Introduction

This booklet sets out how your Intelligent Finance plan works and the conditions that apply to it and the jars within it.

If you apply to open a new Intelligent Finance plan on or after 1st November 2009, this edition of the Intelligent Finance conditions will apply to your Intelligent Finance plan from the day it is opened.

On 1st July 2009 Intelligent Finance stopped providing new current accounts and mortgages except in limited circumstances, but continues to provide savings products to new and existing customers.

If you already have an Intelligent Finance plan, or have applied to open a new Intelligent Finance plan before 1st November 2009 but the plan has not been opened, then the relevant conditions within sections A to D of this edition of the Intelligent Finance conditions will apply to your Intelligent Finance plan from the date we say in the letter we send you telling you that the Intelligent Finance conditions November 2009 will apply to your Intelligent Finance plan.

We have inserted a new section D, called a payment services contract, into your Intelligent Finance plan conditions as the result of a law which takes effect on 1st November 2009 concerning payment services. The changes affect the whole European banking industry and govern the information which we must give you when you make a payment transaction and the way in which the transactions are carried out. The new law does not affect any personal loan or mortgage jar in your Intelligent Finance plan. Section D describes our obligations to you under the new law.

We have no power to change the conditions in sections E and F, which apply to any personal loan or mortgage jar in your Intelligent Finance plan. This means that, unless you and we agree or have already agreed otherwise, any personal loan or mortgage jar in your Intelligent Finance plan (whenever opened) will be governed by section E or section F of the edition of the Intelligent Finance conditions which governed your Intelligent Finance plan when you applied to open the personal loan or mortgage jar.

In the Intelligent Finance plan conditions November 2009 we have removed conditions previously numbered F.2.4 and F.17.3 which required clients to repay their mortgage debt in full when we gave notice. As this change is for the benefit of our customers, we will apply it to all mortgage customers, who were previously subject to these conditions or the equivalent conditions in earlier versions of the Intelligent Finance plan conditions.
**General points to note**
Intelligent Finance is a division of Bank of Scotland plc which is authorised for accepting deposits by the Financial Services Authority. It is registered in the FSA’s register with register number 169628.

Bank of Scotland is licensed under the Consumer Credit Act by the Office of Fair Trading under licence number 0593292.

We aim to please - but we know that sometimes things go wrong. If you have a problem or complaint concerning your Intelligent Finance Plan we want to know. In most cases this can be dealt with by calling 0845 609 4343. If your complaint is not resolved to your satisfaction, then call the same number where you will be referred to Customer Relations or Customer Care. A copy of our complaints procedure is available on request. Complaints we cannot settle may be referred to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR

To report the loss of your debit card please call 0845 605 9595 (+44 131 658 3990 from abroad).

To report that your personal security details may have been compromised call 0845 609 4343

**Cancellation**
For your current account jar and your savings jar you have 14 days starting from the day after your agreement is concluded to give us notice that you wish to cancel. Notice should be given in writing to Intelligent Finance P.O. Box 17316, Edinburgh EH12 1AY. You will have to repay any overdraft fees incurred, within 30 days of giving us notice to cancel.

**PLEASE KEEP THIS BOOKLET SAFE IN CASE YOU NEED TO REFER TO THE CONDITIONS THAT APPLY TO YOUR INTELLIGENT FINANCE PLAN IN THE FUTURE.**

**SCHEDULE OF VARIATIONS**
**REGISTERS OF SCOTLAND**

At Edinburgh on the seventh day of August two thousand and nine the deed hereinafter reproduced was presented for registration in the Books of the Lords of Council and Session for preservation and is registered in the said Books as follows:

WE, BANK OF SCOTLAND plc, incorporated under the Companies Acts and having our Registered Office at The Mound, Edinburgh EH1 1YZ, considering that we are about to make advances to be secured by standard securities to be given over land and buildings in Scotland have decided that the standard securities given to us are regulated by the standard conditions specified in Schedule 3 to the Conveyancing & Feudal Reform (Scotland) Act 1970 as amended by the Redemption of Standard Securities (Scotland) Act 1971 and by the following variations which are referred to as the Intelligent Finance conditions November 2009.
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Section A - Intelligent Finance Plan

A.1 The different sections of this booklet

This section must be read alongside the other sections of these conditions depending on which types of jar you have in your Intelligent Finance plan.

A.2 Words with special meanings

A.2.1 In this booklet we have put some words in bold type because they have a special meaning. We tell you what these words mean below.

- **Added rate** – Any rate of interest we add to another rate. We may change this under condition A.8.
- **APR** – The annual percentage rate of the cost of credit which applies to any of your jars.
- **Automated payment** – A payment sent or received by automated means including payments by Bacs, CHAPS, Direct Debits, debit card transactions, standing orders, internal payments between your jars with us and between different accounts with us, international payments or payments made by telephone or through www.if.com (Not all automated payments are available on all jars).
- **Bacs** – The Bankers’ Automated Clearing System and is a way of electronically transferring funds from one account at one bank (or building society) to an account at another bank (or building society).
- **Banking day** – Any day which is not a Saturday, Sunday or an English bank or public holiday. A banking day ends at 8.30 p.m.
- **Bank of England’s base rate** – The Bank of England’s ‘repo’ rate of interest or any other rate that replaces it used by the Bank of England or any other body that takes over the Bank of England’s responsibility for setting such an interest rate.
- **Built-up reserve** – The amount you build up by making overpayments to reduce those parts of the mortgage debt which do not relate to any further advance that you borrow from us on or after 31st October 2004. Overpayments you make to reduce any further advance you borrow from us will not form part of the built-up reserve.
- **Capital** – The part of the mortgage debt we can charge interest on under these conditions. This is made up of:
  - any money we have lent you that you have not repaid;
  - any fees, charges or expenses that you have not paid; and
  - any interest you have not paid off by the end of the interest period in which it became due.
- **CHAPS** – The Clearing House Automated Payment System which is an electronic process for bank to bank same day payments made within the United Kingdom.
- **Current account instruction** – The direction made by you on your current account jar when you tell us, by any means, to pay money out of your jar. Your current account instructions may include debit card transactions, direct debits, standing orders, writing a cheque, Bacs, CHAPS, international payments or any other such instruction, including those made by telephone or through www.if.com.
- **Debit card** – Any debit card we give you to use in connection with your current account jar. If this card has a cheque guarantee sign on it you may use it to ‘guarantee’ a cheque you write to get cash, goods or services (see conditions B.8 and B.9).
- **Debit card transaction** – Any transaction (except guaranteeing a cheque) you make with your debit card or when you use it to get cash, foreign currency, goods or services or to pay money into any part of your Intelligent Finance plan. You may not have to show your debit card or sign anything to make a debit card transaction.
• **Extra agreement** – Any agreement between you and us about any mortgage jar or part of any mortgage jar you have which is separate from the offer. It will only be valid if it is in writing or if its terms are set out in a letter, electronic communication (for example, an email) or other document from us.

• **Further advance** – A mortgage loan you ask us to lend you after the start of the mortgage repayment period and which we agree to make to you. A further advance does not include any part of the pre-agreed reserve you borrow or the built-up reserve you use.

• **Intelligent Finance plan** – A single account in which you can combine various types of financial products.

• **Interest period** – The period from the beginning of one key date to the end of the day before the following key date.

• **Investment plan** – Any endowment or pension policy, personal equity plan (PEP), ISA or other investment or savings plan connected with the mortgage.

• **ISA** – An individual savings account. The special conditions for any ISA are set out in Section C. An ISA is not a payment jar.

• **Jar** – One of the products you choose to have with us and which you and we agree shall form part of your Intelligent Finance plan.

• **Key date** – The day in each month when (unless condition A.7.5.2 applies) we add or take away any unpaid interest due on the balance on which we pay or charge you interest on your Intelligent Finance plan (we sometimes call it the ‘interest date’). This day must be between the 1st and 28th day of the month. When you apply to open the first jar in your Intelligent Finance plan, you can choose which day in each month you want us to use as the key date. If you do not choose a date, we will do so. From then on, unless you decide to change it in accordance with condition A.7.13 or we change it in accordance with condition A.7.14, the key date will be the same day in each month. You must have the same key date for all the jars in your Intelligent Finance plan. The last key date will be the date on which the last jar in your Intelligent Finance plan is closed. The key date is also the date on which you have to pay us the regular personal loan payment and the regular mortgage payment except:
  - the first regular personal loan payment and the first regular mortgage payment will be collected on the first key date following at least 21 days after the day you borrow the loan, or the first part of it;
  - if you have chosen a key date which does not exist in a particular month, we will collect any regular personal loan payment and any regular mortgage payment you are due to pay us on the last day of the month provided that day is a banking day. If it is not, we will collect the regular personal loan payment and the regular mortgage payment on the next banking day, and
  - if you connect your personal loan jar or mortgage jar to a current account with anyone other than Intelligent Finance and the key date or day on which we try to collect any regular personal loan payment and the regular mortgage payment you are due to pay us is not a banking day, we will collect the regular personal loan payment and the regular mortgage payment on the first banking day after the key date.

• **Mortgage** – The agreement between you and us set out in the offer, the mortgage deed, sections A and F of these conditions and any extra agreement.

• **Mortgage debt** – All the money you owe us under a mortgage jar. This includes interest and any of our charges, fees and expenses (including any special rate early repayment charges) you have not paid that relate to the mortgage jar.

• **Mortgage deed** – The legal document you sign giving us a mortgage security over the property in return for our providing the mortgage loan as varied or extended by agreement between you and us from time to time. If the property is in England, Wales or Northern Ireland, the document is described as a ‘mortgage deed’. If the property is in Scotland, it is described as a ‘standard security’.

• **Mortgage loan** – Each loan under a mortgage jar we make to you under these conditions.
• **Mortgage payment option** – the alternative methods we use to work out your regular mortgage payment. Condition F.7 lets you choose between these methods if you choose OPTION 1 (see condition A7.7.1) and the terms of your mortgage loan mean that it is capable of offsetting. The different methods are:
  
  - Reduced Debt (described in condition F.7.11);
  - Shorter Term (described in condition F.7.12);
  - Lower Payments (described in condition F.7.13).

• **Mortgage repayment period** – The period or periods for paying off the mortgage debt. Different parts of the mortgage debt can have different periods. The period for each part of the mortgage debt will end on the **key date** immediately after the end of the mortgage term for that part of the mortgage debt set out in the offer or an extra agreement. We may change a mortgage repayment period under condition F.7.

• **Offer** – Our written mortgage offer sent to you in connection with a mortgage jar and any written offer we make to lend you more money under the mortgage.

• **Offset credit balance** – The amount we owe you on any current account or savings jar in your Intelligent Finance plan other than money in a fixed rate savings jar or any other current account or savings jar balance that we say will not be an offset credit balance when you open the jar.

• **Offset debit balance** – The amount you owe us on any jar or part of a jar in your Intelligent Finance plan but not:
  
  - the amount you owe us in any current account jar where you have an **Unarranged Overdraft** or savings jar which goes overdrawn;
  - any money which you should have paid us but have not; or
  - any other debit balance that we say will not be an offset debit balance when you open the jar, or in the case of a mortgage jar, in the offer or an extra agreement.

If the amount you owe us on any jar is made up of different parts (for example, because we charge interest on the different parts at different interest rates), we treat each part separately when deciding if it is an offset debit balance. The amount you owe us can be made up of some parts which are offset debit balances and some which are not. In some circumstances, an amount you owe us can change from being an offset debit balance to not being an offset debit balance or from not being an offset debit balance to being an offset debit balance. This change can happen more than once. We will tell you when this can happen, when you open the jar or, in the case of a mortgage jar, in the offer or an extra agreement.

• **Overdraft** – The service allowing you to borrow money from us on your current account jar. An **Arranged Overdraft** is an overdraft that you have organised with us before you go into overdraft. An **Unarranged Overdraft** is an overdraft that has not been organised with us before you go into overdraft.

• **Overpayment** – Any payment that you make to us in connection with a mortgage jar which is neither a regular mortgage payment nor a payment which you tell us is to pay a charge or other amount we have added, or are going to add, to the mortgage debt. If you have not paid us any amount when you were due to, we will use any payment first to pay off the amount you have not paid and only treat the surplus as an overpayment (see condition F.2.5). There are two kinds of overpayment:
  
  - a regular overpayment is one which we agree to collect with the regular mortgage payment (we do not have to agree to let you make regular overpayments but, if we do let you make them, we may set restrictions on when during the mortgage repayment period and on what kinds of mortgage jar or parts of a mortgage jar you can make regular overpayments); and
  
  - a lump sum overpayment is any other kind of overpayment (even if you make the payment regularly, for example by standing order).

• **Payee** – A person or company to whom you make a payment.
• **Payment holiday** – A period of one **interest period** during which **you** do not have to pay a **regular mortgage payment**.

• **Payment jar** – a payment account as defined in the Payment Services Regulations 2009 and the regulatory guidance that applies to those Regulations. **We** will tell **you** if **we** treat **your jar** as a **payment jar** in relevant section of these conditions for that **jar**.

• **Payment services contract** - the section of your **Intelligent Finance plan** conditions which explains our rights and our obligations to **you** and your obligations to **us** in relation to payment services (such as automated payments) on your payment jars and payment services on savings non payment jars within your Intelligent Finance plan.

• **Personal loan agreement** – The agreement between **you** and **us** that **you** sign in connection with any personal loan we lend **you**.

• **Personal loan debt** – All the money **you** owe **us** under the personal loan jar. This includes interest and any of our charges you have not paid that relate to the personal loan jar.

• **Personal loan repayment period** – The period during which **you** pay the **regular personal loan payments**.

• **Personal security details** – The security details we give **you** or which you can choose, which allow you to access information, obtain services and undertake transactions on your Intelligent Finance plan. We will always give you your customer identification number when you open your Intelligent Finance plan and the plan security code.

• **PIN** – Any personal identification number we give you or you choose to use with your debit card. You should choose your own PIN instead of the one we send you for using with your debit card (see condition B.10.2).

• **Plan security code** – Any personal identification number you choose for accessing your Intelligent Finance plan.

• **Pre-agreed reserve** – The additional secured borrowing (if any) described in an offer or an extra agreement as the ‘pre-agreed reserve’.

• **Property** – The property described in the mortgage deed and any interest in it.

• **Reference rate** – Any interest rate which is not independently set by **us** and includes the Bank of England’s base rate.

• **Regular mortgage payment** – The amount **you** must pay **us** on a regular basis as set out in the offer or an extra agreement, or as notified to you by us, from time to time. We will take into account any mortgage payment option you have chosen when setting the regular mortgage payment. Unless we say in the offer or an extra agreement that we are making an interest-only mortgage loan or that your regular mortgage payments cover only interest, the regular mortgage payment will consist of two elements, interest and capital, which we will set. We may change the regular mortgage payment from time to time under condition F.7.

• **Regular personal loan payment** – The amount **you** must pay **us** on a regular basis, as set out in the personal loan agreement or as notified to you by us, from time to time. The regular personal loan payment will consist of two elements, interest and capital, which we will set.

• **Savings jar instruction** – The direction made by you on your savings jar when you tell us, by any means, to pay money out of your jar. Your savings jar instructions may include instructions for automated payments such as Bacs, CHAPs or any other such instructions, including those made by telephone or through www.if.com.

• **Services** – features connected with your Intelligent Finance plan which are of benefit to you. Current account jar services are features such as allowing you to overdraw, or the online or telephone banking service.

• **Special rate** – An interest rate we pay you or you pay us (depending on the type of jar) and which we describe as a ‘special rate’ in the letter we send you confirming that you may open the jar or, in the case of a mortgage jar, in the offer or an extra agreement.

**INTELLIGENT FINANCE** conditions November 2009
• **Special rate early repayment charge** – Any early repayment charge you have to pay if:
  - you repay a special rate loan or a loan which was previously a special rate loan before the end of the special rate early repayment charge period; or
  - you withdraw money from or close a savings jar on which we pay interest at a special rate or on which we require you to give us notice of a withdrawal without giving us the required amount of notice.

• **Special rate early repayment charge period** – The period during which you must pay a special rate early repayment charge. For a mortgage jar, this will be set out in the offer or an extra agreement.

• **Special rate loan** – Any part of the capital which a special rate applies to.

• **Special rate period** – Any period when a special rate applies.

• **Standing order** – An instruction you give us to make payments, usually on a regular basis, to a specified third party’s bank account or building society account.

• **Transactions** – Are payments of money into and out of your Intelligent Finance plan.

• **Variable mortgage rate** – Intelligent Finance’s offset variable mortgage rate or Intelligent Finance’s standalone variable mortgage rate. We will tell you in the offer or an extra agreement which rate applies to which part of the mortgage debt and when. We may change the variable mortgage rate under condition A.8.

• **We, us and our** – Bank of Scotland plc, its successors in title and anyone who takes over or has the benefit of any of its legal rights in connection with all or any part of your Intelligent Finance plan.

• **Withdrawal** – This is made when we have taken all the necessary steps to carry out your instructions to pay money out of one of your jars. Your instructions may include debit card transactions, direct debits, standing orders, writing a cheque, Bacs, CHAPS, international payments or any other such instructions including those made by telephone or through www.if.com (Not all automated payments are available on all jars).

• **You and your** – The person or persons who own an Intelligent Finance plan and anyone who takes over their legal rights in connection with it.

A.2.2 Any reference to any legislation includes any statutory instrument made under it and any changes to either of them.

A.2.3 Unless otherwise specified if we give you at least 30 days’ notice, we may substitute different words for any of the words to which we give a special meaning in condition A.2.1. We will not use this condition A.2.3 to change the special meanings given to any of those words but we may use the right in condition A.12.1 to do so. To the extent this change affects any of your payment jars we will comply with the provisions of condition D.5 in making the change.

A.2.4 This condition A.2.4 applies to you if your Intelligent Finance plan was opened before 4th March 2007. In this, and earlier editions of the Intelligent Finance conditions, we have substituted different words for some of the words to which we gave special meanings in previous editions. The following tables show which old words we have replaced and the new words we have substituted for them.

Words changed with effect from 31st October 2004 by the Intelligent Finance conditions 2004.

<table>
<thead>
<tr>
<th>Old words</th>
<th>New words</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest date</td>
<td>Key date</td>
</tr>
<tr>
<td>Repayment fee</td>
<td>Special rate early repayment charge</td>
</tr>
<tr>
<td>Repayment fee period</td>
<td>Special rate early repayment charge period</td>
</tr>
</tbody>
</table>
Words changed with effect from the date on which the Intelligent Finance conditions 2005 applied to your Intelligent Finance plan.

<table>
<thead>
<tr>
<th>Old words</th>
<th>New words</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit balance</td>
<td>Offset credit balance</td>
</tr>
<tr>
<td>Debit balance</td>
<td>Offset debit balance</td>
</tr>
<tr>
<td>Offset variable mortgage rate</td>
<td>Variable mortgage rate</td>
</tr>
</tbody>
</table>

Words changed with effect from the date from which these conditions apply to your Intelligent Finance plan.

<table>
<thead>
<tr>
<th>Old words</th>
<th>New words</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active overpayment</td>
<td>Overpayment</td>
</tr>
</tbody>
</table>

A.2.5 With effect from the date from which these conditions apply to your Intelligent Finance plan:

A.2.5.1 any references to an old word (as described in condition A.2.4) in your personal loan agreement are to be read as references to the new words we have substituted for them;

A.2.5.2 any references to an old word in section F of the Intelligent Finance conditions that apply to a mortgage jar are to be read as references to the new words we have substituted for them; and

A.2.5.3 any references to a `repayment scheme` or a `passive overpayment` in section F of the Intelligent Finance conditions that apply to a mortgage jar will continue to have the special meaning we gave to the words `repayment scheme` and `passive overpayment` in section A of the edition of the Intelligent Finance conditions that applies to the mortgage jar.

A.2.6 Where you have a mortgage jar and there is a conflict between the conditions in section A or section F and any offer or extra agreement relating to your mortgage jar, the terms of the offer or extra agreement shall prevail.

A.3 Opening and operating your Intelligent Finance plan

A.3.1 To open an Intelligent Finance plan and to own a jar within it, you must be at least 16 years old.

A.3.2 You cannot have a personal loan jar, a mortgage jar or an overdraft unless you are at least 18 years old. If there are two of you, you must both be over 18.

A.3.3 We will not allow someone who is under 18 to have an overdraft or a debit card which can be used to get credit.

A.3.4 We may change the age at which customers can open any part of an Intelligent Finance plan. We will only increase the age if we have a valid reason for doing so. We may also introduce new schemes for different age groups or other categories of customer.

A.3.5 You may open a jar within your Intelligent Finance plan on behalf of someone under the age of 16. If the person under 16 does not have to pay income tax, we will pay interest on the jar without deducting tax until the end of the tax year in which the person reaches the age of 16 provided the appropriate form is completed.

A.3.6 To open or carry out any transactions on your Intelligent Finance plan, you must live in the United Kingdom. If you do not live in the United Kingdom, your Intelligent Finance plan may be closed (see condition A.17.6) subject in the case of any payment jar to the provisions of condition D.11.

A.3.7 An Intelligent Finance plan can be owned by a maximum of two people.

A.3.8 Your Intelligent Finance plan can be made up of different types of jars. The different jars in your Intelligent Finance plan offer different payment facilities. We may set a limit on how many Intelligent Finance plans you may have.
A.3.9 We may set a limit on how many jars of a particular type you may have in your Intelligent Finance plan and, in the case of a mortgage jar, the number of parts a jar may be made up of. We can change these limits from time to time but we will give you 30 days’ notice before we do so. If we reduce the number of jars you have below the number of jars you have at that time, we will not insist that you close any of your jars.

A.3.10 To open and operate your Intelligent Finance plan, you must nominate one current account to be connected to each jar (other than a current account jar) within your Intelligent Finance plan. You need this so that we can transfer money in and out of your Intelligent Finance plan. The current account or accounts you nominate may be with us or a bank or building society which is a part of the United Kingdom clearing system. One of the jar owners must be the owner, or one of the owners, of the current account.

A.3.11 We do not have to accept that anyone other than you has any right to or interest in the money in your Intelligent Finance plan (for example if you are keeping some or all of the money in any jar within your plan for someone else).

A.3.12 Unless we tell you otherwise, you can only have an Intelligent Finance plan for personal use. You must not use it as a sole trader, partnership, company or for any other kind of business account or as a club or charity account.

A.4 Accessing your Intelligent Finance plan

A.4.1 Intelligent Finance does not have a branch network. You can only access your Intelligent Finance plan using the technology we tell you about from time to time.

A.4.2 When you access your Intelligent Finance plan, we will ask you to give us part of your personal security details.

A.4.3 If there are two of you, you will each need your own personal security details.

A.4.4 You must take all reasonable steps to keep your personal security details secret and to prevent anyone else accessing your Intelligent Finance plan. This includes, for example:

A.4.4.1 not writing your personal security details down in such a way that someone else could use them to access your Intelligent Finance plan;

A.4.4.2 not programming your personal security details into anything you use to access your Intelligent Finance plan;

A.4.4.3 logging-off from the secure part of the Intelligent Finance website when you are not using your computer, telephone or any other piece of equipment; and

A.4.4.4 not allowing anyone else to use any equipment you use to access your Intelligent Finance plan without taking suitable precautions.

A.4.5 You must tell us as soon as possible by telephoning 0845 609 4343 if you think that someone else:

A.4.5.1 knows your personal security details or any other details which might enable them to access your Intelligent Finance plan, or

A.4.5.2 has tried or intends to try to access your Intelligent Finance plan.

You will be liable for any transaction carried out on your Intelligent Finance plan or any part of it using your personal security details where you have acted fraudulently or where you have, with intent or gross negligence, failed to comply with the provisions of Condition A.4.4. Unless you have been fraudulent or grossly negligent you will be liable up to £50 for any losses incurred in respect of the loss or theft of your personal security details or where you have failed to keep your personal security details safe, until you notify us of the loss or misuse in accordance with this Condition A.4.5. You will not be liable for any transaction carried out on your Intelligent Finance plan over the internet where you are the victim of fraud. If you have been fraudulent, you will be liable for any transactions before and after you tell us. Conditions B.12 and B.13 may limit any liability you have to us.

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A.4.6 We will take all reasonable steps to ensure that no-one other than you or us accesses your Intelligent Finance plan.

A.4.7 We may refuse to carry out transactions on your Intelligent Finance plan if:

A.4.7.1 we think that someone else is trying to access your Intelligent Finance plan;

A.4.7.2 the wrong personal security details have been used for your Intelligent Finance plan;

A.4.7.3 you are not keeping to these conditions;

A.4.7.4 you enter into a voluntary arrangement with anyone you owe money to (or you are going to do so);

A.4.7.5 you apply to a court for an interim order (that is a court order which gives you temporary protection from a claim made by somebody you owe money to);

A.4.7.6 a bankruptcy order is made against you or we think that one is likely to be made;

A.4.7.7 an administration order has been made under the appropriate legislation which covers how you are to repay money you owe;

A.4.7.8 we think you have tried to access any of our other customers' Intelligent Finance plan or any of our files, programmes or records;

A.4.7.9 we think you have tried to introduce a virus or other harmful programme to your Intelligent Finance plan or any of our files, programmes or records or you have told someone else how to do so; or

A.4.7.10 we think you are using your Intelligent Finance plan or any jar in it in an illegal way or in a way that we reasonably consider to be inappropriate or that harms or could harm the interests of us, our holding company or any subsidiary of our holding company.

If we refuse to carry out a transaction on your Intelligent Finance plan, we will contact you at the earliest opportunity and in any event no later than the end of the third banking day following the time of receipt of your authorisation to make the payment. Following receipt of this notification you can contact us on 0845 609 4343 for details of how to rectify any errors.

We may also suspend access to any non payment jar for any of the reasons set out in this Condition A.4.7. We will tell you when we have done this.

A.4.8 When you access your Intelligent Finance plan using your personal security details, you are authorising us to carry out your instructions to us.

A.4.9 You can change some parts of your personal security details by contacting us.

A.4.10 For administrative or security reasons, we can ask you to change your personal security details at any time.

A.4.11 You must not use the internet from outside the United Kingdom to apply:

A.4.11.1 to open a new jar; or

A.4.11.2 to borrow money from us.

A.4.12 When you access your Intelligent Finance plan, you must follow any instructions we give you.

A.4.13 You are responsible for making sure that your computer and other equipment and the software can be used with the Intelligent Finance plan.

A.4.14 We will only accept instructions in respect of any jar within your Intelligent Finance plan from:

A.4.14.1 you or
A.4.14.2 someone who has a legal right to give us instructions (for example, your trustee if you are made bankrupt); or
A.4.14.3 someone you have authorised in writing (for example, someone who has a power of attorney for you) as long as we have accepted that written authority (see condition A.15).
A.4.15 We may contact you to confirm your instructions or any steps we take following your instructions. If we do, you must let us know straight away if you think we have not correctly set out what you asked us to do.
A.4.16 You should tell us straight away if you no longer have access to the internet.

A.5 What happens if your Intelligent Finance plan is in joint names?
A.5.1 If your Intelligent Finance plan is a joint account, these conditions apply to both of you together and to each of you on your own.
A.5.2 We may accept the instructions or signature of either of you in connection with your joint Intelligent Finance plan. If one of you gives us an instruction, we may but do not have to, ask the other to confirm the instruction.
A.5.3 If any jar within your Intelligent Finance plan is in the name of one of you, only that person can carry out transactions on it but both of you can view or receive information about transactions and balances on that jar as well as all other parts of your Intelligent Finance plan.
A.5.4 If a jar in your Intelligent Finance plan is in the name of one of you, only that person is bound by the conditions that apply to that jar.
A.5.5 If you apply for a jar in your sole name within your Intelligent Finance plan held in joint names or apply to change a jar you already have, details of your application may be provided to the other joint owner.
A.5.6 If one of you dies, we may require the survivor or the deceased's personal representative to close your Intelligent Finance plan.
A.5.7 If one of you dies, we will continue to accept instructions in connection with the jars held in joint names from the survivor.
A.5.8 We will send all written communications about your Intelligent Finance plan (including statements) to you jointly:
A.5.8.1 unless the law or a regulation requires us to write to you separately, we will address our communications to you both but send them to only one address, which will be the address of the person whose name appears first on our records for your Intelligent Finance plan, and
A.5.8.2 by signing your application form, you will be treated as having given notice that, until further notice, we do not need to send separate statements to both of you.

A.6 Money paid into and out of your Intelligent Finance plan
A.6.1 When you or someone else pays money into your Intelligent Finance plan, it takes time before you can use it. The central clearing cycle for cheques and automated payments normally takes three banking days. This condition, together with condition A.7 explains how long you have to wait to withdraw sums or receive interest on sums you pay into your Intelligent Finance plan. Money can be paid into your Intelligent Finance plan in a number of ways. If the payment is a regular personal loan payment or a regular mortgage payment you will not be able to re-use it. The table below applies where the currency of the payment is in pounds sterling or where the payment is in euros and we convert it into sterling before paying it into your Intelligent Finance plan.
<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>When the payment appears on your statement (transaction date)</th>
<th>When you can use the money (availability date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque</td>
<td>no later than the day after we receive it</td>
<td>4 banking days after we receive it</td>
</tr>
<tr>
<td>Banker’s draft</td>
<td>day we receive it</td>
<td>4 banking days after we receive it</td>
</tr>
<tr>
<td>CHAPS</td>
<td>day we receive it</td>
<td>day we receive it</td>
</tr>
<tr>
<td>Internal transfer between jars within your Intelligent Finance plan or from a jar in another Intelligent Finance plan using a Move Money instruction</td>
<td>same day (or if that day is a Sunday or in the case of a transfer into a current account jar on 25th December) the next day</td>
<td>same day</td>
</tr>
<tr>
<td>Debit card payment into your Intelligent Finance plan</td>
<td>no later than the day after you make the payment with your debit card</td>
<td>day you make the payment with your debit card</td>
</tr>
<tr>
<td>Direct debit from an account (other than an Intelligent Finance plan)</td>
<td>up to 3 banking days from us requesting it</td>
<td>service not available 7 banking days after the day we request the payment 7 banking days after the day we request the payment</td>
</tr>
<tr>
<td>Standing order</td>
<td>day we receive it</td>
<td>day we receive it</td>
</tr>
<tr>
<td>Bank GIRO</td>
<td>day we receive it</td>
<td>4 banking days after we receive it</td>
</tr>
<tr>
<td>Bacs (for example, salary)</td>
<td>day we receive it</td>
<td>day we receive it</td>
</tr>
</tbody>
</table>

**A.6.2 If we receive:**

A.6.2.1 a cheque after 3.00 p.m. or on a day which is not a banking day, we will deal with it as if we had received it on the next banking day.

A.6.2.2 an automated payment other than an internal transfer of funds using a Move Money instruction, your jar balance will be updated on the same banking day.

A.6.2.3 a Move Money instruction, your jar balance will be updated on the same day; or

A.6.2.4 a direct debit instruction to pay money into your Intelligent Finance plan from a current account which is not held with Intelligent Finance, we will make a direct debit request to the bank or building society at which your current account is held on the first banking day after your instruction. Three banking days after that, you will see the amount of your direct debit being credited to your Intelligent Finance jar and we will pay interest on it from that day. However, we will not have received cleared funds at that point. You will only be able to withdraw funds from your Intelligent Finance savings jar on the fourth banking day following our receipt of the funds, when we will have confirmation that the payment into your Intelligent Finance jar has cleared. If the direct debit into your Intelligent Finance jar does not clear, we will correct your jar balance and recalculate the interest accordingly.
A.6.3 You should not pay cash or cheques into your Intelligent Finance plan using a cash dispenser or at a branch or agency counter of any bank. For security reasons, you must not send us cash.

A.6.4 If any cheque, banker’s draft or direct debit payment is returned to us without it being paid, we will take the same amount out of your Intelligent Finance plan and adjust the interest you have to pay us or we have to pay you, and may represent it for payment.

If we represent a cheque or direct debit for payment, we will treat it as a new transaction.

A.6.4.1 Special arrangements apply in certain cases to automated payments made (see conditions A.18 and D.9).

A.6.4.2 If you pay a cheque into a current account or savings jar and we let you take some or all of the amount of the cheque out of your jar, that does not mean that the cheque has been paid by the paying bank. If the cheque is returned to us without being paid we may take the amount of the cheque out of your jar unless more than 6 banking days have passed following the day you paid the cheque in. After 6 banking days have passed we cannot take the amount of the cheque out of the jar, without your consent, unless you are a knowing party to fraud.

A.6.5 If you want to pay a cheque into a jar, you should:
A.6.5.1 write the jar account number, sort code and jar type e.g. "ISA" on the back of the cheque; and
A.6.5.2 include a Bank Giro credit slip with every cheque deposited into a current account jar. The Bank Giro credit slip can be used for several cheques deposited in the same jar account number.

A.6.6 You will only be able to pay in a cheque payable to "Intelligent Finance" which is not drawn on a current account belonging to you, into a jar in your Intelligent Finance plan if the cheque includes the name of the jar holder or jar account number.

A.6.7 If you want to pay a cheque into your jar:
A.6.7.1 more than six months after the date on the cheque; or
A.6.7.2 after the expiry date (if there is one shown on the cheque), you will have to ask the person who made it out to you to write a new cheque or re-date the old cheque and put their initials next to the change. If you give us an out-of-date cheque we may return it to you.

A.6.8 You can take money out of your Intelligent Finance plan in a number of ways. We set these out and how we treat payments made from your Intelligent Finance plan in the following table.

<table>
<thead>
<tr>
<th>Cut off time</th>
<th>When the payment appears on your statement (transaction date)</th>
<th>When the payment stops earning interest (or is included in the interest calculation if you are overdrawn) (effective date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage (built-up reserve)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cheque from your current account jar</td>
<td>not applicable</td>
<td>day it is presented to us for payment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>service not available</td>
</tr>
<tr>
<td>CHAPS</td>
<td>completed instruction by 2:30 p.m Monday to Friday</td>
<td>on the banking day you instruct us to send the payment</td>
</tr>
<tr>
<td>Internal transfer between jars within your Intelligent Finance plan or to another Intelligent Finance plan using a Move Money instruction</td>
<td>online – no cut off telephone – during Contact Centre hours which are available online at <a href="http://www.if.com">www.if.com</a> or by telephoning 0845 609 4343</td>
<td>same day you instruct us to send the payment or (if that day is a Sunday or in the case of a current account jar on 25th December) the next day.</td>
</tr>
<tr>
<td>Move Money transactions instructed after 8.30 p.m - the next day</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INTELLIGENT FINANCE conditions November 2009

13
<table>
<thead>
<tr>
<th>Cut off time</th>
<th>When the payment appears on your statement (transaction date)</th>
<th>When the payment stops earning interest (or is included in the interest calculation if you are overdrawn) (effective date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct debit</td>
<td>day we receive request for payment</td>
<td>day we receive request for payment</td>
</tr>
<tr>
<td>Standing order</td>
<td>online – no cut off telephone – completed instruction by 6 p.m. Monday to Friday instruction to be given before the first payment date</td>
<td>day the payment is sent</td>
</tr>
</tbody>
</table>
| Bacs (for example, transferring money to an account with someone other than Intelligent Finance) | Current account: on the banking day you instruct us to send the payment  
Savings: on the banking day after you instruct us to send the payment  
Mortgages: 3 banking days after we send the payment | if instructed before 6.00 p.m on a banking day on the day we take the money out of the jar  
if instructed after 6.00 p.m on the next banking day |
| Recurring Bacs | online – no cut off telephone–completed instruction by 6.00 p.m. Monday to Friday, request to be given before the first payment date | immediately on the day we send the payment                                                          |
| Debit card transaction (excluding a cash withdrawal using a cash dispenser) | not applicable | if instructed before 6.00 p.m on a banking day on the day we take the money out of the jar  
if instructed after 6.00 p.m on the next banking day |
| Cash withdrawal using your debit card at a cash dispenser | not applicable | service not available                                      |

Where your instructions are received after the cut off time they will be treated as having been received the following banking day.

Future dated instructions for single payment Bacs transactions are treated as if they were received before 6.00p.m on the date set for execution.

INTELLIGENT FINANCE conditions November 2009
If you instruct us to make a standing order payment or recurring Bacs payment for the first time, we will require a completed payment instruction which includes certain security checks. We will not treat your instructions as fully authorised until the security checks are complete. After that time your standing order payment will be processed on the first banking day set for its execution.

If you instruct a standing order from your Intelligent Finance current account jar, to your Intelligent Finance savings jar, the transaction follows the normal standing order process. The payment will stop earning interest in your current account jar on the day we send the payment and will receive interest in your savings jar from the day it is received. If you require your transfer to be immediate, you should instruct a Move Money transfer.

A.6.9 In the tables in this condition A.6 and in condition A.7.1 and subject to condition A.6.2 for the purposes of the ‘effective date’ for an internal transfer using the ‘Move Money’ facility on our website or a cash withdrawal using your debit card a day is treated as starting at 00.00 a.m. and ending at 11.59 p.m.

A.6.10 When you ask us to make a payment on your behalf or where you make a payment yourself by telephone or online, you must ensure that the correct sort code and account number of the person the payment is going to is used. If you provide us with, or use incorrect details yourself, the payment may be delayed or not received and you may be liable for any resulting loss. We cannot be held responsible for any loss caused by the use of incorrect sort code and account number provided by you. You may have to pay a charge to us to trace the payment.

A.7 How your Intelligent Finance plan works

A.7.1 When you or someone else pays money into your Intelligent Finance plan, it takes time before the payment has an effect on the interest we pay you. This depends on how the money is paid in. Money can be paid into your Intelligent Finance plan in a number of ways. We set these out and the total number of banking days before the money starts to be eligible to earn interest in the following table.

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>When the payment appears on your statement</th>
<th>When do you start getting the benefit of any interest*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque</td>
<td>no later than the day after we receive it</td>
<td>2 banking days after we receive it</td>
</tr>
<tr>
<td>Banker's draft</td>
<td>day we receive it</td>
<td>2 banking days after we receive it</td>
</tr>
<tr>
<td>CHAPS</td>
<td>day we receive it</td>
<td>same day</td>
</tr>
<tr>
<td>Internal transfer between your Intelligent Finance plan or from another Intelligent Finance plan using a Move Money instruction</td>
<td>on the same day (or if that day is a Sunday or in the case of a transfer into a current account jar on 25th December) on the next day Move Money transactions instructed after 8.30 p.m the next day</td>
<td>day we receive it</td>
</tr>
<tr>
<td>Debit card payment into your Intelligent Finance plan</td>
<td>no later than the day after you make the payment with your debit card</td>
<td>up to 3 banking days from us requesting it</td>
</tr>
<tr>
<td>Direct debit from an account (other than an Intelligent Finance plan)</td>
<td>up to 3 banking days from us requesting it</td>
<td>day we receive it</td>
</tr>
<tr>
<td>Standing order</td>
<td>day we receive it</td>
<td>day we receive it</td>
</tr>
<tr>
<td>Bank GIRO</td>
<td>day we receive it</td>
<td>day we receive it</td>
</tr>
<tr>
<td>Bacs (for example, salary)</td>
<td>day we receive it</td>
<td>day we receive it</td>
</tr>
</tbody>
</table>

A.15 INTELLIGENT FINANCE conditions November 2009
If we have not included a transaction in the calculations of interest for an interest period when the transaction took place (because the transaction date was in one interest period and the effective date was in an earlier interest period), we will take account of the transaction in the interest calculation we carry out on the first key date, which is also an interest date, after we discover it. We will adjust the interest we pay you or you pay us to take account of the transaction.

We have also described how funds are received into your Intelligent Finance plan at conditions A.6.1 and A.6.2

A.7.2 We work out the interest on your Intelligent Finance plan on the basis of the balances at the end of each day. We do this calculation on each key date.

A.7.3 When we work out the interest we pay you or you pay us on your Intelligent Finance plan, we look at the amounts in each jar on which interest is payable.

A.7.4 On the key date immediately after the end of each interest period, interest which has accrued during that interest period on any money we owe you or you owe us in your Intelligent Finance plan will be added to or taken away from (as the case may be) the balance of the relevant jar.

A.7.5 There are three exceptions to the treatment of interest described in condition A.7.4.

A.7.5.1 Interest which has accrued during the interest period on any money you owe us on a current account jar will be added to the money you owe us (or, as the case may be, taken off the money we owe you) on that jar at the end of the following interest period. If in any one interest period, we owe you interest on some days and you owe us interest on other days, we may take one amount away from the other and show the resulting figure on your statement.

A.7.5.2 If you have asked for interest on a savings jar to be added to the jar once a year, we will add the interest, if any, to the money we owe you (or, as the case may be, take it off the money you owe us) in the following way.

A.7.5.2.1 The first date on which we will add or take away the interest will be the first key date falling more than 11 months after the ‘effective date’ for interest purposes for the first payment into the savings jar (see condition A.7.1).

A.7.5.2.2 After that, we will add to or take away the interest on the first key date falling more than 11 months after the key date on which interest was last added to or taken off the savings jar.

A.7.6 If you have a joint Intelligent Finance plan, when working out the interest we pay you or you pay us, we look at your Intelligent Finance plan as a whole and do not take account of which of you owns which jars and whether they are in sole or joint names.

A.7.7 We will work out interest on the offset credit balances and offset debit balances for the jars in your Intelligent Finance plan (but not arrears and Unarranged Overdrafts) in one of two ways, the choice is yours.

A.7.7.1 OPTION 1 – How your offset credit balances can work to reduce the interest you pay us

Where you choose Option 1, we arrange your offset credit balances in a stack, placing the offset credit balance on which we pay the lowest rate of interest at the bottom of the stack. We also arrange your offset debit balances in a stack, placing the offset debit balance on which we charge the highest rate of interest at the bottom of the stack. If the offset credit balance or offset debit balance of a jar is made up of more than one part, each part is stacked separately according to the interest rate that applies to it. If two or more balances or parts of balances have the same interest rate, we will stack them in the order in which we opened the jars for you or, in the case of parts, in the order in which we number them on your statements.

We will stop stacking any remaining offset credit balances or offset debit balances (or part balances) when we reach the point (the ‘cut-off point’) where:

• we have used up all the offset credit balances; or
• we have used up all the offset debit balances.
The effect of choosing Option 1 is that:

- we will not charge you any interest on any offset debit balance (or portion of an offset debit balance) which is below the cut-off point;
- we will not pay you any interest on any offset credit balance (or portion of an offset credit balance) which is below the cut-off point.

The appropriate interest rates will apply to any balance (or portion of a balance) above the cut-off point.

### A.7.7.2 OPTION 2 – How your offset debit balances can work to maximise the interest we pay you

Where you choose Option 2, we work out the cut-off point in the same way as under Option 1.

So we arrange your offset credit balances in a stack placing the offset credit balance on which we pay the lowest rate of interest at the bottom of the stack. We also arrange your offset debit balances in a stack placing the offset debit balance on which we charge the highest rate of interest at the bottom of the stack. If the offset credit balance or offset debit balance of a jar is made up of more than one part, each part is stacked separately according to the interest rate that applies to it. If two or more balances or parts of balances have the same interest rate, we will stack them in the order in which we opened the jars for you or, in the case of parts, in the order in which we number them on your statements.

We will stop stacking any remaining offset credit balances or offset debit balances (or part balances) when we reach the point (the 'cut-off point') where:

- we have used up all the offset credit balances, or
- we have used up all the offset debit balances, or
- the interest rate on an offset credit balance (or on the unused portion of an offset credit balance) equals or exceeds the interest rate on the remaining offset debit balances

The effect of choosing Option 2 is that:

- we will charge you interest on all offset debit balances at the appropriate rates;
- we will increase the rate of interest we pay on each offset credit balance (or portion of an offset credit balance) which is below the cut-off point so that the rate we pay at each point in the stack of offset credit balances is the same as the rate we charge at the equivalent point in the stack of offset debit balances.

We will pay interest at the appropriate rates on any offset credit balance (or portion of a balance) above the cut-off point.

### A.7.7.3 Example

Suppose you have:

- an offset credit balance of £15,000 in jar C1 and the interest rate on the jar is 2%;
- an offset credit balance of £85,000 in jar C2 and the interest rate on the jar is 4%;
- an offset debit balance of £10,000 in jar D1 and the interest rate on the jar is 10%;
- an offset debit balance of £20,000 in jar D2 and the interest rate on the jar is 8%; and
- an offset debit balance of £40,000 in jar D3 and the interest rate on the jar is 6%.

The cut-off point comes at £70,000, when all the offset debit balances have been used up.
Option 1 means that:

- **we** do not charge you interest on jar D1, jar D2 or jar D3;
- **we** do not pay you interest on jar C1 or on the first £55,000 in jar C2;
- **we** pay you interest at the appropriate rate (4%) on the remaining £30,000 in jar C2.

---

**you** receive interest on £30,000 at 4%

---

**cut-off point**

**you** receive no interest on £70,000

---

<table>
<thead>
<tr>
<th>Jar C2</th>
<th>Jar D3</th>
</tr>
</thead>
<tbody>
<tr>
<td>£85,000</td>
<td>£40,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jar C1</th>
<th>Jar D2</th>
</tr>
</thead>
<tbody>
<tr>
<td>£15,000</td>
<td>£20,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jar D1</th>
</tr>
</thead>
<tbody>
<tr>
<td>£10,000</td>
</tr>
</tbody>
</table>
Option 2 means that:

- **we** charge **you** interest at the appropriate rates on jars D1, D2 and D3;
- the rate **we** pay on the first £10,000 in jar C1 is increased to match the rate **we** charge on the £10,000 in jar D1 (10%);
- the rate **we** pay on the remaining £5,000 in jar C1 is increased to match the rate **we** charge on the first £5,000 in jar D2 (8%);
- the rate **we** pay on the first £15,000 in jar C2 is increased to match the rate **we** charge on the remaining £15,000 in jar D2 (8%);
- the rate **we** pay on the next £40,000 in jar C2 is increased to match the rate **we** charge on the £40,000 in jar D3 (6%);
- **we** pay interest at the appropriate rate (4%) on the remaining £30,000 in jar C2.

---

**you** receive interest on £30,000 at 4%

---

**you** receive interest on £40,000 at 6%

**Jar C2** £85,000

**Jar D3** £40,000

**you** pay interest on £40,000 at 6%

---

**you** receive interest on £15,000 at 8%

**you** receive interest on £5,000 at 8%

**you** receive interest on £10,000 at 10%

**Jar C1** £15,000

**Jar D2** £20,000

**Jar D1** £10,000

**you** pay interest on £20,000 at 8%

**you** pay interest on £10,000 at 10%

---

**cut-off point**

---
A.7.8 We will charge you interest on any money you owe us that is not an offset debit balance at the appropriate interest rate that applies to it.

A.7.9 We will pay you interest on any money we owe you that is not an offset credit balance at the appropriate interest rate that applies to it.

A.7.10 For the purposes of conditions A.7.7, A.7.8 and A.7.9, if the money we owe you or you owe us on a jar is split into different parts, each part is treated separately, as if it were a jar in its own right.

A.7.11 If we have to deduct tax from any interest we pay you, we will do so and send you a tax deduction certificate after the end of each tax year. If you close a jar, we may send you a tax deduction certificate before the end of the tax year.

A.7.12 If a court orders you to pay us any money you owe us, we will continue to charge interest on the money you have to pay under the court order. For those parts of your Intelligent Finance plan which are governed by an agreement regulated by the Consumer Credit Act 1974, we will charge you interest at the interest rate set by the court. For those parts of your Intelligent Finance plan which are not governed by an agreement regulated by the Consumer Credit Act 1974, we will charge you interest at the interest rate due on the relevant part.

A.7.13 You can change the key date subject to the following conditions:

A.7.13.1 you cannot change the key date more than twice in any 12 month period;

A.7.13.2 you must tell us what day you want to be the new key date at least three banking days before the day which is due to be the next key date.

A.7.14 We can change the key date to reflect changes to the way we look after your Intelligent Finance plan or Intelligent Finance plans generally (including changes in technology we use) or because we agree to lend you a further advance or for you to transfer from one type of mortgage product to another. If we change the key date, we will tell you what day in each month will be the new key date at least 14 banking days before the day which is due to be the first new key date.

A.7.15 If either you or we change the key date:

A.7.15.1 if the proposed new key date is earlier in the month than the old key date, the first new key date will fall on the corresponding day in the second calendar month after the month of the last old key date; and

A.7.15.2 if the proposed new key date is later in the month than the old key date, the first new key date will fall on the corresponding day in the first calendar month after the month of the last old key date.

A.7.16 You can change your election for interest on a savings jar to be added to the jar once a month or once a year up to twice in any 12 month period.

A.8 When can we change interest rates?

A.8.1 We set out details of the interest rates for the different products you can have with us online.

A.8.2 We can change our interest rates on non payment jars (other than fixed rates) or where you have a jar that pays interest at a variable rate which is linked to a reference rate as set out in this condition A.8.2. You will be notified of the change in accordance with conditions A.8.5 and A.8.6. For details of how interest rates can be changed on payment jars please see section D. We can change interest rates on your non payment jars if it is reasonable to make the change because of the following circumstances:

A.8.2.1 to reflect a change or changes in the Bank of England’s base rate;

A.8.2.2 to reflect a change or changes in LIBOR (that is the London Inter Bank Offer Rate) or LIBID (that is the London Inter Bank Bid Rate) or equivalent money market rate we use to determine the rates we can offer our savings jar customers.
A.8.2.3 to reflect changes in rates of interest charged or paid by other major banks and other organisations offering similar services to their customers;

A.8.2.4 to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar organisation or an undertaking given to the Office of Fair Trading;

A.8.2.5 to reflect changes to the law, codes of practice or the way we are regulated;

A.8.2.6 to reflect changes to standards published by other organisations which we agree will apply to your Intelligent Finance plan or any jar in it;

A.8.2.7 to reflect changes in the costs we incur in providing the services looking after your Intelligent Finance plan generally (including changes to the technology we use) because of:

A.8.2.7.1 the reasonable steps we have taken to improve or modernise our systems for managing Intelligent Finance plans generally; or

A.8.2.7.2 reasons outside our control;

A.8.2.8 because:

A.8.2.8.1 we are going to take over, take control of or acquire the business of another bank or organisation offering similar services;

A.8.2.8.2 we are going to be taken over or our business is acquired by another bank or organisation offering similar services, or

A.8.2.8.3 any of those things has happened, and the change will make sure that our customers and the customers of the other bank or organisation are treated in a similar way if they are in similar categories; or

A.8.2.8.4 because the change will be of benefit to you.

A.8.3 We can also change our interest rates (other than fixed rates) we charge you on money you owe us to reflect changes in the cost to us of raising the money we lend to customers.

A.8.4 We can also change interest rates on your non payment jars (other than special rates and fixed rates) for any valid reason.

A.8.5 Where we make a change for any valid reason, we will do so in a reasonable and proportionate manner.

A.8.6 We can change the interest rates on non payment jars if we give you notice in good time. This will be before the change takes effect if that is required by a code of practice that applies to us or by our regulator or another similar body. The notice will be given in accordance with condition A.14 and we explain in condition A.14 how much notice we will give you and how we tell you about any changes. However we do not need to give you any prior notice of any change to the interest rate payable on your jar where this change is to your advantage, or where the interest rate is linked to a reference rate. Where we make such a change it will apply to your jar immediately and we will notify you in accordance with condition A.14.

A.9 Charges and expenses

A.9.1 We can make charges, which can also be referred to as fees in connection with any part of your Intelligent Finance plan

A.9.2 We can make charges for services we make available to you.

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A.9.3 We set out details of our charges in leaflet format. They are also available online at www.if.com or by calling Intelligent Finance on 0845 609 4343.

A.9.4 We can change the amounts we charge you on non payment jars as set out in this Condition A.9.4 for details of how changes can be made to charges on payment jars please see section D. We can change charges on non payment jars to reflect changes (including changes caused by inflation) in;

A.9.4.1 the costs of running any jar within your plan;
A.9.4.2 the costs we incur in carrying out any activity connected with any jar within your plan; or
A.9.4.3 the costs of providing services on any jar within your plan.

A.9.5 We can also make new or different charges to reflect the costs of providing existing or new or different services on any non payment jar within your plan.

A.9.6 Except for charges relating to personal loans and mortgage jars, we can also change the amounts we charge you on non payment jars, make new or different charges or change how you have to pay charges for any other valid reason.

A.9.7 We will advise you of any changes to charges in condition A.9.4, A.9.5 and A.9.6 for the day-to-day running of your plan to the extent they relate to your non payment jars at least 30 days beforehand in writing, or any longer period required by a code of practice that applies to us, our regulator or another similar body.

A.9.8 If you ask to use a special service, we will tell you the charge.

A.9.9 If we incur an expense as a result of anything we are entitled to do in connection with your Intelligent Finance plan or anything you have done or not done, you have to pay us our reasonable expenses. This includes the cost of getting back any money you owe us and any legal proceedings started by or against us in connection with your Intelligent Finance plan.

A.9.10 If you do not pay any charge we make or expense we incur when you have to, we will charge interest on it until it is paid or, in the case of a current account jar, we charge the amount to your current account jar.

A.9.11 You must pay us any tax properly chargeable on any charge we make or expense we incur in connection with your Intelligent Finance plan.

A.9.12 We may choose for any valid reason not to make a charge, which you would otherwise have to pay.

A.10 Your statements

A.10.1 We will provide you with a statement for your Intelligent Finance plan once a year, unless the law or a regulation requires us to provide you with a statement more frequently. If your Intelligent Finance plan is held in joint names, your statement will be sent to the first named plan holder. We will also send you monthly statements with details of your current account jar transactions and will send these online if you have asked to receive statements in this way.

A.10.2 You should check your statements and let us know as soon as you can if you think that they are wrong.

A.10.3 Paper statements we send you will show the position for your Intelligent Finance plan at 8.30 p.m. on the day the statement is produced. Any transactions that take place after 8.30 p.m. on that day will appear on the next statement. All transactions appear on your statement on the transaction date. The effective date for the application of interest is always available by logging on to www.if.com or by calling 0845 609 4343.
A.11 Our rights

A.11.1 We have set our right to freeze jars in your Intelligent Finance plan below:

A.11.1.1 we may freeze any of your jars if we find out that a bankruptcy order is made against you or we reasonably think one is likely to be made. This means we will not allow anyone to take money out of your non payment jar, pay money into it or carry out any other transactions unless that person has a right to do so (for example a trustee in bankruptcy); or

A.11.1.2 if we think that your savings non payment jar or any part of it is being used or might be used for illegal purposes or if we find out that there is a disagreement about who owns the money in it, we may freeze your jar. This means we will not allow anyone to take money out, pay money in (unless we agree) or carry out any other transaction unless we are satisfied that your jar is not being used for illegal purposes or the disagreement is settled.

A.11.2 If we delay in enforcing any term which forms part of the conditions which apply to your Intelligent Finance plan or any part of it, this will not affect our right to enforce it or the rest of the terms.

A.11.3 If we choose not to enforce any term which forms part of the conditions which apply to your Intelligent Finance plan or any part of it, this will not affect our right to enforce the rest of the terms.

A.11.4 If we cannot enforce any term which forms part of the conditions which apply to your Intelligent Finance plan or any part of it, this will not affect our right to enforce the rest of the terms.

A.11.5 We look after Intelligent Finance plans generally by taking a 'net balance' approach. This means that when we are monitoring how you operate your Intelligent Finance plan, or when deciding whether to lend you money, we take into account not only your financial circumstances but also what other jars and balances you have in your Intelligent Finance plan and whether you have operated the Intelligent Finance plan properly. To help us do this, we have, depending on when you applied to open your Intelligent Finance plan and the jars within it, the rights in conditions A.11.6 and A.11.7.

A.11.6 If you have to pay off immediately any debt you owe us on any jar you applied to open on or after 1st September 2003, we may reduce or pay off the debt by using:

A.11.6.1 the money in any other jar owned by you alone in your Intelligent Finance plan, or

A.11.6.2 any other money held in your name alone in any other plan or account with us.

If the debt is owed by you both, we can use money held by either of you alone or by both of you jointly with each other.

A.11.7 If your Intelligent Finance plan was opened on or after 31st October 2004, we may also reduce or pay off any debt you owe us on any jar in your Intelligent Finance plan (whether or not you have to pay off the debt immediately) by using the money we owe you on any other jar in your Intelligent Finance plan. However, in exercising our rights under this condition A.11.7, we will not use any money on which we are paying you interest to reduce or pay off a debt on which we are charging you interest at a lower or nil rate. We explain how we achieve this in conditions A.11.7.1 and A.11.7.2.

A.11.7.1 If and so long as you have chosen Option 1 (see condition A.7.7.1), we will arrange the money you owe us in a stack, placing the debt on which we charge the highest rate of interest at the bottom of the stack. We will also arrange the money you have in any other jars owned by you alone in your Intelligent Finance plan in a stack, placing the amount on which we pay the lowest rate of interest at the bottom of the stack. If the balance of a jar is made up of more than one part, each part is stacked separately according to the rate that applies to it. If two or more balances or parts of balances have the same interest rate, we will stack them in the order in which we opened the jars for you or, in the case of parts, in the order in which we number them on your statements. We will stop stacking when we reach the point (the 'set-off cut-off point') where:

A.11.7.1 we have stacked all the money we owe you; or

A.11.7.2 we have stacked all the money you owe us.

We may then use any of the money that is below the set-off cut-off point in the stack of money we owe you to reduce or pay off the money that is below the set-off cut-off point in the stack of money you owe us.

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A.11.7.2 If and so long as you have chosen Option 2 (see condition A.7.7.2), we will stack the money you owe us and the money we owe you in the way described in condition A.11.7.1, except that we will continue stacking until we reach the point (the 'set-off cut-off point') where:

A.11.7.2.1 we have stacked all the money we owe you; or

A.11.7.2.2 we have stacked all the money you owe us; or

A.11.7.2.3 the interest rate on any money we owe you exceeds the interest rate on the rest of the money you owe us. We may then use any of the money that is below the set-off cut-off point in the stack of money we owe you to reduce or pay off the money that is below the set-off cut-off point in the stack of money you owe us.

A.11.7.3 In conditions A.11.7.1 or A.11.7.2, if the debt is owed by you both, we can use money within your Intelligent Finance plan held by either of you alone or by both of you jointly with each other.

A.11.7.4 We will not charge a special rate early repayment charge on any debt we repay under condition A.11.7.1 or A.11.7.2, or on any money we use to repay the debt.

A.11.8 We will notify you if we use our rights in conditions A.11.6 or A.11.7.

A.11.9 If you have another plan or account with us, our rights under that plan or account may allow us to reduce or pay off any debt which you owe us under that plan or account by using the money in any jar in this Intelligent Finance plan. You should check the conditions that apply to the other plan or account to see if this is the case.

A.12 When can we change these conditions?

A.12.1 We can change the conditions applicable to your Intelligent Finance Plan as follows:

A.12.1.1 If we give you at least 30 days' notice, (unless in the case of a change to our services it is not practicable to do so, in which case we will give you as much notice as possible), or any longer period required by any law or code of practice that applies to us, our regulator or another similar body. We can change your Intelligent Finance plan conditions (in section A) the current account jar conditions (in section B) and the savings account jar conditions (in section C) for any of the valid reasons listed at condition A.12.7;

A.12.1.2 we can change the current account jar conditions (in section B) and the savings jar conditions (in section C) for any valid reason;

A.12.1.3 we can change the payment services contract conditions (in section D) for any of the valid reasons listed at A.12.7 subject to the notification requirements in condition D.5; however

A.12.1.4 we cannot change personal loan or mortgage conditions (in sections E and F);

A.12.2 Where we make a change for any valid reason, we will do so in a reasonable and proportionate manner.

A.12.3 We can change the conditions which tell you if your jar is a payment jar if it is reasonable to make the change;

A.12.3.1 to reflect changes to the law or a code of practice that applies to us;

A.12.3.2 to reflect a decision or recommendation made by, or a requirement of, a court, ombusman, code of practice that applies to us, regulator or similar body on the application of the Payment Services Regulations; or

A.12.3.3 to reflect changes in the way banks and other organisations offering similar services treat the accounts which they offer.

A.12.4 When we change any of the conditions in sections A to D, we may set out the changes in a new edition of these conditions. If we do this, we will tell you the date when the new edition is to come into force. Sections A to D of the new edition will apply to your Intelligent Finance plan from that date in place of this edition.

A.12.5 When we give you notice of a change to the conditions under this Condition A.12, we will:
A.12.5.1 send **you** a copy of the new edition of the conditions; or

A.12.5.2 send **you** a summary of the new conditions and tell **you** how **you** can access the new edition of the conditions online or telephone to get a printed copy of the new edition of the conditions.

A.12.6 **If you ask us** to let **you** transfer from one mortgage product to another, including to a mortgage product which allows **you** to choose a mortgage payment option, and the conditions which apply to new Intelligent Finance mortgages of that sort have changed since **you** took out or transferred to your current mortgage product, **we** may make it a condition of **us** agreeing to let **you** transfer to the other mortgage product that the most recent edition of the Intelligent Finance conditions in use at that time shall apply to your mortgage and replace the conditions that apply to your mortgage before the product transfer. **If we decide to use this right, we will make a complete set of the most recent edition of the Intelligent Finance conditions available to you either by sending them to you or publishing them on our website. By transferring from one mortgage product to another you agree to the new conditions applying to your mortgage jar when the mortgage product transfer takes place. If we do not ask **you** to sign a deed of variation, **you** agree that **you** will sign one if and when we ask **you** to.

A.12.7 Unless **we** say otherwise in these conditions, **we** can change any of the services available with your Intelligent Finance plan. **We** will give **you** at least 30 days’ notice or any longer period required by any law or code of practice that applies to **us**, our regulator or another similar body (unless it is not practicable to do so, in which case **we will give you** as much notice as possible). **If we make changes to services relating to your payment services contract, we will notify you** in accordance with the notification requirements in condition D.5.

**We** can make changes if it is reasonable to make the change for any of the following reasons:

A.12.7.1 to reflect changes in the general deposit-taking practice of banks and other organisations offering similar services including the terms on which they offer similar products;

A.12.7.2 to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar organisation or undertaking given to the Office of Fair Trading;

A.12.7.3 to reflect changes to the law, codes of practice or the way we are regulated;

A.12.7.4 to reflect changes to standards published by other organisations which **we** agree will apply to your Intelligent Finance plan, to any jar in it or to the services provided;

A.12.7.5 to reflect changes in the costs **we** incur in providing the services in your Intelligent Finance plan (including changes in the technology **we** use) because of:

A.12.7.5.1 the reasonable steps **we** have taken to modernise or improve our systems for managing the Intelligent Finance plans generally or the services provided within it; or

A.12.7.5.2 reasons outside our control;

A.12.7.6 because:

A.12.7.6.1 **we** are going to take over, take control of or acquire the business of another bank or organisation offering similar services;

A.12.7.6.2 **we** are going to be taken over or our business is acquired by another bank or organisation offering similar services; or

A.12.7.6.3 any of these things has happened, and the change will make sure that our customers and the customers of the other bank or organisation are treated in a similar way if they are in similar categories; or

A.12.7.7 in respect of a change in service because someone else provides a service for you, or in relation to your Intelligent Finance plan, and for good commercial reasons **we** decide to use a different service provider or that service provider changes, suspends or withdraws the service or facility, or **we** reasonably believe they will do so.

A.12.7.8 to reflect changes in technology or security design; or

A.12.7.9 to make improvements which are of benefit to you.

Where **we** refer to ‘changes’ in the above list, **we** mean changes **we** know or reasonably believe will happen or changes which have already taken place.

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A.12.8 We can also change the services available with your Intelligent Finance plan for any valid reason.

A.12.9 Whenever condition A.12.1 allows us to change any of the services available with your Intelligent Finance plan or the conditions that apply to them, we may instead suspend or withdraw those services if it is reasonable for us to do so in all the circumstances.

A.12.10 If you have a jar on which we pay you interest at a special rate or a jar on which you have to give us notice before you withdraw money or before you can close the jar and we:

A.12.10.1 change any of these conditions under condition A.12.1; or

A.12.10.2 increase any charge, make new or different charges or change the way you have to pay charges for services on the jar,

you will not have to give us notice or pay a special rate early repayment charge if, at any time before the change to conditions comes into force, you close your jar.

A.12.11 We may change the name of these conditions.

A.13 Transferring of your rights and our rights

A.13.1 You are not allowed to transfer or assign any of your rights or obligations under your Intelligent Finance plan without our permission.

A.13.2 We have the right to transfer our right to receive any money you owe us under your Intelligent Finance plan under the general law or specific pieces of legislation.

A.13.3 We can transfer our right to receive any of the money you owe us under your Intelligent Finance plan or any of our rights under your Intelligent Finance plan, if:

A.13.3.1 you agree (you cannot refuse without good reason);

A.13.3.2 we follow any code of practice then in force which relates to transferring similar financial products and which we and other major financial institutions support; or

A.13.3.3 the person who takes over our rights agrees to use those rights as fairly as we would (based on how we handle similar rights under similar products which we were not transferring).

A.13.4 We can transfer our obligations under your Intelligent Finance plan if you agree.

A.13.5 If we transfer our rights or obligations under your Intelligent Finance plan, you must accept that the person who takes over our rights may rely on any statement we reasonably make about the transfer (such as the amount of money you owe).

A.14 Notices

A.14.1 If we give you notice, (other than notice to change interest rates) we will do so in writing (either electronically or by post) to the address we hold on our records for this purpose. If there are two of you, the address we will use will be the address we hold on our records for the person whose name appears first as plan holder of your Intelligent Finance plan.

A.14.2 If your savings jar is a non payment jar we will tell you about any changes we make under condition A.8.2 to the interest rate which we pay on your credit balance or charge you on any overdrawn balance, by putting a notice in at least three national daily papers or by writing to you. If the change to the interest rate is to your disadvantage then, except where permitted by a code of practice that applies to us, or by our regulator or other similar body for example if the change is not regarded as material, we will give you notice at least 14 days before the change (or any longer period required by a code of practice that applies to us, or by our regulator or other similar body). We will also write to you if we are required to do so by a code of practice that applies to us, or by our regulator or another similar body.
A.14.3 If your savings jar is a non payment jar and we change the interest rate under condition A.8.4 (that is to say, we change it for a valid reason not set out in condition A.8.2), we will tell you in writing at the earliest opportunity (and at least 14 days before the change, or any longer period required by a code of practice that applies to us or by, our regulator or another similar body).

A.14.4 For your mortgage jar we will tell you about any changes made under condition A.8 to the interest rate within 30 days of the change by putting a notice in at least three national daily papers or by writing to you.

A.14.5 If you give us notice, you may do so by telephone, on our website or in writing (either electronically or by post). If you give us notice over the telephone, electronically or on our website, we may ask you to confirm your notice in writing.

A.14.6 A notice may give the date when it will come into force. Except in the case of a notice we give under these conditions, this cannot be earlier than the date on which we give you the notice. If we do not give a date, the notice will come into force:

A.14.6.1 24 hours after it is sent, if the notice is sent by email or electronically;
A.14.6.2 4 days after it is posted (if sent to an address in the United Kingdom) or 10 days after it is posted (if sent abroad).

A14.6.3 You must tell us immediately if you change your name, postal address, email address or any landline or mobile telephone number. You should make sure that the arrangements for receiving mail at your address are safe.

A.15 What happens if someone else is looking after your finances?

A.15.1 If you have appointed someone as your attorney or someone has been appointed by a court to look after your finances, we may allow them to use or close your Intelligent Finance plan or any part of it. If we do so, we may set reasonable conditions.

A.15.2 If we allow someone else to use your Intelligent Finance plan or part of it under condition A.15.1, you may be legally responsible for anything they do with your Intelligent Finance plan.

A.16 When can we tell someone else about your Intelligent Finance plan?

A.16.1 We may give details of your Intelligent Finance plan, any part of it or your name and address to anyone else if:
A.16.1.1 the law says we must;
A.16.1.2 we have a public duty to do so;
A.16.1.3 this is necessary to protect our interests or the interests of our holding company or another subsidiary of our holding company;
A.16.1.4 you ask us to give the details to someone else or agree that we can give them to someone else (for example by signing the application form for your plan or any jar within your plan if it includes the appropriate declaration); or
A.16.1.5 we are discussing transferring our rights or obligations under your Intelligent Finance plan or any part of it to someone else.

A.16.2 We may also give the police or any prosecuting or regulatory authority any information they need if we think it will:
A.16.2.1 help them;
A.16.2.2 avoid loss;
A.16.2.3 help recover any missing money you or we have paid or received in connection with your Intelligent Finance plan; or
A.16.2.4 help recover anything you or we have lost or that has been stolen.

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A.16.3 We may also give credit reference agencies information about your Intelligent Finance plan because you have agreed to this by signing the form we send to you to confirm that we agree to open your Intelligent Finance plan or a jar within it which included an appropriate declaration. This includes giving the agencies information if:

A.16.3.1 you borrow more money from us (which, if you have a mortgage jar, includes borrowing any part of the pre-agreed reserve or the built-up reserve); or

A.16.3.2 you do not make a payment in connection with your Intelligent Finance plan or any part of it on time, or at all.

A.17 Closing your Intelligent Finance plan

A.17.1 You may close your Intelligent Finance plan or any jar within it at any time by giving us notice. We will say how much notice you have to give us in the letter we send you confirming that you may open the jar or, if the jar is a mortgage jar in the offer or any extra agreement. If the jar you want to close is one which is subject to a special rate early repayment charge you will have to pay us the special rate early repayment charge (unless condition F.10.4 or F.10.5 allows you to close the jar without paying the special rate early repayment charge).

A.17.2 You must tell us if you want us to close your Intelligent Finance plan or any part of it. If we tell you you must give back, or follow our instructions in connection with, your cheque books, debit cards and pay us anything you owe us or how much we tell you if you are closing part of your Intelligent Finance plan.

A.17.3 We may close certain jars within your Intelligent Finance plan or any part of it by giving you written notice. subject to condition A.17.4;

A.17.3.1 normally the notice will be at least 30 days, or any longer period required by a code of practice that applies to us or by our regulator or another similar body, or if

A.17.3.2 there are any payment jars within your Intelligent Finance plan we will have to provide the relevant notice period in condition D.11.

A.17.4 Conditions A.17.3, A.17.7 and A.17.11 do not apply to any mortgage or personal loan jar which forms part of your Intelligent Finance plan. As long as you have a mortgage or a personal loan jar as part of your Intelligent Finance plan, we cannot close your Intelligent Finance plan but we can close any jar within your Intelligent Finance plan which is not a mortgage or a personal loan jar.

A.17.5 Subject to Section D in respect of payment jars, we may close certain jars within your Intelligent Finance plan immediately, (unless by law we have to tell you first) if there are exceptional circumstances such as, if:

A.17.5.1 you use your Intelligent Finance plan or any jar in it in an illegal way or a way that we reasonably consider to be inappropriate.

A.17.5.2 you behave towards us or any of our employees or agents in a way that we reasonably consider to be threatening or abusive.

A.17.5.3 there is evidence of fraud or we reasonably believe you are involved in any serious criminal or unlawful activity, or

A.17.5.4 for any other valid reason.

A.17.6 We will tell you as soon as possible if we close your Intelligent Finance plan or any jar within it under condition A.17.4.

A.17.7 If you move to an address outside the United Kingdom; or

A.17.7.1 you apply from abroad, using the internet:

A.17.7.2 to open a new jar, or

A.17.7.3 to borrow more money from us,

we may close any non payment jar within it subject to A.17.4. We will give you notice, but we will not let you use your Intelligent Finance plan during the notice period.
A.17.8 If we close all jars within your Intelligent Finance plan, we may also close your Intelligent Finance plan itself.

A.17.9 If we close your Intelligent Finance plan or any jar within it, we will, subject to condition A.17.10:

A.17.9.1 return your money to you along with any interest we owe you on your Intelligent Finance plan;

A.17.9.2 you will still have to pay back any sum which you owe us on any jar which has been closed in your plan including any interest and charges.

A.17.10 When closing your Intelligent Finance plan or a jar within it, we may pay the money we owe you to someone else if we have to do so.

A.17.11 We can close certain jars and transfer the money to the reclaim fund under The Dormant Bank and Building Society Accounts Act 2008 subject to condition A.17.4, if:

A.17.11.1 we have not been able to find you after making reasonable attempts; and

A.17.11.2 you have not taken any money out of your jar or paid any money into it for the past 15 years and

A.17.12 If we close a jar under condition A.17.11, we will re-open it if:

A.17.12.1 you ask us to; or

A.17.12.2 we think it is reasonable to re-open it.

If we re-open your jar, we will pay back any money which was in the jar when we closed it. We will reclaim this money back on your behalf from the reclaim fund under The Dormant Bank and Building Society Accounts Act 2008.

A.17.13 If we close a current account jar or a savings jar you have in your Intelligent Finance plan

A.17.13.1 we can still take the money out of your jar to cover any withdrawal, and

A.17.13.2 you will still have to pay back any overdraft, interest or charges which you owe us on your jar.

A.18 Special Arrangements

A.18.1 There are special arrangements for foreign currency transactions. These arrangements are set out in condition D.9

A.18.2 Special arrangements apply to cheques in foreign currencies or from foreign banks; if you need any more information regarding cheques ask us for details.

A.19 General

A.19.1 Telephone calls to or from us (or someone acting on our behalf) may be monitored and recorded by us (or someone acting on our behalf). We may do this to check any instructions you give us over the telephone and to help us train our staff.

If there is a disagreement about who owns money in any non payment jar or how it is operated, we may freeze your jar. For payment jars details of how access is restricted to those jars is set out in Section D. This means that we will not allow anyone to take money out, pay money in (unless we agree) or carry out any other transaction until we are satisfied that the disagreement is settled.

A.19.2 We may limit the amount you or someone else may pay into any jar in your Intelligent Finance plan if we think this is necessary to:

A.19.2.1 run our business lawfully;
A.19.2.2 make sure our financial regulator approves of the way we run our business;

A.19.3 We may limit the amount you may take out of any jar in your Intelligent Finance plan if we think this is necessary to:

A.19.3.1 run our business lawfully; or

A.19.3.2 make sure our financial regulator approves of the way we run our business; or

A.19.3.3 where we reasonably consider this is necessary to protect our business in extreme circumstances.

Where we limit withdrawals under condition A.19.3.3, we will respond proportionately to the circumstances in question and will take reasonable steps to ensure that the restrictions are lifted as soon as possible to minimise the inconvenience to you.

A.19.4 For administrative reasons, we can change any address, website or telephone number we use in connection with any part of your Intelligent Finance plan or the name or number of any part of your Intelligent Finance plan by giving you notice first.

A.19.5 For similar reasons, we can also change the name of any service you use in connection with any part of your Intelligent Finance plan, or the name or number of any part of your Intelligent Finance plan. We will tell you if we do this.

A.19.6 You must give us an example of your signature if we ask you to.

A.19.7 Unless the law or a regulation says we cannot, we will keep any commission paid or allowed in connection with any insurance or other thing which we arrange.

A.19.8 You must give the jars in your Intelligent Finance plan individual names. You must not use the same name for more than one jar, a name that is too similar to the name of another jar, or a name that is inappropriate, illegal, offensive or defamatory.

A.19.9 We will not be liable to you if we are unable to perform any particular service or our obligations to you for any reason outside our control.

A.19.10 Each paragraph and subparagraph in these conditions is separate from the others.

A.19.11 The Contracts (Rights of Third Parties) Act 1999 will not apply to the conditions in this booklet.

A.19.12 The agreement or agreements between you and us will be written in English. You have a right at any time to request a copy of this booklet and this will be provided free of charge.

A.19.13 Communications between you and us will be in English.

A.19.14 You will receive a copy of this booklet together with details of the interest rates and changes which apply to your Intelligent Finance Plan when you open your Intelligent Finance plan or any jar within it and at any time you request a copy.

A.20 Governing law

These conditions are part of the legal agreement between you and us. They are governed by English law except that those parts of these conditions applying to any mortgage will be governed by the law of the country in which the property is situated.
Section B - Current Accounts

CURRENT ACCOUNTS

Introduction to your Current Account

This is an introduction to section B of your Intelligent Finance conditions. Section B relates to your current account jar. This introduction provides important information on the services that we provide, the charges or fees that we make and the ways in which you may avoid or reduce overdraft charges.

The services which are available for your Intelligent Finance current account and the charges which are made for those services are described in your Intelligent Finance conditions. You should also refer to our Interest Rates and Charges leaflet, which contains our price list.

Your Intelligent Finance current account provides you with the following main services (called “Main Services”):

1. Crediting of payments made into your current account jar.
2. Debiting of payments made out of the credit balance on your current account jar. You may ask us to make a payment out of your current account jar in a variety of ways including by writing a cheque, by setting up a direct debit or standing order, by requesting cash or by using your debit card.
3. You may specifically request, and we may agree to provide an Arranged Overdraft which will allow you to borrow money from us up to a certain limit.
4. You may make an informal request for an Unarranged Overdraft by instructing us to make a payment which, if we chose to comply with it, would make your current account jar exceed (or further exceed) its overdraft limit or, if you have no Arranged Overdraft, cause your account jar to be overdrawn (or further overdrawn). (Unless we have guaranteed to a third party that we will make the payment, we do not have to comply with an informal request for an Unarranged Overdraft.)
5. Cheque book (including cancellation and replacement if lost and stolen).
6. Debit card (which may also guarantee cheques, if your card includes a cheque guarantee logo).
7. Regular current account jar bank statements (either online or by post).
8. Access to ATM network in the UK and abroad (fees apply for debit card use abroad).

There are additional services which you may ask us for (called “Additional Services”). These include, amongst others, stopping cheques, providing you with copies of paid cheques or extra copies of statements and CHAPS payments.

Charges for our services

Our current charges are set out in our Interest Rates and Charges leaflet, which you can access online at www.if.com Alternatively, you may call 0845 609 4343 to request a printed copy of the Interest Rates and Charges leaflet. You will always be provided with the latest version of our Interest Rates & Charges leaflet, when you open a new current account jar with Intelligent Finance.

You should make yourself familiar with our current charges and changes to them, by reading our Interest Rates and Charges leaflet, by telephoning us or by looking at our website. This will allow you to decide whether or not you wish to incur them and to manage your account jar accordingly. The charges which you will have to pay will depend on the way in which you operate your current account jar.

Additional fees may also apply for some transactions that are not covered by this agreement, such as international payments. Fees for these services are contained in separate conditions which you will receive when you ask to use those services.

The following highlights some of the charges you may have to pay for our Main Services and Additional Services.

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Main Services

If your current account jar remains in credit and we do not receive an informal request for an overdraft, then at present you will not usually have to pay any charges for having the benefit of the Main Services.

If your current account jar remains within your overdraft limit and you do not make an informal request for an overdraft, then you will not usually have to pay any charges for having the benefit of the Main Services. You will have to pay interest on the amount by which you are overdrawn at a rate applicable to Arranged Overdrafts.

If you make an informal request for an overdraft then you will have to pay the following fees for having the benefit of the Main Services on your current account jar:

1. If we do not comply with an informal request for an overdraft, we are entitled to charge you a fee (called an “Unpaid Item Fee”).

2. If you have an Unarranged Overdraft then we will charge you a fee every month (called an “Unarranged Overdraft Fee”) for as long as your account remains overdrawn or (if you have an Arranged Overdraft) overdrawn beyond your overdraft limit. We will also charge you interest on the amount of any Unarranged Overdraft at a higher rate applicable to Unarranged Overdrafts.

Additional Services

We also make charges for some of our Additional Services. These charges are set out in our Interest Rates and Charges Leaflet and information that will help you keep track of your finances is available in our leaflet “Helping you to understand our bank charges”.

What can you do to avoid or reduce overdraft charges?

Contact us to seek to arrange an overdraft. If you require an overdraft or an increase to an Arranged Overdraft, it would be in your interests to contact us to discuss your borrowing requirements as it will be cheaper for you to have an Arranged Overdraft rather than to make several Informal Overdraft Requests.

Check your available balance on the internet or by telephoning us to make sure that you have enough money in your current account jar by 8.30pm to pay everything due to be paid out the following day. The money in your current account jar must be available for withdrawal (for example you must have waited for any cheques you have paid into your current account jar to be available).

Keep a record of any cheques you write and when they have been paid, so that you know how much money is left in your current account jar. A cheque can be presented to us for payment a long time after you have written it, for example if the person you gave the cheque to delays paying it into their account.

Check your statements and make a list of your regular payments e.g. mortgage/loan/rent. Keep a list of when all direct debits and standing orders are due.

If a direct debit payment date is a bad time in the month for you, e.g. just before you are paid, contact the company involved and ask them if they would like to collect it at a more convenient time.

If you have charges that are due to be paid remember to include these in your budget.

Changes to current account jar services and charges

We review our services and the way in which we charge for them, from time to time. We may change the Main Services and the Additional Services that we make available. We may change both the amount and the types of charges. You will be informed of any changes in our charges for the day to day running of your account. Conditions A.8, A.9, A.12 and section D explain when we may change the interest rates, charges or fees and interest rates and conditions for your current account jar, and how we will tell you about the changes.
B.1 The different sections of this booklet

This section only applies to current account jars within your Intelligent Finance plan. It must be read alongside section A, section D the introduction to this section.

The general conditions for your current account jar are included in this Section B. Section D details how certain payment arrangements can be made on your current account jar.

Your current account jar is a payment jar.

B.2 Cash withdrawals

B.2.1 On any day you may only withdraw cash of up to the maximum amount we set for cash withdrawals from cash dispensers. You must have enough money in your current account jar or an Arranged Overdraft. These limits are set out in our Interest Rates and Charges leaflet available on our website.

B.3 How are receipts allocated when they are paid into your current account?

B.3.1 Receipts which are paid into your current account jar affect your current account jar balance as detailed in the table at condition A.6.1.

B.3.2 We will not charge interest on Unpaid Item Fees and Unarranged Overdraft Fees.

B.3.3 Unpaid Item Fees and Unarranged Overdraft Fees will be reflected in your current account jar or overdraft balance but will not affect the current account jar or overdraft balance for the purposes of offsetting (see condition A.7.7). Your current account jar balance, which is available for offsetting will not be reduced by these charges or fees.

B.3.4 When your current account jar is overdrawn, any payment received into your current account jar will be used firstly to pay off any Unpaid Item Fees and Unarranged Overdraft Fees, until those charges or fees have been repaid in full. Later payments received into your current account jar balance will be applied to any remaining overdraft balance.

B.4 When can we take money out of your current account jar?

B.4.1 We can take money out of your current account jar to cover:

B.4.1.1 each withdrawal;

B.4.1.2 each cheque and any other item which is paid into your current account jar but later returned to us unpaid;

B.4.1.3 the interest which you have to pay us on any overdraft;

B.4.1.4 any charge that you owe us on your current account jar (including Unarranged Overdraft Fees and Unpaid Item Fees);

B.4.1.5 any loss or expense we suffer in connection with your current account jar unless any of conditions B12.1, B12.2, B13.1, B13.2 or B13.3 apply.

We may do any of these if your current account jar is in credit or overdrawn or if it goes overdrawn because of the amount that we take out of your current account jar.

We can also take money out of your current account jar under condition A.11.

B.4.2 We can refuse to pay a cheque or other withdrawal, which you instruct us to pay out of your current account jar if you have not got enough money in your current account jar at the time when we check your current account jar balance; which might, at the earliest, be the close of business on the banking day before the withdrawal. We will take account of any Arranged Overdraft and the amount of any withdrawal which we still have to take out of your current account jar (for example, if you have just made a debit card transaction).
B.4.3 We may let you set up a standing order or similar arrangement on your current account jar so that you can pay someone else. We will check the balance of your current account jar on the day before we send it. We will send the payment on the date we are asked to pay it. Please see condition D.2.4 for details of the timing for the making of the payment from your current account.

B.4.4 We may let you set up a direct debit on your current account jar so that you can pay someone else. We will make the payment when the person or organisation you have authorised to receive the payment asks us to. However, we will not be responsible for making sure the payment is made by a certain date. This is because the person that you have agreed to pay by direct debit has to ask for the payment to be made from your current account jar.

B.4.5 When we use our rights under conditions A.11.6 or A.11.7, we may use the money in your current account jar to reduce or pay off the debt you owe us provided we only use those parts of your money as described in conditions A.11.6 or A.11.7 respectively.

B.5 Using cheques

B.5.1 Important: When you write a cheque you must put the actual date on it. If you put a future date on a cheque we can still pay it before the date on the cheque. If this happens, we will not pay you for any loss that you suffer as a result.

B.5.2 You must not change any of the printed words on the cheques in your cheque book including the ‘Account Payee’ crossing. We may pay a cheque even if you change one of the printed words on it.

B.5.3 We may pay a cheque which you write to pay money out of your current account jar even if the date on the cheque is more than six months ago.

B.5.4 Unused cheques belong to us. You must return them to us (or to someone acting for us) if we ask you to do so. For example, we may do this if condition A.11, A.15 or A.17 applies or if:

B.5.4.1 we believe that the cheques are being used by someone else;

B.5.4.2 we believe that you are not keeping to the conditions relating to the use of cheques or if you have an Unarranged Overdraft on your current account jar; or

B.5.4.3 we need to replace them for technical, security, regulatory or design reasons.

B.5.5 You must not ask for money at the address which is printed on your cheques.

B.5.6 On any day you may only make withdrawals of up to the maximum amount we set for cash withdrawals from any cash dispenser.

B.5.7 If we think that you are not keeping to these conditions, we may refuse to give you new or replacement cheques.

B.6 Stopping payments

B.6.1 Important: You can stop a cheque which you have written if you tell us before we are asked to pay it. You cannot stop a cheque that you have used your debit card to guarantee (see condition B.8.1).

B.6.2 Important: You cannot stop a debit card transaction

B.6.3 If you want to stop a standing order, direct debit or similar arrangement to pay someone from your current account jar, you must let us know before the end of the banking day before the date payment is due to be made.

B.6.4 If you tell us to stop a direct debit payment, this will have the effect of cancelling the direct debit instruction you have given to the person who has requested the payment. If you want to use a direct debit to pay that person in the future, you will need to complete a new direct debit instruction.
B.7 Taking care of your debit card

B.7.1 We may agree to give you a debit card if you have asked for one or when you open your current account jar. We may ask you to pay a sum of money into your current account jar before we give you your debit card. If you pay this money in by cheque, we may wait until the cheque has cleared. We may then send you a replacement or new card. We will tell you what you can use your debit card for.

B.7.2 You must sign your debit card as soon as you get it.

B.7.3 At all times, you must take every care:

B.7.3.1 to stop anyone else using your debit card;

B.7.3.2 not to keep your debit card with any cheque book for your current account jar;

B.7.3.3 to keep your debit card safe and to prevent it from being lost, stolen or used by anyone else.

B.7.4 You must only tell or show someone the numbers printed on your debit card if you need to do so to make a debit card transaction or to guarantee a cheque. You can also give the numbers if you report the loss or theft of your debit card or report that your debit card might be used by someone else.

B.7.5 You should keep your debit card receipts safe and dispose of them carefully.

B.7.6 Intelligent Finance VISA debit cards are now part of the global “Verified by VISA” scheme. This service is available through Intelligent Finance Secure and means that when you are shopping online with your Intelligent Finance VISA debit card, certain retailers who are part of the scheme will prompt you to enter your chosen password before a transaction can be completed. This extra security measure will help reduce online fraud. You can register for Intelligent Finance Secure when using your debit card at any participating website, or you can register any time and find out more on our website at www.if.com

B.8 When can you use your debit card?

B.8.1 Unless condition B.8.4, B.8.5 or B.8.6 applies, you may use your debit card from the ‘valid from’ date until the expiry date shown on your debit card. You may need to call us before you can use your debit card. We will pay for any withdrawals which you make by using your debit card by making an automatic transfer from your current account jar.

B.8.2 Your debit card belongs to us. You must destroy it immediately after the expiry date (if there is one shown on your debit card).

B.8.3 You may give your debit card back to us at any time.

B.8.4 You must return your debit card to us (or to someone acting for us) if we ask you to. We may do this if condition A.5, A.11, A.15, A.17 or D.7 applies or if:

B.8.4.1 we believe that your debit card is being used by someone else or we are otherwise concerned about its security,

B.8.4.2 we believe that you are not keeping to the conditions in sections A, B and D in an unauthorised or fraudulent manner,

B.8.4.3 we need to replace your debit card with a new one for technical, security, regulatory or design reasons;

B.8.4.4 you enter into a voluntary arrangement with anyone you owe money to (or you are going to do so);
B.8.4.5 you apply to a court for an interim order (that is, a court order which gives you temporary protection from claims made by someone you owe money to);

B.8.4.6 a bankruptcy order is made against you or we think that one is likely to be made;

B.8.4.7 an administration order has been made under the appropriate legislation which covers how you are to repay money which you owe, or

B.8.5 If we ask you to return your debit card, you must return it to us as soon as possible. If you do use your debit card again, we may take out of your current account jar the amount of any withdrawal which you make by using your debit card.

B.8.6 If we think that your debit card is being used by someone other than you, we may (without telling you first) put a 'stop' on the debit card to stop anyone using it.

B.8.7 We may withdraw facilities on your debit card (for example, removing the cheque guarantee function) after reviewing your personal circumstances or the way you run your current account jar. We will tell you what you can use your card for.

B.8.8 Unless it is our fault, if someone else refuses to accept your debit card or keeps it, we will not pay you for any loss you suffer (for example, if a shop assistant thinks that your debit card has been stolen).

B.9 How do you use your debit card to guarantee a cheque?

B.9.1 If your debit card has a cheque guarantee sign on it, we will always pay a cheque you write for no more than the amount shown on the cheque guarantee sign on your debit card, if the person that you make the cheque out to complies with the Association for Payment Clearing Services Rules of the United Kingdom Domestic Cheque Guarantee Card Scheme. Copies of the rules are available from us.

B.10 Taking care of your PIN

B.10.1 We will give you a PIN to use with your debit card. The same PIN is used in cash dispensers as well as when you make other debit card transactions.

B.10.2 When you get the PIN to use with your debit card, you should change it to a number that you will remember easily. We will tell you how to do this.

B.10.3 You must take all reasonable steps to keep your PIN secret at all times. You must:

B.10.3.1 take every care to stop anyone else using it;
B.10.3.2 immediately destroy the piece of paper we send you to tell you what your PIN is; and
B.10.3.3 not write your PIN on your debit card or anything usually kept with it.

B.10.4 If you do write your PIN down, you must disguise it so that no one will know it is a PIN.
B.11 What should you do if your debit card, PIN or cheques are lost or stolen or you think they might be used by someone else?

B.11.1 Debit card and PIN – If you lose your debit card, if it is stolen or you think that someone else might use it, or if you think that someone else knows your PIN, you must tell us as soon as you can by telephoning 0845 605 9595 (+44 131 658 3990 from abroad) or writing to Intelligent Finance, Bank of Scotland plc, P.O. Box 17316, Edinburgh EH12 1AY. Someone acting for you (for example, a card notification organisation) may contact us on your behalf. You must give us any help we think is necessary to try to recover your debit card or to find out who might have used your debit card or PIN.

B.11.2 Cheques – If your cheque book or a cheque is lost or stolen from your cheque book or you think that one of your cheques might be used by someone who should not use it, you must tell us as soon as you can by telephoning 0845 605 9595 (+44 131 658 3990 from abroad) or writing to Intelligent Finance, Bank of Scotland plc, P.O. Box 17316, Edinburgh EH12 1AY. You must give us any help we think is necessary to try to recover your cheque book or any missing cheques or to find out who may have used them.

B.11.3 If you report your cheque book or a cheque as being lost, stolen or likely to be used by someone else and you find it again, you must:

B.11.31 tell us as soon as you can by getting in touch with us or phoning us – see above; and

B.11.32 not use that cheque book or cheque until you have told us you have found it.

B.12 When are you legally responsible if you lose your debit card or PIN or they are stolen or used by someone else?

B.12.1 You will not be responsible for a debit card, PIN or personal security details being used:

B.12.1.1 after you have reported that it is lost, stolen or might be used by someone else (unless it is used by you or on your behalf), or

B.12.1.2 where we have failed to provide a notification process to you for reporting the loss or theft (we provide this process through the telephone numbers provided in condition B.11.1 and on our website at www.if.com unless this failure was due to our failure to provide this service because of strikes, power cuts, equipment not working or other causes beyond our reasonable control.

B.12.2 Unless condition B.12.4 applies, if you lose your debit card, it is stolen or you think someone else might use it, or if you think that someone else knows your PIN or personal security details, the most you will have to pay us for any loss we suffer because of the use of the debit card or PIN will be £50. The £50 limit applies for the period until:

B.12.2.1 you or someone acting for you has given notice under condition B.11.1; or

B.12.2.2 you get the debit card back.

B.12.2.3 Condition B.12.2 does not apply if condition B.12.3 or B.12.4 applies.

B.12.3 You may have to pay more than £50 in the following circumstances:

B.12.3.1 if your current account is overdrawn or goes overdrawn or further overdrawn because the debit card was used (before we received notice under condition B.11.1) by someone who got the debit card with your agreement.

B.12.3.2 In any other case if you have been fraudulent or grossly negligent in connection with the loss or theft of your debit card, PIN or personal security details in allowing someone else to have your debit card, PIN or personal security details for example, if you have not followed the instructions in conditions B.7 and B.10. (These conditions set out what steps you should follow to protect your debit card, PIN and other personal security details from misuse.)
You will not have to pay us any money for any loss we suffer because of the use of the debit card, PIN or personal security details where your debit card, PIN or personal security details have been used without your authority in connection with a distance contract as defined by the Consumer Protection (Distance Selling) Regulations 2000 or the Financial Services (Distance Marketing) Regulations 2004, for example, if your debit card has been stolen and then used to purchase goods over the internet.

You must not use your debit card if it has been reported as lost, stolen or likely to be used by someone else. If you find your debit card after you or someone acting for you reported it, you must cut it into two pieces through the magnetic strip on the back of your debit card and through the hologram (if your debit card has one). If you use it to make a withdrawal, we may still take the amount of the withdrawal out of your current account jar.

If there is a disagreement between us and you about the loss, theft or use of your debit card or PIN, we will only be able to get back any loss of more than £50 if we prove the necessary facts.

If we reasonably think that:

1. you or someone else is using your current account jar illegally;
2. the debit card is being used in an unauthorised or fraudulent manner; or
3. your debit card or PIN has been lost, stolen or is being used by someone else, we can refuse to carry out a debit card transaction. We can tell any relevant person that we have done this. We will contact you at the earliest opportunity and in any event no later than the end of the third banking day following the use of the card. Following receipt of this notification you can contact us on 0845 609 4343 to find out how to rectify any errors.

Our legal responsibility for debit card transactions

1. We will be responsible for paying the amount of any withdrawal made with your debit card or PIN after you or someone acting for you gives us notice under condition B.11.1 unless:
   - you make the withdrawal or it is made by someone for you;
   - you have been fraudulent or grossly negligent as mentioned in condition B.12.3.2.
   - if you never get your debit card or personal security details from us (for example they are lost in the post), we will be responsible for paying the amount of any withdrawal made using them.
   - We will be responsible for any loss on your current account jar which occurs as a result of a fault in a cash dispenser or other system you use with your debit card. We will not be responsible if the fault was obvious to you or you were told about it by a message or notice.
   - Our responsibility under condition B.13.1, B.13.2 or B.13.3 will be limited to any amount (including interest) which we should not have charged to your current account jar.
   - We will not be responsible for any loss or expense which you suffer:
     - if your debit card is damaged;
     - if any bank, machine, terminal, retailer or anyone else refuses to accept the debit card or keeps it; or
     - if we cannot carry out any withdrawal, payment into your current account jar or other transaction on your current account jar, or if we cannot provide any services, because of strikes, power cuts, equipment not working or other causes beyond our reasonable control.
Borrowing from us

B.14 Arranged Overdrafts

B.14.1 You may formally request, and we may agree to provide, an Arranged Overdraft, which will allow you to borrow money from us up to a certain limit. You may make such a formal request by contacting us specifically to organise an overdraft or increase your overdraft limit.

B.14.2 If we agree to an Arranged Overdraft, we will decide your overdraft limit and tell you what it is.

B.14.3 We may change your overdraft limit at any time but we will usually only reduce your overdraft limit or withdraw your Arranged Overdraft where:

B14.3.1 you have failed to regularly fund the current account jar;
B14.3.2 you are in breach of a condition relating to the use of the overdraft;
B14.3.3 your circumstances have changed for the worse;
B14.3.4 we reasonably believe that the risks of lending to you have increased; or
B14.3.5 we reasonably believe that the reduction or withdrawal of the overdraft facility is necessary to prevent you from incurring a debt which you will be unable to repay.

We will inform you by letter of any change in your overdraft limit.

B.14.4 If you have an Arranged Overdraft, we will charge you interest at the rate we set for Arranged Overdrafts on any money you borrow under the Arranged Overdraft up to the amount of your overdraft limit.

B.15 Unarranged Overdrafts

B.15.1 You may also make an informal request for an overdraft by giving us a current account instruction to make a payment which, if we complied with it, would make your current account jar exceed or further exceed its overdraft limit or, if you have no Arranged Overdraft, cause your current account jar to be overdrawn or further overdrawn. An overdraft, which has not been arranged with us in advance is called an Unarranged Overdraft

B.15.2 Whenever you make an informal request for an overdraft, we will consider it and decide whether or not to comply with it. We do not have to comply with any such request, unless we have guaranteed to a third party that we would make the payment requested.

B.15.3 If, on considering an informal request for an overdraft, we decide not to make the payment, we will inform you of our decision by letter, and we are entitled to charge you an Unpaid Item Fee. This fee will be collected from your current account jar automatically at the end of the month following the month in which the Unpaid Item Fee is incurred.

B.15.4 We are also entitled to charge you a fee (called an Unarranged Overdraft Fee) for every month in which you at any time have an Unarranged Overdraft, which will be collected from your current account jar automatically at the end of the following month.

B.15.5 If you have an Unarranged Overdraft, we will charge you interest at the rate we set for Unarranged Overdrafts on that proportion of the amount which is unarranged. The unarranged proportion of your overdraft will not contribute to your current account jar balance for offsetting purposes. This rate will usually be higher than the rate we set for an Arranged Overdraft. This is in addition to any other fees which arise under conditions B15.3 and B15.4.
B.16 All Overdrafts

B.16.1 The current interest rates and charges for overdraws are set out in leaflet format. They are also available online at www.if.com or by calling Intelligent Finance on 0845 609 4343.

B.16.2 We may change the rates of interest we charge and the level of charges or fees which you incur on overdrafts (see conditions A.8 and D.3).

B.16.3 On each key date, we will work out what interest you have to pay us on your overdraft for the interest period that has just ended. At the end of each month we will add the amount of interest you owe us to the amount of the overdraft (or take it off your credit balance). If you have to pay us interest in connection with your overdraft, we will give you at least 14 days’ notice that we intend to add the amount of interest you owe us to the amount of your overdraft (or take it off your credit balance) before doing so.

B.16.4 If we have:

B.16.4.1 asked you to pay any money you owe us on your current account jar, or

B.16.4.2 got a court judgment for you to pay any money you owe us on your current account jar,

then, for as long as your current account jar is overdrawn, you will have to pay interest under condition B.16.3 and any charges on your overdraft. If we have got a court order for you to pay any money you owe us on your current account jar, condition A.7.12 will apply.

B.16.4.3 At any time, we may, subject to condition B.16.3, require you to pay us the whole part of any overdraft, interest and charges which you owe on your current account jar.

B.16.4.4 If you close your current account jar, we will follow the steps in condition B.16.3 to work out the interest you owe us and have to pay us for each day your current account jar is overdrawn in the month in which the current account jar is closed (including the day on which it is closed). You have to pay us this sum plus any interest owed under condition B.16.3 which has not yet been applied to your current account jar. You will also have to pay any overdraft and charges which you owe us.

B.16.5 If you do require an overdraft or an increase to an Arranged Overdraft, it would be in your interests to contact us to discuss your borrowing requirements as it will be cheaper for you to have an Arranged Overdraft rather than make several informal requests for an overdraft.

B.17 What happens if your current account jar is in joint names?

B.17.1 If your current account jar is a joint jar these conditions apply to both of you together and to each of you separately (see condition A.5). For example, if you owe us any money on your joint current account jar, we can claim it back from both of you or both of you.

B.17.2 If you have a joint current account jar you can only operate your current account jar on an either to sign basis. This means that we may accept the instructions or signature of either one of you. For example we may:

B.17.2.1 take out of your current account jar the amount of a withdrawal made be either one of you, or

B.17.2.2 allow either one of you to apply for an overdraft or close your current account jar.

B.17.3 If you have a joint current account jar and you tell us that you only want us to accept instructions from both of you (and not just one of you), both of you must first return your debit cards and unused cheques (if you have a cheque book) to us. We may then close your current account jar and, if we choose, offer both of you the opportunity to open a current account jar in your sole name. Details of how we can close your current account are included in condition D.11.

B.17.4 If one of you dies, we will continue to accept instructions in connection with your jar from the survivor.

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B.17.5 If you no longer require a joint jar, you must tell us:

B.17.5.1 how you want us to divide the money we owe you (if any) between you;

B.17.5.2 how you intend to repay any money you owe us (whether under an Arranged Overdraft or an Unarranged Overdraft); and

B.17.5.3 what arrangements you want to make for payment of any standing orders and direct debits set up on the jar.

B.17.6 If you ask us following our plan security procedure, we will supply:

B.17.6.1 one cheque book to each of you (but only if we let you have a cheque book with your current account jar); and

B.17.6.2 one debit card to each of you.

B.17.7 You must not use a debit card which we supply to the other one of you.

B.17.8 If you live at different addresses, we will send you any debit cards or cheque books to be used in connection with your current account jar to the address of the person whose name appears first on our records for your Intelligent Finance plan.

B.18 Automatic transfer of money between current account jars and savings jars

B.18.1 If you have a current account jar and a savings jar in your Intelligent Finance plan, you can ask us to set up an arrangement where we will automatically transfer money from your savings jar (provided there is enough money in it) to your current account jar if the credit balance in your current account jar at the end of each banking day is less than an amount you tell us from time to time or your current account jar is overdrawn. The maximum amount we will automatically transfer on any banking day is £1,000. We may increase this maximum amount.

B.18.2 You can only link one savings jar to each current account jar for the purposes of this arrangement.

B.19 Your rights

B.19.1 You have the right to change your mind about opening a current account jar within your Intelligent Finance plan.

B.19.2 If you wish to change your mind, you must tell us within 14 days starting from the day after your current account agreement is concluded. We will help you switch your money into another jar or we will give all your money back with interest. We will ignore any notice period and any charges on the jar. If you paid any money in by cheque, we will pay you the money back once seven banking days have passed since we received the cheque. Notice should be given in writing to Intelligent Finance P.O. Box 17316, Edinburgh EH12 1AY.
Section C - Savings

C.1 The different sections of this booklet
This section only applies to the savings jars within your Intelligent Finance plan. It must be read alongside section A. Savings jars can be payment jars or non payment jars. ISA jars are non payment jars and the relevant provisions specified in these conditions as only applying to payment jars will not apply to any ISA jar. Any other savings jar is a payment jar. We can change whether a jar is a payment jar or not if it is reasonable to make the change:

C.1.1 to reflect changes to the law or a code of practice that applies to us;
C.1.2 to reflect a decision or recommendations made by, or a requirement of, a court, ombudsman, code of practice that applies to us, regulatory or similar body or the application of the Payment Services Regulations; or
C.1.3 to reflect changes in the way banks and other organisations offering similar services treat the accounts they offer.
Notice of any change will be given to you in accordance with these conditions.

C.2 How do you use your savings jar?
C.2.1 We will tell you the smallest amount of money you must pay into each savings jar before you can open it.
C.2.2 You cannot make an international payment from your savings jar. To make an international payment you will need to make an internal transfer to your current account jar and then make the international payment from that jar. Please see condition D.9.

C.3 When can we take money out of your savings jar?
C.3.1 We can take money out of your savings jar to cover:
C.3.1.1 each withdrawal;
C.3.1.2 each cheque and any other item which is paid into your savings jar but later returned to us unpaid;
C.3.1.3 the interest which you have to pay us if your savings jar goes overdrawn;
C.3.1.4 any charge which you owe us on your savings jar.
We may do any of these if your jar is in credit or overdrawn or if it goes overdrawn because of the amount that we take out of your savings jar.
C.3.2 We may let you set up regular transfers (but not direct debits or standing orders) from your savings jar to the current account you have chosen to connect to the jar or any other savings jars within your Intelligent Finance plan.
C.3.3 When we use our rights under conditions A.11.6 or A.11.7, we may use the money in your savings jar to reduce or pay off the debt you owe us provided we only use those parts of your money as described in conditions A.11.6 or A.11.7 respectively.

C.4 Overdrawn accounts
C.4.1 There is no overdraft on your savings jar.
C.4.2 If your savings jar goes overdrawn, we will charge you interest at the same rate or rates we set for Unarranged Overdrafts on current account jars. You must also immediately pay us the amount that you are overdrawn (and...
any charges) so you are no longer overdrawn.

Your rights

C.5.1 You have the right to change your mind about opening a savings jar within your Intelligent Finance plan (except one where we pay you interest at a special rate).

C.5.2 If you wish to change your mind, you must tell us within 14 days from the day after your savings agreement is concluded. We will help you switch your money into another jar or we will give all your money back with interest. We will ignore any notice period and any charges on the jar. If you paid any money in by cheque, we will pay you the money back once seven banking days have passed since we received the cheque. Notice should be given in writing to Intelligent Finance P.O. Box 17316, Edinburgh EH12 1AY.

C.6 What happens if your savings jar is in joint names?

C.6.1 We will accept the instructions or signature of either one of you.

C.6.2 Either one of you can withdraw the whole balance in the jar, irrespective of which of you deposited the funds.

C.6.3 If your jar is overdrawn each one of you is responsible for repaying the whole amount you owe us and not just a part of it.

C.6.4 If one of you dies, we will continue to accept instructions in connection with your jar from the survivor.

C.6.5 If you no longer require a joint jar, you must tell us how the funds are to be divided.

C.6.6 To the extent that there is a disagreement about who owns the money in your non payment jar or how it is to be operated, we may freeze your jar. This means we will not allow anyone to take money out, pay money in (unless we agree) or carry out any other transaction until we are satisfied that the disagreement is settled.

C.7 Intelligent Finance Isaver

C.7.1 The Intelligent Finance Isaver is a savings jar within your Intelligent Finance plan.

C.7.2 If we say you can open an Intelligent Finance isaver you agree:

C.7.2.1 to operate the Intelligent Finance isaver jar online only, unless you are directed to the telephone in specific circumstances e.g where an online function is temporarily unavailable or for security reasons;

C.7.2.2 that you are 16 years of age or over; and

C.7.2.3 that you will use your Intelligent Finance isaver jar for personal use only and must not use it as a partnership, company or other kind of business account or as a club or charity account.

C.7.3 The Intelligent Finance isaver jar will be included in the way we work out interest on the offset credit balances and offset debit balances for the jars in your Intelligent Finance plan which is set out in detail in condition A.7.7

C.8 Individual Savings Accounts

Key Features

General

C.8.1 An ISA is an individual savings account in which all interest is paid free of income tax and capital gains tax. There are two different types of ISAs. Your ISA is a non payment jar.

C.8.1.1 Stocks and Shares ISA – an ISA which contains various qualifying investments. A Stocks and Shares ISA may not include cash other than cash held solely for the purpose of making qualifying investments.
C.8.1.2 Cash ISA — an ISA which contains cash or certain specified investments which cannot be included in a Stocks and Shares ISA. Cash deposits into your Intelligent Finance ISA jar are Cash ISAs.

C.8.2 If you have a Cash ISA it must be included in your Intelligent Finance plan. We only provide Cash ISAs.

C.8.3 You can withdraw any of your money or close your jar, without giving us notice. The amounts which you deposit in these accounts in any tax year will be subject to the maximum limits imposed by the Government.

C.8.4 On your written request, we will transfer or pay to you, as the case may be, ISA savings, interest, dividends and any other rights or proceeds in respect of such savings or any cash.

C.8.5 To open and operate an Intelligent Finance Cash ISA:

C.8.5.1 you must be 18 or over;

C.8.5.2 you must be resident and ordinarily resident in the United Kingdom or qualify for ISA tax benefits;

C.8.5.3 you must not have already subscribed to another Cash ISA in the same tax year;

C.8.5.4 the jar must only be held in, and must remain in, your sole name; and

C.8.5.5 the jar must not be used as a sole trader, partnership, company account or as any other kind of business account or club or charity account (see condition A.3.12).

C.8.6 You have an annual ISA investment allowance which covers both your Cash ISA and any Stocks and Shares ISA held by you. You also have an annual limit for your Cash ISA. (Details of the limits are provided in your Interest Rates and Charges leaflet. You may also access the details online at www.if.com or by calling 0845 609 4343.)

C.8.6.1 If you deposit less than your annual Cash ISA subscription limit in any tax year, the unused element of your annual Cash ISA subscription limit will be available for use as part of your annual ISA investment allowance. You may invest a sum equal to the remaining element of your annual ISA investment allowance, with a provider of Stocks and Shares ISAs.

C.8.6.2 Once you have deposited an amount equal to the maximum subscription limit for a Cash ISA in any tax year you may make no further subscriptions to your Cash ISA in that tax year regardless of any withdrawals you have made. Transfers from Cash ISAs to Stocks and Shares ISAs are not withdrawals. You may make further subscriptions to your Cash ISA in the following tax year.

C.8.7 If you wish, you can transfer all of the value of current and previous tax years’ subscriptions in your Intelligent Finance ISA jar to another ISA provider by notifying us in writing. We will carry out this transfer within 30 days of the date on which we receive your request. Partial transfers are not generally permitted subject to condition C.8.7.2.

C.8.7.1 You are able to transfer money which is in your Intelligent Finance Cash ISA and has been saved in the current tax year, from your Intelligent Finance Cash ISA to a Stocks and Shares ISA with another ISA provider. If you do so, you must transfer the whole amount saved in your Intelligent Finance Cash ISA in the current tax year, into a Stocks and Shares ISA. The sum transferred will be treated as if it has been invested directly into the Stocks and Shares ISA and so you will still be able to deposit funds equivalent to your annual investment allowance for Cash ISAs in a new Cash ISA.

C.8.7.2 You are able to transfer money which is in your Intelligent Finance Cash ISA and has been saved in previous tax years, from Intelligent Finance Cash ISA to a Stocks and Shares ISA with another ISA provider. If you do so, you do not need to transfer the whole amount which has been saved in your Intelligent Finance Cash ISA jar, in previous tax years. You will still be able to use your whole annual ISA investment allowance for the current tax year.

C.8.8 If part of your ISA is a jar which is subject to a notice period for withdrawals, we will not charge you a penalty if you decide to transfer your Intelligent Finance Cash ISA to another ISA provider.

C.8.9 If you die, any interest which we pay following the date of your death will not be exempt from tax.

C.8.10 If
C.8.10.1 any of the information you give us in your application is found to be incorrect; or

C.8.10.2 you have subscribed to more than one Cash ISA in any tax year:

then we will tell you if your Cash ISA has become void as it no longer satisfies the ISA regulations. In such an instance, we will pay you the full credit balance of your ISA with us.

C.8.11 If you cancel a Cash ISA within the cooling-off period, your Cash ISA will be deemed not to have existed for the purpose of calculating whether you have exceeded the investment allowance for the current tax year and you will be entitled to subscribe to a further Cash ISA.

C.8.12 If you fail to subscribe to your Cash ISA in any tax year you must make a new ISA declaration before you will be able to deposit funds in your Intelligent Finance Cash ISA jar. If you telephone us on 0845 609 4343 we will tell you how to do this.

C.8.13 Your Cash ISAs must not be used as security for a loan.

C.8.14 We will write to you once a year to remind you of the terms of your Cash ISA and your obligations.

C.9 Sole trader business savings jars (no longer available for sale)

C.9.1 You may only use your sole trader business savings jar, as a sole trader account and you must not use it as a partnership, company or other kind of business account or as a club or charity account.

C.9.2 You can only pay cheques made payable to your business into your sole trader business savings jar with the same name.

C.9.3 If you wish to change the name of your sole trader business savings jar, for whatever reason, you must contact us. You must not change the name of the jar before you have contacted us and we agree that you can change the name. Failure to contact us may result in cheques not being accepted into your sole trader business savings jar.

C.9.4 The sole trader business savings jar will be included in the way we work out interest on the offset credit balances and offset debit balances for the jars in your Intelligent Finance plan which is set out in detail in condition A.7.7.
Section D - Payment Services Contract

D1  Application of this Section

D.1.1 This section applies to your payment jars and certain payment services provided by us on your payment jars. In addition the provisions relating to payment transactions apply to payment transactions carried out on your Cash ISA. It should be read alongside the terms in sections A, B and C relevant to your jars. Any words with a special meaning in this section have the meaning given to them in condition A.2.1.

D.1.2 This section applies to the following services: Bacs, CHAPS, internal transfers, payments made using the online, telephone banking services, direct debits, standing orders and debit card transactions or any other automated payment.

D.1.3 The payment services covered by this section relate to transactions where:

D.1.3.1 the payment service provider of the payee is located in the EEA; and

D.1.3.2 the payment service is carried out in Euro or in the currency of an EEA State that has not adopted the Euro as its currency.

D2  How you instruct us to carry out transactions.

D.2.1 Before we carry out instructions to carry out an automated payment on your payment jars and your Cash ISA these must be authorised by you in one of the following ways:

D.2.1.1 by calling Intelligent Finance on 0845 609 4343 or logging on to www.if.com, by providing your personal security details to us and requesting an available withdrawal from your current account or savings jars or Cash ISA jar;

D.2.1.2 by inserting your debit card into an automated teller machine and keying in your personal security details to make a request for a cash withdrawal from your current account jar;

D.2.1.3 orally or in writing by providing your debit card details or your jar details to us, one of our representatives or a third party requesting a withdrawal or to transfer money from your jar;

D.2.1.4 providing your jar details to complete an automated payment from the jar;

D.2.1.5 by using your debit card to instruct a transaction.

D.2.2 Your current account instructions, savings payment jar or Cash ISA instructions to carry out a payment can include a single payment, a series of recurring payments (including payments for an indefinite period) or pre-authorising a future payment of a certain (or uncertain) amount.

D.2.3 In the event that a transaction has not been properly authorised by you under condition D.2.1 you may authorise the transaction after it has been made by providing your consent to the payment either orally or in writing to us.

D.2.4 Where we receive your current account instructions, savings payment jar or Cash ISA jar instructions and provided it is authorised in accordance with condition D.2.1 to make a payment from your jar we have set out below details of the transaction times for each type of payment and the time in the day prior to which your instructions must be received to allow the payment to begin being processed that day.
<table>
<thead>
<tr>
<th>Type of automated payment out</th>
<th>Cut Off Time</th>
<th>When the payment appears on your statement (transaction date)</th>
<th>When the payment stops earning interest (or is included in the interest calculations if you are overdrawn)</th>
<th>When the payment is available to the payee</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHAPS</td>
<td>completed instruction by 2.30 p.m. Monday to Friday</td>
<td>on the banking day you instruct us to send the payment</td>
<td>immediately on the date we send the payment</td>
<td>same day</td>
</tr>
<tr>
<td>Bacs</td>
<td>Current account completed instruction by 6.00 p.m. Monday to Friday</td>
<td>Current account-on the banking day you instruct us to send the payment</td>
<td>if instructed before 6.00 p.m. on a banking day on the day we take the money out of the jar</td>
<td>3 banking days after we send the payment</td>
</tr>
<tr>
<td></td>
<td>Savings- (including Cash ISA) completed instruction by 8.30 p.m Monday to Friday</td>
<td>Savings- on the banking day after you instruct us to send the payment</td>
<td>if instructed after 6.00 p.m on the next banking day</td>
<td></td>
</tr>
<tr>
<td>Recurring Bacs (Savings payment jars only)</td>
<td>Online- no cut off telephone completed instruction by 6 p.m Monday to Friday instruction to be given before the first payment date</td>
<td>3 banking days after you instruct us to send the payment</td>
<td>3 banking days after you instruct us to send the payment</td>
<td>3 banking days after you instruct us to send the payment</td>
</tr>
<tr>
<td>Internal transfer between jars within your Intelligent Finance plan or to another Intelligent Finance plan using a Move Money instruction</td>
<td>online- no cut off telephone- during Contact Centre hours which are available online at <a href="http://www.if.com">www.if.com</a> or by telephoning 0845 609 4343</td>
<td>same day you instruct us to send the payment or (if that day is a Sunday, or in the case of a current account jar on 25th December) the next day Move Money transactions instructed after 8.30 p.m - the next day</td>
<td>same day</td>
<td>same day</td>
</tr>
<tr>
<td>Direct Debit (not available on savings payment jars)</td>
<td>not applicable</td>
<td>day we receive the request for payment</td>
<td>day we receive the request for payment</td>
<td>3 banking days from receipt of request for payment</td>
</tr>
<tr>
<td>Standing Order (not available on savings payment jars and Cash ISA jars)</td>
<td>on-line no cut off telephone-completed instruction by 6.00 p.m. Monday to Friday instruction to be given opening hours before the first payment date</td>
<td>on the banking day on which you instruct us to send the payment</td>
<td>day the payment is sent</td>
<td>3 banking days from the date the payment was sent</td>
</tr>
<tr>
<td>Debit card transaction (not available on savings payment jars and Cash ISA jars )</td>
<td>not applicable</td>
<td>day we are notified of the debit card transaction</td>
<td>day we are notified of the debit card transaction</td>
<td>3 banking days from the date of the transaction</td>
</tr>
</tbody>
</table>

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Where an instruction is received after the cut off time unless otherwise specified above it will be treated as having been received on the next banking day.

For automated payments made using the Bacs clearing cycle the payment will normally be available within 3 banking days after we receive your instructions to send the payment.

Certain automated payments may require additional authorisation in accordance with our security procedures. If this is necessary your instruction will be treated as being completed after the security check. If this happens, your payment will normally still be sent at the instructed time. We will always adjust the effective date for the interest to ensure that our clients never lose interest because of a security check.

You can find out how your payments move by logging onto www.if.com or by calling 0845 609 4343.

D.2.5 We will not make a standing order payment from your current account jar or a future dated payment instruction on a day which is not a banking day. If you ask us to do so, we will treat it as if the payment were scheduled to be paid on the next banking day.

D.2.6 If you ask us to make a standing order payment from your current account jar or a future dated payment instruction on a day which is not a banking day we will check the balance in your jar:

D.2.6.1 on the evening of the banking day before the payment is due to be made; or

D.2.6.2 on the evening of the Sunday before the payment is to be made, if the next banking day is a Monday.

D.2.7 You can make Bacs payments online from either your current account jar or your savings payment jar.

D.2.8 Other than in the case of future dated payments and cheques, once a transaction is authorised by you it cannot be cancelled.

D.2.8.1 A future dated payment can only be cancelled up to the end of the banking day before the day set for its execution either by contacting us orally, in writing or by logging on to www.if.com.

D.2.8.2 Where you have set up instructions for a number of recurring transactions you may cancel this instruction by contacting us either orally or in writing or by logging on to www.if.com.

This will cancel any of the recurring payments which are set for execution after the end of the day of cancellation where this is a banking day. Where the cancellation is received on a non banking day, it will cancel any recurring payments which are set for execution after the end of the next banking day.

D.2.8.3 Where future dated payments or recurring transactions are initiated by the payee, for example, the supplier, you should also send them notification of cancellation no later than the end of the banking day before the day set for execution.

D3 When can we change the interest rates?

D.3.1 As highlighted in condition A.8.1 we set out details of the interest rates for the different products you can have with us.

D.3.2 We can change the interest rates on your payment jars if it is reasonable to make the change. We will notify you of any change as follows:

D.3.2.1 Where the change is to your disadvantage we will give you two months’ notice of the change and you will be taken to have accepted the change unless you notify us in writing that you do not agree to the change as soon as possible and in any event before the end of the two month period.

If you do not agree to the change you can close your payment jar to which the change relates. If you notify us in writing that you do not accept a change, as soon as possible and in any event before the end of the two month...
period, we will take this notification as notification that you wish to close your payment jar immediately (depending on the jar to which the notification related).

D.3.2.2 We do not need to give you prior notice in accordance with condition D.3.2.1 of any change in interest rate payable on your payment jar where the change is to your advantage or where the interest rate applied to your jar is linked to a reference rate and the change reflects a change in that reference rate. Where we make such an advantageous change or where the change follows a change to a reference rate, we may apply it to the payment jar immediately and will notify you by putting a notice in at least three national daily papers or by writing to you.

D4 When can we change the charges?

We can change the charges applicable to your payment jars if it is reasonable to make the change. Where we make a change to a charge or add a new charge we will give you two months’ notice of the change and you will be taken to have accepted the change unless you notify us in writing that you do not agree to the change as soon as possible and in any event before the end of the two month period. If you do not agree to the change, we will take this notification as notification that you wish to close your payment jar immediately (depending on the jar to which the notification related).

D5 When can we change the conditions in this Section D?

We can change the conditions (in this Section D) if it is reasonable to make the change. If you do not agree to the change you can close your payment jars. We will give you two months’ notice of the change and you will be taken to have accepted the change unless you notify us in writing that you do not agree to the change as soon as possible and in any event before the end of the two month period. We will take this notification as notification that you wish to close your payment jar immediately (depending on the jar to which the notification related).

D6 Unauthorised and incorrectly executed payments.

D.6.1 If you become aware that an automated payment or debit card transaction has not been properly authorised by you or has been incorrectly executed you must notify us by calling 0845 609 4343. This notification must be provided as soon as you become aware of the error and in any event within 13 months of the date the transaction is debited to your Intelligent Finance plan. If you do not notify us you will not be entitled to a refund under this condition.

D.6.2 You may be entitled to claim a refund of the amount of any fees that would not have been applied but for the transaction where a transaction was not authorised by you in accordance with condition D.2.

D.6.3 We are responsible for a transaction:

D.6.3.1 which was not authorised;

D.6.3.2 which was incorrectly executed and you notified us in accordance with condition D.6.1;

D.6.3.3 where a pre-authorised transaction did not specify the exact amount of the transaction at the time your authorisation to the transaction was provided and the amount charged by a supplier was more than you could reasonably have expected taking into account normal spending patterns on your Intelligent Finance plan or the circumstances of the transaction.

D6.3.3.1 A claim for a refund in these circumstances will not be accepted if:

D.6.3.2 you have consented to the transaction;

D.6.3.3 the amount of the transaction was made available to you at least four weeks before the transaction, or

D.6.3.4 the request for a refund is made more than eight weeks after being debited from your payment jar.
• This does not affect your rights under the Direct Debit Scheme.

D.6.3.4 We will not be liable where we can prove the payee's bank or building society is at fault.

D.6.4 In the event of a disputed transaction the burden of proving it was correctly authenticated will lie with us.

D.6.5 Where the transaction was not authorised by you we will immediately refund the transaction to you and restore your jar to the state it would have been in had the transaction not taken place unless we can prove the payee's bank or building society is at fault.

D7 Safeguards & Corrective Measures

D.7.1 Payment Instrument

A payment instrument is any personalised device or set of procedures used by you in order to instruct automated payments and debit card transactions from your jars and includes your debit card and PIN and your personal security details.

D.7.1.1 Our right to stop use of your payment instrument

As set out in section A we have the right to stop the use of a payment instrument on reasonable grounds relating to:

D.7.1.1.1 the security of the payment instrument

D.7.1.1.2 the suspected unauthorised or fraudulent use of the payment instrument or

D.7.1.1.3 for a jar with a credit line (such as your current account jar), a significantly increased risk that you may be unable to fulfil your liability to pay.

D.7.1.1.4 We will advise you of our intention to stop the use of the payment instrument and advise you of the reasons for doing so, so long as this advice will not compromise reasonable security measures or is otherwise unlawful.

D.7.1.1.5 We will allow the use of the payment instrument or replace it with a new payment instrument as soon as practicable after the reasons for stopping its use cease to exist.

D.7.1.2 You must use the payment instrument in accordance with the terms and conditions governing its issue and use as provided to you.

D.7.1.2.1 You must take all reasonable steps to keep its personalised security features safe at all times.

D.7.1.2.2 You must notify us in the agreed manner (see conditions A.4.5 and B.11) and without undue delay on becoming aware of the loss, theft, misappropriation or unauthorised use of the payment instrument. For unauthorised payment transactions notification must be no later than 13 months after the debit date for the transaction.

D.7.1.3 We will ensure that appropriate means are available at all times to enable you to notify us of any loss, theft, misappropriation or unauthorised use of the payment instrument.

D.7.1.3.1 If you notify us as above, we will, upon your request, provide proof that such notification was made at any time during a period of 18 months after the alleged date of the notification.

D.7.1.3.2 We will prevent any further use of the payment instrument once notification as above has been made by you.

D.7.1.4 As soon as you become aware of the loss, theft, misappropriation or unauthorised use of a payment instrument then you must contact us immediately on 0845 605 9595 (+44 131 658 3990 from abroad) or by writing to Intelligent Finance PO Box 17316 Edinburgh EH12 1AY.
**Your liability**

**D.8.1** You are liable for all losses incurred in respect of an unauthorised automated payment transaction where you:

- **D.8.1.1** have acted fraudulently;
- **D.8.1.2** have with intent or gross negligence failed to comply with your obligations under conditions A.4.4, A.4.5 and D.7.1.2;
- **D.8.1.3** Subject to the above you are liable up to a maximum of £50 for any losses incurred in respect of unauthorised payment transactions arising:
  - **D.8.1.3.1** from the use of a lost or stolen payment instrument;
  - **D.8.1.3.2** where you have failed to keep the personalised security features of the payment instrument safe from misuse.
- **D.8.1.4** You are not liable for any losses incurred in respect of unauthorised payment transactions processed by way of a payment instrument which arises after any notification under section D.7.1.4.

**International payments into and out of your payment jars.**

**D.9.1** If you make a debit card transaction in a foreign currency, we will change the amount of the debit card transaction to pounds sterling on the date we pay it into or out of your Intelligent Finance plan. The exchange rate that will apply to these debit card transactions will be the VISA Reference Exchange Rate. The exchange rate we use to convert the payment to sterling will include a conversion fee of 2.25% of the amount of the transaction plus £1.50. The charges for this service are set out in our Interest Rates & Charges leaflet. You can find out the exchange rate by telephoning 0845 609 4343, however if you call before a transaction is added to your Intelligent Finance plan, the rate we provide will only be indicative.

**D.9.2** If you receive money into your payment jars in a foreign currency we will change the amount of the payment into pounds sterling on the date we pay it into the relevant jar. The exchange rate that we will apply is our Retail Reference Exchange Rate for incoming payments. We may also make a charge for this service as set out in our Interest Rates & Charges leaflet. Further details of the actual exchange rate used can be obtained by telephoning 0845 609 4343.

**D.9.3** Where you instruct us to convert any payment or withdrawal other than a debit card transaction, into another currency, this is not covered by this agreement and you will be given separate conditions and details at that time.

**D.9.4** We can make immediate changes to the exchange rate used to convert foreign currency where this is based on an external reference rate (for example the Visa Reference Exchange Rate or the Retail Reference Exchange Rate).

**Information on transactions**

In addition to statements provided on your Intelligent Finance plan you can request additional information from us in respect of automated payments and debit card transactions.

**D.10.1** The information we can provide to you is:

- **D.10.1.1** details of the transactions into and out of your payment jars including a reference enabling you to identify the transactions;
- **D.10.1.2** the amount of the transaction;
- **D.10.1.3** any charges applied to your payment jars in relation to the transaction;
- **D.10.1.4** the date of receipt of the transaction into your Intelligent Finance plan.

**D.10.2** To request this information please call us on 0845 609 4343.
D11  Closing your payment jars

D.11.1 Your payment jars will remain open until closed by either you or us in accordance with these conditions.

D.11.2 We may terminate your payment jars. To do this we must give you at least two months notice.

D.11.3 You may terminate your payment jars at any time by giving us notice. You must give back your cheque books, debit card and pay us anything you owe us on your jar.

D12  Refusing to carry out transactions

D.12.1 We may refuse to carry out transactions on your payment jars if:

D.12.1.1 we are required to do so by law;

D.12.1.2 you are not keeping to these conditions;

D.12.1.3 we think that someone else is trying to access your payment jar;

D.12.1.4 the wrong personal security details have been used for your Intelligent Finance plan;

D.12.1.5 you enter into a voluntary arrangement with anyone you owe money to (or you are going to do so);

D.12.1.6 you apply to a court for an interim order (that is a court order which gives you temporary protection from a claim made by somebody you owe money to);

D.12.1.7 a bankruptcy order is made against you or we think that one is likely to be made;

D.12.1.8 an administration order has been made under the appropriate legislation which covers how you are to repay money you owe;

D.12.1.9 there is a dispute (which we reasonably believe may be genuine) about the ownership or entitlement to the money in the jar;

D.12.1.10 we think you have tried to access any of our other customers’ Intelligent Finance plan or any of our files, programmes or records;

D.12.1.11 we think you have tried to introduce a virus or other harmful programme to your Intelligent Finance plan or any of our files, programmes or records or you have told someone else how to do so;

D.12.1.12 we think you are using your payment jar in an illegal way or in a way that we reasonably consider to be inappropriate or that harms or could harm the interests of us, our holding company or any subsidiary of our holding company;

D.12.1.13 the relationship between you and us has irretrievably broken down (for example if you have been threatening or abusive to our staff);

D.12.1.14 the terms of another account you have prevent completion of the transaction;

D.12.1.15 action is being taken by a third party which prevents us from executing the transaction;

D.12.1.16 there are technical issues which prevent us from executing the transaction;

D.12.1.17 your debit card or personal security details (or any other mechanism we provide to you for accessing your payment jar) have been lost, stolen or are being used by someone else or we believe your payment jar is being used illegally or fraudulently;

D.12.1.18 the transaction is not properly authorised;

D.12.1.19 there are insufficient funds in your payment jar to cover the transaction or

D.12.1.20 circumstances beyond our reasonable control prevent us from offering a normal service (such as an act of terrorism,
D.12.2 In the case of condition D.12.1.20:

D.12.2.1 we will respond proportionately to the circumstances in question;

D.12.2.2 we will take all reasonable steps to ensure that restrictions are lifted as soon as practicable to minimise the inconvenience to you, and

D.12.2.3 we will, if practicable, give advance notice.

D.12.3 In all other cases, if we refuse to carry out a transaction on your payment jar, we will contact you at the earliest opportunity and in any event no later than the end of the third banking day following the time of receipt of your authorisation to make the payment. Following receipt of this notification you can contact us on 0845 609 4343 for details of how to rectify any errors.
Section E - Personal Loans

E.1 The different sections of this booklet

This section only applies to personal loan jars within your Intelligent Finance plan. It must be read alongside section A.

E.2 Effective date of the personal loan agreement

We will treat the personal loan agreement as having been made on the date on which it is signed by a person we have authorised to sign it for us. You can only enforce it against us when it has been signed by that person.

E.3 Regular personal loan payment

E.3.1 You must pay us the regular personal loan payments on the key dates on which they are due in the way we say (for example, by direct debit or internal transfer from another part of your Intelligent Finance plan). If a key date is not a banking day, you must pay the regular personal loan payment on the next banking day.

E.3.2 You must make any payments other than the regular personal loan payments in the way and to the address we tell you.

E.3.3 If you choose Option 1 for the way in which you want us to work out the interest you have to pay (see condition A.7.7) and the interest you have to pay in any interest period is less than the interest element of the regular personal loan payment, you still have to pay us the full regular personal loan payment. We will use the difference between the interest element in the regular personal loan payment and the interest you have to pay us to reduce the personal loan debt.

E.3.4 Any payment made to the personal loan jar (including the regular personal loan payment) is used:

E.3.4.1 first to pay the current regular personal loan payment;

E.3.4.2 then towards repaying any arrears on the personal loan debt, and

E.3.4.3 then to reduce or repay the personal loan debt.

E.3.5 If you pay us more than the regular personal loan payment in any interest period:

E.3.5.1 this will reduce the personal loan debt;

E.3.5.2 but you will not be able to gain access to this money again under the personal loan agreement.

E.3.6 If the part of the regular personal loan payment intended to cover interest is more or less than the amount of interest you actually have to pay on the personal loan debt, this will not trigger the setting of a new regular personal loan payment.

E.4 Payment holidays

E.4.1 You may miss up to two regular personal loan payments in any one calendar year if:

E.4.1.1 you have kept to your obligations in the conditions in sections A and E;

E.4.1.2 you do not have to pay off the personal loan debt immediately under condition E.5;
E.4.1.3 your personal circumstances have not changed to the extent that we think that this will affect your ability to repay the personal loan debt over the remaining personal loan repayment period.

E.4.2 You cannot miss a regular personal loan payment in the first or last six months of the personal loan repayment period.

E.4.3 If you miss a regular personal loan payment in accordance with condition E.4.1, we will add the interest element of the missed regular personal loan payment to the personal loan debt. You will have to repay the missed regular personal loan payment and any interest due on it over the remaining personal loan repayment period. This will mean that your regular personal loan payment will go up. We will tell you what your new regular personal loan payment is.

E.5 What happens if you do not keep to the personal loan agreement

If any of the following happens, we no longer have to lend you the personal loan or any part of it or, if we have already lent you the personal loan, and depending on any notice required by the Consumer Credit Act 1974, you must pay us the personal loan debt straight away if:

E.5.1 you do not pay any of the regular personal loan payments by the key date in each month;

E.5.2 you do not keep to any of your obligations under the personal loan agreement or the conditions in sections A and E;

E.5.3 you have given us any false or misleading information;

E.5.4 any of the following things happens to you (or, if there are two of you, the first one of you to whom it happens):

E.5.4.1 you die;

E.5.4.2 you enter into a voluntary arrangement with anyone you owe money to (or you are going to do so);

E.5.4.3 you apply to a court for an interim order; or

E.5.4.4 a bankruptcy order is made against you or we think that one is likely to be made; or

E.5.5 anybody takes any of your money or property to recover a debt; or

E.5.6 your personal loan is made under a scheme operated for either:

E.5.6.1 the people you work with; or

E.5.6.2 the members of an organisation of which you are a member, and

your membership of the scheme ends (or, if there are more than one of you and you are both members of the scheme, both of your memberships end).

E.6 Early repayment

E.6.1 You may repay the personal loan debt at any time.

E.6.2 If you ask us to, we will send you a statement showing the amount you must pay us which may be reduced by a rebate.
E.7 What happens if your personal loan jar is in joint names?

E.7.1 Each one of you is responsible for repaying the whole personal loan debt and not just a part of it.

E.7.2 We will accept the instructions or signature of either one of you.

E.7.3 If one of you dies, we will continue to accept instructions in connection with your personal loan jar from the survivor.

E.7.4 If your relationship with each other ends, you must ensure that the regular personal loan payment is made or the personal loan debt is repaid.
Section F - Mortgages

F.1 The different sections of this booklet

This section only applies to mortgage jars within your Intelligent Finance plan. It must be read alongside section A.

F.2 The mortgage debt

F.2.1 We can divide the mortgage debt into different parts. We may also charge interest under conditions F.4 and F.5 at different rates on different parts of the mortgage debt. We may agree to allow different parts of the mortgage debt to be repaid over different mortgage repayment periods.

F.2.2 Where we have divided the mortgage debt into different parts, we will add our charges or expenses to the outstanding part of the mortgage jar which has the lowest part number on your statement unless:

F.2.2.1 the charge is a further advance fee, in which case we will add the charge to the part of the mortgage debt which includes the relevant further advance and if the further advance has more than one part, we will apply the fee to whichever of those parts is added to your mortgage jar first;

F.2.2.2 in a case where condition F.2.2.1 does not apply, you tell us the part of the mortgage debt to which you want us to add the charge or expense, in which case we will add the charge or expense to the part of the mortgage debt you ask us to; or

F.2.2.3 in a case where neither condition F.2.2.1 nor condition F.2.2.2 applies, we think it is appropriate to add the charge or expense to another part of the mortgage debt, in which case, we will add it to the part of the mortgage debt we think is most appropriate.

F.2.3 Where you pay regular mortgage payments for different parts of the mortgage debt (whether or not on different dates or at different intervals), conditions F.5 and F.6 apply separately to the regular mortgage payment for each part of the mortgage debt.

F.2.4 If you have not paid us any amount when you were due to, we will use any payment that you make to us to pay off the unpaid amount. If any money is left over, it will be an overpayment.

F.2.5 If you make an overpayment, you must tell us which part of the mortgage debt you want the overpayment to reduce or pay off.

F.3 Pre-agreed reserve and built-up reserve

F.3.1 We will lend you the pre-agreed reserve or the built-up reserve (or part of either of them) when you ask us to unless any of the key restrictions on our flexible mortgages in the Payment holiday part of section 12 of the offer or any of the other restrictions set out in the offer or an extra agreement apply.

F.3.2 If any of the key restrictions on our flexible mortgages in the Payment holiday part of section 12 of the offer or in an extra agreement apply, we will take away the pre-agreed reserve.

F.3.3 If we give you at least 30 days' notice, we can change the minimum amount you can borrow at any one time from the pre-agreed reserve and the built-up reserve mentioned in the offer or an extra agreement:

F.3.3.1 to reflect a change in the value of money; or

F.3.3.2 to reflect a change in the cost to us of processing requests from customers to borrow the pre-agreed reserve or the built-up reserve.

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F.3.4 If you have failed to pay your regular mortgage payment or any other amount you have to pay us in connection with a mortgage jar, we will, if you ask us, let you borrow the built-up reserve to reduce or pay off the amounts you have failed to pay on the mortgage jar unless:

F.3.4.1 we believe that you have not kept to your other obligations in these conditions;

F.3.4.2 you have given someone else a mortgage (standard security in Scotland) over the property without our permission;

F.3.4.3 you have let the property (even with our permission);

F.3.4.4 you must pay off the mortgage debt immediately under conditions F.17.3, F.17.6, F.17.7, F.17.8 or F.17.9;

F.3.4.5 we believe someone else is able to claim an interest in the property, which could affect our right to sell it or which will rank ahead of our interests under the mortgage.

F.3.4.6 we believe that there has been or is likely to be a material reduction in the value of the property, or

F.3.4.7 we have started legal proceedings to repossess the property.

F.3.5 If you have another Intelligent Finance mortgage, we will continue to show the pre-agreed reserve and built-up reserve for each mortgage jar (if any) on your statements. The fact that a statement may show a pre-agreed reserve or built-up reserve does not necessarily mean that you will be able to borrow it at that time.

F.3.6 If you apply to open another mortgage jar, we may reduce or cancel the pre-agreed reserve on any other mortgage jar in your Intelligent Finance plan. We will tell you if we are going to do this before the new mortgage jar is opened, so that you may decide whether you want to go ahead with opening the new mortgage jar. If there are two of you and the new mortgage jar is to be opened in the name of one of you alone, we will also tell the other of you if the opening of the new mortgage jar would lead to the reduction or cancellation of any pre-agreed reserve on any mortgage jar which is held in the other’s sole or joint name.

F.3.7 If we agree to let you transfer from one mortgage product to another, we may reduce or cancel the pre-agreed reserve or the built-up reserve. We will tell you in the extra agreement we send you before the product transfer takes place how much, if any, of the pre-agreed reserve or the built-up reserve will be available to you after the product transfer.

F.3.8 If we give you permission to:

F.3.8.1 sell, give away or change the use of the property or any part of it; or

F.3.8.2 release you (or either of you) from your obligations under the mortgage.

we can make it a condition of giving our permission that we will reduce or cancel the pre-agreed reserve or built-up reserve (or part of either of them). This will not affect any part of the pre-agreed reserve or built-up reserve we have released to you before we gave our permission.

F.3.9 You should make sure that you ask us at least 10 banking days before you want to borrow any part of the pre-agreed reserve or built-up reserve.

F.3.10 We only have to release the pre-agreed reserve (or part of it) in the period we state in the offer or any extra agreement. We will review our willingness to lend you the pre-agreed reserve at the end of that period. We will tell you if we are prepared to offer you a new pre-agreed reserve and, if so, on what terms. If we do offer you a new pre-agreed reserve, the letter that we send you telling you what it will be will be an extra agreement.

F.3.11 If, during the special rate period, you intend to make a payment to reduce a special rate loan and by doing so increase the built-up reserve, you should contact us before you make the payment. This will enable us to tell you what special rate early repayment charge you will have to pay us in connection with the payment.
**F.4 The interest we charge**

**F.4.1** We start charging interest from the date we lend you money or, in the case of a charge we make or expense we incur, from the date it becomes due.

**F.4.2** If we keep back or you choose not to borrow part of the money we have agreed to lend, we will only charge interest on the money we have actually lent.

**F.4.3** We will charge interest on the capital (or the different parts of it) at the applicable interest rate (or rates) set out in the offer or an extra agreement.

**F.4.4** We will charge you an added rate if we say so in the offer or any extra agreement.

**F.4.5** If we believe:

- **F.4.5.1** you have let the property (with or without our permission);
- **F.4.5.2** you have changed the way you use the property (for example, from residential to commercial use), with or without our permission, and the change means that the terms which apply to the mortgage debt are more favourable than we would offer to a new borrower applying for a mortgage loan to be secured on a property being used in that way;
- **F.4.5.3** the value of the property has been reduced (otherwise than by events outside your control), or
- **F.4.5.4** something has happened or is likely to happen which makes it more difficult for us to use our powers over the property,

we may:

- **F.4.5.5** if we are not charging you interest at the variable mortgage rate, stop charging you interest at the rate that applies to your mortgage and start charging you interest at the variable mortgage rate;

- **F.4.5.6** charge you:
  - an added rate of not more than 2% a year; or
  - a charge every six months of not more than 1% of the mortgage debt; or
- **F.4.5.7** transfer you to a different mortgage product that is of a type that we would offer you (based on your circumstances at that time) if you were to apply for a new mortgage at the time of the transfer.

**F.4.6** We may use our rights under conditions F.4.5.5 and F.4.5.6 together or separately.

**F.4.7** The added rate or charge we describe in condition F.4.5.6 will be in addition to any added rate we say we will charge as mentioned in condition F.4.4. We may cancel or reduce the added rate or charge under condition F.4.5 at any time by giving you notice.

**F.4.8** We will give you notice if we decide to do any of the things in conditions F.4.5.5, F.4.5.6 or F.4.5.7.

**F.4.9** We may change the interest rate by changing the variable mortgage rate or any added rate.

**F.5 Special rate loans**

**F.5.1** If we say so in the offer or in any extra agreement, we will charge you interest on the special rate loan at the special rate plus any added rate during the special rate period.

**F.5.2** When condition A.7.4 allows us to charge you interest on any unpaid interest on the special rate loan, or on any charge which we add to the special rate loan, we may choose whether the interest is to be charged:

- at the variable mortgage rate plus any added rate, or
F.5.2.2 at the special rate plus any added rate.

F.5.3 If and while the interest rate on a mortgage loan is or includes a special rate, the following limitations will apply to our right to change it for any of the reasons in conditions A.8.2, A.8.3 and A.8.4.

F.5.3.1 If the special rate is a fixed rate, we will not change it.

F.5.3.2 If the special rate is a capped rate, we will not raise the special rate to more than the maximum interest rate we set out in the offer or any extra agreement.

F.5.3.3 If the special rate is a collared rate, we will not reduce the special rate to less than the minimum interest rate we set out in the offer or any extra agreement.

F.5.3.4 If the special rate is a discounted rate, we may change the special rate by changing the variable mortgage rate but not the discount we take off the variable mortgage rate.

F.5.3.5 If the special rate is a tracker rate, we will change the special rate when the external rate (an interest rate not set by us to which it is linked changes. We will change the special rate within 30 days of the official publication of the decision to change the rate to which it is linked. We will change the special rate in line with the change in the external rate. The special rate will be the amount above or below the external rate which applies at the time of the change as set out in the offer or any extra agreement.

If a special rate is a combination of two or more types of special rate (for example, a capped and collared rate), each of the relevant limitations described in this condition F.5.3 will apply.

F.5.4 We may, on giving you 30 days' notice, cancel the special rate or change the special rate period or the parts of the capital which the special rate applies to if:

F.5.4.1 the offer, or any extra agreement, allows us to do this;

F.5.4.2 you do not keep to the terms in the offer or any extra agreement; or

F.5.4.3 you must pay off the mortgage debt immediately under condition F.17. We will then charge interest at the variable mortgage rate plus any added rate (or the special rate plus any added rate).

F.5.5 Unless the offer or any extra agreement says you cannot, you can pay off part of the special rate loan during the special rate period if you pay any special rate early repayment charge that the offer or any extra agreement says is payable.

F.5.6 From the end of the special rate period, we will charge interest at the variable mortgage rate, plus any added rate which applies, on the part of the capital which used to be the special rate loan.

F.6 Regular mortgage payments and overpayments

F.6.1 You must pay us the regular mortgage payment on each key date. You then have to carry on paying us the regular mortgage payments until you have paid off the mortgage debt in full.

F.6.2 You must pay us the regular mortgage payment in the way we say (for example, by internal transfer from another jar within your Intelligent Finance plan or by direct debit). If we tell you to pay them by internal transfer or direct debit, we may also use the internal transfer or direct debit system to collect any of our charges you have to pay us.
F.6.3 If we give you at least 30 days’ notice, we can change the way you have to pay the regular mortgage payment for any of the following reasons.

F.6.3.1 Because changes in the banking system mean that:

F.6.3.1.1 the way you make your regular mortgage payment has become, or is about to become obsolete;

F.6.3.1.2 a quicker or safer way of making your regular mortgage payment has been introduced or become more widely available.

F.6.3.2 To reflect any changes in the law, codes of practice, the way we are regulated, recommendations of the Financial Services Authority or any other regulatory body, or standards published by other bodies which we agree will apply to your Intelligent Finance plan or your mortgage jar.

F.6.3.3 To reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar body or an undertaking given to the Director General of Fair Trading or a qualifying body (as defined in the Unfair Terms in Consumer Contracts Regulations 1999).

F.6.4 If you have failed to pay all or part of one or more regular mortgage payment when it was due and you still owe us the unpaid amount, we may decide which part of the mortgage debt we are going to pay off with the amount you do pay.

F.6.5 If you choose Option 1 (see condition A.7.7.1) and the interest you have to pay in any interest period is less than the interest element of the regular mortgage payment and:

F.6.5.1 your chosen mortgage payment option is Reduced Debt or Shorter Term, you still have to pay us the full regular mortgage payment. We will use the difference as an overpayment. As the overpayment is part of the regular mortgage payment, we will apply it in the way set out in condition F.6.7. If the mortgage jar has more than one part, we will apply the overpayment to each part in turn in the order in which we number the parts in your statements. An overpayment will not form part of the built-up reserve and you will not be able to reborrow or use it in the future.

F.6.5.2 your chosen mortgage payment option is Lower Payments, you have to pay the regular mortgage payment we have notified you of.

F.6.6 If a mortgage jar is made up of more than one part and you make an overpayment into it, you must tell us which part of the mortgage debt you want to reduce or pay off.

F.6.7 We will use a payment (including a payment we collect as a regular mortgage payment) in the following way:

F.6.7.1 first, towards paying any unpaid regular mortgage payment for the immediately preceding interest period;

F.6.7.2 then, towards paying any arrears on the mortgage debt;

F.6.7.3 then, in the way you have asked us to apply it;

F.6.7.4 then, towards repaying the capital.

F.6.8 When we apply a payment in the way we describe in condition F.6.7.2, we will use the payment to pay the oldest arrears first, continuing with the next oldest arrears, and so on, until the most recent arrears have been paid off or the payment has been used up.

F.6.9 When we apply a payment in the way we describe in condition F.6.7.4, we will use the payment in the following ways.

F.6.9.1 First, we will use the payment to reduce or pay off the parts of the mortgage debt on which no special rate early repayment charge is payable. If there is more than one such part, we will reduce or pay off the part with the highest interest rate first. If two or more of the parts have the same interest rate, we will use the payment to reduce or pay off the one which is in the part of the mortgage jar which has the lowest part number on your statement.

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F.6.9.2 If any of the payment remains unused, we will use it to reduce or pay off the parts of the mortgage debt on which a special rate early repayment charge is payable. If there is more than one such part, we will reduce or pay off the part with the highest interest rate first. If two or more of the parts have the same interest rate, we will use the payment to reduce or pay off the one which is in the part of the mortgage jar which has the lowest part number on your statement.

F.6.10 Any payment we apply in the way we describe in conditions F.6.7.3 or F.6.7.4 will be treated as an overpayment and form part of the built-up reserve.

F.7 Changes to the regular mortgage payment, the mortgage repayment period and Mortgage Payment Options

F.7.1 We may change the regular mortgage payment or the mortgage repayment period (or both). We may do this if:

F.7.1.1 we stop treating any part of the mortgage debt as an interest-only mortgage loan or we ask you to start paying capital again (see conditions F.9.2 and F.9.3);

F.7.1.2 you borrow more money from us;

F.7.1.3 we agree that you can stop paying regular mortgage payments for a period;

F.7.1.4 you take a payment holiday; or

F.7.1.5 we need to reflect a change to:

F.7.1.5.1 the interest rate (including a change caused by us applying, cancelling or changing an added rate or a special rate);

F.7.1.5.2 the period during which an added rate or a special rate applies;

F.7.1.5.3 the part of the capital which an added rate or a special rate applies to;

F.7.1.5.4 the amount of the capital; or

F.7.1.5.5 the mortgage payment option you have chosen.

F.7.2 We may also change the regular mortgage payment if we need to take account of a change to the mortgage repayment period or the key date.

F.7.3 We do not normally set a new regular mortgage payment merely because you make an overpayment or other payment. However, we will set a new regular mortgage payment if you make a lump sum overpayment when your mortgage payment option is Lower Payments (unless at the time when you make the lump sum overpayment, you are also making regular overpayments or underpayments under a special arrangement agreed between you and us).

F.7.4 We will give you the choice of changing the regular mortgage payment each time the interest rate changes or having the same regular mortgage payment for a 12 month period. (Please note that, even if you choose to have the same regular mortgage payments for a 12 month period, the regular mortgage payment may still change during that period if a special rate period comes to an end, or if we need to change the regular mortgage payment for reasons other than a change in the interest rate – for example, because there is a change in the mortgage repayment period or because fees, charges or expenses which you have not paid are added to the capital).

F.7.5 We will give you notice if we change the regular mortgage payment or the mortgage repayment period. Where your mortgage payment option is Lower Payments, we will only notify you of changes to the regular mortgage payment which occur under condition F.7.13 by placing details of the new regular mortgage payment with the information we show you about your Intelligent Finance plan when you log onto your Intelligent Finance plan on our web site unless you have asked us to notify you in some other way and we have agreed to do so.
If we give you notice extending the mortgage repayment period, the extension will not apply if, within seven days of getting our notice, you give us notice that you want to increase the regular mortgage payments so you can pay off the mortgage debt by the end of the current mortgage repayment period.

If you give us notice under condition F.7.6, we will tell you how much the regular mortgage payments will be to pay off the mortgage debt by the end of the current mortgage repayment period. If you do not keep up the increased regular mortgage payments, we may give you another notice giving you a longer mortgage repayment period and reducing the regular mortgage payments. Your right to give notice under condition F.7.6 will not apply to any extra mortgage repayment period we give you under this condition F.7.7.

If you ask us to change your key date, this can have the effect of lengthening the mortgage repayment period which applies to the mortgage jar.

If you choose OPTION 1 (see condition A.7.7.1) and we offer to make you a mortgage loan which (or part of which) will give rise to an offset debit balance, you may tell us at any time before we make the mortgage loan which of the following mortgage payment options you wish to apply to the mortgage loan (or the part of it which will give rise to the offset debit balance). The available mortgage payment options are:
- Reduced Debt;
- Shorter Term, and
- Lower Payments.

If, although you choose OPTION 1, you do not tell us which mortgage payment option you wish to apply to your mortgage loan before we make the loan we will apply the Reduced Debt option.

If you choose OPTION 2 (see condition A.7.7.2) or the terms of your mortgage loan mean that it is not capable of offsetting, we will calculate the regular mortgage payment for any mortgage loan in your Intelligent Finance Plan in the same way as we calculate the regular mortgage payment using the Reduced Debt option.

You can change the mortgage payment option that applies to your mortgage loan with our agreement. We may ask you to pay a fee if you change your mortgage payment option.

If the Reduced Debt option applies, when we set the regular mortgage payment we will take into account the amount of the mortgage debt you owe us (but not any unpaid regular mortgage payments), the interest rates that apply at that time, and how long the mortgage repayment period has left to run. We will work out the new regular mortgage payment in a way that can reasonably be expected to ensure that:

you repay the capital on any repayment parts of the mortgage jar with interest by the end of the mortgage repayment period;

you repay only interest on the capital and interest-only parts and the mortgage jar.

If you choose the Shorter Term option, we will set the regular mortgage payment by reference to an assumed capital balance, which we will calculate in accordance with condition F.7.12.2.

In order to calculate the assumed capital balance, we will take into account the interest rates that apply at that time and how long the mortgage repayment period has to run. However we will:

disregard any overpayments you have made since the later of the date on which:
- the Shorter Term option applied to your mortgage loan;
- we changed the mortgage repayment period; or
- you asked us to calculate the regular mortgage payment based on the actual amount of capital outstanding on your mortgage loan;

disregard the effect which any offset credit balances in your Intelligent Finance plan have under condition A.7.7.1 in reducing the interest you have had to pay to us since the last date on which the events mentioned in F.7.12.2.1 occurred;

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F.7.12.3 assume that you have paid each regular mortgage payment on time, and

F.7.12.4 we will work out the regular mortgage payment in a way that can reasonably be expected to ensure that:

- the assumed capital balance on any repayment parts of the mortgage jar would be repaid with interest by the end of the mortgage repayment period; and
- you make payments consisting only of the interest we would charge on the assumed capital balance of any interest-only parts of the mortgage jar.

You will still benefit from any overpayments you make and from the effect which any offset credit balances have under condition A.7.7.1 in reducing the interest you have to pay us. However, instead of benefiting through lower regular mortgage payments, you will benefit because the way we work out the regular mortgage payment means that any repayment parts of your mortgage jar are likely to be repaid before the end of the mortgage repayment period and that the actual capital balance on any interest-only parts of your mortgage jar is likely to be reduced by the end of the mortgage repayment period.

F.7.13.1 If you choose the Lower Payments option, when we set the regular mortgage payment we will take into account the amount you owe us (but not any unpaid regular mortgage payments), the interest rates that apply at that time, and how long the mortgage repayment period has left to run. We will work out the regular mortgage payment in a way that can reasonably be expected to ensure that:

F.7.13.1.1 you repay the capital on any repayment parts of the mortgage jar with interest by the end of the mortgage repayment period, and

F.7.13.1.2 you make payments consisting only of interest on any interest-only parts of the mortgage jar.

F.7.13.2 Except where condition F.7.13.3, F.7.13.4 or F.7.14.1 applies, we will then recalculate your regular mortgage payment as follows. At each key date, we will work out the amount by which the interest we charged during the interest period ending on that key date was reduced under condition A.7.7.1 by any offset credit balances in your Intelligent Finance plan. We will then reduce the regular mortgage payment you must make at the next key date by the same amount.

F.7.13.3 Where the mortgage loan is a new mortgage loan, the first time we will recalculate the regular mortgage payment in this way is for the second key date after that mortgage loan begins.

F.7.13.4 Where you change your mortgage payment option to Lower Payments, we will recalculate the regular mortgage payment in accordance with condition F.7.13.2 from the key date immediately following the date of the change as long as that date is more than three banking days before the key date. If the change is within three banking days of the key date, we will begin recalculating the regular mortgage payment from the next key date.

F.7.14.1 We will not recalculate the regular mortgage payment under condition F.7.13.2 if any of the following applies:

F.7.14.1.1 you take a payment holiday;

F.7.14.1.2 we agree any special payment arrangement with you because you cannot pay the regular mortgage payment;

F.7.14.1.3 you are making regular overpayments (in which case we will deal with any regular mortgage payment you make as if your chosen mortgage payment option was Reduced Debt);

F.7.14.1.4 the amount by which the interest we charged in the previous interest period was reduced under condition A.7.7.1 was less than £1 or such other sum as we reasonably determine.

F.7.15 If you change your mortgage payment option, we will start your new mortgage payment option with effect from the key date immediately following the date of the change. If that date is less than three banking days before the key date, your new mortgage payment option will start from the next key date.

F.7.16 If you change your Intelligent Finance plan to OPTION 2 (see condition A.7.7.2), we will calculate the regular mortgage payment for any mortgage loan in your Intelligent Finance plan in the same way as we calculate the regular mortgage payment using the Reduced Debt mortgage payment option.
F.7.17 If the mortgage payment option which applies to a mortgage loan is the Shorter Term or the Lower Payments option and the mortgage loan ceases to be capable of offsetting, we will calculate the regular mortgage payment for that mortgage loan in the same way we calculate the regular mortgage payment using the Reduced Debt option.

F.8 Payment holidays

F.8.1 We will tell you in the offer or an extra agreement if and when you can take a payment holiday.

F.8.2 We may cancel a payment holiday at any time after you have applied for it but before it starts. We will only do this if we become aware of something which, had we known it at the time you told us you wanted to take the payment holiday, would have shown us you were not entitled to take the payment holiday.

F.8.3 During a payment holiday, you do not have to pay the regular mortgage payment. If you make any payment to the mortgage jar during a payment holiday, we will treat it as an active overpayment and not as a regular mortgage payment in respect of any part of the mortgage jar.

F.8.4 If you take a payment holiday, we will continue to charge you interest in the way set out in condition A.7 and add it to the mortgage debt. We will work out your new regular mortgage payment based on the increased mortgage debt. You will have to repay the increased mortgage debt and any extra interest due on it over the remaining mortgage repayment period. This will mean that your regular mortgage payment will go up. We will tell you what your new regular mortgage payment is.

F.9 Suspending the repayments of capital

F.9.1 If we say in the offer or in an extra agreement that a part of the mortgage debt is an interest-only mortgage loan:

F.9.1.1 you do not have to repay the capital of that part of the mortgage debt until the end of its mortgage repayment period; and

F.9.1.2 during the mortgage repayment period you only have to pay interest on the capital (or, if the Shorter Term mortgage payment option applies, an amount consisting only of interest we would charge on the assumed capital balance: see condition F.7.12.1).

F.9.2 Even if we have not said in the offer or an extra agreement that part of the mortgage debt is an interest-only mortgage loan, we may allow you to suspend the repayment of capital on it. If this happens:

F.9.2.1 you must pay the reduced regular mortgage payment we tell you; and

F.9.2.2 we can give you notice to start repaying capital. If this happens, we can, at any time, give you notice to increase the regular mortgage payment in the same way as mentioned in condition F.9.3.

F.9.3 If you do not keep to your obligations in condition F.15 or if any of the things in condition F.17 happen, we may write and tell you that:

F.9.3.1 we are no longer treating a part of the mortgage debt as an interest-only mortgage loan; and

F.9.3.2 you must increase the regular mortgage payment so that you pay off that part of the mortgage debt in full by the end of the mortgage repayment period.

F.9.4 Our rights under condition F.9 are on top of our rights under conditions F.17 and F.18.
F.10 Special rate early repayment charge

F.10.1 If the offer or any extra agreement says that you have to pay a special rate early repayment charge, it will also say when and how much you will have to pay as a special rate early repayment charge.

F.10.2 Unless a special rate early repayment charge is one which you only have to pay if you pay off the whole of the special rate loan, if you pay off part of the mortgage debt to which the special rate early repayment charge applies, we will only ask you to pay part of the special rate early repayment charge in connection with the part repayment. In all other circumstances, you will have to pay us all of the special rate early repayment charge.

F.10.3 If the special rate early repayment charge is payable because you, we or anybody else sells the property, we will add the special rate early repayment charge to the amount to be paid to us, or kept back by us out of the proceeds of the sale.

F.10.4 We will not charge a special rate early repayment charge or any other early repayment charges in connection with you repaying the mortgage debt if:

F.10.4.1 we increase the interest rate under condition A.8.4 (that is to say, if we increase it for a valid reason which is not set out in conditions A.8.2 or A.8.3) and you repay the full mortgage debt within three months of our telling you of the change;

F.10.4.2 we tell you that we are going to charge an added rate or a charge on a special rate loan in accordance with conditions F.4.5.6.1 or F.4.5.6.2 and you repay the full mortgage debt within three months of our telling you that we are going to charge you the added rate or the charge;

F.10.4.3 we tell you that we are going to increase an added rate and you repay the full mortgage debt within three months of our telling you that we are going to increase the added rate;

F.10.4.4 there are two of you and one of you dies, the survivor can ask us for a new mortgage loan to repay the mortgage debt. If the new mortgage loan is on the same terms (including rate) as the mortgage debt and the survivor’s request satisfies our lending criteria at that time, we will lend the survivor a new mortgage loan. If we do not agree to the request, we will not charge any early repayment charges in connection with the repayment of the mortgage debt if the survivor repays the mortgage debt within three months of us telling them that we are not prepared to lend a new mortgage loan.

F.11 Your legal responsibility for the property

F.11.1 You agree to the following.

F.11.1.1 You must use the property as your only or main home unless we agree otherwise.

F.11.1.2 You must keep the property in good repair.

F.11.1.3 You must make any payments you have to pay in connection with the property on time.

F.11.1.4 You must keep to any obligations you have concerning the property.

F.11.1.5 You must get our permission before you:

F.11.1.5.1 sell any part of the property;

F.11.1.5.2 let any part of the property, change the terms of any lease or allow a tenant (if there is one) to give up their lease or give up possession of the property;

F.11.1.5.3 grant someone a licence or right to occupy all or part of the property;

F.11.1.5.4 give someone else a mortgage or other security over any part of the property;

F.11.1.5.5 give any part of the property away;
F.11.56 alter or extend the **property**.

F.11.57 change how the **property** is used or apply to any planning authority for consent to make such a change; or

F.11.58 negotiate, waive or settle any claim for compensation for the compulsory purchase, loss or reduction in the value of the **property**; or

F.11.59 apply for or get an improvement grant or other similar grant.

If we give our permission, you must keep to any reasonable conditions we set you.

F.11.6 You must carry out any building or repair work which:

F.11.6.1 we agree you can do;

F.11.6.2 is needed to maintain the value of the **property**; or

F.11.6.3 the law says you must do.

F.11.7 You must tell us if you are going to become the owner of a new or increased interest in the **property** or any land or building which includes the **property** (for example, if the **property** is leasehold and you buy the freehold). If this happens, you must send us any document giving you the new or increased interest. You must give us (if we ask for it) a new mortgage over the new or increased interest. We must approve the terms of the new mortgage deed (or standard security in Scotland).

F.11.8 If we ask you, you must deposit with us any document relating to the **property** or the ownership of the **property** held by you or on your behalf.

F.11.9 If we ask you, you must deposit with us any share certificate or membership certificate relating to your membership of a management company, or a residents' association, commonhold association or society (or other similar organisation) connected with the **property**.

F.11.10 You must pay us the amount of any claim we pay to anybody else because you have not kept to these conditions about the **property**.

F.11.11 If you do not keep to any of your obligations to do with the **property**, we may keep to them for you.

**F.12 Our right to enter the property**

We, or someone acting on our behalf, may come into the **property** to inspect it or to do any work you have not done. Unless we cannot contact you or it is an emergency, we will tell you beforehand. If we enter the **property** under this condition F.12, it does not mean we have accepted the legal responsibilities of a mortgage lender in possession of the **property**.

**F.13 Insuring the property**

F.13.1 You must ensure that the **property** is insured at all times. The following terms will apply.

F.13.1.1 The insurance must be in the joint names of you and us. If this is not possible (for example, because a landlord leases the **property** to you and the insurance has to be in the landlord’s name), you must arrange for our interest in the **property** to be noted on the policy.

F.13.1.2 The policy must cover the following risks: fire, lightning, aircraft, explosion, earthquake, storm, flood, escape of water or oil, riot, malicious damage, theft or attempted theft, falling trees and branches and aerials, subsidence, landslip, heave, collision, accidental breakage of glass and sanitary ware and accidental damage to underground services and any other risk we reasonably say and all risks covered by a comprehensive householder's insurance policy. If you wish, you may arrange for the policy to cover more risks.

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F.13.1.3 You must be insured against public liability to anyone else.

F.13.1.4 The property must be insured for an amount not less than the full reinstatement value of the property and must include demolition costs and value added tax. This amount must be index linked or reviewed every year.

F.13.1.5 The excess (the amount of each claim you must pay) must not be more than the limits we set from time to time.

F.13.1.6 You must keep the insurance in force.

F.13.1.7 You must not do anything which would mean the insurance ends, is cancelled or becomes invalid.

F.13.1.8 You must show us details of the insurance and proof that it is still in force, if we ask you.

F.13.1.9 You must claim under the policy for any damage you are covered for unless you put the damage right.

F.13.2 We may insure the property if:

F.13.2.1 you are not insuring it (and we have not agreed that anybody else can insure it); or

F.13.2.2 you break the terms in conditions F.13.1 or F.13.6.

F.13.3 If we insure the property, we will decide:

F.13.3.1 who the insurer will be;

F.13.3.2 whether to insure the property direct or through an agent or broker;

F.13.3.3 what will be covered by the policy; and

F.13.3.4 the amount of the sum insured and any excess.

F.13.4 We may also insure the property if you ask us to arrange the insurance for you. We will insure it on the terms we agree with you.

F.13.5 Conditions F.13.6 to F.13.10 apply whoever insures the property.

F.13.6 You must make sure that nothing happens which may:

F.13.6.1 reduce the risks the property is covered for or the amount of the sum insured;

F.13.6.2 increase the premiums or the excess;

F.13.6.3 prevent or hinder any claim from being settled in full; or

F.13.6.4 make the insurance invalid.

F.13.7 You must tell us straight away if:

F.13.7.1 the property gets damaged and you or anyone else will need to make a claim; or

F.13.7.2 the insurance becomes invalid or comes to an end for any reason and you do not take out suitable replacement insurance.

F.13.8 We have a right to settle all insurance claims on reasonable terms.

F.13.9 You must use any money from a claim to rebuild the property. Where this is not reasonably practical, you must use any money from a claim to reduce or pay off the mortgage debt. If we hold any money from a claim, we will apply the money in the same way.

F.13.10 If you receive any money from an insurance claim, you must hold all the money on trust for us, whether or not we agreed to the insurance.

F.13.11 Conditions F.13.3 to F.13.10 will apply to any contents insurance which we arrange for you, with your permission, or if you leave any contents in the property after we repossess it.
**F.14 Other insurance**

F.14.1 This condition F.14 applies to any of the following kinds of insurance taken out by you or anybody else in connection with the property.

F.14.1.1 Insurance taken out to cover any of your responsibilities under the mortgage (including your responsibility to pay the regular mortgage payments).

F.14.1.2 Insurance for work carried out by a builder or other contractor.

F.14.1.3 Any kind of title insurance or search insurance.

F.14.2 We may pay for the insurance if no one else does.

F.14.3 We have a right to settle all insurance claims on reasonable terms.

F.14.4 If you receive any money from an insurance claim, you must hold all the money on trust for us, whether or not we agreed to the insurance.

F.14.5 We may use any money from a claim to:

F.14.5.1 reduce or pay off the mortgage debt, or

F.14.5.2 make good the loss, damage or defect which the insurance money was paid for.

**F.15 Your legal responsibility for the investment plan**

F.15.1 If any part of the mortgage debt is an interest-only mortgage loan, you must have, or take out, and maintain a suitable investment plan to repay the capital at the end of the mortgage repayment period for the interest-only mortgage loan.

F.15.2 If the amount of an interest-only mortgage loan goes up for any reason (including because you have taken a payment holiday or because we have added expenses we have incurred, but that you have not paid, to the mortgage loan), you must ensure that your investment plan will cover the increased mortgage loan or you must take out another investment plan to cover the increase in the mortgage loan.

F.15.3 If an investment plan is used in connection with the mortgage, you must make sure that nothing is done which could mean that the investment plan:

F.15.3.1 ends (unless the money due under the investment plan is paid to us);

F.15.3.2 is cancelled;

F.15.3.3 becomes invalid;

F.15.3.4 loses any tax benefits;

F.15.3.5 is used to secure or pay off a debt owed to anyone else; or

F.15.3.6 is reduced in value as a result of anything that you have done or you have not done.

F.15.4 We are under no duty to tell you if we find out that any of these things happen. If any of these things do happen, we can tell you to start the original investment plan again or to take out another investment plan.

F.15.5 If we ask you you must:

F.15.5.1 show us details of the investment plan and proof that it is still in existence; and

F.15.5.2 let us hold any documents relating to the ownership of the investment plan.
F.16 Acting as attorney for you

F.16.1 By way of security, you appoint us, and (as a separate appointment) anyone we appoint to receive any income from the property, to be your attorney. You cannot cancel this appointment until the money secured by the mortgage deed is paid off in full.

F.16.2 Your attorney will be authorised to act in your name and on your behalf and will have the following rights.

F.16.2.1 To receive any money due to you to do with:

F.16.2.1.1 the property,
F.16.2.1.2 any right to the property or power or claim over it;
F.16.2.1.3 the insurance of the property or any guarantee or compensation relating to it; or
F.16.2.1.4 any other insurance described in condition F.14.

F.16.2.2 To enforce your rights or take over your right to make any claim or do anything else (including bringing or continuing court or arbitration proceedings) to do with:

F.16.2.2.1 the property,
F.16.2.2.2 the insurance of the property or any guarantee or compensation relating to it; or
F.16.2.2.3 any other insurance described in condition F.14.

F.16.2.3 To use any money received as your attorney to reduce or pay off the mortgage debt, put right any defect in the title to the property, repair or rebuild the property, or pay any money which you have not paid under the mortgage.

F.16.2.4 To instruct anybody (such as a solicitor) who has any documents or accounting information (including tapes, films or computer records) about the property or the ownership or insurance of the property to let us look at them, take copies of them or ask for them to be sent to us.

F.16.2.5 To transfer any share or membership right in any management company or residents’ association, commonhold association or society (or other similar organisation) connected with the property which you are a member of.

F.16.2.6 To ask for the cancellation and reissue of any certificate in respect of any share or membership right in any management company or residents’ association, commonhold association or society (or other similar organisation) connected with the property which you are a member of.

F.16.2.7 To sign any document that you agree in an offer, an extra agreement or these conditions to sign.

F.16.3 If the investment plan is one which you could assign to us, your attorney will have the following rights.

F.16.3.1 To receive any money due to you under the investment plan.

F.16.3.2 To take over your right to receive any money due to you under the investment plan.

F.16.3.3 To sell, cash in, change or deal with the investment plan if you have to pay off the full mortgage debt under condition F.17.

F.16.3.4 To enforce any right which you have not enforced in connection with the investment plan.

F.16.4 If the investment plan is one which you cannot assign to us, and you have to pay off the full mortgage debt under condition F.17, your attorney may (so far as the law allows) do anything you could have done to end the investment plan, sell the investments in the investment plan, deal with the investment plan and receive any money due under the investment plan.

F.16.5 If there is more than one of you, the attorney will act for all of them together and each of them separately.
F.17  When the mortgage debt has to be repaid immediately

If any of the things mentioned in this condition happen, you must pay us the mortgage debt immediately.

F.17.1 If you have not paid all the money you have to pay us on time and the shortfall is equivalent to two or more regular mortgage payments. We do not count regular mortgage payments you miss if you take a payment holiday under condition F.8.

F.17.2 If you do not keep to any of your obligations under the conditions in sections A and F or in the offer or an extra agreement (other than an obligation to pay money).

F.17.3 If:
F.17.3.1 you enter into a voluntary arrangement with anyone you owe money to (or you are going to do so);
F.17.3.2 you apply to a court for an interim order; or
F.17.3.3 a bankruptcy order is made against you or we think that one is likely to be made;
F.17.3.4 anybody takes any of your money or property to recover a debt; or
F.17.3.5 anybody applies for a court order or decree against you to do with the property and this could harm our security.

F.17.4 If you die or, if there are two of you, one of you dies.

F.17.5 If you have given us any false or misleading information.

F.17.6 If the property is compulsorily purchased.

F.17.7 If the property is in Scotland and we have given you a calling up notice under the Conveyancing and Feudal Reform (Scotland) Act 1970 and you have not paid us the full mortgage debt.

F.17.8 If you are involved in any serious criminal activity or fraudulent activity, unless your only involvement is as a victim.

F.17.9 At the end of the mortgage repayment period.

F.18  Our right to take possession of the property

F.18.1 If you must pay off the mortgage debt immediately under condition F.17, we may:
F.18.1.1 make you leave the property (if you have not already done so) so that we can take possession of it;
F.18.1.2 sell the property;
F.18.1.3 use the other powers given to mortgage lenders under the Law of Property Act 1925 (if the property is in England or Wales), the Conveyancing and Feudal Reform (Scotland) Act 1970 (if the property is in Scotland) or the Conveyancing Acts 1881 and 1911 (if the property is in Northern Ireland);
F.18.1.4 use the extra powers we have under the conditions in section F;
F.18.1.5 let the property on any reasonable terms; or
F.18.1.6 if the property is in Scotland, ask the Sheriff Court of the district where the property is located for a warrant of summary ejection. We will only do this if we have given you at least seven days' notice to leave the property. You agree that, if we have given you this notice, you will not try to stop us getting a warrant of summary ejection and that you and everyone living there will leave the property when we tell them to.
F.18.2 We may use our legal power to sell the property, the investment plan or the investments that make up the
investment plan even if we have not taken possession of them. The restrictions in section 103 of the Law of Property Act 1925 and section 20 of the Conveyancing Act 1881 will not apply.

F.18.3 If you agree, we may use our powers in this condition even though you do not have to pay the mortgage debt immediately under condition F.17.

F.18.4 If we do not receive payment of the mortgage debt in full when the property is sold, you must pay us the money you still owe us. We will continue to charge interest on the money you still owe us until you pay it off in full.

F.19 Things left in the property

If we take possession of the property, we may, as your agent, remove, store, sell or get rid of anything you leave at the property (including animals). You will have to pay our expenses of doing this.

F.20 How we use the money received by us

F.20.1 If we receive any money when we use any of our powers under conditions F.16 or F.17, we will use the money in the following order.

F.20.1.1 To pay the current regular mortgage payment.

F.20.1.2 To reduce or pay off any arrears on the mortgage.

F.20.1.3 To reduce or pay off the capital (except for the expenses mentioned below in this condition).

F.20.1.4 To pay all expenses of using our powers.

If you have more than one part to a mortgage jar, the money we receive will be applied in this way to each part in turn in the order in which we number them on your statements.

F.20.2 Examples of our expenses are:

F.20.2.1 the costs of any legal proceedings in connection with the mortgage or the property (whether brought by, or against, you or anybody else);

F.20.2.2 the cost of valuing or inspecting the property;

F.20.2.3 the costs we pay to recover any money you owe us, or to create or protect our security, or in using our legal rights and powers in sections A or F relating to the mortgage;

F.20.2.4 our reasonable costs resulting from you breaking any of the conditions in sections A or F relating to the mortgage, including any costs we incur in putting right any breach of the conditions by you;

F.20.2.5 the costs of any insurance we take out or arrange under the mortgage or

F.20.2.6 any administration fees we charge for any work we do or services we, our holding company or another subsidiary of our holding company provide in connection with the mortgage or the property.

F.20.3 If we use our powers under conditions F.16.1 or F.18, we will pay any amount left over from the money we receive from the sale of the property to anybody who has a mortgage or other security over the property and, if there is none, to you.

F.20.4 If we use our powers under conditions F.16.3 or F.16.4, we will pay any amount left over from the money we receive to anybody who has a mortgage or other security over the investment plan and, if there is none, to you or your personal representatives.
F.21  Continuing security

F.21.1 The property and the mortgage deed are security for the mortgage debt and also for any other money you owe us under the conditions in section A that apply to a mortgage jar and under the conditions in section F. We will not release any security we hold until you have paid all this money.

F.21.2 Condition F.21.1 does not apply to any money you owe us under an agreement which the Consumer Credit Act 1974 regulates unless we have met the terms of that Act.

F.21.3 You promise to sign any document we may need to safeguard our security or to protect our interest in the property or any investment plan. We will prepare any document at your cost.

F.22  Your rights

F.22.1 You may pay off all or part of the mortgage debt at any time without giving us notice (unless the offer or any extra agreement says that you cannot).

F.22.2 You may use the property and keep any money (such as rent) from it until you have to pay off the mortgage debt immediately under condition F.17. We may ask you to pay the rent to us as a condition of allowing you to let the property.

F.23  Criminal damage compensation

If the property is in Northern Ireland and suffers damage and the Compensation Agency agrees to pay compensation for the damage:

F.23.1 You will hold the compensation paid by the Compensation Agency to you on trust for us, unless an insurer has paid money under an insurance policy for the same damage, in which case you will only hold on trust for us the part of the compensation that is not paid to the insurer, and

F.23.2 we may use any money paid by the Compensation Agency to repair or rebuild the property or to reduce or pay off the mortgage debt.

F.24  What happens if a mortgage jar is in joint names?

F.24.1 Each one of you is responsible for repaying the whole balance and not just a part of it.

F.24.2 We may accept the instructions or signature of only one of you, this includes when you want to take a payment holiday, borrow the pre-agreed reserve or the built-up reserve.

F.24.3 If one of you dies, we will continue to accept instructions in connection with a mortgage jar from the survivor.

F.24.4 If your relationship with each other ends, you must ensure that the regular mortgage payment is made or the mortgage debt is repaid.

F.24.5 If at any time during the mortgage repayment period, either of you live at an address different to the property, you must let us know where you are living as soon as possible. If you live at different addresses before the start of a mortgage and are going to continue to do so, you must contact us immediately after the start of the mortgage to confirm this.

IN WITNESS WHEREOF these presents typewritten on this and the one hundred and seven preceding pages together with the Schedule annexed hereto are subscribed for and on behalf of us, the said Bank of Scotland plc, by Kathleen Helen Marshall, authorised signatory, in the presence of the witness Julie Elizabeth McCormack, thirty eight St Andrew Square, Edinburgh, at Edinburgh on the seventh day of August two thousand and nine.

73  INTELLIGENT FINANCE conditions November 2009
NOTE: THIS SCHEDULE ONLY APPLIES IF THE PROPERTY IS IN SCOTLAND

Conveyancing and Feudal Reform (Scotland) Act 1970
(as amended)

Schedule 3

The standard conditions

1. It shall be an obligation on the debtor:
   (a) to maintain the security subjects in good and sufficient repair to the reasonable satisfaction of the creditor;
   (b) to permit, after seven clear days' notice in writing, the creditor or his agent to enter upon the security subjects at all reasonable times to examine the condition thereof;
   (c) to make all necessary repairs and make good all defects in pursuance of his obligation under head (a) of this condition within such reasonable period as the creditor may require by notice in writing.

2. It shall be an obligation on the debtor:
   (a) to complete, as soon as may be practicable, any unfinished buildings and works forming part of the security subjects to the reasonable satisfaction of the creditor;
   (b) not to demolish, alter or add to any buildings or works forming part of the security subjects, except in accordance with the terms of a prior written consent of the creditor and in compliance with any consent, licence or approval required by law;
   (c) to exhibit to the creditor at his request evidence of that consent, licence or approval.

3. It shall be an obligation on the debtor:
   (a) to observe any condition or perform any obligation in respect of the security subjects lawfully binding on him in relation to the security subjects;
   (b) to make due and punctual payment of any ground burden, teind, stipend, or standard charge, and any rates, taxes and other public burdens, and any other payments exigible in respect of the security subjects;
   (c) to comply with any requirement imposed upon him in relation to the security subjects by virtue of any enactment.

4. It shall be an obligation on the debtor:
   (a) where he has received any notice or order, issued or made by virtue of the Town and Country Planning (Scotland) Acts 1947 to 1969 or any amendment thereof, or any proposal so made for the making or issuing of any such notice or order, or any other notice or document affecting or likely to affect the security subjects, to give to the creditor, within fourteen days of the receipt of that notice, order or proposal, full particulars thereof;
   (b) to take, as soon as practicable, all reasonable or necessary steps to comply with such a notice or order or, as the case may be, duly to object thereto;
   (c) in the event of the creditor so requiring, to object or to join with the creditor in objecting to any such notice or order or in making representations against any proposal therefor.
5. It shall be an obligation on the debtor:
   (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and other such risks as the creditor may reasonably require;
   (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor;
   (c) to pay any premium due in respect of any such policy and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day, after the renewal date of the policy;
   (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim;
   (e) without prejudice to any obligation to the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim;
   (f) to refrain from any act or omission which would invalidate the policy.

6. It shall be an obligation on the debtor not to let, or agree to let, the security subjects, or any part thereof, without the prior consent in writing of the creditor, and 'to let' in this condition includes to sub-let.

7. (1) The creditor shall be entitled to perform any obligation imposed by the standard conditions on the debtor, which the debtor has failed to perform.
   (2) Where it is necessary for the performance of any obligation as aforesaid, the creditor may, after giving seven clear days notice in writing to the debtor, enter upon the security subjects at all reasonable times.
   (3) All expenses and charges (including any interest thereon), reasonably incurred by the creditor in the exercise of a right conferred by this condition, shall be recoverable from the debtor and shall be deemed to be secured by the security subjects under the standard security, and the rate of any such interest shall be the rate in force at the relevant time in respect of advances secured by the security, or, where no such rate is prescribed, shall be the bank rate in force at the relevant time.

8. The creditor shall be entitled, subject to the terms of the security and to any requirement of law, to call up a standard security in the manner prescribed by section 19 of this Act.

9. (1) The debtor shall be held to be in default in any of the following circumstances, that is to say:
   (a) where a calling up notice in respect of the security has been served and has not been complied with;
   (b) where there has been a failure to comply with any other requirement arising out of the security;
   (c) where the proprietor of the security subjects has become insolvent.
   (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if:
      (a) he has become notour bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors;
      (b) he has died and a judicial factor has been appointed under section 11A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors, or his estate falls to be administered in accordance with an order under section 421 of the Insolvency Act 1986;
      (c) where the proprietor is a company, a winding up order has been made with respect to it, or a resolution for voluntary winding up (other than a members’ voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.
10. (1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, exercise, in accordance with the provisions of Part 11 of this Act and of any other enactment applying to standard securities, such of the remedies specified in the following sub-paragraphs of this standard condition as he may consider appropriate.

(2) He may proceed to sell the security subjects or any part thereof.

(3) He may enter into possession of the security subjects and may receive or recover feuduries, ground annuals, or, as the case may be, the rents of those subjects or any part thereof.

(4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof.

(5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects.

(6) He may effect all repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times.

(7) He may apply to the court for a decree of foreclosure.

11. (1) The debtor shall be entitled to exercise his right (if any) to redeem the security on giving notice of his intention so to do, being a notice in writing (hereinafter referred to as a ‘notice of redemption’).

(2) Nothing in the provisions of this Act shall preclude a creditor from waiving the necessity for a notice of redemption, or from agreeing to a period of notice of less than that to which he is entitled.

(3) (a) A notice of redemption may be delivered to the creditor or sent by registered post or recorded delivery to him at his last known address, and an acknowledgement signed by the creditor, or his agent or a certificate of postage by the person giving the notice accompanied by the postal receipt shall be sufficient evidence of such notice having been given.

(b) If the address of the creditor is not known, or if the packet containing the notice of redemption is returned to the sender with intimation that it could not be delivered, a notice of redemption may be sent to the Extractor of the Court of Session and an acknowledgement of receipt by him shall be sufficient evidence of such notice having been given.

(c) A notice of redemption sent by post shall be held to have been given on the day next after the day of posting.

(4) When a notice of redemption states that a specified amount will be repaid, and it is subsequently ascertained that the whole amount due to be repaid is more or less than the amount specified in the notice, the notice shall nevertheless be effective as a notice of repayment of the amount due as subsequently ascertained.

(5) Where the debtor has exercised a right to redeem, and has made payment of the whole amount due, or has performed the whole obligations of the debtor under the contract to which the security relates, the creditor shall grant a discharge in the terms prescribed in section 17 of this Act.

12. The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are recorded, the recording thereof, and all expenses reasonably incurred by the creditor in calling up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.
Interpretation

In this Schedule, where the debtor is not the proprietor of the security subjects, 'debtor' means 'proprietor', except:

(a) in standard conditions 9(1), 10(1) and 12, and

(b) in standard condition 11, where 'debtor' includes the proprietor.