



General Terms and Conditions

These Terms and Conditions cover the opening and operation of all Heritable Bank savings accounts and form the basis of the contract between you and us. In these Terms and Conditions 'we' and 'us' means Heritable Bank and 'you' and 'your' means the person(s) in whose name(s) the account is opened or their appointed representative(s).

1. Alterations and Amendments

1a. We reserve the right to vary, amend or add to our Terms and Conditions in order to comply with any relevant changes in European or UK legislation, to ensure that we maintain good banking practices and to reflect changes in the regulatory system that governs us or for any other valid reason.

1b. You will be advised of any alterations to our Terms and Conditions in writing and we will give you at least 30 days' notice of the changes, unless legislation requires earlier action. If any of the changes are to your disadvantage then at any time up to 60 days from the date of the notice you may, without notice, switch your account or close it without having to pay any extra charges or interest for doing this.

2. Opening a Heritable Bank savings account

2a. Heritable Bank savings accounts are only available to private individuals, aged 18 years or over (unless the key features of the account otherwise dictate), who are resident in the United Kingdom. For accounts opened by telephone or post we accept applications from up to four individuals, and for accounts opened online we accept up to two applicants (ISAs excepted).

2b. You must read and understand these Terms and Conditions and check our current interest rates before submitting your application.

2c. The Account Holder(s) will be the person(s) named in the application.

2d. We will usually open your account on the business day that the application is received by us provided that all account opening criteria have been met. If the account opening criteria have not been met we will contact you to confirm our requirements.

2e. We will ask you for information which helps us maintain security on your account. When you contact us to give instructions on your account, we will ask you for some of this information. We will only accept this information from the Account Holder(s) or a person with a suitable Power of Attorney or Receivership Order.

2f. You warrant to us that any monies deposited in an account with us are not derived from or otherwise connected to any illegal activity.

2g. We reserve the right to refuse to open an account if, in our opinion, account opening criteria have not been completed to our satisfaction or to refuse to accept deposits or to make any payment at our absolute discretion without giving any reason. We will not enter into correspondence in these circumstances.

3. Making Deposits

3a. You may make an initial deposit into your account by CHAPS, Faster Payments, Direct Debit, personal cheque, bankers draft, building society cheque, standing order or, where applicable, by transfer from an existing Heritable Bank savings account. For security reasons, you should make any cheque payable to Heritable Bank re: your name(s) and application reference or account number. Direct Debit, Standing Order, Faster Payments and CHAPS payments must be made from your nominated personal UK bank account. Cash or other forms of deposit are not acceptable.

3b. If you send us funds to open your account before we have successfully completed our verification of your identity and address, we will bank your funds but will not credit the proceeds to your new account immediately. Once your identity has been verified, the funds will then be applied to your account and interest will be paid from the date those funds cleared. If we cannot verify your identity within 30 days then we will return the funds without interest by cheque but this will be made payable to the bank/drawer and the account number of the source funds only. This means that a cheque can only be paid back to the originating source and we will not change this under any circumstances.

3c. If you have an account that is opened by post or telephone you may make further deposits into your account by CHAPS, Faster Payments, Direct Debit, personal cheque, bankers draft, building society cheque, Standing Order, or where applicable, by transfer from an existing Heritable Bank savings account. For security reasons, you should make any cheque payable to Heritable Bank re: your name(s) and application reference or account number. Direct Debit, Standing Order, CHAPS and Faster Payments must be made from your nominated personal UK bank account.

3d. Cash or other forms of deposit are not acceptable.

3e. If you have an account that is operated online further deposits may only be made by Direct Debit instruction through our online bank.

4. Joint accounts

4a. We will assume that joint account holders hold equal shares in their account.

4b. Joint account holders are individually and jointly responsible for their accounts even when only one of you has given the instruction. This means that all account holders are equally responsible for all debt on the joint account. This applies even if your relationship breaks down or, if applicable, you divorce.

4c. In the event of any such difficulties arising between you, one or any or all of you should contact us in writing. On receipt of such notice we will only accept future instructions from you which have been authorised by all account holders. In this case, you will need to operate your account by post. We will not be responsible for any transactions made or instructions given by any of you prior to receipt, and our validation of any such instructions regarding the operation of your account.

4d. Provided that all account holders agree in writing, an account holder(s) can be removed at any time.

4e. We will send all correspondence to the address of the first-named account holder (where more than one address is given). We will deem this to apply to all account holders unless you specifically ask us to send correspondence to the address of any other account holder.

4f. We will act on the instruction of any account holder (and this includes instructions to close the account and withdrawal of the whole balance of any account), unless one or any of you has asked us in writing to accept only those instructions signed by you all.

4g. In the event of conflicting instructions from joint account holders we reserve the right to refuse to carry out any transactions or further instructions until the instructions are clarified and confirmed by all account holders.

5. Using your Heritable Bank savings account

5a. When you set up a new Direct Debit, you will need to allow eight business days between submission of the completed Direct Debit instruction to us and the date on which the first payment is to be collected.

5b. We will accept instructions by telephone, or by post. However we may ask you to provide documentation in some instances before we carry out your instructions.

5c. For accounts operated online only we will accept instructions through our online bank.

5d. When you send us a written change of instruction, do not assume that we have received it unless we have sent you a written acknowledgement or confirmed receipt in response to a subsequent telephone enquiry from you.

5e. We reserve the right to limit the maximum investment you hold with us for any particular account or in aggregate.

5f. We may refuse to carry out any instruction without explanation where in our reasonable opinion and judgement to do so would or might be contrary to any applicable regulations or relevant laws.

5g. If you change any other details (such as your name, address, email address or bank account details) please notify us as soon as possible. You may be able to make some of the changes yourself online. For some types of changes we may require documentary evidence to be provided.

5h. We will contact you by phone, post or email. All post will be sent to the correspondence address supplied on your application form. We will deem post to have reached you two business days after we send it to you.

5i. For accounts with annual interest payments we will send you a statement annually. For accounts with monthly interest we will send you a statement every 6 months.

5j. If a cheque or Direct Debit is returned to us unpaid by your bank, we will debit the amount from your account. An administration charge will also be applied, as detailed in our then current Tariff of Charges. We will notify you in writing of the amount of charges debited.

5k. Our current Tariff of Charges is available online at www.heritablesavings.co.uk and you may request a copy at any time. We may make charges for nonstandard services provided on your account. We will notify you of these in advance. We may change our Tariff of Charges in order to reflect changes in overheads and costs. We will give you at least 30 days' notice if we increase the charges contained within the Tariff and we will send you a revised copy.

5l. You will be entitled to access and use your Heritable Bank savings account in accordance with these Terms and Conditions once we have confirmed that your account is ready for use. You are not able to amend or alter these Terms at any time.

6. Protecting your account

6a. When your account is set up we will notify you of your Customer ID. We will also ask you to provide some security details which you will require together with your Customer ID to operate your account by telephone and, if applicable, online. You must advise us if you know or suspect that someone else has access to your security details.

6b. You should notify us if you find any delay, failure or error in your account, especially in the sending or receiving of instructions. It is in your interest to notify us as soon as possible in these circumstances. You should report any such problems to us on 0845 607 1212.

6c. We will not be liable to you if we do not act on your instructions for any reasons set out in these conditions or if we cannot carry out our responsibilities to you because of something we cannot reasonably control. This would include for example computer failure in the Internet system not caused by us.

6d. You must contact us immediately if you suspect any fraudulent activity has taken place on your account. We will not be held liable for any fraudulent activity if you do not advise us of your suspicions. Until you notify us of any suspected breach in security, you will be responsible for any transactions carried out on your account and using your Customer ID or security details even if these were not given by you, where you have acted without reasonable care or fraudulently. We consider that you have acted without reasonable care if you have not observed the security obligations referred to in these Terms and Conditions.

6e. Once you have notified us of a potential breach in security you will not be responsible for transactions on your account unless we can show that you have acted fraudulently, been grossly negligent or have not kept your security details secret.

6f. If you believe that someone has fraudulently used your account, we may ask you to report the matter to the police and obtain a crime reference number. You agree that we may give the police any information they need during an investigation if that information will assist them in establishing whether someone else is using or has used your Customer ID, password or your security details (where applicable to the operation of your account).

6g. In the following circumstances, we may suspend the service available to you if we have reasonable grounds to believe that:

- You are not adhering to these Terms and Conditions;
- Someone else is trying to access or use your account;
- Your Customer ID and/or security details may be known to or used by someone else. If we do this, we will tell you as soon as possible.

7. Internet Banking with Heritable Bank

7a. For accounts where we provide an online capability we will accept instructions from you online.

7b. For these accounts you will be able to review your recent account transactions online. We strongly recommend that you regularly check the transactions made. If there are ever any transactions you do not recognise or agree with please contact us immediately.

7c. For accounts you can operate over the Internet we will issue you with a password as well as a Customer ID which will be required to operate the account. You must advise us if you know or suspect that someone else has access to your security details. We will ask you security questions prior to issuing you with a new password. Until you receive this password you will not be able to operate your account online.

7d. You are responsible for the security of the computer you use to access our website and to ensure that it is protected from external attempts to gain access to your account information. We strongly recommend that you employ fully up to date virus checking software and personal firewall software.

7e. When you use your account you must ensure that your computer and modem comply with any requirements we tell you about from time to time. You must also follow any procedures and instructions contained in any communication that we send to you or that are contained on our Internet website.

7f. You will be responsible for all charges from your Internet service provider incurred in accessing the website and your account details.

7g. You must use a valid and current personal email address to open and operate your account. You should not use an email address which you may not be entitled to use for this purpose, such as your employer's email address. We will not be responsible for misuse of this nature.

7h. Our online service is secure but disconnection from the Internet does not mean that you have logged off from the website. You should always log off when you have finished.

7i. You undertake not to interrupt or interfere with the working of our website in any way whatsoever; this includes hacking into the site, tampering with security or any other disruption.

7j. If we provide you with any software to help you use your account, you must not change it or allow anyone else to copy or use it. You must carry out your own virus checks.

7k. For technical or other reasons there may be times when you are not able to access our website. We cannot guarantee its availability at all times.

7l. You should never leave your computer unattended if you are logged on to our website.

7m. We recommend that you do not access your account from a public computer, e.g. in a library or an Internet café. When accessing our website, if you leave your computer unattended, you must lock your computer to prevent unauthorised access to your account. Accessing our Internet service from another country may be an offence in that country. You agree that use of our Internet service outside the UK will be at your own risk.

7n. Links provided from our website to other websites are there solely for your information. We can accept no responsibility whatsoever for these websites.

7o. When you apply for your account online we will ask you to provide answers to certain questions requiring memorable data and to set your own initial password. You are required to keep these answers and your initial password secret at all times.

7p. Do not select answers that could easily be guessed by a third party or write them down or save them on a computer or mobile telephone.

7q. If you authorise another person or persons to operate the account via a Power of Attorney or Receivership Order, you remain responsible for the actions or omissions of the attorney as if they were your own.

8. Closing your Heritable Bank savings account

8a. Upon closure of your account, we will pay the proceeds into your nominated personal bank account. We will not issue a cheque to any third party.

8b. Upon the death of an account holder, we must see the original death certificate. For accounts held in a sole name a Grant of Probate or an Administration of Small Estates form (if appropriate), will also be required. For joint accounts, the balance will pass to the surviving account holder(s).

8c. If you move abroad, we may close your account and return the balance to you (this clause does not apply to ISAs).

8d. You agree that we may close your account at any time after providing 30 days' notice thereof by post or email or secure email message to your last address shown in our records and that we may do this without giving you any reason.

9. Data Protection

9a. Please read this statement carefully before completing your application. Your personal data will be subject to the UK Data Protection Act 1998 and any subsequent amendments to this.

9b. In considering this application we will collect information about you. This information may be supplied by you or received from others.

9c. To prevent or detect fraud, or to assist in verifying your identity, we may make searches of the records of members of our Group and at credit reference and fraud prevention agencies who will supply us with data along with information from the Electoral Register. We may also pass information to financial and other organisations involved in fraud prevention to protect ourselves and our customers from theft and fraud.

9d. If you give us false or inaccurate information and we suspect fraud, we will record this.

9e. We, members of our Group and other companies may use this information if decisions are made about you or others at your address(es) on credit or credit-related services or motor, household, credit, life or any other insurance facilities. It may also be used for tracing and claims assessment.

9f. Any information collected about you will be treated as confidential and will be used only as follows:

- For considering this and any subsequent applications you may make to us and for the administration of your account(s) opened as a result;
- For statistical analysis;
- For marketing purposes (see below);
- For fraud and money laundering prevention.

9g. We may share your information with our associated companies or third parties with whom we have a business relationship. We or they may contact you by post, telephone, fax, email or other means to tell you about services that may be of interest to you. Please tick the box on your application form if you do not wish us to send you any further information about our services.

We will remind you of your choice, and options, occasionally as required under the Data Protection Act.

9h. We will treat your account details as private and confidential and will not disclose information about them to any third parties unless:

- We have your consent to do so or you request that we do so;
- We are required by law;
- We have a public duty to disclose that information;
- Our interests require disclosure.

9i. We will not give your details out for marketing purposes, even to other companies in our Group, if you instruct us not to. Other than to those individuals and entities referred to, or in the circumstances described in this statement, information about you will not be revealed by us to any external body or person.

9j. Under the terms of the Data Protection Act 1998 you may request a Data Subject Access Report. We may charge a fee for the provision of this report.

10. Miscellaneous

10a. In the absence of gross negligence, we will not be liable for any loss or damage incurred by you arising directly or indirectly out of us acting on telephone or email instructions. In particular, you acknowledge that the giving of instructions in either of these ways is not secure and is vulnerable to abuse by other unauthorised parties.

10b. We always aim to provide a high level of service but cannot be held responsible for exceptional circumstances outside our control (including but not exclusively, network failures and industrial action) which mean that we must restrict or suspend withdrawals or not provide other aspects of our normal service.

10c. Your account may become dormant if there has been no activity and/or contact from you for a period normally of 3 years. The account will always be your property or, upon your death, will become part of your estate, no matter how many years have passed.

10d. We will assist a customer to gain access to dormant account funds upon receipt of a written request and formal identification of the applicant's identity. The British Bankers Association has produced a leaflet/form entitled 'Dormant Bank Accounts - how banks handle losing touch with personal customers', which is available from them or us upon request.

10e. In very exceptional circumstances only, to enable us to comply with legal requirements and maintain appropriate liquidity levels, we may temporarily cease or limit withdrawals from accounts for up to 60 days. This limitation on withdrawals will apply even if we have already received notice of a withdrawal from your account. Money in your account will still earn interest during any such period and we will follow any instructions received during the period of suspension once this period has finished.

10f. We do not have to recognise any third party's interest in the account nor will we be liable for failure to do so.

10g. We may use any funds deposited with us to repay any debt which you may have with us (subject to any borrowing terms you agree with us). You will be notified immediately if we do this.

10h. You may be liable for other taxes and costs which are not payable through us.

10i. You will continue to earn interest until the day prior to (but not including) withdrawal. It will normally take three working days for withdrawals and interest payments to be credited to your nominated account.

10j. If you are not satisfied with the service you have received, or wish to make any other complaint, you should contact us. Your complaint will then be dealt with in accordance with our Complaints Handling Procedure. If we are unable to resolve the complaint to your satisfaction you may refer it to the Financial Ombudsman Service. You can obtain details of this from our website or by telephoning our helpline.

10k. Deposits made with Heritable Bank are protected under the UK Financial Services Compensation Scheme. This means your savings are guaranteed up to 100% of the first £35000 of your total savings with us per individual.

10l. The Terms and Conditions of this contract will be governed by English law and we will only communicate with you in English.

11. Product Terms and Conditions

11.1. Terms and Conditions applicable to no notice, notice, fixed rate savings accounts and ISAs.

11.1.a. In the event that the balance of an account falls below the specified minimum for that type of account as specified in our interest rates leaflet, a fixed interest rate of 0.5%AER will be paid until such time as the account balance returns to or exceeds the minimum specified.

11.1.b. The maximum balance on each account, other than ISAs, is £1 million plus any accrued interest.

11.1.c. Interest is calculated on a daily basis on the account balance. If you ask us, we will provide you with a written example of how interest is calculated.

11.1.d. You may choose whether interest earned on an account is added to that account, a different variable rate Heritable Bank savings account or paid into your nominated personal UK bank account.

11.1.e. You may choose to have interest paid annually, monthly or, for Fixed Rate Bonds with a term of 1 year or less, at maturity

11.1.f. Annual interest is paid on the anniversary of the account opening date.

11.1.g. Monthly interest is paid on the day of the month when the account was originally opened.

11.1.h. Maturity interest is paid on the maturity date of the account.

11.1.i. If you have elected for interest to be paid to your nominated personal UK bank account, interest will be paid by BACS on the dates specified in 11.1.f-11.1.h and will be paid to you on these dates if the interest payment date falls on a non business day payment will be made on the following business day.

11.1.j. When you make an initial deposit by CHAPS you will earn interest from the date of receipt into the account if received by midday. Funds received after this time will earn interest from the following business day.

11.1.k. When you pay money into an account by Direct Debit, CHAPS, Standing Order or Faster Payments you will earn interest from the date of receipt into the account.

11.1.l. Details of our current and historic interest rates are available from our website, www.heritablesavings.co.uk, or by contacting us by post or phone.

11.2. Terms and Conditions applicable to no notice, notice savings accounts and ISAs

11.2.a. Interest rates are variable.

11.2.b. If the interest rates have guarantees linked to the Bank of England Base Rate (which means the Bank of England Repo Rate) and if it is necessary to do so, we will amend the interest rate on those accounts within 10 business days of an announcement of a Base Rate change by the Bank of England to meet the guarantee obligations given in respect of those accounts.

11.2.c. We may change interest rates for any valid reason including any changes in interest rates generally, or in our costs, or in general market conditions, to take into account any requirements of any law or regulation, or for reasons of good and prudent business practice.

11.2.d. When our interest rates change, we will advertise the change in at least two national daily newspapers, on our website www.heritablesavings.co.uk and at our Mayfair Head Office.

11.2.e. We will contact you at least once a year to notify you of all applicable rates to your account throughout the preceding year, any changes in the Bank of England Base Rate and to give details of the other accounts we offer.

11.2.f. If the interest rate you receive falls significantly (as defined within the Banking Code) compared to the Bank of England Base Rate, we will contact you within 30 days to let you know this has happened and inform you about the options available to you.

11.2.g. We will only pay withdrawals from your account directly to your personal UK bank account nominated in your application. We usually do this by BACS.

11.2.h. Funds deposited by Direct Debit, Standing Order, Faster Payments or CHAPS by you will be available for withdrawal 7 business days after receipt of your deposit.

11.2.i. It normally takes up to 6 business days for cheques to clear the banking system. Only when a cheque has cleared will you be able to draw against it, where permitted. These periods are in accordance with APACS' central clearing cycle.

11.3 Terms and Conditions applicable to no notice, notice and Fixed Rate Bonds

11.3.a. Interest will be paid after the deduction of tax at the standard rate applicable at the time.

11.3.b. We are able to pay interest without deduction of tax upon receipt of the required notification that you are eligible to receive interest without deduction of tax. For joint accounts where one account holder is a taxpayer and the other is not, we will, upon your confirmation for the non-taxpaying account holder, arrange to pay interest without deduction of tax on their share of the interest from the account. Interest is split equally between investors and we will deduct tax from the remainder. If there are more than 2 account holders then we cannot permit partial registration to receive interest without deduction of tax.

11.3.c. If required under EC legislation, we will deduct any necessary withholding tax.

11.3.d. If you are a non-taxpayer, or are taxed at a lower rate, you may be able to reclaim the tax from HM Revenue & Customs. We reserve the right to pay interest net of tax, even if you have registered as a non-taxpayer.

11.4. Terms and Conditions applicable to Fixed Rate Bonds

11.4.a. Interest rates are fixed and will not change during the term of the Fixed Rate Bond.

11.4.b. Following an initial deposit into a Fixed Rate Bond, no further deposits, withdrawals or closures are permitted during the fixed rate term. Any additional deposit must be placed in a new Fixed Rate Bond and will be subject to the Terms and Conditions and features for that account.

11.4.c. If you pay money into your Fixed Rate Bond by Faster Payments you can make multiple payments up to 5 business days after the first payment is received. Payments received after this time may be rejected and returned to source. If you send multiple payments into your Fixed Rate Bond by Faster Payments that are received on different dates you will not earn the full terms' interest on the later payments.

11.4.d. We will contact you prior to maturity to advise you of the options open to you. If we do not receive a reply from you before the maturity date of your Fixed Rate Bond, we will place the proceeds of your Fixed Rate Bond in a no notice savings account. If you do not have a no notice savings account we will open one on your behalf.

11.5. Terms and Conditions applicable to ISAs

11.5.a. Withdrawals and closure may only be made upon provision of the full notice period applicable to that account.

11.5.b. These Terms and Conditions are governed by the Individual Savings Account Regulations 1998, as amended from time to time, and any other applicable regulations and statutes (together called the 'ISA Regulations'); and words phrases have the meaning in these Terms and Conditions as they have in the ISA Regulations, unless the context otherwise requires.

11.5.c. ISA means a cash Individual Savings Account for the purposes of the ISA Regulations.

11.5.d. Provided that your account is operated in line with the ISA regulations we will pay interest gross (tax free).

11.5.e. The maximum that can be paid into the account each tax year is set by the Government and may change from time to time. If the amount you pay in exceeds the subscription limit any excess funds will be returned to your nominated personal UK bank account. Any interest that may have been earned on the excess funds is subject to deduction of tax at the standard rate.

11.5.f. Joint accounts are not permitted.

11.5.g. You must not have subscribed to another Cash ISA in the tax year in which a subscription is made to the account.

11.5.h. If you cease to be a resident in the UK, or otherwise qualified for the purposes of the ISA regulations, you will retain the benefits of the account as at that date but no further subscriptions to the account may be made unless you become resident or otherwise qualified again.

11.5.i. If you die, the interest earned to the date of death will be exempt from tax. Thereafter the balance of the account will be transferred to your no notice savings account (if you don't have one we will open one in your name) and any interest will be paid net of basic rate tax at the prevailing no notice savings account interest rate.

11.5.j. Transfer of the account to or from another account manager may be made at your request.

11.5.k. We will advise you if this account is or will become no longer exempt from tax under the ISA regulations.

11.5.l. You agree that you will be, and will remain, the beneficial owner of your account. You must not transfer the benefit to anyone else or use it as security for a loan or hold an ISA as security against a loan.

11.5.m. If you are dissatisfied with your choice of account and decide to close the account or switch, with our approval, to another account within 14 days of the first payment into the account, no extra charges will be payable.

11.6 Terms and Conditions applicable to notice savings accounts opened prior to 1 July 2008.

11.6.a. If you require funds immediately from an account with a specified notice period, we will make a deduction from your account based on the interest equivalent to the amount you would have earned on the sum withdrawn during the period for which notice was not given.

11.6.b. You may close your notice account at any time, subject to the balance of the account being available for withdrawal. If the full notice is not given we will make a deduction from the closing balance based on the interest equivalent to the amount you would have earned on the full balance withdrawn during the period for which notice was not given.

11.7 Terms and Conditions applicable to notice savings accounts opened on or after 1 July 2008.

11.7.a. Withdrawals and closure may only be made upon provision of the full notice period applicable to that account.

11.8 Terms and Conditions applicable to notice and no notice savings accounts

11.8.a. For notice accounts operated by telephone and post you can make up to four fee free withdrawals (including closure) per annum (subject to giving the appropriate period of notice).

For no notice accounts operated by telephone and post you are permitted to make up to six fee free withdrawals during a year. If you wish to make further withdrawals within a year (starting from the date on which you opened your account or subsequent anniversaries of opening your account) you will be charged a fee as detailed in our Tariff of Charges. For notice and no notice accounts operated online you are permitted to make unlimited withdrawals.

Heritable Bank Savings documentation is available in large print, Braille and audio versions, on request.

Contacting us:

Address: Heritable Bank, Freepost RRTZ-UExA- JAZE,
PO Box 714, Wallsend, NE28 5AS

Email: info@heritablesavings.co.uk

Telephone: **0845 607 1212**

Telephone calls may be recorded for monitoring and training purposes.

Textphone: **0845 612 6615**

Website: www.heritablesavings.co.uk

All reference to Heritable Bank refers to Heritable Bank Plc. Registered in Scotland No. 717.

Registered Office: 24 Great King Street, Edinburgh EH3 6QN. Heritable Bank Plc is authorised and regulated by the Financial Services Authority and is on the FSA Register: 139207.

We are a member of the Landsbanki Group. We subscribe to the Banking Code.