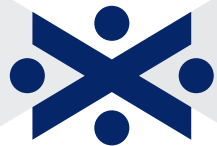


COMMERCIAL BANKING

Your account charges explained

January 2021



**BANK OF
SCOTLAND**

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Help with queries

If at any point you think we've charged you the wrong amount, please speak to your relationship management team. 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.

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've also launched 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 a Bank of Scotland, Halifax or Lloyds Bank cash machine to get cash – it's free of charge. And when you opt for our **Electronic Business Tariff**, all Business Debit Card transactions are free.

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

[†]Business Debit Cards are subject to application.

Pay less often

If you switch your monthly Direct Debits to quarterly or annual payments, you could save money. And why not arrange to pay suppliers monthly instead of weekly? You could also cut your costs and theirs by using Bacs Direct Credit or Telepay.

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 use, so paying in several cheques together rather than one by one means that you only get charged for one credit.

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 or 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.

Choose the tariff that best suits your business

How do you use your business account? If you prefer more traditional banking ways, like writing cheques, our standard **Business Extra Tariff** should suit you fine.

Or are you looking for more low-cost services? If so, our **Electronic Business Tariff** may suit you better. Talk to your relationship management team about what kind of account would be more suitable for your type of business.

Charges and interest

With our **Business Extra**, or **Electronic Tariffs**, 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.

Electronic Business Tariff

On this tariff, you can keep charges low with free transactions including debit card payments, Direct Debits, standing orders and Internet payments.

Business Extra Tariff

On this tariff, 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.

Specialist Accounts Tariff

We apply a specialist tariff on our School Bank Account, Segregated Funds Account, Designated Client Account, Undesignated Client Call Account and Trustee Account products. Our specialist tariff is provided free of charge, however charges for Chaps, International payments, Online Channels and other ancillary services apply.

You can find details of these charges in the following places:

- ▶ Chaps and other ancillary services charges are detailed within 'Other Services charges for all tariffs' section within this document.
- ▶ International payments charges are detailed on our **bankofscotland.co.uk** website.
- ▶ Online banking charges, which apply to Corporate Online, LloydsLink and Commercial Banking Online channels, are detailed in relevant online channel charges brochures.

What to do next

Call our business customer service advisers on **0345 300 0268** between 7am and 8pm, Monday to Friday, or 9am and 2pm on Saturdays, excluding UK public holidays. If you need to call us from abroad, you can also call us on **+44 131 549 87 24**, to speak to one of our advisers. They'll be happy to answer any questions you may have and make the necessary arrangements. We will be able to give you all the information you need to help you choose the tariff that's right for your business. If you later find that you'd prefer to move your account onto a different tariff, simply ask your relationship management team.

Day-to-day Business Tariff transactions

Transaction type	Business Extra Tariff (Charge per item)	Electronic Business Tariff (Charge per item)
Monthly Fee	£15.00	£20.00
Electronic Transactions (in or out)	37p*†	Free*
Faster payments/Telephone (debit/credit)	37p	Free
Cash payments (in or out) at a branch	90p per £100‡	£1.40 per £100‡
Cash payments in at an IDM	75p per £100	£1.00 per £100
Cheques in at a branch	75p	90p
Cheques in at an IDM or Digital Channel	25p	30p
Cheques Out/Assisted Payments (in or out)	80p	£1.10
ATM and Electronic Internal	Free	Free

Other

Transaction type	Business Extra Tariff (Charge per item)	Electronic Business Tariff (Charge per item)
Cash exchanged	£1.90 per £100	£2.50 per £100
Bacs – file submitted	£5.50	£5.50
Bacs – debit or credit item	15p	Free
Telepay or Teledebit item	50p	50p

What's included

Transaction type	Description	What's included
Monthly Fee	The fee charged for the provision of your account with us	Monthly Account Fee
Electronic Transactions (in or out)	Any payment in or out of your current account by Debit card, Online Banking	Direct Debits, Standing Orders and regular payments in and out Cash withdrawals from another bank's ATM* Debit card transactions (Excluding ATM) Internet Bulk Payment – batch Direct Debit†

Faster payments/Telephone Banking (debit/credit)	Any payment made in or out of your current account using automated Telephone Banking	Faster Payments, Internet Banking & Telephone Banking payment, Internet Bulk Payment – per item Automated Credit, Automated Credit – faster payments inbound, Automated Credit (Telephone & Internet Banking)
Cash payments	Any cash payment in or out of your current account made via a branch counter, or bulk or remote cash deposit service	Cash paid in, Cash paid out at a Bank of Scotland counter [†]
Cash payments in at an IDM	Any cash payment made in to your current account made via an Immediate Deposit Machine	Cash paid in at an Immediate Deposit Machine
Cheques in (or Postal Order) at a branch	Any cheque payment in to your current account made via a branch counter, or bulk or remote cash deposit service	Cheque payment in, Postal Order
Cheques in at an IDM or Digital Channel	Any cheque payment in to your current account made via an Immediate Deposit Machine or Digital Channel	Cheque payment in at an Immediate Deposit Machine or Digital Channel
Cheques Out/Assisted Payments (in or out)	Any cheque payment out of your current account made via a branch counter, or bulk or remote cash deposit service or Telephone Banking that involves the assistance of a member of staff or payment initiated in Branch	Cheque payments out, other debit Credit paid in at a Bank of Scotland branch (including an Immediate Deposit Machine), Credit paid in at another bank, Other credit (including a CHAPS payment in) Assisted telephone payments
ATM and Electronic Internal	Withdrawing cash from an ATM, making a transfer between your Bank of Scotland accounts using an automated channel such as Online Banking, or Automated Telephone Banking	Cash withdrawals from a Bank of Scotland, Halifax or Lloyds Bank cash machine, Transfer to another Bank of Scotland account in your name with a sort code starting with a 80 or 12 Transfer from another Bank of Scotland account in your name with a sort code starting with a 80 or 12, Credit paid in via a night safe

All charges are per item unless stated otherwise and are in addition to the monthly fee.

*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.

†You will be charged an item fee for each individual payment that you make within a Bulk Payments batch. In addition you will also be charged for the debit made to your account for the total amount of the Bulk Payments batch – charged at the rate of a Direct Debit. For example, a batch of 10 payments will incur a charge of 10 x 37p for the individual payments as well as 1 x 37p for the Direct Debit to the account. This makes a total of 11 individual charges.

‡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.

Compare our Business Extra Tariff and Electronic Business Tariff

Account payments	Number of items	Business Extra Tariff		Electronic Business Tariff	
		Cost per item	Charge	Cost per item	Charge
Direct Debit	20	37p	£7.40	Free	Free
Standing order	3	37p	£1.11	Free	Free
Business Debit Card transactions (excludes ATM)	15	37p	£5.55	Free	Free
Cheque	30	80p	£24.00	£1.10	£33.00
Sub Total	68		£38.06		£33.00

Account receipts and other transactions

Automated credit	15	37p	£5.55	Free	Free
Credit paid in at a Bank of Scotland branch (including an Immediate Deposit Machine)	10	85p	£8.50	85p	£8.50
Cheque paid in at a branch counter	30	85p	£22.50	90p	£27.00
Sub Total	55		£36.55		£35.50

Account maintenance fee

A charge made for the basic administration costs of running your account			£15.00 per month		£20.00 per month
Sub Total	123		£89.61		£88.50

This table is an illustration only and demonstrates the potential savings that you could make if you choose to use more low-cost services and opt for the Electronic Business Tariff.

Other service charges for all tariffs

Bankers draft	Charge
Bankers draft (sterling)	£20
Electronic fund transfer 'CHAPS' payment	Charge
Transfer of funds for same-day value	£30
Stopped cheque	Charge
Your instruction to us not to pay a cheque that you have issued	£10
If the cheque has been lost or stolen	Free
Returned Cheque – Paid in	Charge
If a cheque credited to your account is returned to us unpaid by another bank or branch for any reason, we will debit your account and advise you and/or present it again for payment	Free
Statements	Charge
You will receive a regular monthly statement of your account	Free
Intermediate statements	Charge
Ordered at branch	£3
Copy statements	£5 per sheet
Monitoring	Charge
Where, by agreement, we will monitor your account on a regular basis to make transfers in accordance with your instructions:	
Daily monitoring	£20 per month
Weekly monitoring	£7 per month
Monthly monitoring	£5 per month
Status enquiry	Charge
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*)

Other service charges for all tariffs (continued)

Audit letter

Charge

Details of balances and other information provided, at your request, to your accountant. The maximum you'll be charged is for 5 accounts.

£25 per account plus VAT

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 transactions
- ▶ 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 at 20%.

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 relationship management team or see our 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 from a Bank of Scotland branch, travel bureau or any other provider displaying the Visa sign	Free
Using your card abroad	Charge
Withdrawals from ATMs displaying the VISA sign or from other banks' counters, travel agents, bureau de change and other outlets displaying the VISA sign	The converted sterling value includes a 2.75% non-sterling transaction fee, this is a fee for foreign currency conversion; the total converted sterling value then incurs an additional 1.5% non-sterling cash transaction fee (minimum £1.50) This fee will not be charged if you: <ul style="list-style-type: none">▶ withdraw Euro within the EEA;▶ or if you withdraw Euro from outside the EEA and the cash machine operator's payment service provider is based in the EEA 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, this is a fee for foreign currency conversion

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 relationship manager for details of these charges. You can also find out more information about our exchange rates on our website. This will help you compare our rates with other card issuers.

You agree to exclude provisions of law that can be disapplied for business customers. This means we will not send you certain information, such as electronic messages, after each non-currency transaction which might be sent to personal customers.

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.

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 relationship 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 type of facility and the amount you borrow.

A management fee might become payable if your business requires specialist support if concerns were to arise regarding your trading performance.

Security fees

If required, we will arrange security against your borrowing. Your relationship 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.

Break costs may apply if you repay all or part of any borrowing during an agreed fixed rate period. Depending on market conditions, break costs could be substantial.

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 business.bankofscotland.co.uk/business-home/rates-and-charges/

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	Charge
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.	£25 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.

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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.

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 Relay UK. More information on the Relay UK Service can be found at: relayuk.bt.com/

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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Bank of Scotland plc Registered office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland no. 327000.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 169628.

We adhere to The Standards of Lending Practice which are monitored and enforced by the LSB: www.lendingstandardsboard.org.uk and apply to businesses which have an annual turnover of no more than £25 million.

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.

Lloyds Banking Group is a financial services group that incorporates a number of brands including Bank of Scotland. More information on Lloyds Banking Group can be found at lloydsbankinggroup.com
Information correct as at: January 2021.