

3 Year Fixed Term Pension Fund Deposit Account

Terms and Conditions

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Our agreement with you is made up of these terms and conditions that apply to the 3 Year Fixed Term Pension Fund Deposit Account ('the account') which the account holder(s) ('you') holds with Scottish Widows Bank plc ('us') and our interest rates sheet for your particular deposit account.

You can ask us for a copy of this agreement and our interest rates sheet, at any time.

These accounts are available to people aged 16 and over.

Scottish Widows Bank plc's registered office is:
PO Box 12757,
67 Morrison Street,
Edinburgh,
EH3 8YJ.

We are registered in Scotland and our company registration number is No.154554. We are authorised and regulated by the Financial Services Authority. Our Financial Services Authority register number is 201601. The main business of Scottish Widows Bank is arranging, entering into and administering mortgages and accepting deposits.

Our contact details

Our staff are available to deal with your requirements between 8am and 6pm weekdays (from 10am Wednesdays).

You can contact us by calling:
0845 845 0829

If calling from overseas telephone:
0044 131 655 2000

You can write to us at:
PO Box 12757
67 Morrison Street
Edinburgh
EH3 8YJ

Our website is:

www.scottishwidowsbank.co.uk

You can contact us using any of these contact details unless we specify otherwise.

Defined Terms

In these conditions, the following terms have the meanings shown beside them:

'Annual Equivalent Rate' means the notional rate of interest which would be equal to the contractual rate of interest if it were paid and compounded on an annual basis;

'Bank of England Base Rate' means the Bank of England's repo rate (commonly referred to as its base rate);

'business day' means Monday to Friday excluding bank holidays in England;

'CHAPS transfer' means a transfer of money using the Clearing House Automated Payment System. If you request this service we will charge you a £25 administration fee to cover the cost of making this transfer.

'cut-off time' means the time on each business day such that instructions received after that time will not be treated as received until the next business day. The cut-off time is usually not before 6:00pm, although the cut-off time for CHAPS transfers is 2.00pm. Please ask if you would like to know the cut-off time for a particular transaction;

‘electronic transfer’ means a payment to or from the account made by any means other than cash or cheque. Examples include a direct debit; a CHAPS transfer; a transfer using the Faster Payments Scheme; a transfer to or from another Scottish Widows Bank account and a transfer arranged by telephone.

‘Lloyds Banking Group’ means the group of companies which includes us and a number of other companies using brands including Lloyds TSB, Halifax and Bank of Scotland, and their associated companies. More information on the Lloyds Banking Group can be found at www.lloydsbankinggroup.com

‘pre-advised account’ means the account in your name(s) with another United Kingdom bank (or building society) which you nominate as the account from which or to which electronic transfers may be made.

To enable us to make the transfer by Faster Payments, this account must be able to accept payments using the Faster Payments Scheme – please check with your bank that this is possible.

‘Security Details’ can be processes or security procedures we ask you to follow or use, for example, a password or other information, security numbers or codes to make an instruction or confirm your identity.

‘Gross’ This is the contractual rate of interest payable before the deduction of income tax at the rate specified by law (currently 20%).

1. Payment Services

1.1 Your payment instructions can be given to us (including withdrawal of consent) by:

- (a) Telephone – we will require your security passwords to be confirmed prior to any transactions being carried out.
- (b) Via post – we will accept instructions by letter or postal instruction forms (these are available via our website or on request to the customer services line). Your instruction must be signed and will be checked against our records upon receipt of your request.

1.2 With regard to your payment instructions:

- (a) Your instructions will not be effective until we receive them.
- (b) If you ask us to make a payment, we cannot change or cancel the payment instructions because we start processing it when we receive it, (unless it is an instruction for a future date, in which case it can be stopped or recalled up to 6pm on the business day before the instruction is to be carried out.)
- (c) Although some payments can be made on non-business days, the processing of these payments is not completed on our systems until the next business day.

1.3 When you request an electronic transfer to another account, you must give us the other account name, sort code, account number and any other details we ask you for such as the name of the person you are sending the payment to, so we can arrange or make the electronic payment. You are responsible for checking that the details are correct. We will not be liable if an electronic transfer goes to the wrong person because you gave us the wrong details. If it does go to the wrong person because you gave us the wrong details, we will use reasonable efforts to recover the money and, if we manage to do so, we may charge you our reasonable costs.

1.4 When we contact you or you contact us we need to check your identity before you can give us instructions or we can disclose or discuss confidential information about your accounts. For this reason:

- (a)** you must sign instructions given on paper; and
- (b)** if you are contacting us or giving us instructions by any other method (for example by telephone) you must do so using the Security Details we have given to you or agreed with you personally.

1.5 As long as we have checked your identity in one of the ways set out above, we will assume that we are dealing with you.

1.6 You will not be able to give a payment instruction using your Security Details if we have stopped, or suspended, your ability to use them. We can do this if we reasonably consider it necessary for reasons relating to:

- (a)** the security of your Security Details; or
- (b)** suspected unauthorised or fraudulent use of your Security Details.

Unless the law prevents us from doing so or we believe it would undermine our security measures, we will try to contact you by telephone or in writing in advance to tell you that we have done this and our reason for doing so. If we are unable to tell you in advance, we will tell you as soon as possible afterwards.

1.7 We may refuse to carry out a payment instruction if:

- (a)** you do not have available funds to make the payment;
- (b)** the payment instruction is not clear or you have not provided us with the correct details in accordance with condition 1.3;
- (c)** there is a legal requirement or a court or other authority tells us to act in that way;
- (d)** the payment seems unusual compared with the way you normally use your account;
- (e)** we reasonably believe you or someone else has used or is using or obtaining, or may use or obtain a service or money illegally or fraudulently;

- (f) we reasonably believe that someone else may have rights over money in your account (in this case we can also ask (or require you to ask) a court what to do, or do anything else we reasonably need to do to protect us); or
 - (g) the organisation you are sending the payment to is not a member of the Faster Payments Scheme;
 - (h) the amount of the payment instruction exceeds limits for transactions we put in place. Withdrawals exceeding these limits can be arranged by contacting our Customer Services Team on 0845 845 0829.
 - (i) any other reason set out separately in this agreement applies.
- 1.8** We will try to contact you by telephone or in writing to tell you that we are refusing a transaction. We will do this at the earliest opportunity.
- 1.9** We may decline to give our reasons for refusing to carry out a transaction if we reasonably believe that to do so would be in breach of the law, for example if it would involve:
- (a) the unauthorised disclosure of information which we hold about another person (being information which would enable that person to be identified); or
 - (b) (where the account is in joint names) the unauthorised disclosure to one of you of personal information which we hold about the other.

1.10 Please note that transactions can only be carried out when we are fully satisfied that identification requirements are met.

1.11 We may refuse to accept a payment into an account or an instruction for a payment from it if we reasonably believe that doing so might cause us (or another company in the Lloyds Banking Group) to breach a legal requirement or might expose us (or another company in the Lloyds Banking Group) to action from any government or regulator.

2. Payment into your Account (Deposit)

2.1 You can only make the payment into your account in the following ways:

- (a) by cheque; or
- (b) by transferring money from another Scottish Widows Bank account in your name(s) (see condition 4).

2.2 We will only accept a payment into your account in Sterling. The minimum deposit is £10,000. The maximum balance accepted by us is £5,000,000. No additional deposits can be made.

Cheques

2.3 Cheques must be drawn from an account you are named on. For your protection we recommend that personal cheques issued by you are made payable to: Scottish Widows Bank <Account Holder's Name>.

- 2.4** Third party cheques are not permitted. Building society cheques must be verified to confirm they are from an account held in your name. (Please arrange for the issuing branch to stamp and sign the reverse of the cheque and add your name, sort code, account number and roll number if applicable).
- 2.5** We do not accept inward transfers of credit through the bank's money transmission system, eg. bank giro credit, standing order or dividend mandate is not possible as there can be identification difficulties and delays out with our control. Payments made in this way may be returned automatically and may incur a charge, currently £10.

3. Payment out of your Account (Withdrawal)

No partial withdrawals may be made throughout the term and you can't close the account before the maturity date.

4. Payments to and from another Scottish Widows Bank Account

Payments to another Scottish Widows Bank account, you have in the same name(s), can only be made at maturity. Payments, from the above detailed account, can only be made before the start of the specified issue of the 3 Year Fixed Term Deposit account.

5. Charges and Interest

Charges

- 5.1** Where you close the account at maturity and wish to withdraw your money the same day, a charge (presently £25) will be applied to cover our transfer costs. Withdrawals by other forms of electronic transfer will be made free of charge. No other charges will apply to the account for standard services.

Exceptional Service

- 5.2** We may charge for providing you with any non-standard service which you request in connection with your account. We will inform you of the charge before we provide the service.

Interest

- 5.3** Annual Equivalent Rate (AER) is based on interest paid and capitalised to the account once each year. We may change our interest rates, charges and charging dates under condition 11.

Interest Rates

- 5.4** Variable interest at the Bank of England Base Rate will apply to the account until the date when the specified issue of the 3 Year Fixed Term Pension fund Deposit Account starts. After the start date a fixed rate, determined prior to the specified issue being promoted, will apply.

Interest Calculation

5.5 Before the start date, interest is calculated on a daily basis from the day funds are cleared. This means that you will earn interest after the second business day in respect of cheques received for the credit of the account.

Taxation of Interest

5.6 Interest is normally payable net of lower rate tax (currently 20%) but may be paid gross if you provide us with the appropriately completed HM Revenue and Customs form.

Interest Payments

5.7 The interest earned during the initial variable rate period will be paid to your nominated account at the beginning of the fixed rate period. The interest earned during the three year term will be paid away monthly, quarterly or annually to either another Scottish Widows Bank account or an external account in your name.

6. Maturity

6.1 At least 30 days before the end of the term we will send you a letter advising of your options. These are:

- Option to open another Fixed Term Deposit Account which is available at the time of maturity
- Transfer money to another savings account with Scottish Widows Bank
- Transfer money to your nominated external account

- To allow the account to revert to a variable rate, equivalent to the Bank of England base rate.

6.2 If we do not receive instructions from you (or we cannot reasonably comply with your instructions), on the last day of the term (or the next working day if this falls on a Saturday, Sunday or Bank Holiday), the account will revert to a variable interest rate, equivalent to the Bank of England base rate.

7. Identification Requirements

7.1 To comply with Money Laundering Regulations, Scottish Widows Bank need to verify your identity when opening the account.

Please read our Privacy Notice for further information on what we do.

This can be found on our website **www.scottishwidowsbank.co.uk** or you can request a copy by calling us on 0845 845 0829.

7.2 You will not be allowed to operate the account until the Money Laundering checks are complete.

7.3 The Money Advice Service Factsheet 'Proving your Identity' will help explain why we need to verify your identity. You can get a free copy from **www.moneyadvice.org.uk** or by calling them on 0300 500 5000.

8. Communication

- 8.1** On opening an account with us, you will be allocated an account number. Its purpose is to assist us in locating your account details in order to deal efficiently with your requirements. It is not a security code but should be quoted in all correspondence and in telephone enquiries.
- 8.2** When you contact us by telephone we retain the right to request additional account information as is reasonable to satisfy ourselves that the telephone caller is in fact the account holder.
- 8.3** Sending your personal data by E-mail is not secure. Only include your E-mail address if you agree to Scottish Widows Bank sending you E-mails.

Statements

- 8.4** You will receive annual statements and annual interest certificates. At the end of the term you will receive a closing statement and an interest certificate.
- 8.5** Where we say we will write to you, we will as appropriate do so by letter, email, text, statement messages or inserts or in any other way which is sent to you individually.
- 8.6** You are responsible for checking statements and other account information we give you. You must tell us as soon as you reasonably can (by telephoning our customer service staff on 0845 845 0829) if you notice any errors on your account. If you do, or if we notice any errors, we will correct them as soon as reasonably possible.
- 8.7** We will communicate with you in English.

9. Security

- 9.1** You must:
- (a)** follow instructions we give you, which we reasonably consider are needed to protect you and us from unauthorised access to your accounts;
 - (b)** not let anyone else use your Security Details. For personal accounts this also applies to someone sharing a joint account with you as he or she will have his or her own;
 - (c)** keep your Security Details secure and protected from damage;
 - (d)** do all you reasonably can to make sure no one finds out your Security Details, for example by not:
 - (i)** choosing obvious passwords or codes (such as your date of birth) as part of your Security Details;
 - (ii)** writing your Security Details on, or keeping them with your banking documentation;
 - (iii)** writing down your Security Details in a way that is recognisable;
 - (iv)** letting anyone listen in to your calls with us, or watch you entering or making use of your Security Details;
 - (e)** not let anyone else give instructions, or have access to information, on your accounts unless he or she has a separate arrangement with us to do so, or you have authorised him or her to do so.

- 9.2** The Security Details you provide on your application form will be held securely on file for your protection. Security Details can be changed at your request providing notification is given in writing (evidenced as required) and signed in accordance with the application form.
- 9.3** If you think someone else may be able to use, or has used, your Security Details (because, for example, they have found out your password), you must tell us as soon as you reasonably can by telephoning our customer service staff on 0845 845 0829. If we ask, you must give us any information you know about the misuse of the Security Details. We will pass this to the police if we reasonably think that will be useful.

10. Refunds

- 10.1** We will refund the amount of a withdrawal and any charges or interest you paid as a result of it, and pay you any interest we would have paid you on that amount, if:
- (a) you asked us to make the payment to an account at another bank and the payment was not made properly or never arrived, unless there was a mistake in any of the details contained in the payment instruction you gave us or we can show that the payment was received by the other bank (in this case, that bank is required by law to make the payment immediately); or
 - (b) you tell us that a payment out of your account was unauthorised and, having investigated it, we are reasonably satisfied that the payment was not authorised and that you are not liable (condition 12 has more information on liability). We will not refund the payment if you tell us more than 13 months after the payment was made.
- 10.2** If a withdrawal was not made properly or never arrived, we will (if you ask us to) make immediate efforts to trace the payment and notify you in writing or by telephone of the outcome.
- 10.3** If you ask us to transfer money to your account by direct debit and the payment is not made correctly or never arrived we will:
- (a) (unless we can show it was the fault of the paying bank, or you gave us the wrong payment details – see condition 1.4) immediately ask the paying bank to make the payment to us again;
 - (b) if you ask us to, make immediate efforts to trace the payment and notify you in writing or by telephone of the outcome; and
 - (c) refund you any charges you paid as a result.
- 10.4** If we can show that it was the paying bank's fault they will be responsible for:
- (a) putting the amount of the payment back into your pre-advised account;

- (b) paying you any interest you would have earned on the amount had it not been taken from your pre-advised account; and
- (c) refunding you any charges you paid as a result of the payment not being made correctly or at all.

11. Variation

Interest Rate Changes without advance notice

- 11.1** Before the start of the specified issue of the 3 Year Fixed Term Pension Fund Deposit account;
- (a) variable interest at the Bank of England Base rate applies. During this time rates “tracker rate” changes automatically. A “tracker rate” is where the interest rate tracks a “reference interest rate”. This is a rate which is not set by us but is publicly available so that you can find out what it is and check it independently. The Bank of England Base Rate is an example of a reference interest rate.
 - (b) where the interest rate on a tracker account changes as a result of a change in the reference interest rate we will apply the new rate with effect from the next business day.
- 11.2** After the start date of the issue of the 3 Year Fixed Term Pension Fund Deposit Account a fixed rate of interest will apply for the term.

Changes with advance notice

- 11.3** By writing to you at least two months in advance we can change:
- (a) the terms that apply to a particular account or service (such as the margin on a tracker account, the benefits included with an account); or
 - (b) any of the other terms of this agreement.
- 11.4** We will only make a change under condition 11.3 if you can end this agreement (or close the affected account or service) before the change takes effect if you do not want to accept the change:
- (a) without charge; or
 - (b) we say we will not make a charge which would otherwise apply. Unless you close your account or end this agreement prior to the proposed change date, you will be deemed to have accepted the changes to your terms and conditions.

12. Liability

12.1 If we break this agreement:

- (a) we will not be liable for losses or costs caused by abnormal and unforeseeable circumstances outside our reasonable control, which would have been unavoidable despite all efforts to the contrary, for example delays or failures caused by industrial action, problems with another system or network, mechanical breakdown or data-processing failures;
- (b) we will not be liable for any indirect loss resulting from our breach.

12.2 You will not be liable for any payment instructions you did not give yourself, even if they were given using your Security Details, unless we can prove either:

- (a) that you have acted fraudulently in which case you will be liable for all payments from the account that we have been unable to stop; or

- (b) that you have been very careless with your Security Details (for example if you do not tell us as soon as you think someone has discovered your Security Details or is accessing your accounts without your authority or you broke your obligations in condition 8) in which case (depending on the facts of the case and any legal requirements that apply) you may be liable for payments from your account but only until you have told us that your Security Details have been lost, stolen or could be misused. If you are not liable for a payment we will refund the amount of the payment and any charges or interest you paid as a result of it, and pay you any interest we would have paid you on that amount, and will not have any further liability to you.

12.3 Nothing in this agreement limits our liability for acting fraudulently or very carelessly or otherwise excludes or limits our liability to the extent we are unable to exclude or limit it by law.

13. Law

13.1 Subject to conditions 13.2 to 13.3, the law of Scotland:

- (a) governs the contract between you and us; and
- (b) forms the basis on which relations are established between you and us before the contract is made.

13.2 If you are resident in Northern Ireland when the conditions in this agreement first apply to you the law of Northern Ireland will apply for the purposes of condition 13.1.

13.3 If you are resident in England or Wales when the conditions in this agreement first apply to you the law of England and Wales will apply for the purposes of condition 13.1.

14. Complaints

14.1 Scottish Widows Bank has in place an internal complaints procedure, details of which can be obtained by telephone from our customer service staff on 0845 845 0829.

14.2 Alternatively you can write to us at:

Customer Services Department
Scottish Widows Bank plc
PO Box 12757
67 Morrison Street
Edinburgh EH3 8YJ

If we are still unable to reach an agreement with you to settle your complaint, we'll write to you with a "final response". If you are not happy with our final response, or if you do not receive it within 8 weeks, you can (unless you are a larger business customer) refer your complaint to the Financial Ombudsman Service by writing to them at South Quay Plaza, 183 Marsh Wall, London E14 9SR; by telephoning 0845 080 1800 or by e-mailing complaint.info@financial-ombudsman.org.uk The decision of the Financial Ombudsman Service will be binding upon us.

14.3 Scottish Widows Bank are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible depositor's accounts with the bank including their share of any joint account, and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim) please call us on 0845 845 0829 or refer to the FSCS website www.FSCS.org.uk or call 020 7741 4100 or 0800 678 1100.

15. Accounts where instructions to operate the account can be accepted from one or more individuals

This section applies where instructions to operate the account are received from one or more individuals.

This will apply to all future accounts you open as above unless you specifically tell us otherwise.

This means:

- (a) All signatories to the account are separately responsible for keeping to its terms. If any signatory does not keep to them, we can take action against the signatories either all of you singly or together.
- (b) We may give any information about the account to any signatory (even if you choose that all signatories must sign instructions to us), by telephone. Security details will be required.
- (c) If you choose to allow any signatory to authorise transactions on the account, any signatory will be able to withdraw any amount in the account (which may be without the other signatories knowledge).

We will not be obliged to make any enquiries about the purpose of any transactions.

- (d) The account cannot later be put into just one of the signatories' names, unless all signatories agree.
- (e) If there is a dispute between the signatories about the running of the account, we may require all signatories to authorise all transactions until you all agree how the account is to be run.
- (f) If more than one signatory is required to operate the account, instructions can only be accepted in writing.

If only one signatory is required to operate the account, instructions can be accepted by telephone or in writing.

16. Amendments

Requests to amend account details should be made in writing and be signed by you in accordance with the prevailing instructions. For your convenience standard amendment forms are available on telephone request to the customer services line. Notice of any change of name or bank details must be accompanied by appropriate evidence.

17. Death of Account Holder

- 17.1** If a sole account holder dies, the personal representatives may close the account (upon presentation of such evidence of their authority as we may require) by withdrawing the balance of the account together with any interest accrued without notice or penalty. If applicable, if a joint account holder dies the account may continue in the name of the surviving account holder(s).
- 17.2** Alternatively, the survivor(s) may elect to close the account by withdrawing the balance of the account together with any interest accrued.

18. Notice to Close the Account

- 18.1** This agreement will continue until maturity (see condition 6) or until we cancel or end it.
- 18.2** We may close your account at any time. We will give you not less than two months' written notice of our intention to close your account unless:
- (a)** you are, or we reasonably consider you may be:
 - (i)** using or obtaining, or allowing someone else to use or obtain, a service or money illegally;
 - (ii)** acting fraudulently;
 - (iii)** behaving improperly (for example, in a threatening or abusive manner);
 - (b)** we reasonably consider that by continuing to allow you to run your account:
 - (i)** we may break a legal requirement or a court order or other authority;
 - (ii)** we (or another company in the Lloyds Banking Group) may be exposed to action from any government or regulator; or
 - (c)** you have seriously or persistently breached these conditions in any other way. If we close your account without giving you the notice beforehand, we will do so as soon as possible afterwards.

19. Right to Cancel

If you are not happy about your choice of savings or investment account(s), please write to us within 14 days of opening your account at:

Scottish Widows Bank plc,
PO Box 12757,
67 Morrison Street,
Edinburgh
EH3 8YJ.

We will help you switch accounts or we will give you all your money back with interest. We will ignore any notice period.

20. Contracts (Rights of Third Parties) Act 1999

This contract is between the Account Holder(s) and Scottish Widows Bank plc. The terms of the Contracts (Rights of Third Parties) Act 1999 and any other legal third party rights are specifically excluded except to the extent that rights are expressly conferred on other Lloyds Banking Group companies. This means that only the parties to the contract (or their legal successor(s), assignee(s) or other security holders) and other Lloyds Banking Group companies may have contractual rights.

21. Commission

If your application was submitted to Scottish Widows Bank by your Introducer, they will receive 0.2% commission annually based on the average balance of your account. This will be paid quarterly in January, April, July and October.

Our Promise to You

We are committed to working in partnership with our customers and make the following promise to you:

- To keep the Terms and Conditions of our products clear and simple with no hidden charges or misrepresentation of facts.
- To maintain a plain English policy in all correspondence with you.
- To deal with your requirements politely and effectively. Correspondence received will be acted on or discussed with you by telephone without delay.
- To provide clarification or additional details on any operational aspects of our products.

Customers with a Disability

Scottish Widows Bank is committed to making its products and services available to everyone. Copies of our literature can be provided in large print or in Braille and additional assistance is available to any customer upon request. If you have any special requirements please contact our Customer Services staff in the first instance on 0845 845 0829.



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