

COMMERCIAL BANKING

Core Banking Agreement



Relationship Terms & Conditions



**BANK OF
SCOTLAND**

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Core Banking Agreement
("The Agreement") contains
terms, conditions and
important information that
apply to certain of our
products and services.
Those products and services
can be identified as they
state in the header
Core Banking Agreement.

Important Information

The following documents detail both your and our rights and obligations in relation to the **Products**.



Relationship Terms & Conditions

These contain the general relationship terms and conditions for all **Products** under **The Agreement**;



Product & Services Terms & Conditions

These contain additional terms and conditions for a specific **Product** provided under **The Agreement**; and



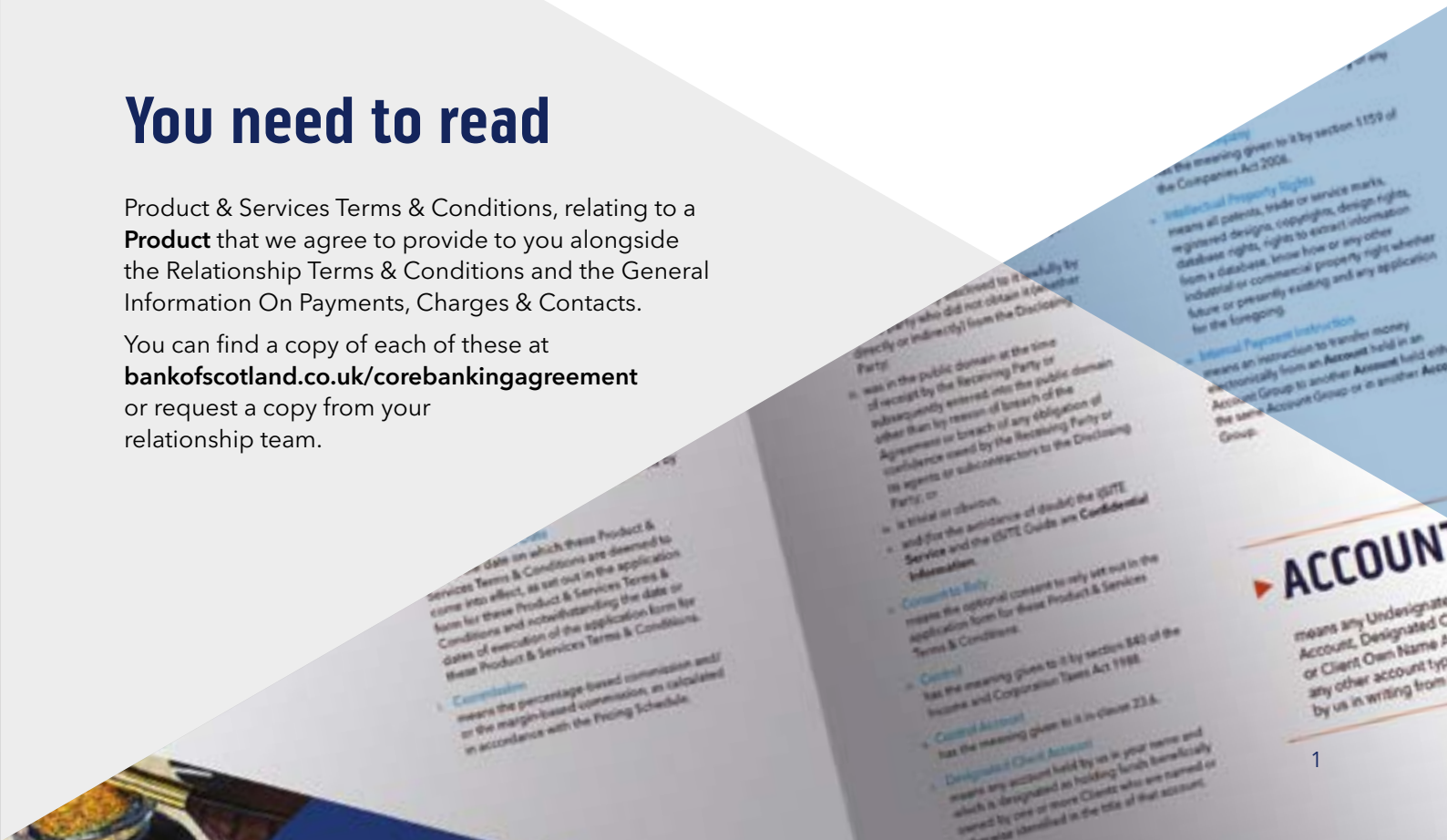
General Information On Payments, Charges & Contacts

This contains the general information you will need to know in respect of payments and standard charges under **The Agreement**. Also included are general contact details and information on large print, Braille and call recording.

You need to read

Product & Services Terms & Conditions, relating to a **Product** that we agree to provide to you alongside the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts.

You can find a copy of each of these at bankofscotland.co.uk/corebankingagreement or request a copy from your relationship team.



Section 1

General



1. Information about our relationship with you

- 1.1 The Core Banking Agreement (“**The Agreement**”) contains terms, conditions and important information that apply to certain of our products and services. Those products can be identified as they state in the header Core Banking Agreement. Such products and services include:
- 1.1.1 accounts (including most current, deposit, foreign currency and client money accounts);
 - 1.1.2 payment services that we offer (domestic and international);
 - 1.1.3 online services that we offer; and
 - 1.1.4 channel services that we offer, and they are referred to as “**Products**” throughout **The Agreement**.
- 1.2 If we provide any **Products** to you, under **The Agreement** our relationship with you is governed by:
- 1.2.1 any application forms that you have signed relating to the **Products**;
 - 1.2.2 any **Mandates** that you have signed relating to the **Products**;
 - 1.2.3 the following documents which detail both your and our rights and obligations in relation to the **Products**, and which we refer to collectively as your “**Terms And Conditions**”:
 - 1.2.3.1 the Relationship Terms & Conditions;
 - 1.2.3.2 the Product & Services Terms & Conditions relating to any **Products** which we provide to you;
 - 1.2.3.3 the General Information On Payments, Charges & Contacts; and
 - 1.2.4 any other contractual documentation that we tell you is to be read alongside the **Terms And Conditions**.
- 1.3 Further information about the **Terms And Conditions**:
- 1.3.1 the Relationship Terms & Conditions – these contain the general relationship terms and conditions for all **Products** under **The Agreement**. Words and expressions defined here have the same meaning across **The Agreement** unless otherwise defined;
 - 1.3.2 the Product & Services Terms & Conditions – these contain additional terms and conditions for a specific **Product** provided under **The Agreement**;
 - 1.3.3 the General Information On Payments, Charges & Contacts – this contains the general information you will need to know in respect of payments and standard charges provided under **The Agreement**. This also includes general contact details and information on large print, Braille and call recording;
 - 1.3.4 you need to read the Product & Services Terms & Conditions relating to a **Product** that we agree to provide to you alongside the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts;

- 1.3.5 you may find terms in the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts that conflict with terms in a set of Product & Services Terms & Conditions. In such circumstances, the terms in the relevant Product & Services Terms & Conditions will override and apply to the extent of any conflict; and
- 1.3.6 we will provide you with separate terms and conditions for any products that fall outside the scope of **The Agreement**.
- 1.4 We recommend that you retain a copy of all of the documents that make up **The Agreement**. If you would like a copy of any of the documents that make up **The Agreement** with us, you can contact your relationship team. You can also find a copy of the Relationship Terms & Conditions, the General Information On Payments, Charges & Contacts and each set of Product & Services Terms & Conditions on **Our Website**.
- 1.5 To the extent of any conflict between **The Agreement** and any terms contained with any **Mandates** that you have signed relating to the **Products**, **The Agreement** will take precedence.
- 1.6 When you are accessing our **Products** electronically, any instructions that you give to us electronically will take precedence over the instructions provided in any **Mandate** which you have signed relating to the **Products**. You may also be asked to comply with extra security requirements when you are accessing our **Products** electronically or if you are using any telephone banking service that we provide.
- 1.7 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 Laws**. You can withdraw your consent by ending your agreement with us.



You need to read the Product & Services Terms & Conditions relating to a Product that we agree to provide to you alongside the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts.

2. Definitions and interpretation

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

Authorised Signatory

means anyone who is nominated by you to be an authorised signatory from time to time under a **Mandate** (and **Authorised Signatories** means all of such persons).

Bank Data

means any data or information in any form or medium provided by or on behalf of us to you or which you are required to process as part of the services under **The Agreement** including without limitation any Personal Data.

Business Day

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

Compliance Obligations

means the obligations of **Lloyds Banking Group** to comply with any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, treaty, requests from or agreements between any member of **Lloyds Banking Group** and/or a legal, regulatory, government, law enforcement, securities exchange, tax or other authority with jurisdiction, applicable to us or a member of **Lloyds Banking Group**.

► BUSINESS DAY

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

Confidential Information

means any information, whether written, oral, in electronic form or in any other media, that

- i. is disclosed by you or us, or on behalf of you or us, to the other in connection with **The Agreement** and that relates in whole or in part to your or our business (or the business of any member of **Lloyds Banking Group**); and/or
- ii. relates to the terms of **The Agreement** (but it does not include the existence of **The Agreement**).

Data Protection Laws

means:

- i. any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction (as amended, consolidated or re-enacted from time to time) which relates to the protection of individuals with regards to the processing of Personal Data to which a party is subject, including the Privacy and Electronic Communications Regulations 2003 (as amended by SI 2011 no. 6), the Data Protection Act 2018 and the EU General Data Protection Regulation 2016/679 as each is amended in accordance with the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended by SI 2020 no. 1586) and incorporated into UK law under the European Union (Withdrawal) Act 2018 (each, as amended, shall be referred to as "PECR", the "DPA 2018" and the "UK GDPR" accordingly); and
- ii. any code of practice or guidance published by a supervisory authority or a regulatory body or other relevant regulator from time to time.

EEA

means the European Economic Area.

Faster Payments

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

Insolvent

has the meaning given to it in the section entitled "Termination".

Lloyds Bank Foreign Exchange Rate

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

Lloyds Banking Group

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

Mandate

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

Micro-Enterprise

means:

- i. an enterprise which, at the date that you entered into a contractual relationship with us in relation to any of the **Products**, employs fewer than 10 persons and its annual turnover and/or annual balance sheet total does not exceed 2 million euro; or
- ii. any body whose annual income, at the date that you entered into a contractual relationship with us in relation to any of the **Products**, is less than £1 million and is:
 - ▶ in England and Wales, a charity as defined by section 1(1) of the Charities Act 2006;
 - ▶ in Scotland, a charity as defined by section 106 of the Charities and Trustee Investment (Scotland) Act 2005; or
 - ▶ in Northern Ireland, a charity as defined by section 1(1) of the Charities Act (Northern Ireland) 2008.

Our Website

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

Payment Instrument

means any:

- i. personalised device; or
- ii. personalised set of procedures agreed between you and us such as the use of a password, security details or a **PIN**, used by you to instruct us to execute payment transactions for you.

Payment Services Regulations

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

PIN

means Personal Identification Number.

Product

has the meaning given to it in the section entitled "Information about our relationship with you".

Reference Interest Rate

means the Bank of England bank rate or such other external reference interest rate to which a **Product** is linked, details of which can be found on **Our Website** or by contacting your relationship team.

Terms And Conditions

means these Relationship Terms & Conditions, the Product & Services Terms & Conditions relating to any **Products** which we provide to you and the General Information On Payments, Charges & Contacts.

The Agreement

means the Core Banking Agreement which consists of:

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

Third Party Provider

means a service provider authorised by law to access information or make payments for you from your payment accounts.

2.2 We have split the **Terms And Conditions** into sections and inserted a number of headings in order to make them easier to read. The headings are not intended to affect the way that the **Terms And Conditions** are interpreted.

2.3 In the **Terms And Conditions**:

2.3.1 where we refer to "you" or "your" we mean your business or organisation (whether you are a sole trader, partnership, limited liability partnership, company, charity, trustee of a pension scheme or any other type of entity or organisation). If two or more persons are comprised in the expression "you" or "your", the words mean any one or more of them;

2.3.2 where we refer to "we", "us" or "our" we mean Bank of Scotland plc registered in Scotland with a Registered Office address of The Mound, Edinburgh EH1 1YZ and with a registered company number of SC327000 (and any successors or assigns of Bank of Scotland plc);

2.3.3 when we refer to a person, this could mean any individual, body corporate, association, partnership, firm, trust, organisation, joint venture, government, local or municipal authority, governmental or supra-governmental agency or department, state or agency of state or any other entity;

2.3.4 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;

2.3.5 any references that we make to the singular include the plural and vice versa;

2.3.6 any references that we make to any gender include every gender;

2.3.7 any references to a time of day are to UK time;

2.3.8 any words following the words include, includes, including, in particular or any similar words or expressions are for illustration or emphasis only and are not intended to limit the meaning of the words preceding them; and

2.3.9 any references to a "party" or to the "parties" means you and/or us as the context requires.



3. Your relationship with us

- 3.1 **The Agreement** will continue indefinitely until you or we end it in accordance with the terms of **The Agreement**.
- 3.2 When you apply for a **Product**, we may decide whether to provide you with the **Product** at our discretion. We will tell you if we are unable to provide you with a specific **Product**, but we may not be able to give you a reason. We will not be responsible for any loss or damage that you may suffer as a result of our decision.
- 3.3 We may introduce restrictions in terms of maximum balances that we may apply to your accounts at any time and without prior notice. This means that we may, without prior notice, not be able to accept new deposits into your accounts or, if we have already accepted deposits in excess of the maximum balance, we may need to return funds to you. We will tell you if we are unable to accept further deposits or need to return funds.
- 3.4 If you are a non **Micro-Enterprise** you agree with us that Regulation 50 of the **Payment Services Regulations** does not apply in relation to the amount of notice we provide to you when we are changing your charges or interest as set out in clause 9.2 and 10.5.

4. Providing services to you

- 4.1 When we are providing services to you and/or managing your day-to-day banking needs, we will use reasonable care and skill. Any financial information that we give to you is provided for your guidance only to help you to make your own decision. Unless we expressly state otherwise our **Products** are provided on a non-advisory basis.
- 4.2 We will perform our obligations under **The Agreement** provided that it will not put us in breach of any applicable law or regulation by doing so.

5. Your warranties

- 5.1 You warrant that:
 - 5.1.1 you have full capacity and authority to enter into and to perform **The Agreement**;
 - 5.1.2 you are not infringing the rights of any third party by entering into and performing **The Agreement**; and
 - 5.1.3 any information provided by you (or by anyone acting on your behalf) to us is accurate, complete and up to date.



We have split the Terms And Conditions into sections and inserted a number of headings in order to make them easier to read.

6. Who is authorised to give instructions to us

- 6.1 We will accept instructions given by you or anyone who is an **Authorised Signatory** in relation to a **Product** (provided such instructions are given in accordance with the relevant **Mandate**) or by anyone who has a legal right to give us instructions (and, when we refer in **The Agreement** to you giving instructions to us, we are referring to any of such persons). This includes instructions relating to payments and instructions relating to any other aspect of your relationship with us, for example, you may ask us to give information to you about a specific **Product** or a specific transaction. This also includes instructions given by you or anyone who is an **Authorised Signatory** in relation to a **Product** via a **Third Party Provider**.
- 6.2 Where two or more persons are comprised in the expression "you", we have the authority to act upon instructions given by any of you, unless your **Mandate** says otherwise.
- 6.3 We are authorised to act upon instructions given by you without making further enquiries into the purpose for which they were given or any circumstances relating to them.
- 6.4 In respect of electronic instructions, we will check the validity of electronic instructions where we have agreed a system with you to do so. Otherwise, we are authorised to act upon any electronic instructions without checking or considering the validity of the instructions.
- 6.5 Before we accept an **Authorised Signatory**, we will need to complete any identification, background and other checks. We will tell you if we are unable to accept an **Authorised Signatory**, but we may not be able to give you a reason.
- 6.6 If you wish to put conditions or restrictions on the authority of any **Authorised Signatory**, you must give details to us in the relevant **Mandate**. If you do not give such details to us, each **Authorised Signatory** has individual authority without any restriction to operate any **Products** falling within the **Mandate**. An **Authorised Signatory** may also commit to any number of facilities without the approval of other **Authorised Signatories**. For example, an **Authorised Signatory** will be able to set up overdrafts (which may be without the knowledge of any other **Authorised Signatories**). However, you will remain responsible to us for all debts and obligations relating to such **Products**.
- 6.7 It is your responsibility to ensure that each of your **Authorised Signatories** is aware of your obligations under **The Agreement** and complies with them.
- 6.8 We may remove an **Authorised Signatory** if we reasonably believe a regulatory requirement means we have to. We will tell you if we have to remove an **Authorised Signatory**, but we may not be able to give you a reason.



▶ CHECKS

Before we accept an Authorised Signatory, we will need to complete any identification, background and other checks.

7. Confidentiality

7.1 We and you will:

- 7.1.1 keep **Confidential Information** secret and only disclose it in the manner and to the extent expressly permitted by **The Agreement** or otherwise as permitted by the terms of the disclosure; and
- 7.1.2 use the **Confidential Information** only to the extent necessary for the performance of obligations under **The Agreement**.

7.2 We and you may disclose **Confidential Information**:

- 7.2.1 to such officers and employees and, in our case, agents and sub-contractors, who need access to that **Confidential Information** for the purpose of complying with obligations under **The Agreement** and, in such circumstances, you or we (as applicable) will take all necessary steps to ensure that any person to whom **Confidential Information** is disclosed will comply with this section entitled "Confidentiality";
- 7.2.2 in our case, to **Third Party Providers** and other third parties to which we need to disclose **Confidential Information** so that they can provide their services to you;
- 7.2.3 to such auditors and professional advisers who need access to that **Confidential Information**, and, in such circumstances, you or we (as applicable) will take all necessary steps to ensure that any person to whom **Confidential Information** is disclosed will comply with this section entitled "Confidentiality"; and
- 7.2.4 to the extent required by applicable law or a court of competent jurisdiction or a regulatory authority or the rules of any listing authority, stock exchange or the Panel on Takeovers and Mergers or any successor body.

7.3 We and other members of **Lloyds Banking Group** may also use, retain and disclose **Confidential Information** about you to the extent required to meet **Compliance Obligations** and internal policies or procedures, maintain your relationship with **Lloyds Banking Group** (including promotion of other products and services), enforce or defend our rights or those of a member of **Lloyds Banking Group**, and prevent or detect crime.



7.4 The obligations under this section do not extend to any **Confidential Information** which:

- 7.4.1 has ceased to be secret without default by the party receiving the **Confidential Information**;
- 7.4.2 was already in the possession of the party receiving the **Confidential Information** prior to disclosure by the other party;
- 7.4.3 was received from a third party who did not acquire it in confidence and who was free to make it available without limitation; and/or
- 7.4.4 at the time of disclosure was in the public domain or subsequently enters into the public domain without any default on the information.

8. Changes to the Terms And Conditions

- 8.1 We may make changes to the **Terms And Conditions** at any time 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**.
- 8.2 If we intend to make changes to the **Terms And Conditions**, we will give you at least two months' written notice before the changes come into effect, unless: (i) 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 which case we will give you as much written notice as possible; or (ii) these changes are to your interest rates or charges, in which case the notice provisions in clause 9.2 and 10.5 apply to these changes.
- 8.3 We will notify you of changes to the **Terms And Conditions** by post, by email, 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 any **Product(s)** to which the change relates and the contractual documentation to which the change relates (which could be the Product & Services Terms & Conditions for a particular **Product** or **The Agreement** in its entirety) will terminate on the date that you request, provided such date is before the change comes into 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.
- 8.4 If we add new products to **The Agreement** or add to the ways that you can use an existing **Product** (and this does not otherwise change the **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.

9. Terms applying to charges

- 9.1 You can find details of any standard charges that apply to our **Products** and the amount of those charges in the General Information On Payments, Charges & Contacts. Some **Products** may have separate or additional charges and, if applicable, details of those charges (or where to find them) will be set out in the Product & Services Terms & Conditions for any relevant **Products**.
- 9.2 We reserve the right to introduce new charges or amend our charges at any time. If we do so, we will provide you with at least 30 days' advance written notice of the new or amended charges and Section 8.3 "Changes to the Terms And Conditions" will apply.
- 9.3 If you fail to pay any charges by the date that they are due, we may deduct such charges from any account that you hold with us. If this places you in an unauthorised overdraft position we will charge unauthorised borrowing interest at the rate stated in the General Information On Payments, Charges & Contacts and/or the relevant Product & Services Terms & Conditions.
- 9.4 If we have a disagreement about the charges that apply to a **Product**, the fees and charges set out in the General Information On Payments, Charges & Contacts and/or the charges schedule to any Product & Services Terms & Conditions will apply.



10. Interest paid and charged

How we pay and charge interest

10.1 You can find details of when and how interest will be paid (if applicable) and when and how interest will be charged (if applicable) in relation to a **Product** in the Product & Services Terms & Conditions for that **Product**. For most **Products**, we will calculate any interest that we pay or charge on a daily basis and we will pay or charge interest to you on a monthly basis. If the day interest is due to be paid or charged is not a **Business Day** we will pay or charge interest up to and on the next **Business Day**. Interest will be calculated on either a 360 day year or a 365 day year depending on the currency involved. For further information please contact your relationship team.

Reference Interest Rates

10.2 You can obtain details relating to the **Reference Interest Rate** that applies to a **Product** on **Our Website** or by contacting your relationship team.

Changes to rates

10.3 Changes to **Reference Interest Rates** will take effect automatically as they are not set by us.

10.4 If we are making a change to any interest rates which apply to you and:

10.4.1 the change is based on a change to the **Reference Interest Rate**; or

10.4.2 the change is favourable to you,

10.4.3 this is a result of you asking us to stop paying interest on your account,

we may make the change immediately without providing you with advance notice and, within 30 days of us making the change, we will provide and/or make information about the change available to you by post, by email, by statement, by publishing details of the change on **Our Website** or by posting a notice on an online service which you receive from us.

10.5 We may make other changes to interest we pay or interest we charge. How much notice we give you will depend on the change, which we have set out in the table below. Notice will be given to you about the change by post, by email, through any online service which you receive from us or in any other way which we have agreed with you (and the section entitled "Changes to the Terms And Conditions" will apply).

Change	How and when we communicate the change
Where we make a change to your advantage (for example, increasing the interest we pay)	We can change the rate at any time We will make details about the change available on Our Website or in any other way we have agreed with you within 30 days of making the change
Where a change results from a movement in a Reference Interest Rate which applies to your account	This will happen automatically on the same day the Reference Interest Rate moves. You won't get advance notice of this We will make details about the change to the Reference Interest Rate available on Our Website within 5 Business Days of the Reference Interest Rate changing
Any other type of change to interest we pay, including but not limited to: - reducing the interest we pay - no longer paying interest - changing the interest rate type from a rate linked to a Reference Interest Rate to a rate we set ourselves	We can change the rate at any time by telling you at least 30 days before the change starts to apply
Any other type of change to interest we charge, including but not limited to: - increasing the interest we charge - changing the interest rate type from a rate linked to a Reference Interest Rate to a rate we set ourselves	We can change the rate at any time by telling you at least 2 months before the change starts to apply
Where you have asked us to stop paying interest on your account	We will make changes in line with your instruction as soon as possible after we receive your request

- 10.6 If the interest rate which applies to your account(s) is linked to a **Reference Interest Rate** and changes to the **Reference Interest Rate** result in the interest rate which applies to your account(s) falling:
- 10.6.1 to 0%, then zero interest rates apply to your account(s) which means that we may not pay any interest to you for holding a deposit with us; or
 - 10.6.2 below 0%, then negative interest rates apply to your account(s) which means that we may charge interest to you for holding a deposit with us.
- 10.7 During any period when zero or negative interest rates apply, we may (at our discretion) for all or part of such period:
- 10.7.1 pay more interest to you than applies under your account(s);
 - 10.7.2 not charge any interest to you; or
 - 10.7.3 charge a lesser amount of interest to you than applies under your account(s),
- as applicable, but this does not affect our right to revert to paying or charging the interest applicable under your account(s) at any time during such period or our right to change the amount of interest that we pay or charge to you at any time during such period, provided that we never pay less interest to you or charge more interest to you than applies under your account(s).

- 10.8 During any period when zero or negative interest rates apply, if we pay more interest to you than applies under your account(s), charge no interest to you or charge a lesser amount of interest to you than applies under your account(s) (as applicable), this is favourable to you. We will not provide advance notice to you of this.
- 10.9 Paying more interest to you than applies under your account(s), charging no interest to you or charging a lesser amount of interest to you than applies under your account(s) does not affect the interest rate applicable to your account(s). If the **Reference Interest Rate** subsequently increases such that the interest rate applicable to your account(s) increases to above 0% interest will continue to apply to your account(s) in the same way as it would have applied had the interest rate never fallen to 0% or below. We will not provide advance notice to you of this.



Illustrative examples

Important note: The examples below are for illustrative purposes only.

Zero interest rate example

- ▶ The **Reference Interest Rate** which applies to your account(s) is 0.50%.
- ▶ The interest rate which applies to your account(s) is set at the same level as the applicable **Reference Interest Rate**, i.e. 0.50%.
- ▶ If the applicable **Reference Interest Rate** falls to 0.00%, the interest rate which applies to your account(s) also falls to 0.00%.
- ▶ We may pay more interest to you than applies under the interest terms applicable to your account(s) during such period (e.g. instead of not paying any interest to you, we may pay you interest of 0.05% but the interest rate applicable to your account(s) remains at 0.00% in any event).
- ▶ This does not affect our right to revert to not paying any interest to you during such period.
- ▶ This also does not affect our right to pay you another amount during such period (e.g. we may pay you 0.05% for part of such period, then 0.02% for the remainder of such period), provided that we never pay you less interest than applies under your account(s) (i.e. by paying you 0.02% or 0.05%, we are paying you more than you would be paid under the 0.00% rate which is applicable to your account(s) so this is favourable to you).
- ▶ Irrespective of whether we pay you more interest or not, the interest rate which applies to your account(s) continues to track the applicable **Reference Interest Rate** at all times. This means that if the applicable **Reference Interest Rate** falls to -1.00%, the interest rate applicable to your account(s) falls to -1.00%. Similarly, if the applicable **Reference Interest Rate** rises to 0.50%, the interest rate applicable to your account(s) rises to 0.50%.
- ▶ Once the applicable **Reference Interest Rate** increases so that the interest rate applicable to your account(s) is above 0.00%, interest would be paid on your account as usual (e.g. if the applicable **Reference Interest Rate** increased to 0.50%, interest would be paid on your account at 0.50%).

Negative interest rate example

- ▶ The **Reference Interest Rate** which applies to your account(s) is 0.50%.
- ▶ The interest rate which applies to your account(s) is set at the same level as the applicable **Reference Interest Rate**, i.e. 0.50%.
- ▶ If the applicable **Reference Interest Rate** falls to -0.50%, the interest rate which applies to your account(s) also falls to -0.50% which means that we may charge interest to you for holding a deposit with us.
- ▶ We may charge a lesser amount of interest to you than applies under your account(s) during such period (e.g. instead of charging you -0.50%, we may only charge you -0.10%) or we may charge you no interest at all during such a period (but the interest rate applicable to your account(s) remains at -0.50% in any event).
- ▶ This does not affect our right to revert to charging you -0.50% at any time during such period.
- ▶ This also does not affect our right to charge you another amount during such period (e.g. we may charge you -0.10% for part of such a period, then -0.25% for the remainder of such a period), provided that we never charge you more interest than applies under your account(s) (e.g. by charging you -0.10% or -0.25%, we are charging you less than you would be charged under the -0.50% rate which is applicable to your account(s) so this is favourable to you).
- ▶ Irrespective of whether we charge you less interest or not, the interest rate which applies to your account(s) continues to track the applicable **Reference Interest Rate** at all times. This means that if the applicable **Reference Interest Rate** falls to -1.00%, the interest rate applicable to your account(s) falls to -1.00%. Similarly, if the applicable **Reference Interest Rate** rises to -0.25%, the interest rate applicable to your account(s) rises to -0.25%.
- ▶ Once the applicable **Reference Interest Rate** increases so that negative interest rates no longer apply to your account(s), interest would be paid on your account as usual (e.g. if the applicable **Reference Interest Rate** increased to 0.50%, interest would be paid on your account at 0.50%).

11. Third Party Providers

- 11.1 You can instruct a **Third Party Provider** to access information on your accounts or make payments from your accounts online as long as it is open and transparent about its identity and acts in accordance with the relevant regulatory requirements. We will treat any instruction from a **Third Party Provider** as if it were from you.
- 11.2 We may refuse to allow a **Third Party Provider** to access your account if we are concerned about unauthorised or fraudulent access by that **Third Party Provider**. 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 compromise our reasonable security measures or otherwise be unlawful. We may make available to a **Third Party Provider** 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.
- 11.3 If you think a payment may have been made incorrectly or is unauthorised, you must tell us as soon as possible even where you use a **Third Party Provider**.
- 11.4 If you (or an authorised user) provide consent to a **Third Party Provider** to access your account data so they can provide account information services or initiate transactions on your behalf, you consent to us sharing your information (which may include Personal Data relating to authorised users) with the **Third Party Provider** as is reasonably required for them to provide their services to you.

12. Partnerships

- 12.1 If you are a partnership (other than a limited partnership or a limited liability partnership), this section applies to you.
- 12.2 Each partner (whether or not they have signed the **Mandate**) will be separately responsible to us for all debts and obligations of whatever nature of the partnership, together with all interest, fees and charges. If we need to take legal action against you, we may at our sole discretion take legal action against all or any of the partners for the full amount of all debts and obligations.
- 12.3 If there is a dispute between partners about the partnership accounts, you agree that we may require all partners to authorise transactions which are to be made out of any accounts until all partners agree how the partnership accounts are to be run. Payments made into any accounts will be paid in the usual manner.
- 12.4 If a partner in a partnership dies or a partner ceases to be a partner of the partnership, we may treat the remaining partners as having the full power to carry on the relevant business. This applies unless we receive instructions to the contrary from any of the continuing partners, or from the executors, legal personal representatives or trustees of the deceased (such instructions must be provided in writing).
- 12.5 If we are owed money in relation to any **Products** or on any outstanding loans:
- 12.5.1 when a partner dies, in addition to the surviving partners each remaining separately responsible, the deceased partner's estate will also be separately responsible for paying the debt and we may require payment from the deceased partner's assets; and
- 12.5.2 unless otherwise agreed between us and the partnership, when a partner leaves the partnership, on such date each partner (including the partner who has left) remains separately responsible to us to repay all of the debts outstanding at such date.

13. Suspension of a product

- 12.6 You must notify us immediately (in such form as we require) of any changes in the partnership, and the current partners must ensure that any incoming partners sign a confirmation of the existing **Authorised Signatories** to us in the form that we may specify from time to time. We will also need to complete any identification, background and other checks in relation to any incoming partners.
- 12.7 The **Mandate** will not be affected by:
- 12.7.1 any change in the name, style or constitution of the partnership; or
 - 12.7.2 any change in the partners of the partnership as a result of death, bankruptcy, retirement and/or any new partner(s) joining or otherwise.
- 12.8 If any **Mandate** that you have signed is changed or terminated, the partners will not be released from any responsibility for any act performed by us in accordance with instructions previously received from the partners or an **Authorised Signatory**.
- 13.1 We may suspend the availability or provision of any **Product** to you on reasonable grounds:
- 13.1.1 relating to any of the circumstances set out in the section entitled "Termination", whilst we are investigating such circumstances;
 - 13.1.2 if you become overdrawn in relation to a **Product** (where no overdraft has been agreed between you and us) or if you exceed any overdraft limit which may apply to a **Product**;
 - 13.1.3 if we become aware of any dispute between the holders of an account;
 - 13.1.4 if a **Product** is in your sole name and you die;
 - 13.1.5 if you are **Insolvent**;
 - 13.1.6 relating to the security of our systems; and/or
 - 13.1.7 if we reasonably believe that you or someone else is using a **Product** illegally, fraudulently or outside of the terms of **The Agreement**,
- and we will not be responsible for any loss or damage that you may suffer as a result of us suspending such **Product**. We will inform you as soon as is practicable if we are going to, or if we have, suspended any **Product** and we will advise you of the reasons, unless the law prevents us from doing so or it would undermine our security measures. We will remove the suspension on any **Product** as soon as is practicable if the reason for suspending it no longer applies.

PARTNERSHIP

If you are a partnership (other than a limited partnership or a limited liability partnership), this section applies to you.

STOP

You may stop receiving a Product from us or end your relationship with us entirely at any time for any reason. If you wish to do so, you will need to give one month's notice to us.

14. Termination

- 14.1 You may stop receiving a **Product** from us or end your relationship with us entirely 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.
- 14.2 We may stop providing you with a **Product** or end our relationship with you entirely:
 - 14.2.1 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 give to you by law); and
 - 14.2.2 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 by law to provide to you):
 - 14.2.2.1 you breach **The Agreement** or any other agreement with us in a serious way;
 - 14.2.2.2 you repeatedly breach **The Agreement** or any other agreement with us;
 - 14.2.2.3 we suspect fraud in the opening or operation of any **Product**;
 - 14.2.2.4 you do anything which we reasonably believe will damage our reputation;
 - 14.2.2.5 you use, or we reasonably believe that you are using, any **Product** improperly;
 - 14.2.2.6 you fail to pay any charges that are due to us under **The Agreement**;
 - 14.2.2.7 you use, or we reasonably believe that you are using, any **Product** for or in connection with any purpose which is or may be unlawful;
 - 14.2.2.8 you breach or attempt to breach, or we reasonably believe that you have breached or are attempting to breach, any applicable law or regulation;
 - 14.2.2.9 you behave threateningly or abusively towards our staff;
 - 14.2.2.10 we are required to do so in order to comply with legal, fiscal or regulatory changes;
 - 14.2.2.11 we find that any information which you have given to us (whether in connection with **The Agreement** or not) is inaccurate;
 - 14.2.2.12 we find that you entered into **The Agreement** (or the Product & Services Terms & Conditions for any **Product**) 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);
 - 14.2.2.13 you fail at any time to meet any identification or other checks required by law or regulation;
 - 14.2.2.14 we reasonably believe that, if we do not stop providing you with a **Product** or end our relationship with you, you will cause us to breach any applicable law or regulation or expose us to action from any government or regulator;
 - 14.2.2.15 if closure is required by the order of any court or direction or decision of a regulator or any other regulatory requirement;
 - 14.2.2.16 you are **Insolvent**; or
 - 14.2.2.17 you change the nature of your business as it is now conducted.
 - 14.2.3 where we have issued a notice to close an account because you have failed to provide us with relevant 'know your customer' information, we can immediately close any accounts you apply for in the period from us issuing this notice to close and that prior account being closed.

14.3 For the purposes of this section, the term “Insolvent” means:

14.3.1 if you are an individual, you or any other person takes (or threatens to take) any step in connection with:

14.3.1.1 your bankruptcy (including, for the avoidance of doubt, if a bankruptcy petition is presented against you, or you petition for your own bankruptcy);

14.3.1.2 the making of any composition, compromise, assignment or arrangement with any of your creditors;

14.3.1.3 the appointment of an interim receiver of your property under section 286 of the Insolvency Act 1986;

14.3.1.4 the appointment of a receiver in respect of you under the Mental Health Act 1983;

14.3.1.5 the appointment of any other, receiver or manager of any of your assets; or

14.3.1.6 any analogous procedure in any jurisdiction; or

14.3.1.7 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

14.3.1.8 you cease or threaten to cease to carry on business,

14.3.2 if you are a company, partnership, limited partnership or limited liability partnership, you (or any other person) takes (or threatens to take) any step in connection with:

14.3.2.1 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);

14.3.2.2 the making of any composition, compromise, assignment or arrangement with any of your creditors;

14.3.2.3 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);

14.3.2.4 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);

14.3.2.5 the appointment of a receiver or any similar officer in respect of you or any of your assets; or

14.3.2.6 any analogous procedure in any jurisdiction; or

14.3.2.7 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

14.3.2.8 you cease or threaten to cease to carry on business.

- 14.4 If you become aware that any of the above circumstances have occurred, or if you believe that they will occur, you must notify us immediately.
- 14.5 If you stop receiving or we stop providing you with a **Product** and such **Product** is required in order for us to provide other **Product(s)** to you, we may stop providing you with all associated **Products** (for example, you need to have an account with us to use certain online services or payment services which we provide, so, if you close your account, we can stop providing you with such online services and payment services). Any notice of termination relating to a **Product** which is required in order for us to provide other **Product(s)** to you will be deemed to be a notice of termination in respect of such associated **Product(s)**. Your Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts and any Product & Services Terms & Conditions for any other non-associated **Product(s)** that we provide to you will remain in place.
- 14.6 Any notice of termination relating to these Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts will be deemed to be a notice of termination in respect of all **Product(s)** that we provide to you and it will end the relationship between you and us under **The Agreement** entirely.
- 14.7 If a sole account holder dies, the personal representative of the sole account holder may end the relationship between the sole account holder and us. The personal representative will need to provide us with any evidence that we require.
- 14.8 If a joint account holder dies, we may treat the survivor(s) as having the full power to carry on the relevant business. This applies unless we receive instructions to the contrary from any of the continuing account holders, or from the executors, legal personal representatives or trustees of the deceased (such instructions must be provided in writing).
- 14.9 If a limited liability partnership or company is dissolved or struck off, we reserve our legal rights against such limited liability partnership or company.
- 14.10 If there is more than one of you and the relationship between you ends, we will ask for instructions from all of you. Provided we receive clear instructions from all of you agreeing to this, we will remove the name of the person who is leaving the relationship from the **Product(s)** involved.



15. Your rights to cancel

- 15.1 If you change your mind within 14 days of you signing an application form for a **Product**, you can cancel and we will stop providing you with such **Product** or help you to switch to another **Product**, provided that you notify us in writing within that 14 day period. If you do not cancel the **Product** within the 14 day period the **Product** & Services Terms & Conditions for such **Product** will remain in place.
- 15.2 If you wish to stop receiving a **Product** after the 14 day period has expired, you can do so by giving one month's notice to us in writing (unless otherwise agreed with us) as set out in the section entitled "Termination".

16. What happens after termination or cancellation

- 16.1 If you cancel a **Product**, stop receiving a **Product**, we stop providing you with a **Product** or the relationship between you and us ends entirely:
- 16.1.1 you must destroy any cards and/or cheque books which we have provided to you relating to any relevant **Product(s)** and the action you will be required to take with regard to security devices will be advised to you at the time of cancellation or termination;
 - 16.1.2 subject to our rights in the section entitled "Set off", we will return to you any money which is in credit in relation to any relevant **Product(s)**, together with any credit interest that is due to you;
 - 16.1.3 you will still be responsible for any amount which you owe to us (whether such amount is incurred before, during or after closure) and such amounts will become immediately due and payable to us;
 - 16.1.4 we will not be responsible for any loss or damage that you may suffer as a result of us acting on instructions which were authorised by you prior to the date of closure of any relevant **Product(s)**;
 - 16.1.5 your and our accrued rights, and the continuation of any term of **The Agreement** which is expressly stated or implicitly intended to apply after a **Product** or various **Products** are closed, will not be affected or prejudiced;
 - 16.1.6 any charges that you have paid to us in advance for any relevant **Product(s)** will be apportioned up to the date of closure of such **Product(s)** and we will refund the relevant amount to you; and
 - 16.1.7 any outstanding charges that you owe to us (including charges for transactions which were executed before closure of a **Product**) will become immediately due and payable.

17. Liability

- 17.1 If two or more persons are comprised in the expression “you”, their undertakings and responsibilities will be joint and several.
- 17.2 If you are a trustee or trustees acting on behalf of a trust (including a pension scheme), your responsibility to us will not exceed the value of the assets of the trust (or pension scheme).
- 17.3 All warranties, conditions and other terms implied by statute or common law are excluded from **The Agreement** to the fullest extent permitted by law.
- 17.4 We will have no responsibility to you arising out of or in connection with **The Agreement**, howsoever caused including if caused by negligence, for any:
 - 17.4.1 loss of profit (whether direct, indirect or consequential);
 - 17.4.2 loss of revenue, loss of production or loss of business (whether direct, indirect or consequential);
 - 17.4.3 loss of goodwill, loss of reputation or loss of opportunity (whether direct, indirect or consequential);
 - 17.4.4 loss of anticipated savings or loss of margin (whether direct, indirect or consequential);
 - 17.4.5 loss of bargain (whether direct, indirect or consequential);
 - 17.4.6 costs relating to wasted managerial, operational or other time (whether direct, indirect or consequential);
 - 17.4.7 loss of or corruption of data or information (whether direct, indirect or consequential);
 - 17.4.8 claims made against you by third parties (whether in respect of direct, indirect or consequential losses); or
 - 17.4.9 indirect, consequential or special loss.
- 17.5 Nothing in **The Agreement** excludes or limits our responsibility in any way for:
 - 17.5.1 death or personal injury which is caused by our negligence or the negligence of our employees, agents or subcontractors;
 - 17.5.2 our fraud or fraudulent misrepresentation, or the fraud or fraudulent misrepresentation of our employees, agents or subcontractors; or
 - 17.5.3 any other matter for which we cannot exclude or limit our responsibility by law.



If two or more persons are comprised in the expression “you”, their undertakings and responsibilities will be joint and several.



Circumstances may be beyond your or our control

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

18. Circumstances beyond your or our control

- 18.1 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 your or our control provided that the consequences were unavoidable despite all efforts to the contrary.
- 18.2 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.
- 18.3 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.
- 18.4 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 reason aforesaid. We shall be permitted to disclose to the relevant authorities such information in relation to any instruction and/or payment as may be required.

19. Set off

- 19.1 If you owe money to us, we may use money in any of your accounts with us to reduce or repay what you owe to us without telling you before we do so (and, if we need to make a currency exchange in order for us to do so, we will use the equivalent amount in the relevant currency). We will not use this right where:
- 19.1.1 we are required by law to hold money in your account for somebody else (for example, where monies are held in a client account);
- 19.1.2 to do so would contravene any law or regulation; and/or
- 19.1.3 we have otherwise agreed with you that we will not do so.

20. Other terms you need to know about your agreement with us

- 20.1** **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:
- 20.1.1** a company or other incorporated body and your registered office is in Scotland;
 - 20.1.2** a sole trader and your business operates from Scotland;
 - 20.1.3** an unincorporated body and your central management and control is exercised from Scotland; or
 - 20.1.4** 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.
- 20.2** **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.
- 20.3** You cannot grant any security over any account with us (except in favour of us).
- 20.4** Each of the terms within the **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.
- 20.5** You may only transfer any of your rights and obligations, or sub-contract any of your obligations, under **The Agreement** to another person if we agree in writing.
- 20.6** 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.
- 20.7** **The Agreement** constitutes the entire agreement made between you and us in respect of the **Products** and supersedes any prior agreement or arrangement made between you and us in relation to such **Products**. You and we agree that:
- 20.7.1** you and we have not entered into **The Agreement** in reliance upon any statements or representations which are not expressly set out in **The Agreement**;
 - 20.7.2** the only remedy for any misrepresentation or breach of any representation or statement made before you and we entered into **The Agreement** and which is expressly set out in **The Agreement** will be for breach of contract; and
 - 20.7.3** nothing in this section is intended to limit or exclude the responsibility of any person for fraud or fraudulent misrepresentation.
- 20.8** 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.

21. Data Protection

- 21.1 The parties recognise that they shall each be processing **Bank Data** in connection with the performance of their obligations and/or exercise of their rights under **the Agreement** and that the factual arrangement between them shall dictate the role of each party (as to Data Controller or Data Processor) in respect of the **Data Protection Laws**. Notwithstanding the foregoing, the parties agree that where either party processes **Bank Data** pursuant to or in relation to **The Agreement**, that party will be carrying out the processing for its own purposes, and as such will be a Data Controller under the **Data Protection Laws**.
- 21.2 Each party shall at all times comply with its respective obligations under the **Data Protection Laws** to the extent such **Data Protection Laws** applies to it in connection with the performance of its obligations or exercise of its rights under **The Agreement**.
- 21.3 The terms "Data Subject", "Personal Data", "supervisory authority" and "processing" (and "process", "processes" and "processed" shall be construed accordingly) shall have the same meanings given to them in the **Data Protection Laws**. "Data Processor" and "Data Controller" shall have the same meanings given to "processor" and "controller" respectively in the **Data Protection Laws**.





The Agreement is solely between you and us.

22. Information about us and our regulators

- 22.1 Bank of Scotland plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration number 169628. Where a **Product** is not regulated by either the Prudential Regulation Authority or the Financial Conduct Authority, we will state this in the Product & Services Terms & Conditions for that **Product**.
- 22.2 We adhere to the British Bankers Association's Lending Principles for Larger Businesses. The Lending Principles for Larger Businesses only apply to certain customers. Details of which customers the Lending Principles for Larger Businesses apply to and copies are widely available on the internet.
- 22.3 **Lloyds Banking Group** plc and its subsidiaries may participate in benchmarks in any one or more of the following capacities; as administrator, submitter or user. Benchmarks may be referenced by **Lloyds Banking Group** plc for internal purposes or used to reference products, services or transactions which we provide or carry out with you. More information about **Lloyds Banking Group** participation in benchmarks is set out in the Benchmark Transparency Statement which is available on **Our Website**.



Section 2

Payments

Important note:

This section entitled “Payments” does not apply to payments made by paper cheques of any kind, paper-based vouchers or paper postal orders but it applies to all other types of payments including cash deposits and withdrawals from accounts. The General Information On Payments, Charges & Contacts contains details of certain payment types.

You can find details of our cheque clearing procedures and our processing times for dealing with cheques in the General Information on Payments, Charges & Contacts. If you have any questions about paper cheques of any kind, paper-based vouchers or paper postal orders, please contact your relationship team.



23. Payment instructions

Giving payment instructions to us

23.1 In order for us to process a payment instruction from you, you will need to provide certain information to us. The information that we need depends on the currency of the payment and the location of the beneficiary's account and is known as the unique identifier.

Important information about unique identifiers

23.2 It is very important that the unique identifier that you provide to us is correct as this is the only information that we will use to process your payment instructions.

23.3 If you fail to provide us with all of the information that we require or if the information that you provide to us is unclear in any way, we may not be able to act on your instructions. The section entitled "Our rights to decline or delay acting on your payment instructions" explains what will happen in such circumstances.

23.4 If we process your payment instructions in accordance with the unique identifier that you provide to us and that unique identifier is incorrect, the payment may not reach the intended beneficiary. You can ask us to trace the payment for you and we will make reasonable efforts to do so, but we will not be responsible for any loss or damage that you may suffer, whether due to us processing the incorrect instructions or due to our failure to trace the payment. Where we are unable to get the money back, you can send us a written request and we will then provide all the relevant information we can in order for you to claim repayment of the funds. We will only provide information to you that we are allowed to provide to you by law.

23.5 If you are making repeated payments to a beneficiary (even if that beneficiary's unique identifier information has been saved on an online service that we provide to you), it is your responsibility to check that the unique identifier information that you provide to us is correct each time that you provide payment instructions to us.

Required unique identifier information

Sterling payment into an account in the UK

23.6 If you are making a sterling payment into an account in the UK, the unique identifier information is the beneficiary's Sort Code and Account number. We will always rely on the unique identifier for the purposes of processing your payment instructions.

23.7 You will also need to provide us with the amount of the payment that you wish to make and we may also request the full name and address of the beneficiary of the payment for legal and/or regulatory purposes, or if the financial institution receiving the payment requires this. We do not consider this information to be part of the unique identifier for the purposes of processing your payment instructions and we will not use this information for the purposes of processing the payment.

Foreign currency into an account in the UK or any payment into an account based outside of the UK but within the EEA

23.8 If you are making a payment in a foreign currency into an account in the UK or any payment into an account based outside of the UK but within the **EEA**, the unique identifier information is the beneficiary's International Bank Account Number ("IBAN") and the Bank Identifier Code ("BIC") (save that the BIC is not required to be provided by you for payments made by SEPA credit transfer and the BIC does not, therefore, form part of the unique identifier for such payments). We will always rely on the unique identifier for the purposes of processing your payment instructions.

23.9 You will also need to provide us with the currency and amount of the payment that you wish to make and we may also request the full name and address of the beneficiary of the payment for legal and/or regulatory purposes, or if the financial institution receiving the payment requires this. We do not consider this information to be part of the unique identifier for the purposes of processing your payment instructions and we will not use this information for the purposes of processing the payment.



Account based outside of the EEA

- 23.10 If you are making a payment into an account based outside of the UK or **EEA**, you should contact your relationship team for details of the information that you will need to provide and what constitutes the unique identifier.
- 23.11 The **BIC** is not required to be provided by you for payments made by SEPA credit transfer and the **BIC** does not, therefore, form part of the unique identifier for such payments.

Summary of required unique identifier information

Sterling payment into an account in the UK	Beneficiary's Sort Code and Account number
Foreign currency payment into an account in the UK	Beneficiary's IBAN and the BIC*
Any payment into an account based outside of the UK but within the EEA	Beneficiary's IBAN and the BIC*
Any payment into an account based outside of the UK or EEA	Please contact your relationship team for details

Limits on payments

- 23.12 We may agree limits with you which apply to certain types of payment instructions or in respect of **Payment Instruments**. For example, there is a limit on the value of a payment which you can send through **Faster Payments**. You can find details of any such limits in the Product & Services Terms & Conditions and/or the General Information On Payments, Charges & Contacts.

Confirmation of Payee

- 23.13 We participate in the confirmation of payee service. This is a name checking service to help stop certain types of domestic payments that are made in sterling going into the wrong account. We will check the name of the account you want to pay against the name you are using to set up the payment ("**Confirmation of Payee**").

- 23.14 If you add a new recipient to your account so that you can send them a payment (with us in branch, online or on the phone), we will contact the bank (or other financial institution) of the person, business or organisation you want to pay to check the name on the account matches the name you have given us. We will also check if it is a personal or business account. If the other bank or financial institution is making Confirmation of Payee checks, they will tell us if the name matches, does not match or partially matches the name you have given us. They will also tell us if it is a business or personal account and they will give us other relevant information, for example, if the account has switched to another bank. We will display or tell you this information so that you can decide if you want to continue setting up the new recipient.

- 23.15 If we do not give you an exact 'match' result, you will be asked if you want to continue making the payment. If you make the payment and this goes to the wrong person, business or organisation, we may not be able to get your money back for you. If you do get an exact 'match' result and you make a payment which goes to the wrong person, business or organisation, you may be entitled to a refund, depending on the circumstances.

- 23.16 If someone adds you to their account as a payment recipient and Confirmation of Payee checks are made, their bank or financial institution will make these checks with us about you and your account. In response to Confirmation of Payee checks, we will give information about you and your account to:

- ▶ other customers of ours;
- ▶ other banks (or other financial institutions, who may be eligible to participate in Confirmation of Payee) who will pass this on to their customers.

This information can include the full name of any account held by you with us, including, if applicable, the name of any underlying client on whose behalf you may have opened the account, whether the account is a business account or a personal account or if your account has switched to another bank. Please refer to our Privacy Notice which explains your privacy rights.

24. Providing and withdrawing consent

Providing consent to make a payment

- 24.1 We must have your consent to execute a payment transaction. The ways in which your consent will be given to us differ for each **Product** and can be found in the Product & Services Terms & Conditions for each **Product** if applicable.
- 24.2 If you give consent to us in relation to a series of recurring payments, we will treat this as you giving your consent for all future payments in the series, unless you notify us otherwise.

Withdrawing your consent for a payment

- 24.3 Once we receive your consent, you can only withdraw it where you have provided instructions to:
- 24.3.1 make a payment on a future date; or
- 24.3.2 make a series of recurring payments, in which case, you can withdraw your consent provided that you give notice to us no later than the end of the **Business Day** on the day before the relevant payment is due to be made. You cannot withdraw your consent for a payment you have asked us to make through a **Third Party Provider**.
- 24.4 If you withdraw your consent in relation to a series of recurring payments, we will treat this as you withdrawing your consent for all future payments in the series, unless you notify us otherwise.
- 24.5 Once you have notified us that you withdraw your consent, we will not make the relevant payment(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.

- 24.6 If you notify us that you would like to recall:

- 24.6.1 a payment to be made on a future date after the end of the **Business Day** before such payment is due to be made;
- 24.6.2 a series of recurring payments to be made on future dates after the end of the **Business Day** before the relevant payment is due to be made; or
- 24.6.3 in respect of any other type of payment, a payment after you have provided the instruction to us,

we will provide reasonable assistance to you but you acknowledge that:

- 24.6.4 we may not be able to recall the payment and we will have no responsibility to you for any loss or damage that you may suffer if we are unable to do so; and
- 24.6.5 if the payment has already been credited to the account of the beneficiary, we will only be able to recall the payment with the agreement of the beneficiary.

- 24.7 If we are able to recall the payment and the payment was in a different currency to the denomination of the account, we will return to you the equivalent amount in the currency in which your account is denominated. We will calculate the amount to be returned to you based on the **Lloyds Bank Foreign Exchange Rate** prevailing on the day that the amount is credited to your account.
- 24.8 We may charge you for withdrawing a payment order under any of the circumstances in this section. Such charges are set out in the General Information On Payments, Charges & Contacts.

25. Receipt of your payment instructions

- 25.1** We will treat a payment instruction to have been received by us at the time that it is actually received by us (rather than the time that you send it to us), unless you instruct us to make a payment on a future date or a series of recurring payments on future dates.
- 25.2** If you instruct us to make a payment on a future date or a series of recurring payments on future dates, we will treat the date that we are required to begin processing the payment as the date that we receive your payment instruction (this is known as the date of deemed receipt) save that for Standing Orders, we will only treat this as the date of deemed receipt if you have put funds at our disposal to make the payment on such date, otherwise the date of deemed receipt will be the date that such funds are put at our disposal.
- 25.3** If we receive (or are deemed to receive) any payment instruction:
- 25.3.1** after the cut-off time on any **Business Day**; or
 - 25.3.2** 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**.
- 25.4** You can find our standard domestic payment cut-off times in the General Information On Payments, Charges & Contacts. Our specific currency cut-off times for international payments are available in the Payment Transaction Brochure on **Our Website**. Some **Products** may have separate cut-off times and, if applicable, details of those cut-off times (or where to find them) will be set out in the Product & Services Terms & Conditions for any relevant **Products**.

CONSENT

The ways in which YOUR consent will be given to us differ for each Product and can be found in the Product & Services Terms & Conditions for each Product if applicable.



26. Processing your payment instructions

When we will action your payment instructions

26.1 We will act on your payment instructions so that the amount to be transferred reaches the beneficiary's bank or other financial institution no later than:

- 26.1.1 for payments in sterling to be made to a financial institution in the UK, the end of the next **Business Day** following receipt or deemed receipt of your instructions (or the end of the second **Business Day** if your instructions were initiated in paper rather than in electronic form);
- 26.1.2 for payments in euro to be made to a financial institution in the UK or **EEA**, the end of the next **Business Day** following receipt or deemed receipt of your instructions (or the end of the second **Business Day** if your instructions were initiated in paper rather than in electronic form); and
- 26.1.3 for payments in **EEA** currencies other than euro to be made to a financial institution in the UK or **EEA** (but not including payments in sterling to be made to a financial institution in the UK), the end of the fourth **Business Day** following receipt or deemed receipt of your instructions.

26.2 For payments to be made to a financial institution outside of the UK or **EEA** or for payments in currencies other than UK or **EEA** currencies, you agree that the timescales set out above do not apply to such payments. Please contact your relationship team for details of how long it will take to process your payment.

Summary of execution times

Payments in sterling to a financial institution in the UK	End of the next Business Day (or end of the second Business Day if your instructions were initiated in paper form)
Payments in euro to a financial institution in the UK or EEA	End of the next Business Day (or end of the second Business Day if your instructions were initiated in paper form)
Payments in EEA currencies other than euro to a financial institution in the UK or EEA (but not including payments in sterling to be made to a financial institution in the UK)	End of the fourth Business Day
Payments to be made to a financial institution outside of the UK or EEA	Please contact your relationship team for details
Payments in currencies other than UK or EEA currencies	Please contact your relationship team for details

What happens if the beneficiary of a payment has switched accounts

26.3 Where we have been notified by a UK banking industry payment scheme service (such as the Current Account Switching Service), that the beneficiary of a payment has moved their current account to another financial institution, we will update your instruction with the beneficiary's new Sort Code and Account number without further notice to you to ensure that your payment reaches the correct account within the timescales set out in this section.

27. Payments involving a foreign currency exchange

Foreign currency exchange rate information

- 27.1 The exchange rates we use are variable exchange rates which are changing constantly throughout the day (for example, to reflect movements in foreign exchange markets). The exchange rate applied to your payments will appear on your statement. Unless otherwise agreed with you, the exchange rate we will apply to payments you make involving a currency exchange (including any future dated payments) and payments you receive which are in a different currency to the denomination of your account will be the **Lloyds Bank Foreign Exchange Rate** applicable at the time that your payment is processed. You can contact us to find out the rate which will apply and you can find details of how to contact us in the General Information On Payments, Charges & Contacts or by contacting your relationship team.
- 27.2 When you ask us to make a payment involving a currency exchange or you receive a payment which is in a different currency to the denomination of your account, we will apply the **Lloyds Bank Foreign Exchange Rate** at the time we process the payment, unless we have agreed a different rate with you. The **Lloyds Bank Foreign Exchange Rate** includes a margin. This is the difference between the **Lloyds Bank Foreign Exchange Rate** and the rate at which we buy and sell currency in the foreign exchange markets.
- 27.3 Where you make a payment, we or our correspondent may convert the currency if we believe that the beneficiary account is in a different currency to the currency the payment is sent in. If you are a non **Micro-Enterprise** you agree with us that Regulation 57(1) of the **Payment Services Regulations** does not apply. This means that where you have asked us to make a payment and we or our correspondent believe that the beneficiary account is in a different currency to the currency set out in the payment instruction, unless you have asked us not to convert a payment, we or any correspondent

bank acting on our behalf may convert the payment currency. Where we convert the currency of the payment, we will advise you of any exchange rate used. Where the payment is converted by a correspondent bank acting on our behalf, we will advise you of the exchange rate where this information is made available to us. Where the payment is converted by a correspondent bank acting on our behalf, we may receive a payment from them.

Unavailable currencies

- 27.4 From time to time we are unable to make payments in certain currencies (you can contact us to check whether payment in a specific currency is available) and you can find details of how to contact us in the General Information On Payments, Charges & Contacts or by contacting your relationship team. If you ask us to make a payment in a currency we do not offer, we may make an equivalent payment in sterling or in a currency other than sterling and we will agree which currency with you in advance. Where we make the payment in a currency other than sterling, we will use the **Lloyds Bank Foreign Exchange Rate** applicable to a **Product** to convert the payment. If the rate actually used is different to the indicative rate used by us to calculate the sterling (or other currency) payment amount, we may debit all or part of any shortfall to your account. We will notify you if this is the case. In the event of a surplus, this will be refunded to your account. If a payment is converted by the beneficiary's bank, it will be converted using that bank's applicable exchange rate at the time.

28. Our rights to decline or delay acting on your payment instructions

- 28.1 We may decline to process or delay processing your payment instructions, and we will not have any responsibility to you for any loss or damage that you may suffer as a result, if:
- 28.1.1 you are in breach of **The Agreement**;
 - 28.1.2 there are insufficient cleared funds in your account to cover the amount of the transaction;
 - 28.1.3 the transaction would exceed any limit relating to any **Product**;
 - 28.1.4 there is a dispute (which we reasonably believe to be genuine) about the ownership or entitlement to money in your account or we reasonably believe someone else may have rights over money in your account;
 - 28.1.5 we become aware of any dispute between the holders of an account;
 - 28.1.6 the terms of the account held by the beneficiary of the payment prevent completion of the transaction;
 - 28.1.7 the payment seems unusual when considering the way that you normally use your account;
 - 28.1.8 by processing your payment instructions, we would infringe any law or regulation;
 - 28.1.9 the payment instructions relate to one or more of a limited number of countries, from or to which we may decide not to process payments (for example, a country in relation to which sanctions are in place);
 - 28.1.10 not acting on the instruction or delaying to act on the instruction would assist us with complying with applicable money laundering laws or regulations;
 - 28.1.11 we consider that the instruction is inaccurate or requires further explanation or does not appear to be given in accordance with the relevant **Mandate**;
 - 28.1.12 if we acted upon the instruction, it would breach **The Agreement** or the operating limits of any relevant **Product**;
 - 28.1.13 in relation to a **Product** which is provided through one of our online services, we are unable to process your payment instructions due to:
 - 28.1.13.1 maintenance (whether routine or emergency) or enhancement of the service;
 - 28.1.13.2 any technical fault or failure;
 - 28.1.14 despite all efforts, we are unable to make the payment within the timescales specified in the section entitled "Processing your payment instructions"; and/or
 - 28.1.15 any of the circumstances in the section entitled "Termination" occur.
- 28.2 If we have declined to process your payment instructions, we will provide and/or make available to you details of the reason(s) for the refusal as soon as is practicable and at the latest within the timescales set out in the section entitled "Processing your payment instructions", 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.
- 28.3 We may also not be able to process your payment instructions if we are sending the payment using a payment scheme (for example, **Faster Payments**) and the financial institution to which we are sending the payment is not a member of the relevant payment scheme or if the amount of the payment exceeds any value limit which is permitted under the relevant payment scheme. If we cannot make a payment using the relevant payment scheme, we will notify you or make this information available to you so that we can discuss with you alternative ways that we could make the payment (and any charges that may be payable by you as a result). We will not make the payment until we receive an instruction from you that we can make the payment using an alternative method. If, in exceptional circumstances, we are unable to make the payment using an alternative method, we will notify you of this and the reason for this or make this information available to you (unless the law prevents us from doing so or it would undermine our security measures) within the timescales that we would have processed your payment (as set out in the section entitled "Processing your payment instructions").
- ### Delaying payments
- 28.4 Where we reasonably suspect a payment in sterling you have asked us to make to another UK account involves fraud or dishonesty, we may delay the processing of your instruction. We may do this to ask you for further information or to contact third parties to check that the payment is not fraudulent or dishonest. We can delay payments for up to **4 Business Days** but won't delay longer than necessary to make these checks.

- 28.5 We will tell you if we are delaying your payment no later than the end of the **Business Day** following the day you ask us to make it. We will also explain why and give you any information we have that will help you decide whether to ask us to make it. We may ask you for further information we need to process the payment. We won't tell you we are delaying your payment if there is a legal or security reason why we can't.
- 28.6 If we reasonably suspect a payment involves fraud or dishonesty, we may ask you to take further steps to check the payment, talk to someone about it or tell us you wish to cancel it. If you ask us to make the payment, we may be unable to recover the funds from the recipient.
- 28.7 Where we (or the systems we use) still reasonably suspect the payment instruction is fraudulent after you have carried out further steps, we can refuse to make a payment.
- 28.8 If you have to pay any charges or interest as a result of a payment being delayed due to suspected fraud or dishonest activity we will refund you any interest or charges you have paid because of the delay.

29. Payments made into your account by mistake

- 29.1 If we discover that a payment has been credited to your account by mistake, or if a payment is recalled by the financial institution that made it, we reserve the right to debit your account with the amount of that payment, even if this results in your account going into an authorised or unauthorised overdraft. We may also be required by law to pass on information about you to the other bank or financial institution. You may have to pay any charges and/or interest that result from the use of an authorised or unauthorised overdraft in such circumstances.



30. When we can stop the use of a Payment Instrument

- 30.1 We can stop the use of a **Payment Instrument** if it is reasonable for us to do so for reasons relating to:
 - 30.1.1 the security of the **Payment Instrument**;
 - 30.1.2 any suspected unauthorised or fraudulent use of the **Payment Instrument**;
 - 30.1.3 a significantly increased risk that you will be unable to repay any overdraft or credit line relating to a **Payment Instrument**; and/or
 - 30.1.4 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.
- 30.2 We will inform you as soon as is practicable if we are going to, or if we have, stopped the use of a **Payment Instrument** 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 **Payment Instrument** or replace it with a new **Payment Instrument** as soon as is practicable if the reason for stopping it no longer applies.
- 30.3 If you need to discuss the stop on any **Payment Instrument** with us, you can find details of how to contact us in the Product & Services Terms & Conditions for each **Product**, in the General Information On Payments, Charges & Contacts or by contacting your relationship team.

31. Refunds for incorrectly executed payment instructions

What happens if we incorrectly execute or fail to execute a payment transaction

- 31.1** If we incorrectly execute or fail to execute a payment transaction made from your account (e.g. a credit transfer, card payment or **Direct Debit**, we will without delay refund to you the amount of the incorrectly executed payment and, where applicable, restore your account to the state it would have been in if the defective payment transaction had not taken place (including refunding any interest you have paid or paying you any interest you have missed out on).
- 31.2** If you ask us to make a payment to someone else in the **EEA** and the beneficiary's bank or other financial institution receives it later than set out in the section entitled "Processing your payment instructions", you can ask us and we'll contact the other bank and ask them to correct the amount of interest on the account with their customer (so that it is as if the payment was received on time).
- 31.3** If you ask us to request a payment from someone else on your behalf (e.g. by **Direct Debit**) and we incorrectly execute or fail to execute the payment instruction, we will immediately re-transmit the payment order. When we receive the funds, we will immediately make the funds available to you and refund to your account any interest and charges you have incurred or pay any interest that you have missed out on so that it is as if the transaction had been executed correctly.
- 31.4** If we receive a payment to you from another bank or other financial institution but we do not credit it to your account straight away, we will immediately make available the amount of the payment to you and credit the corresponding amount to your account. We will also refund to you any charges you have incurred due to our failure and pay/refund any interest to you so that it is as if you received the payment when you should have done.
- 31.5** If we can show that we correctly transmitted the payment or payment order (as applicable) to the beneficiary's bank or other financial institution within the relevant timescale, you will not be entitled to a refund under this section entitled "Refunds for incorrectly executed payment instructions" and restoration of your account or retransmission of the payment order (as applicable).
- 31.6** You will not be entitled to a refund under this section entitled "Refunds for incorrectly executed payment instructions" if:
- 31.6.1** the unique identifier that you gave to us was incorrect; and/or
 - 31.6.2** you fail to notify us without undue delay on becoming aware of the error, and in any event within 13 months of the date that the payment left or should have left your account. You can find details of how to contact us in the Product & Services Terms & Conditions for each **Product**, in the General Information On Payments, Charges & Contacts or by contacting your relationship team.
- 31.7** If you ask us to trace a payment for you, we will make immediate efforts to do so free of charge and we will notify you of the outcome.
- 31.8** Beyond the responsibility set out above, we will have no further responsibility to you for a payment transaction that we have failed to execute or incorrectly executed.
- 31.9** This section does not affect any rights you may have to a refund under the UK Direct Debit Scheme. Details of the UK Direct Debit Scheme are widely available on the internet.



If you ask us to trace a payment for you, we will make immediate efforts to do so and we will notify you of the outcome.

32. Refunds for incorrect payment amounts/sums

Your entitlement to a refund for transactions initiated through a payment beneficiary ("payee")

- 32.1 For transactions initiated by a **payee** where the exact amount of the payment was not specified when you gave your consent to make the payment (for example, **Direct Debits**), we will refund to you the amount of the payment if:
- 32.1.1 the amount of the payment is more than you could have reasonably expected to pay taking into account the previous spending pattern on your account, the **Terms And Conditions** and any other circumstances relevant to you, your account or the **payee**; and
 - 32.1.2 you request the refund from us within eight weeks from the date that the amount left your account.

We will also refund to you any charges you have directly incurred on your account and refund any interest you have paid or pay you any interest you have missed out on.

- 32.2 You will not be entitled to a refund if you gave your consent directly to us to make the payment and the amount of the payment was provided or made available to you at least four weeks before the due date for payment.

The action we will take upon receipt of your request for a refund

- 32.3 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.
- 32.4 Within 10 **Business Days** of the later of:
- 32.4.1 our receipt of your request for a refund; or
 - 32.4.2 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 team or make a complaint to us. Further details about our complaints procedure are set out in the section entitled "Complaints/Service promise".
- 32.5 Beyond the responsibility set out above, we will have no further responsibility to you in respect of a transaction which has been initiated by a **payee** under the circumstances set out in this section entitled "Refunds for Incorrect Payment Amounts/Sums".
- 32.6 This section does not affect any rights you may have to a refund under the UK Direct Debit Scheme. Details of the UK Direct Debit Scheme are widely available on the internet.



CONTACT US

You can find details of how to contact us in the Product & Services Terms & Conditions for each Product, in the General Information On Payments, Charges & Contacts or by contacting your relationship team.

33. Refunds for unauthorised transactions

When you will be entitled to a refund for an unauthorised transaction

33.1 If a payment transaction was not authorised by you (and subject to any responsibility that you may have under the section entitled "Your responsibility for unauthorised transactions"), we will refund the amount of the transaction to you and, where applicable, restore your account to the state it would have been in if the unauthorised transaction had not taken place (including refunding any interest you have paid or paying you any interest you have missed out on), provided that you notify us without undue delay on becoming aware of the unauthorised transaction, and in any event within 13 months of the date that the payment left your account. You can find details of how to contact us in the Product & Services Terms & Conditions for each **Product** and in the General Information on **Payments, Charges & Contacts**. We will provide a refund to you as soon as practicable and always by the end of the **Business Day** following the day we become aware of the unauthorised transaction on your account, unless we suspect that you have acted fraudulently.

33.2 We may investigate whether you are entitled to a refund and we may ask you to provide us with any information that we reasonably require as part of such investigation. If we have already provided a refund and, through our subsequent investigations, we discover that you were not entitled to a refund, we may debit the refunded amount from your account (subject always to any rights you may have under the UK Direct Debit Scheme). We will give you reasonable notice in advance of doing so.

33.3 When we are assessing whether a payment transaction was authorised by you:

33.3.1 if you are not a **Micro-Enterprise**, you agree that Regulation 75 of the **Payment Services Regulations** does not apply to you, therefore we can treat the use of any **Payment Instrument** as sufficient evidence to show that the payment was authorised by you or that you may have acted fraudulently or that you may have intentionally or with gross negligence failed to:

33.3.1.1 take all reasonable steps to keep the personalised security features of the **Payment Instrument** safe; or

33.3.1.2 use the **Payment Instrument** in accordance with **The Agreement**;

33.3.2 if you are a **Micro-Enterprise**, we cannot necessarily treat the use of any **Payment Instrument** as sufficient evidence of the above, although this is one of the factors that we will take into consideration.

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

33.5 This section does not affect any rights you may have to a refund under the UK Direct Debit Scheme. Details of the UK Direct Debit Scheme are widely available on the internet.

34. Your responsibility for unauthorised transactions

- 34.1 If a **Product** is regulated by the Consumer Credit Act 1974, this section does not affect the maximum liability that you may have under that Act for unauthorised use of any credit card or token, or for other unauthorised use of credit facilities. Your responsibility if you are a **Micro-Enterprise**.
- 34.2 You will be responsible for any losses incurred in respect of an unauthorised transaction arising from:
- 34.2.1 the use of a lost or stolen **Payment Instrument**; or
 - 34.2.2 the misappropriation of a **Payment Instrument**,
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:
 - 34.2.3 take all reasonable steps to keep the personalised security features of the **Payment Instrument** safe;
 - 34.2.4 use the **Payment Instrument** in accordance with **The Agreement**; and/or
 - 34.2.5 notify us in the agreed manner and without undue delay on becoming aware of the loss, theft, misappropriation or unauthorised use of the **Payment Instrument**,
- in which case your responsibility for losses will be unlimited.
- 34.3 We won't hold you responsible up to the £35 limit if you could not have known about the loss, theft or misappropriation of the **Payment Instrument** before the unauthorised transaction occurred (unless you acted fraudulently) or if the loss was caused by our employees, agents or branches or any business which provides services to us.
- 34.4 Unless you have acted fraudulently, you will not be responsible for any losses arising:

- 34.4.1 after you have notified us in the agreed manner of the loss, theft, misappropriation or unauthorised use of the **Payment Instrument**; or
- 34.4.2 if we fail to provide the means for you to notify us of the loss, theft, misappropriation or unauthorised use of the **Payment Instrument** (unless the section entitled "Circumstances beyond your or our control" applies to us).

Your responsibility if you are not a Micro-Enterprise

- 34.5 You will be responsible for any losses incurred in respect of an unauthorised transaction arising from:
- 34.5.1 the use of a lost or stolen **Payment Instrument**; or
 - 34.5.2 the misappropriation of a **Payment Instrument**.
- 34.6 You agree that Regulation 77 of the **Payment Services Regulations** does not apply to you, therefore your responsibility for losses will be unlimited.
- 34.7 Unless you have acted fraudulently, you will not be responsible for any losses arising:
- 34.7.1 after you have notified us in the agreed manner of the loss, theft, misappropriation or unauthorised use of the **Payment Instrument**; or
 - 34.7.2 if we fail to provide the means for you to notify us of the loss, theft, misappropriation or unauthorised use of the **Payment Instrument** (unless the section entitled "Circumstances beyond your or our control" applies to us).

MICRO-ENTERPRISE

means:

- i. an enterprise which, at the date that you entered into a contractual relationship with us in relation to any of the Products, employs fewer than 10 persons and its annual turnover and/or annual balance sheet total does not exceed 2 million euro; or
- ii. any body whose annual income, at the date that you entered into a contractual relationship with us in relation to any of the Products, is less than £1 million and is:
 - ▶ in England and Wales, a charity as defined by section 1(1) of the Charities Act 2006;
 - ▶ in Scotland, a charity as defined by section 106 of the Charities and Trustee Investment (Scotland) Act 2005; or
 - ▶ in Northern Ireland, a charity as defined by section 1(1) of the Charities Act (Northern Ireland) 2008.

35. Refunds for Authorised Push Payment fraud

- 35.1 An APP (Authorised Push Payment) scam is where you are tricked into transferring money to a fraudster via a bank transfer, for example they may pose as a solicitor you are dealing with in a property purchase and give you bank details of an account they control.
- 35.2 If you are a **Micro-Enterprise** and you make a CHAPS or faster payment on or after 7 October 2024 and you believe the payment was to a fraudster, you can ask us to refund you. You should tell us as soon as possible once you think this has happened.
- 35.3 If you want to make a claim you must do so within 13 months of the payment, or last payment if you have made more than one. We will apply the PSR Reimbursement Rules when we consider your claim. You can find information about the rules and when and how much we can refund here:

Customer scam refunds - new rules | Fraud | Bank of Scotland

You should always report fraud to Action Fraud and the police.

- 35.4 If you made a payment to a fraudster before this date you may be entitled to a refund under the previous CRM code. You can find more information about this code here:

New Scam Code | Fraud & Security | Bank of Scotland Business



Section 3

Communication



36. Contacting each other



Ways we can contact each other - general

- 36.1 The ways in which you can contact us and our contact details will differ depending on which **Product** you need to discuss with us. You can find contact details relating to each **Product** in the relevant Product & Services Terms & Conditions and in the General Information On Payments, Charges & Contacts.
- 36.2 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 a particular way, we can contact you by post, by telephone, or by email (in each case using the details which you provided to us on the application form relating to a **Product** 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**.
- 36.3 We will contact you by telephone or text message if we need to tell you about suspected or actual fraud or security threats to any or all of your accounts.
- 36.4 If we are sending a copy of a notice to you, we will only send one copy. This applies even if a **Product** is held in the names of two or more persons.
- 36.5 Any information and communications that are provided to you or made available to you relating to **The Agreement** will be in the English language.



Date of receipt of any communication to you or us

- 36.6 Any notice sent by post in the UK will be deemed to have been delivered on the second **Business Day** after posting if first class post has been used, or on the fourth **Business Day** after posting if second class post has been used.
- 36.7 Any notice sent from outside the UK will be deemed to have been delivered on the eighth **Business Day** after posting.
- 36.8 Any notice sent by email before 4pm on a **Business Day** will be deemed to have been delivered on that day, but otherwise on the next **Business Day**.
- 36.9 If we post information on **Our Website**, it is considered received by you at the time that the notice is uploaded or first becomes available for viewing on **Our Website**. It is your responsibility to check **Our Website** regularly for any notices applicable to you.

OUR WEBSITE

means our website appearing at
bankofscotland.co.uk/corebankingagreement

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



Email communication

- 36.10** You agree that we may accept emails from you for general communication purposes and that we may act on emails that we reasonably believe you have sent to us. However, we will not accept payment instructions from you provided by email. We will also not accept the service of any proceedings or other documents in a legal action to which the Civil Procedure Rules apply by email.
- 36.11** When we accept emails from you for general communication purposes, we will not have any responsibility to you for any loss or damage that you may suffer as a result of our failure to respond to an email if:
- 36.11.1** we consider that your email is unclear in any way;
 - 36.11.2** we doubt the validity of your email;
 - 36.11.3** we are unable to receive your email (and/or any attachments to it) due to a system error or rejection of your email by our system; and/or
 - 36.11.4** the individual to which you have sent the email (or the individual that monitors the email account to which you have sent the email) is unavailable, which causes a delay.



What you must do if certain details change

- 36.12** You can change your contact details by giving seven days' written notice to us.
- 36.13** You must tell us (and provide us with any evidence that we reasonably require) as soon as possible if any of the following change, to the extent that it applies you:
- 36.13.1** your name;
 - 36.13.2** the nature of your business or organisation;
 - 36.13.3** your address;
 - 36.13.4** your phone number;
 - 36.13.5** your email address;
 - 36.13.6** your status as a **Micro-Enterprise** or otherwise;
 - 36.13.7** your directors or members (as applicable) and you must give details to us regarding the amount of such directors' or members' interest in your business or organisation;
 - 36.13.8** the structure of your business or organisation (such as a change of control), if such change is material; and/or
 - 36.13.9** the names of those persons that you wish to be appointed as **Authorised Signatories**.

37. Statements of account

- 37.1 Where there have been transactions on your account, we will provide a statement of account to you at least once a month to help you manage your finances, unless we agree with you (or have previously agreed with you) that the information is made available to obtain, either online or via telephone banking. Where you request more frequent statements of account, there may be a charge associated with this service.
- 37.2 You should check your statements of account carefully within a reasonable time after you receive them or after they are made available to you and notify us of any apparent mistake or discrepancy without undue delay.
- 37.3 If we are sending a statement of account to you, we will only send one copy. This applies even if a **Product** is held in the names of two or more persons. We can send duplicate copies to you at your request, subject to the charge agreed with you.
- 37.4 You agree that the following information may be provided in your statements of account:

If a payment was made from your account:	If a payment was made into your account:
a. reference enabling you to identify;	a. a reference enabling you to identify;
b. where appropriate, information that we have received relating to the beneficiary of the payment;	b. where appropriate, information that we have received relating to the person making the payment and any information transferred to us with the transaction;
c. the amount of the transaction in the currency in which your account was debited or in the currency used for the payment order;	c. the amount of the transaction in the currency in which your account was credited;
d. the amount of any charges for the transaction and, where applicable, a breakdown of those charges, and/or any interest payable by you;	d. the amount of any charges for the transaction and, where applicable, a breakdown of those charges, and/or any interest payable by you;
e. where applicable, the exchange rate used in relation to the transaction and the amount of the transaction after the currency conversion; and	e. where applicable, the exchange rate used in relation to the transaction and the amount of the transaction before the currency conversion; and
f. the debit value date or the date of receipt of the payment order.	f. the credit value date.

STATEMENTS

We will provide or make statements of account available to you monthly or as otherwise agreed between you and us.

38. Your obligations relating to the security of your accounts, payments and payment instruments

What you must do to maintain security

- 38.1 You must use any **Products**, security devices and **Payment Instruments** provided to you in accordance with any instructions that we give to you (including any instructions set out in any relevant Product & Services Terms & Conditions) and you must take all reasonable steps to keep them safe. You must:
- 38.1.1 not give or disclose your account details, security devices or **Payment Instruments** to anyone else to use them;
 - 38.1.2 not choose a **PIN** or any security details that are easy for someone else to guess;
 - 38.1.3 store all information relating to any **Products** safely and dispose of any information securely and permanently;
 - 38.1.4 inform us as soon as possible if you do not receive a statement of account or any other financial information that you are expecting to receive from us; and
 - 38.1.5 ensure that you protect your **PIN** by memorising it and destroying the written notification of your **PIN** as soon as possible after receiving it.
- 38.2 We will never ask you to reveal the whole of any personalised security details to us including the following:
- 38.2.1 your complete password;
 - 38.2.2 your security details by an email request from us; or
 - 38.2.3 your **PIN**.

What you must do if you have any concerns about security

- 38.3 If you think that any security device or **Payment Instrument** is lost, has been stolen, has been compromised or could be misused, or if you have been asked to disclose any of the personalised security details referred to above you must contact us without undue delay using the contact details found in the General Information On Payments, Charges & Contacts. Where necessary we will stop the use of the **Payment Instrument** in accordance with the section entitled "When we can stop the use of a Payment Instrument". We will remove the stop on any **Payment Instrument** as soon as it is practicable if the reason for stopping it no longer applies.
- 38.4 You agree that you will assist us or our agents in any investigations into the loss or theft or potential misuse of any security device or **Payment Instrument**. You acknowledge that we may pass information relating to you to other financial institutions and/or the police and/or other authorities for the purposes of an investigation.



YOUR SECURITY

If you have been asked to disclose any of the personalised security details referred to above you must contact us without undue delay.

39. Financial difficulty

- 39.1 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 team 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.
- 39.2 If we become aware of problems, we may contact you but you will probably spot any problems before we do. If you let us know as soon as possible, we can start working out a solution together.
- 39.3 Some examples of things that may cause concern are if:
- 39.3.1 you go overdrawn without our agreement;
 - 39.3.2 you exceed any agreed overdraft limit, especially more than once;
 - 39.3.3 there are variations in your business' turnover;
 - 39.3.4 you are trading at a loss;
 - 39.3.5 you suddenly lose a key customer or employee;
 - 39.3.6 you sell a large part of your business;
 - 39.3.7 you use a facility for purposes other than those agreed with us;
 - 39.3.8 you fail to make a loan repayment;
 - 39.3.9 you do not keep to conditions set out in a loan agreement;
 - 39.3.10 you do not supply agreed monitoring information on time; and/or
 - 39.3.11 a creditor brings a winding-up petition or other legal action against your business.

40. Complaints/service promise

Voicing your concerns

- 40.1 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.
- 40.2 You can write or speak to:
- 40.2.1 your relationship team or customer services centre (or anyone in their teams); and/or
 - 40.2.2 the relevant contact at the location that first dealt with the matter (e.g. customer service centre).
- 40.3 You can find details of what will happen next and how we will handle your complaint on **Our Website** business.bankofscotland.co.uk/business-home/contact-us/complaints-procedure.html
- You can expect us to:
- ▶ Take your complaint seriously and respond positively.
 - ▶ Understand the nature of your complaint and how you feel it should be resolved.
 - ▶ Advise you whether we can resolve the matter immediately or not.
 - ▶ Keep you regularly informed of progress when investigating an unresolved complaint, using your preferred method of communication where possible.
 - ▶ Be fair in our assessment, putting matters right if we have caused you inconvenience, distress, disadvantage or loss.
 - ▶ Learn from our mistakes.

Eligibility for the Financial Ombudsman Service (“FOS”)

40.4 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 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.

Further details on the Financial Ombudsman Service can be found at:
www.financial-ombudsman.org.uk
by telephoning **0800 023 4567**
(if you’re calling from outside the UK
call on **+44 20 7964 0500**) by emailing
complaint.info@financial-ombudsman.org.uk
or by writing to:

Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

