the instruction would assist us with complying with applicable money laundering laws or regulations;
- 2.21.7 we consider that the instruction to process the Card Transaction is inaccurate or requires further explanation;
- 2.21.8 by acting upon the instruction to process the Card Transaction, it would breach the Agreement or any operating limits relating to the Agreement;
- 2.21.9 the payment instructions relate to a country from or to which we may decide not to process payments (for example, a country in relation to which sanctions are in place); and/or
- 2.21.10 any of the circumstances in clause 13 occur.
- 2.22 If we have declined to process a Card Transaction, we will provide and/or make available to you on request details of the reason(s) for the refusal as soon as is practicable unless the law prevents us from doing so or it would undermine our security measures. We will also include details of how to correct any errors which led to our refusal, if appropriate. To request this information, please contact our customer services centre by telephone on 0800 096 4496 (if abroad +44 1908 544059), this customer service helpline is available 24 hours a day seven days a week for assistance if your Card Transaction has been declined.
- 3 The Services and online functionality**
- 3.1 We grant the Customer the right to use the Online Servicing Capabilities by allowing access to the Online Servicing Capabilities by the Programme Administrator(s). The Programme Administrators are then permitted by the Customer to grant access to Corporate Administrators and Cardholders, subject to the terms of the Agreement and the System Terms.
- 3.2 We will act on the instructions of the Programme Administrator(s) and Corporate Administrators.
- 3.3 We may introduce new Online Servicing Capabilities from time to time and will notify the Customer accordingly, via the Programme Administrator.
- 3.4 The rights and obligations of the Programme Administrator in relation to the use of the Online Servicing Capabilities include:
- 3.4.1 the setting up of Corporate Administrators and Cardholders;
- 3.4.2 the workflow management approval process and for the review of the activity; and
- 3.4.3 transaction enquiry and maintenance functions within the ePay Virtual solution.
- 3.5 The Programme Administrator may permit Corporate Administrators to use the Online Servicing Capabilities solely for the purpose of using the transaction inquiry and maintenance functions within the ePay Virtual solution.
- 3.6 The Bank will provide the Customer with initial set up and on-going support in respect of the Online Servicing Capabilities in accordance with Schedule 1.
- 3.7 The Programme Administrator, Corporate Administrators and each Cardholder may copy, print or reproduce any of the web pages of the Online Servicing Capabilities for the purposes only of his or her use of the Online Servicing Capabilities for the Customer.
- 3.8 Our Online Servicing Capabilities may contain inaccuracies and typographical errors. If we are informed of any such errors we will endeavour to correct them as soon as practicable.
- 3.9 The Customer shall ensure that Programme Administrators, Corporate Administrators and Cardholders:
- only use the Online Servicing Capabilities in compliance with the terms of this Agreement (including any such requirements set out in Schedule 1) and any System Terms provided from time to time;
 - ensure that personal and other data provided to the Bank is properly maintained, accurate and up to date;
 - comply with all applicable security procedures and keep secure and confidential all usernames and passwords and change the same no less frequently than recommended by the Bank from time to time or immediately if at any time it is suspected that someone else may know them; and
 - set up and maintain adequate security measures to safeguard the use of the Online Servicing Capabilities from unauthorised persons when being used through its own or any third party IT systems.
- 3.10 The Customer shall be responsible for controlling access to and the use of the Online Servicing Capabilities and shall ensure that only the Programme Administrator(s), Corporate Administrators and Cardholders are permitted access to the Online Servicing Capabilities, to the extent permitted by this Agreement. The Customer shall ensure that the Programme Administrator, Corporate Administrators and Cardholders shall not:
- monitor, copy, print out or otherwise reproduce any part of or information provided via the Online Servicing Capabilities or any part thereof (except as expressly permitted hereunder);
 - modify, translate, alter, decompile, disassemble, hack, tamper with or reverse engineer any part of the Online Servicing Capabilities or create any derivative work or product based on the Online Servicing Capabilities or use the Online Servicing Capabilities for the creation of new applications of any kind or for the creation of other products or service offerings;
 - use the Online Servicing Capabilities other than for the Customer's business purposes;
 - remove or alter any proprietary markings, copyright notices, confidential legends, trademarks or brand names appearing on the Online Servicing Capabilities or any material supplied by us under this Agreement or any copies thereof whether in the form of user guides or otherwise;
 - access or use any part of the Online Servicing Capabilities in respect of which the Bank has not granted express permission;
 - use or permit any third party to use the Online Servicing Capabilities in contravention of any applicable law or regulation including without limitation, exporting, re-exporting or otherwise transferring data, information or software in violation of any import or export law, regulation or restriction;
 - use any software or other tool or take or permit any third party to take any action which may interfere with the functionality of the Online Servicing Capabilities or compromise the security and control of access to the Online Servicing Capabilities by the Customer or any other person;
 - create or permit to be created any links to or from any website to any part of the Online Servicing Capabilities or cause the Online Servicing Capabilities to appear in any form (whether by framing or otherwise) other than that presented by the Bank;
 - transmit or upload any material that contains viruses, Trojan horses, worms, time bombs or any other harmful programs which may interfere with or disrupt the Online Servicing Capabilities or any network connected thereto; or
 - sublicense, relicence, distribute, disclose, use, market, rent, lease, loan or transfer to any third party, any part of the Online Servicing Capabilities for third party use, third party training, time sharing, or use as an application service provider or service bureau use.
- 3.11 The Customer acknowledges that the copyright, patent rights, trade secrets, trademarks and other intellectual property rights in and to the Online Servicing Capabilities and any material issued by the Bank in connection therewith are owned by the Bank and/or its licensors and save for the access rights expressly set out herein nothing contained in this Agreement shall give the Customer, the Programme Administrator, Corporate Administrators or Cardholders any right, title or interest in any such intellectual property.

- 3.12 The Customer shall access the Online Servicing Capabilities at its own cost through its own service provider using its own equipment and shall at all times be responsible for ensuring that it is compatible with the relevant requirements for access to and use of the Online Servicing Capabilities. The Customer acknowledges and understands that its systems will from time to time be under threat from viruses and other intrusive devices which may have a deleterious effect on their operation. The Customer shall be responsible for taking all appropriate and necessary measures for the protection of its own systems and equipment from any such intrusion whether via the Online Servicing Capabilities or otherwise and the Bank shall not be liable for any loss or damage caused thereby.
- 3.13 The Bank may accept as authentic and accurate and act upon any information that is accompanied by the appropriate identifier without further investigating the source of information.
- 3.14 The Bank gives no warranty or assurance with respect to the Online Servicing Capabilities and all implied warranties are excluded to the maximum extent permitted by law.
- 3.15 Although industry-customary security measures have been implemented to protect the privacy of information transmitted via the Online Servicing Capabilities, the Bank does not warrant that any such information will be fully protected from unauthorised access.
- 3.16 The Bank will use reasonable efforts to enable access to the Online Servicing Capabilities on a 24/7 basis but does not warrant that the use of the Online Servicing Capabilities will be uninterrupted whether for scheduled maintenance or otherwise.
- 3.17 The Bank may modify the Online Servicing Capabilities, suspend the availability or provision of the Online Servicing Capabilities or terminate your use of the Online Servicing Capabilities at any time on reasonable grounds relating to:
- (i) maintenance or enhancement;
 - (ii) breach of security or breach by the Customer of any of its obligations hereunder; and
 - (iii) the Customer's failure to agree to any changes to the terms of use relating to the Online Servicing Capabilities; and
 - (iv) the Customer's use, or attempted use, of the Online Servicing Capabilities in an unauthorised manner and whenever practicable the Bank shall notify the Programme Administrator accordingly.
- 3.18 The Bank may at its discretion delay or decline to update on the Online Servicing Capabilities any transmitted information which it considers to be unacceptable for any reason, including suspected unauthorised access or fraud.
- 3.19 Unless terminated earlier by the Bank, the rights of access to the Online Servicing Capabilities will cease on termination of the Agreement and the Customer will ensure that the Online Servicing Capabilities and each part thereof is deleted from all electronic media, including intranet and electronic storage devices operated for and on behalf of the Customer.
- 3.20 Subject to clause 18 and to the extent permitted by relevant law or regulation, the Customer will indemnify the Bank against all losses, costs, claims, damages and expenses which may be sustained or incurred by the Bank as a result of incorrect information or instructions received from the Customer or the unauthorised use of the Online Servicing Capabilities or any failure on the part of the Customer (including the Programme Administrator(s), Corporate Administrators and Cardholders) to comply with their respective obligations under the Agreement and any other reasonable instructions issued by the Bank from time to time.

4 Third Party Providers (TPPs)

- 4.1 Your Programme Administrator will be able to give consent to a TPP to access the information on your Business Account for you, as long as the TPP is open and transparent about its identity and acts in accordance with relevant regulatory requirements. You must be using Online Servicing Capabilities to do this. We will treat any instruction from a TPP as if it were from you.
- 4.2 We may refuse to allow a TPP to access your account information if we are concerned about fraudulent or unauthorised access by that TPP. Before we do this, we will tell you and explain our reasons for doing so, unless it is not reasonably practicable, in which case we will tell you immediately afterwards. In either case, we will tell you in the way which we consider most appropriate in the circumstances. We won't tell you where doing so will undermine our reasonable security measures or otherwise be unlawful.
- 4.3 We may make available to a TPP a specific means of accessing your account. If we do, and it tries to access your account by a different way, we may refuse to allow that access.
- 4.4 If you use a third party card issuer they may be able to request confirmation from us that you have the necessary credit available on your Business Account for them to approve a Card Transaction. We will only respond to a request if you have given us explicit consent to do so.

5 Real Card Numbers and Virtual Card Numbers

- 5.1 The Customer can, via the Programme Administrator apply for additional RCN Account(s) (with an associated RCN and RCN Account Limit) at any time by completing the appropriate application form. All requests will be subject to the Bank's normal credit review and approval process.

- 5.2 The Customer can, via the Programme Administrator enable Cardholders to generate one or more VCNs linked to an RCN by accessing the relevant Online Servicing Capabilities or using any batch or automated systems where this has been provided as part of the Services.

6 Monthly statements and Repayment

- 6.1 If there have been any Card Transactions on one or more RCN Account(s), the Bank will prepare a Business Account Statement and RCN Account Statement(s) and provide such statements or, upon request, make them available to the Customer (via the Programme Administrator) once in each calendar month.
- 6.2 You agree that the following information may be provided in the statements that we provide or make available to you in a Billing Cycle:
- 6.2.1 a reference enabling you to identify the Card Transaction;
 - 6.2.2 where appropriate, information that we have received relating to the beneficiary of the payment;
 - 6.2.3 the amount of the Card Transaction in the currency in which the relevant account was debited or in the currency used for the payment order;
 - 6.2.4 the amount of any charges for the Card Transaction and, where applicable, a breakdown of those charges, and/or any interest payable by you;
 - 6.2.5 where applicable, the exchange rate used in relation to the Card Transaction and the amount of the Card Transaction after the currency conversion; and
 - 6.2.6 the debit value date or the date of receipt of the Card Transaction.
- If you request the above information more than once a month there may be a charge associated with fulfilling such request.
- 6.3 The Business Account Statement will constitute a proper demand for payment. The Customer (not the Cardholder) is liable to make payment of the full amount outstanding on Business Account Statement from the Payment Account.
- 6.4 The Customer will nominate one of its accounts held with the Bank as the Payment Account on the form provided by the Bank at the time of entering into the Agreement.
- 6.5 We will debit the Payment Account no sooner than 14 Business Days and no later than 30 Business Days from the date of the Business Account Statement. The Bank will debit the amount due under the Business Account Statement to the appropriate Payment Account. The Customer will be liable to pay the Bank all amounts so debited and all Charges at the times set out in the Agreement. Direct Debits will be credited to the Business Account and reduce your outstanding balance on the day we receive them if a Business Day, and if not a Business Day then the next Business Day following the day of receipt.
- 6.6 We recommend that the Customer check the Business Account Statement and each RCN Account Statement promptly on receipt. If there is an entry which seems to be wrong the Customer should tell us in accordance with clause 12.2 so that we can investigate. Delay in notification may make correcting the error difficult. If we need to investigate a transaction on any account the Customer agrees to co-operate with us and the police, if we need to involve them.
- 6.7 Subject to clause 12, the Customer is solely responsible to the Bank for all Card Transactions incurred on any RCN Account. In addition to its other payment obligations, the Customer must repay to the Bank, on demand, the amount of any excess over the Scheme Limit, any arrears and any Card Transactions made in breach of the Agreement.
- 6.8 Payments reduce balances on the applicable RCN Account(s) in the following order: late payment fee; Card Transaction fee; old balances; new balances.
- 6.9 Notwithstanding any of the terms or provisions of the Agreement, the whole of the outstanding balance due to us shown on the Business Account under the terms of the Agreement will become immediately due and payable by the Customer without demand or notice from us if:
- the Customer is Insolvent; or
 - the Customer is in breach of any of the provisions of the Agreement or the undertakings given in the Agreement have been breached.
- 6.10 If you become aware that any of the circumstances set out in clause 6.9 have occurred, or if you believe that they will occur, you must notify us immediately.

7 Customer's Liability for Programme Administrator, Corporate Administrators and Cardholders

- 7.1 Subject to clause 18, the Customer will be liable for any direct or indirect loss incurred by any member of the Lloyds Banking Group if a Programme Administrator, Corporate Administrator or Cardholder (including those that no longer use the Services) fails to observe the terms of the Agreement or any System Terms or any additional terms and conditions applicable to an additional security code or measure issued or required by the Bank as notified to the Customer from time to time in accordance with the terms of the Agreement or acts improperly or unlawfully in relation to the VCN and RCN or a Card Transaction, and any such loss shall be debited by the Bank to the Business Account.

7.2 The Customer will ensure that any Programme Administrator, Corporate Administrator or Cardholder is not on the current consolidated list of asset freeze targets designated by the UN, the EU and the UK and maintained by HM Treasury.

8 Requirements for Scheme

The minimum Scheme Limit shall be at least £25,001 and the Scheme will only be available to a Customer which is using the Scheme in the course of its business and to whom the provisions applicable to 'regulated agreements' under the Consumer Credit Act 1974 do not apply.

9 Charges

- 9.1 The Bank will specify the relevant Charges. For further details of these charges please refer to your relationship manager. Any Charges will be debited to the Payment Account.
- 9.2 We reserve the right to introduce new charges, amend our Charges and/or amend any volume rebate agreed with you at any time. If we do so, we will provide you with two months' advance written notice in the same way as we provide notice of any other changes to these terms and conditions (and clause 15 will apply).

10 Non-payment/arrears

- 10.1 The Customer will pay the relevant Charges on any sum that it does not pay within the times specified in clause 6.5.
- 10.2 The Bank may also charge the Customer a sum to cover its reasonable costs incurred in collecting any sum not paid on time or resulting from any other breach of the Agreement.
- 10.3 We want your business to be successful. However, there may be times when you need extra support. You should let us know by contacting your relationship manager as soon as possible if your business is experiencing financial difficulties. We will always try to help you and try to develop a plan with you to deal with the difficulties.

11 Lost or Stolen RCNs/VCNs

- 11.1 If a RCN is lost or stolen or you consider that it is liable to misuse for any reason, the Customer must ensure that the Programme Administrator notifies the Bank without undue delay by telephone on 0800 096 4496 (if abroad, +44 1908 544059), this customer service helpline is available 24 hours a day seven days a week for lost or stolen RCNs. The Bank may ask for written confirmation within seven days. The Customer will need to provide the 16 digit account number of the RCN.
- 11.2 If you consider that a VCN is liable to misuse for any reason, the Customer must ensure that the Programme Administrator uses the Online Servicing Capabilities to cancel the VCN. The Customer should provide to the Bank written confirmation within seven days of cancellation via email to BankofScotlandCorpCards@tsysmsemea.com. The Customer will need to provide the last 4 digits of the VCN and the card alias name for the RCN.
- 11.3 The Customer will, and will ensure that the Programme Administrator or Cardholder (as appropriate) will assist us or our agents in the investigation of the loss, theft or possible misuse of the RCN or VCN. The Customer consents to the disclosure of any relevant information concerning the relevant RCN Account in connection with such matters. The Bank may pass on related information to other banks, to those involved in processing card payments, or to the police or other authorities, in the United Kingdom or (if appropriate) abroad.
- 11.4 For the avoidance of doubt the Programme Administrator(s), Corporate Administrators and Cardholders will not be liable to the Bank for anything under this clause 11.

12 Disputed Amounts and Chargebacks

- 12.1 The Customer may only dispute amounts on a Business Account Statement or RCN Account Statement (together referred to as Statement in this clause 2) that it believes to be incorrect if:
- 12.1.1 the amount shown on the Statement does not reflect the actual face value of the Card Transactions made;
 - 12.1.2 a Card Transaction shown on the Statement did not result from the use of a VCN;
 - 12.1.3 the Statement reflects Charges not properly made; or
 - 12.1.4 the Customer is not liable for that amount or part of that amount under clause 18.
- 12.2 The Customer must notify the Bank in writing, or by telephone on 0800 096 4496 (if abroad +44 1908 544059) of any dispute in relation to any amount on the Statement without undue delay and in any event within 13 months of the date that any disputed payment was debited from the relevant Business Account or RCN Account (as applicable).
- 12.3 The Customer must immediately notify the Bank if it suspects that a Card Transaction involves fraud, unauthorised use or any other circumstances where a Supplier may be liable under the Payment Scheme rules. The Bank will attempt to charge the Card Transaction back to the Supplier under Payment Scheme procedures. This will not relieve the Customer of liability for the Card Transaction unless the chargeback to the Supplier occurs, in which case the amount of the Chargeback will be credited to the Business Account or the relevant RCN Account (as applicable).

13 Term and Termination

The Agreement shall continue indefinitely until you or we end it in accordance with the terms of the Agreement.

- 13.1 You may terminate the Agreement at any time for any reason. If you wish to do so, you will need to give one month's notice to us. Such notice needs to be given to us in writing by post, unless otherwise agreed between you and us.
- 13.2 We may terminate the Agreement, demand repayment of the outstanding balance on all or any RCN Accounts and/or close any RCN Account:
- 13.2.1 at any time for any reason by giving two months' written notice to you (provided that we also give you any other notice that we are required to provide to you by law); and
 - 13.2.2 immediately if any of the circumstances set out below has occurred (and we will provide you with such notice (if any) that we are required to provide to you by law):
 - 13.2.2.1 you breach the Agreement or any other agreement with us in a serious way;
 - 13.2.2.2 you repeatedly breach the Agreement or any other agreement with us;
 - 13.2.2.3 we suspect fraud in the opening or operation of the Services;
 - 13.2.2.4 you or a Cardholder does anything which we reasonably believe will damage our reputation;
 - 13.2.2.5 you or a Cardholder uses, or we reasonably believe that you or a Cardholder is using, the Services improperly;
 - 13.2.2.6 you fail to pay any amounts that are due to us under the Agreement;
 - 13.2.2.7 you or a Cardholder uses, or we reasonably believe that you or a Cardholder is using, the Services for or in connection with any purpose which is or may be unlawful;
 - 13.2.2.8 you or a Cardholder breaches or attempts to breach, or we reasonably believe that you or a Cardholder has breached or is attempting to breach, any applicable law or regulation;
 - 13.2.2.9 you or a Cardholder behaves threateningly or abusively towards our staff;
 - 13.2.2.10 we are required to do so in order to comply with legal, fiscal or regulatory changes;
 - 13.2.2.11 we find that any information which you have given to us (whether in connection with the Agreement or not) is inaccurate;
 - 13.2.2.12 we find that you entered into the Agreement with us without informing us in writing beforehand, that material litigation was, or material administrative, criminal or judicial proceedings were, being taken against you ("material" means likely, if successful, to have any damaging effect on you);
 - 13.2.2.13 you fail at any time to meet any identification or other checks required by law or regulation;
 - 13.2.2.14 we reasonably believe that, if we do not stop providing you with the Services, you will cause us to breach any applicable law or regulation or expose us to action from any government or regulator;
 - 13.2.2.15 closure is required by the order of any court or direction or decision of a regulator; or
 - 13.2.2.16 you are Insolvent.
- 13.3 If you become aware that any of the circumstances set out in clause 13.2.2 have occurred, or if you believe that they will occur, you must notify us immediately.
- 13.4 On termination of the Agreement, howsoever occurring:
- 13.4.1 your obligations under the Agreement will continue in force and the Customer will remain liable to us for all Card Transactions and any Charges payable until payment is made of the full amount outstanding (and any outstanding amounts shall become immediately due and payable on termination);
 - 13.4.2 you will ensure that all Payment Accounts and the Business Account will remain open at least until all outstanding Card Transactions have been processed and until all amounts outstanding have been paid to us;
 - 13.4.3 any Charges that you have paid to us in advance under the Agreement will be apportioned up to the date of termination of the Agreement and we will refund the relevant amount to you;
 - 13.4.4 your use of the Service shall cease with immediate effect and we shall not be required to take any further action in respect of any instructions received from you even if received prior to the date of termination;

- 13.4.5 within 7 days of the date of termination, you shall make satisfactory arrangements for the return to us of all materials relating to the Service, equipment or items (including any System Terms) supplied by us to you for use in connection with the Service; and
- 13.4.6 the accrued rights of the parties as at termination, or the continuation after termination of any provision that is intended to apply after termination, shall not be affected or prejudiced.

13.5 If, at any time before the end of the Initial Term, you

- (i) terminate the Agreement for any reason; or
- (ii) end your relationship with the Bank; you agree to pay (and agree that we may debit such sum from the Payment Account within 14 days of our written notice to you) a sum equal to the proportion of the Implementation Clawback (as specified for Year 1 in Schedule 2 (if applicable)) (that proportion to be calculated on a pro-rated basis by dividing the Implementation Clawback by 12 and multiplying it by the number of months remaining in the Initial Term).

If you are not a Micro-Enterprise or a Charity, for the purposes of this clause, Schedule 2 and any other related term or definition in this Agreement you agree that Regulation 51(3) of the Payment Services Regulations does not apply to you.

13.6 We may terminate the Agreement on termination of the Mastercard Processing Servicing Agreement for any reason. We will provide as much notice as we are reasonably able to provide.

14 When we can stop the use of a RCN or VCN

14.1 We can stop the use of one or more of the RCNs and/or VCNs entirely or in respect of a specific RCN/VCN function or refuse to renew, replace or reissue a RCN or VCN, if it is reasonable for us to do so for reasons relating to:

- 14.1.1 the security of the RCN or VCN;
- 14.1.2 any suspected unauthorised or fraudulent use of the RCN or VCN;
- 14.1.3 a significantly increased risk that you will be unable to repay any credit line relating to the RCN or the VCN; and/or
- 14.1.4 our legal or regulatory obligations;

and we will not have any responsibility to you in respect of any loss or damage that you may suffer as a result.

14.2 We will inform you as soon as is practicable if we are going to, or if we have, stopped the use of a RCN or VCN and we will advise you of any reasons, unless the law prevents us from doing so or it would undermine our security measures. We will remove the stop on any RCN or VCN or replace it with a new RCN or VCN as soon as is practicable if the reason for stopping it no longer applies.

14.3 If you need to discuss the stop on a RCN and/or VCN with us, you can call us on 0800 096 4496 (if abroad +44 1908 544059) or write to us at Lloyds Bank Card Services, PO BOX 6061, Milton Keynes, MK7 8LE.

15 Changes to these terms and conditions

15.1 We may make changes to these terms and conditions for any reason. For example, typically (but not exclusively), we may make changes to comply with changes to the law, rectify errors, improve security, change the scope of the services that we provide or take account of reorganisations within Lloyds Banking Group.

15.2 If we intend to make changes to these terms and conditions, we will give you at least two months' written notice before the changes come into effect, unless the changes are required due to a change in relevant legislation or regulations and we are prevented from giving you two months' written notice. In those circumstances, we will give you as much written notice as possible.

15.3 We will notify you of changes to these terms and conditions by post, by e-mail, through any online service which you receive from us or in any other way which we have agreed with you. In the notice, we may direct you to our Website where the most recent terms and conditions are posted. During the period before a change comes into effect, you may reject the change, provided that you notify us of this in writing. In such circumstances, your notice of rejection of the change will be deemed to be a notice that you wish to stop receiving the Services and the Agreement will terminate on the day before the change takes effect. You will not incur any additional charges as a result of choosing this course of action. If you do not notify us before a change comes into effect, we will treat you as if you have accepted the relevant change.

15.4 If we add new products or services to the Agreement or add to the ways that you can use the Services (and this does not otherwise change these terms and conditions), this will not be treated as a change and, as a result, we will not be required to give two months' written notice of this to you.

15.5 Changes to the Payment Scheme Exchange Rate will take effect immediately as such changes are made by the Payment Scheme.

15.6 If we are making a change to any other exchange rate which applies to you and the change is favourable to you, we may make the change immediately. In any other circumstances, we will provide at least two months' advance written notice to you of changes to exchange rates by post, e-mail, through any online service which you receive from us or in any other way which we have agreed with you (and clause 15.3 will apply).

16 Refunds for incorrect payment amounts/sums

16.1 For Card Transactions where the exact amount of the payment was not specified when you or the Cardholder gave authorisation for the Card Transaction, we will refund the amount of the payment (and any related interest and charges directly incurred by you) if:

- 16.1.1 the amount of the payment is more than you could have reasonably expected to pay taking into account the previous spending pattern on the relevant RCN Account, the Agreement and any other circumstances relevant to you, the Cardholder, the RCN Account or the payee; and
- 16.1.2 you request the refund from us within eight weeks from the date that the amount was debited from the relevant RCN Account or the Business Account (as applicable).

16.2 You will not be entitled to a refund if you or the relevant Cardholder gave authorisation for the Card Transaction directly to us and the amount of the payment was provided or made available to you or the Cardholder at least four weeks before the due date for payment.

16.3 Before providing a refund to you, we may ask you to provide us with any information that we reasonably require so that we can ensure that you satisfy the requirements for a refund.

16.4 Within 10 Business Days of the later of:

- 16.4.1 our receipt of your request for a refund; or
- 16.4.2 our receipt of any information that we ask you to provide, we will provide you with a refund or inform you why you are not entitled to a refund. If you are not happy with our decision, you can contact your relationship manager or make a complaint to us. Further details about our complaints procedure are set out in clause 20.

16.5 Beyond the responsibility set out above, we will have no further responsibility to you in respect of a Card Transaction which has been initiated by a payee in the circumstances set out in this clause 16.

17 Refunds for unauthorised transactions

17.1 Subject to clauses 17.2 and 17.3 and if a Card Transaction was not authorised by you or the relevant Cardholder (and subject to any responsibility that you may have under clause 18), we will refund the amount of the Card Transaction and, where applicable, restore the relevant RCN Account or the Business Account (as applicable) to the state in which it would have been had the unauthorised transaction not taken place by the end of the next Business Day, provided that you notify us without undue delay on you or a Cardholder becoming aware of the unauthorised transaction, and in any event within 13 months of the day that the payment was debited from the relevant RCN Account or the Business Account (as applicable). You can find details of how to contact us in clause 12.2.

17.2 In some circumstances, we may investigate whether you are entitled to a refund before providing a refund and we may ask you to provide us with any information that we reasonably require as part of such investigation. In other circumstances, we may provide a refund and subsequently investigate. If, through our subsequent investigations, we discover that you were not entitled to a refund, we may debit the refunded amount from the relevant RCN Account or the Business Account (as applicable). We will give you reasonable notice in advance of doing so.

17.3 When we are assessing whether a Card Transaction was authorised by you:

- 17.3.1 if you are not a Micro-Enterprise or a Charity, you agree that Regulation 75 of the Payment Services Regulations does not apply to you, therefore it is your responsibility to prove that a payment was not authorised by you or the relevant Cardholder and we can treat the use of a RCN or VCN as sufficient evidence to show that the payment was authorised by you or the Cardholder or that you acted fraudulently or with intent or gross negligence failed to take any of the actions set out in clauses 18.1.3 or 18.1.4; and
- 17.3.2 if you are a Micro-Enterprise or a Charity, we cannot necessarily treat the use of any RCN or VCN as sufficient evidence of the above, although this is one of the factors that we will take into consideration.

17.4 Beyond the responsibility set out above, we will have no further responsibility to you for unauthorised transactions.

18 Your responsibility for unauthorised transactions**Your responsibility if you are a Micro-Enterprise or a Charity**

- 18.1 Subject to Clause 18.2, you will be responsible for any losses incurred in respect of an unauthorised transaction arising from:
- 18.1.1 the use of a lost or stolen RCN or VCN; or
 - 18.1.2 the misappropriation of a RCN or VCN due to you failing to keep the personalised security features of the RCN or VCN safe, up to a limit of £35 per instance of loss, theft or misappropriation, unless you have acted fraudulently or you have intentionally or with gross negligence failed to:
 - 18.1.3 take all reasonable steps to keep the personalised security features of the RCN or VCN safe;
 - 18.1.4 use the RCN or VCN in accordance with the Agreement; or
 - 18.1.5 notify us in the agreed manner and without undue delay on becoming aware of the loss, theft, misappropriation or unauthorised use of the RCN or VCN, in which case your responsibility for losses will be unlimited.
- 18.2 Unless you have acted fraudulently, you will not be responsible for any losses arising:
- 18.2.1 after you have notified us in the agreed manner of the loss, theft, misappropriation or unauthorised use of the RCN or VCN;
 - 18.2.2 if we fail to provide the means for you to notify us of the loss, theft, misappropriation or unauthorised use of the RCN or VCN (unless clause 23 applies to us);
 - 18.2.3 from the use of the RCN or VCN, security device and/or security details used without your permission before you receive them; or
 - 18.2.4 if we fail to apply procedures that we are legally required to use to check that a payment has been authorised by you or a Cardholder.

Your responsibility if you are not a Micro-Enterprise or a Charity

- 18.3 You are responsible for any losses incurred in respect of an unauthorised transaction arising from:
- 18.3.1 the use of a lost or stolen RCN or VCN; or
 - 18.3.2 the misappropriation of a RCN or VCN due to you failing to keep the personalised security features of the RCN or VCN safe.
- 18.4 You agree that Regulation 77 of the Payment Services Regulations does not apply to you, therefore your responsibility for losses will be unlimited.
- 18.5 Unless you have acted fraudulently, you will not be responsible for any losses arising:
- 18.5.1 after you have notified us in the agreed manner of the loss, theft, misappropriation or unauthorised use of the RCN or VCN;
 - 18.5.2 if we fail to provide the means for you to notify us of the loss, theft, misappropriation or unauthorised use of the RCN or VCN (unless clause 23 applies to us);
 - 18.5.3 from the use of the RCN or VCN, security device and/or security details used without your permission before you receive them; or
 - 18.5.4 if we fail to apply procedures that we are legally required to use to check that a payment has been authorised by you or a Cardholder.

19 General

- 19.1 We recommend that you retain a copy of all of the documents that make up the Agreement. If you would like a copy of all or any of the documents that make up the Agreement, you can contact your relationship manager who will provide you with a copy. You can also find a copy of these terms and conditions on our Website.
- 19.2 Subject to clause 19.9, we will have no Liability to you for any:
- 19.2.1 loss of profit (whether direct, indirect or consequential);
 - 19.2.2 loss of revenue, loss of production or loss of business (whether in each case direct, indirect or consequential);
 - 19.2.3 loss of goodwill, loss of reputation or loss of opportunity (whether in each case direct, indirect or consequential);
 - 19.2.4 loss of anticipated savings or loss of margin (whether in each case direct, indirect or consequential);
 - 19.2.5 loss of bargain (whether direct, indirect or consequential);
 - 19.2.6 costs relating to wasted managerial, operational or other time (whether direct, indirect or consequential);
 - 19.2.7 claims made against you by third parties (whether in respect of direct, indirect or consequential losses); or
 - 19.2.8 indirect, consequential or special loss.
- 19.3 Subject to clauses 19.8 and 19.9, the maximum aggregate Liability of the Bank which arises from an act, omission, event or circumstance which occurs in any one calendar year will not exceed the value of the Charges paid to the Bank during that calendar year.

- 19.4 No member of Lloyds Banking Group will be liable for refusal of any other bank, ATM or other machine or Supplier to accept or honour the VCN, nor will any such member be responsible in any way for the goods and services supplied to the Customer or any Cardholder.
- 19.5 Any complaints by either a Cardholder or the Customer with a Supplier must be resolved by the Customer with such Supplier and no claim by the Customer or a Cardholder against any Supplier may be the subject of a claim or counter-claim against any member of Lloyds Banking Group.
- 19.6 The Bank accepts no responsibility if a request for Authorisation is declined or if a VCN is not accepted in payment nor for any loss or damage resulting from the way either is communicated to the Customer or relevant Cardholder.
- 19.7 Where the Customer consists of two or more persons, this definition means all or any of them and their liability will be joint and several.
- 19.8 Nothing in the Agreement limits or excludes our Liability in any way under clauses 16 and 17 of the Agreement. Any limitation on your Liability under clause 18 of the Agreement will not be affected or prejudiced by any other term of the Agreement.
- 19.9 Nothing in the Agreement excludes our Liability in any way for:
- 19.9.1 death or personal injury which is caused by our negligence or the negligence of our employees, agents or subcontractors;
 - 19.9.2 our fraud or fraudulent misrepresentation, or the fraud or fraudulent misrepresentation of our employees, agents or subcontractors; or
 - 19.9.3 any other matter for which we cannot exclude or limit our responsibility by law.
- 19.10 The Agreement is solely between you and us and, with the exception of terms in the Agreement which include references to Lloyds Banking Group (which can be enforced by Lloyds Banking Group), no other person will have any rights to enforce any of its terms.
- 19.11 If we fail to insist that you perform any of your obligations under the Agreement or if we do not enforce our rights against you, or if we delay in doing so, that will not mean that we have waived our rights against you and will not mean that you do not have to comply with those obligations. If we do decide to waive a breach by you, we will do so in writing, and that will not mean that we automatically waive any later breach by you.
- 19.12 If we are told that money has been paid into your Business Account by mistake, we can take from your account an amount up to the mistaken payment amount. We do not have to ask you to agree to this, but will let you know if it happens. We will act reasonably and try to minimise any inconvenience to you. If we are unable to return funds to the sender, we can give them details about you and your Business Account so they can recover the money from you.

20 Our service promise

- 20.1 We aim to provide excellent customer service whenever you deal with us. If we do not achieve this, please tell us so that we have the opportunity to put things right. You can write or speak to your relationship manager or customer services centre (or anyone in their teams). You can find details of what will happen next and how we will handle your complaint on our Website.
- 20.2 If you are dissatisfied with the outcome of a complaint that you have made to us, you may be eligible to refer the matter to the Financial Ombudsman Service ("FOS").

To understand whether you are eligible to refer the matter to the FOS, please speak to the FOS directly or refer to the FOS' website at www.financial-ombudsman.org.uk. Details of how to contact the FOS can also be found on our Website.

21 Notices

- 21.1 You can contact us by post or by delivering notices by hand, in each case addressed to your relationship manager or Lloyds Bank Card Services PO BOX, 6061, Milton Keynes, MK7 8LE.
- 21.2 Unless the Agreement states that we will contact you in a particular way in relation to a specific type of notice or we are required by law to contact you in particular way, we can contact you by post, telephone, or by e-mail (in each case using the details which you provided to us on the application form relating to the Agreement or the details that you have since informed us are correct), through a broadcast message on an online service that we provide to you or by posting a notice on our Website.
- 21.3 If we are sending a copy of a notice to you, we will only send one copy. This applies even if the Agreement is held in the names of two or more persons.
- 21.4 This Agreement is in English and any information and communications that are provided to you or made available to you relating to the Agreement will be in the English language.
- 21.5 You can change your contact details by giving seven days' written notice to us.
- 21.6 We will use your contact details and appropriate secure procedures to let you know if we suspect fraud or a security threat, or if there has been a major operational or security incident which may affect you.

22 Assignment

- 22.1 You may not transfer any of your rights and obligations or sub-contract any of your obligations under the Agreement to another person unless we agree in writing.
- 22.2 We may transfer any of our rights and obligations under the Agreement to another person without your prior consent. You agree that you will promptly execute all documents that we reasonably require in order to make a transfer effective. We may also sub-contract any of our obligations under the Agreement to another person without your prior consent.

23 Force Majeure

- 23.1 You and we will not be responsible if you or we (or our sub-contractors or agents) are unable to perform any obligations under the Agreement, or if you or we are delayed in doing so, due to abnormal and unforeseeable circumstances beyond our control provided that the consequences were unavoidable despite all efforts to the contrary.
- 23.2 Some examples of where circumstances may be beyond your or our control are typically (but not exclusively) industrial action, riots, invasions, terrorist attacks, threat of terrorist attacks, war, hostilities, rebellion, local or national emergency, civil commotion, fire, explosion, storm, flood, earthquake, accident, epidemic, natural disaster, acts or omissions of third parties, failure or fluctuation of a power supply or a breakdown or failure of telecommunications networks, equipment or software.
- 23.3 We will also not be responsible if we are unable to perform any of our obligations under the Agreement, or if we are delayed in doing so, where we are required to act in a certain way due to legal or regulatory requirements.
- 23.4 We and/or any member of Lloyds Banking Group may be subject to sanctions and/or embargoes imposed by the international community including the UK, EU, UN and the USA. We may not accept instructions and may refuse to make any payment or take any action pursuant to an instruction if it would result, or in our reasonable opinion is likely to result, in a breach by us or any member of Lloyds Banking Group or any of their respective employees of any sanction or embargo whether or not imposed in the UK and we will not be liable for any loss, damage, cost or expense by reasons already mentioned above. We shall be permitted to disclose to the relevant authorities such information in relation to any instruction and/or payment as may be required.

24 Severability

Each of the terms within these terms and conditions operates separately. If any court or relevant authority decides that any of the terms are unlawful, the remaining terms will remain in full force and effect. Any unlawful terms will apply with whatever modification is necessary to give effect to the commercial intentions of you and us.

25 Governing Law and jurisdiction

- 25.1 The Agreement and any non-contractual obligations which arise out of the Agreement are governed by the law of England and Wales and you and we both agree that the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with the Agreement, including in relation to any non-contractual obligations unless you are:
 - 25.1.1 a company or other incorporated body and your registered office is in Scotland;
 - 25.1.2 a sole trader and your business operates from Scotland;
 - 25.1.3 an unincorporated body and your central management and control is exercised from Scotland; or
 - 25.1.4 a charity based in Scotland,
 in which case, the Agreement and any non-contractual obligations which arise out of the Agreement will be governed by the law of Scotland and you and we both agree that the courts of Scotland have exclusive jurisdiction to determine any dispute arising out of or in connection with the Agreement, including in relation to any non-contractual obligations.

26 Intellectual Property and Data Protection

- 26.1 You acknowledge and agree we and/or our licensors own all intellectual property rights in the Services (but not information uploaded into the Services by you or your affiliates) including any copyright, database rights, trade secrets, trade names, trade marks (whether registered or unregistered) and any other rights and licences in respect thereof and you are entitled to use them solely for the purpose of and the extent necessary for access to and use of the Services. You have no right to grant a sub-licence to any third party.
- 26.2 You grant to us an irrevocable right to use all information supplied by you to us solely for the purpose of supplying the Service and you will ensure that any person that you authorised to access and use the Service shall permit us to use the information related to that person for all purposes in connection with the supply of the Service.
- 26.3 You give us your explicit consent (or have obtained the explicit consent of the relevant individual) for us to access, process and keep any personal information that you provide to us for the purposes of providing payment services to you. This won't affect any rights any of us have under data protection legislation. You can withdraw your consent by ending your agreement with us.

SCHEDULE 1

THE SERVICES

Summary

The Bank's ePay Virtual product is a powerful and flexible solution with advanced authorisation controls and transaction routing capabilities designed to provide Customers with value-added features for transactions made using an enrolled Mastercard branded payment product.

ePay Virtual complies with existing card authorisation message types and data element specifications. Card Transactions must be authorised online by the authorisation system on the Mastercard Worldwide Network for processing by the ePay Virtual solution.

All ePay Virtual applications consist of the integration and configuration specific options chosen by the Customer that incorporates select components of ePay Virtual functionality.

Authorisation Controls

If selected as part of the Services, the Programme Administrator (with support from the Bank, as reasonably required) authorisation controls for any individual VCN requested by a Cardholder including:

- (a) purchase amount/spending limit,
- (b) purchase type,
- (c) validity period, and
- (d) specify relevant Supplier(s) where the VCN can be used.

Application Interface Options

There are three types of web interfaces, each with specific functionality, available to the Customer which shall be selected by the Customer prior to implementation of the Services:

- User Interface
- Batch Interface
- XML Application Programming Interface (API)

User Interface

A web-based application that allows a user to login and request a VCN. Additionally, approval flows can be configured, to have a requestor and approver (if applicable) review prior to receiving a VCN.

If selected as part of the Services, the Customer may (with support from the Bank, as reasonably required) create a bespoke VCN approval process which:

- (i) allows Cardholders to request the generation of a VCN (linked to a RCN) to make purchases on behalf of the Customer by accessing the Online Servicing Capabilities; and
- (ii) provides for each Cardholder request for a VCN to be sent for review and approval by the Customer using a workflow management process defined by the Customer.

Batch Interface

Leveraging real-time file feeds (XML) from a payables system, a Customer can request a batch of VCNs for payments. ePay Virtual returns the payments file with VCNs.

The Batch Interface application components can be integrated into the Customer developed web-based front-end systems.

XML Application Programming Interface (API)

Leveraging real-time file feeds a Customer sends an API message to ePay Virtual, requesting the VCN. ePay Virtual quickly responds with a VCN to enable immediate use.

Integration required with touch points at the Customer specified location(s) or at other approved third party providers to access data and services via the real time API:

- The Customer may use the API to integrate ePay Virtual services into their existing website, such as, to perform real time requests for VCNs.
- Other approved third party entities may use the API to integrate ePay Virtual services into an external system, such as, your e-procurement or in-house purchasing system, to perform real-time requests for VCNs.

ePay Virtual features

The ePay Virtual solution provides the Customer with the following key product features:

- Generation of unique VCNs linked to a RCN.
- Enhanced authorisation controls whereby spending can be controlled in various ways including purchase amount, purchase type, validity period and supplier.
- Flexible, user-configurable workflow model to support the request, review and approval or purchase requests received via the hosted website (for User Interface integrations only). Integration via real-time API with Customer entities, e-procurement or in-house purchasing system, to perform real-time requests for VCNs (for API integrations only). Support of the VCNs for enhanced data reporting in Management Information systems (Bank's Smart Data Online product) and acting as a unique identifier for the reconciliation. Ability to enhance addenda information for up to 29 custom fields (cost allocation fields).

Customer Installation and Configuration

The Bank will undertake the following activities in ePay Virtual during initial implementation:

- Enrol the Customer in ePay Virtual.
- Set up the Programme Administrator for the Customer.
- Register RCNs that can be used by the Customer.

Once enrolled the Bank or Programme Administrator can access the User Interface to set up and manage programmes for internal users. The following activities can be performed by the Bank or Programme Administrator via the ePay Virtual User Interface:

- Establish purchase types which, depending on the category, may involve;
 - The assignment of enabled Merchant Category Codes.
 - The identification of optional and/or required enhanced cost allocation data in connection with purchases.
- Create groups of users and, depending on the product, approvers, which involves the assignment of permissions to the group (e.g. purchase types, purchase limits etc.).
- Register users/approvers and assign to groups.
- Configure preferred suppliers to allow users creating payments to attach a VCN to a given supplier.
- Reset passwords.
- Review user activity, such as, VCN request/approval and transaction activity e.g. authorisation, clearing.

API implementations

The Bank will undertake the following activities to support Customer XML-API implementations:

- Project management
- Establishing certificates and security for access to the ePay Virtual solution
- Consulting on XML guide and test cases
- Customer testing between external systems and ePay Virtual
- Authorisation and clearing testing
- Production support

Security

The ePay Virtual solution provides the Customer with generic security mechanisms, such as:

- Strong authentication for access via the User Interface to specified accounts by authorised users only, front-end username and password checking, traffic secured using 128-bit SSL.
- Strong bi-directional authentication of communications between the ePay Virtual solution and external applications based on digital certificates, digital signature present in each message, traffic secured using 128-bit SSL.
- Data encryption service to protect the Customer's data.

Customer Support for ePay Virtual

Following an investigation by the Programme Administrator using the User Interface, should the Customer require ePay Virtual support, this will be provided by the Lloyds Bank Corporate Card Services team.

This is the Customer's first point of contact to report problems with the application for the ePay Virtual solution or to direct questions on the use of ePay Virtual such as:

- Cannot produce a VCN.
- Approval request not received.
- Transactions denied/declined.

The Lloyds Bank Corporate Card Services team will co-ordinate with other teams as appropriate to resolve the issue according to the Bank's internal escalation procedures.

SCHEDULE 2

ANNUAL TRANSACTION SPEND

- 1 You acknowledge that we will incur a cost of £ [] in respect of the "Customer Installation and Configuration" and "API Implementations" elements of the Services (the "**Implementation Cost**"). Except where this Agreement terminates before the end of the Initial Term (in which case clause 13.4 will apply), we will not charge you the Implementation Cost if you meet or exceed the minimum Annual Transaction Spend for each year of the Initial Term, as set out in Table A below.
- 2 The expression "**Annual Transaction Spend**" means the aggregate value (in pounds sterling) of all your Card Transactions in a year, less any chargebacks credited to you in accordance with clause 12 of this Agreement. A Card Transaction will only count towards the Annual Transaction Spend for the year in which it occurs, and it will not be carried forward to any later year.

Year	Minimum Annual Transaction Spend (£)	Implementation Clawback (£)
Year 1 (i.e. 12 months on and from the Commencement Date)	[]	[]

- 3 At the end of each year during the Initial Term we will tell you whether you have met that year's minimum Annual Transaction Spend. If you fail to meet the minimum Annual Transaction Spend, we reserve the right to charge you the applicable proportion of the Implementation Cost, as set out against that year above (the "**Implementation Clawback**"). If we do charge you the Implementation Clawback, you agree to pay a sum equal to the Implementation Clawback within 14 days of our written notice.

SCHEDULE 3

NON-STANDARD PRICING

1 Payments from the Bank to the Customer

- 1.1 For the Term of this Agreement, provided that the Customer is not in breach of any term of this Agreement, the Customer will be entitled to be paid an annual sum calculated in accordance with the following table and formula:
For the purposes of this Schedule the following definitions apply:

Annual Transaction Spend (£)	Rebate Percentage Entitlement
[]	[] %
[]	[] %
[]	[] %
[]	[] %
[]	[] %

"**Contract Year**" means the period of twelve months beginning on the Commencement Date and each subsequent period of twelve months beginning on the anniversary of the Commencement Date, save that the last Contract Year will commence on the final anniversary of the Commencement Date and finish on the date on which this Agreement terminates.

The sum to be paid under paragraph 1.1 above will be calculated as follows for each Contract Year:

Annual Transaction Spend x Rebate Percentage Entitlement

- 1.2 Any sum payable to the Customer under paragraph 1.1 will be paid by the Bank within 60 days of the end of the relevant Contract Year.
- 1.3 If this Agreement terminates and the Contract Year is for less than a period of twelve months, the Customer:
- (a) will not be entitled to any further payments under paragraph 1.1; and
 - (b) will be entitled to one final pro-rated payment calculated in accordance with paragraph 1.1. The Annual Transaction Spend thresholds and rebate percentages in the above table will be divided by 12 and multiplied by the number of completed months in the relevant Contract Year prior to the Agreement being terminated. The Turnover reached in the relevant Contract Year will then be applied to such pro-rated figures to work out whether a payment should be made by the Bank. If a payment is due, this payment will be paid within 60 days of the Agreement being terminated.
- 1.4 Notwithstanding anything to the contrary in this Agreement all rebates are subject to change upon 30 days' prior written notice to the Customer if:
- 1.4.1 an event external to the Bank increases the cost or decreases the revenue to the Bank;
 - 1.4.2 there is any decrease to the interchange rates paid to the Bank by a card association; or
 - 1.4.3 there is an increase to funding costs due to interest rate changes; in connection with the Bank providing the Services.

Please contact us if you would like this in Braille, large print or on audio tape.

We accept calls via Text Relay.

We may monitor or record phone calls with you in case we need to check we have carried out your instructions correctly and to help improve our quality of service. Please remember we cannot guarantee security of messages sent by e-mail.

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

We aim to provide the highest level of customer service possible. If you do experience a problem, we will always seek to resolve this as quickly and efficiently as possible.

If you would like a copy of our complaint procedures, please contact your relationship manager or any of our offices.

You can also find details on our website, at www.bankofscotlandbusiness.co.uk/get-in-touch