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 17th September 2007, this edition of the Intelligent Finance conditions will apply to your Intelligent Finance plan from the day it is opened.

If you already have an Intelligent Finance plan, or have applied to open a new Intelligent Finance plan before 17th September 2007 but the plan has not been opened, then sections A to E 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 September 2007 will apply to your Intelligent Finance plan.

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

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 the seventeenth day of September two thousand and seven 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 September 2007.

if.com
SECTION A
INTELLIGENT FINANCE PLAN

if.com
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.
- **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.
- **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.
- **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.
- **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;
  - 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 A.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).

4 INTELLIGENT FINANCE conditions September 2007
• 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 or savings jar where you have an unarranged overdraft;
  – 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.

• 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 we 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).

• Payment holiday – A period of one interest period during which you do not have to pay a regular mortgage payment.

• 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 customer identification number we give you when you open your Intelligent Finance plan and the plan security code.

• PIN – Any personal identification number we give you to use with your debit card.

• 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.

• 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.

• 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.

• 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.

• 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 or any withdrawals made from your Intelligent Finance plan.

• 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 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.

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 early repayment charge period</td>
</tr>
</tbody>
</table>

Words changed with effect from 24th April 2005 by the Intelligent Finance conditions 2005.

<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.

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. 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 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.

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 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;

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 until you tell us. 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 or grossly negligent, you will be liable for any transactions before and after you tell us. Conditions B.11, B.12 and section 83 of the Consumer Credit Act 1974, may limit any liability you have to us.

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 suspend access to 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 suspend access to your Intelligent Finance plan, we will contact you.

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 from you or someone who has a legal right to give us instructions.

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 We will tell you from time to time which cash dispensers you can use with your debit card.

A.4.17 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. 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. The address to which we will send written communications will be the address of the person whose name appears first on our records for your Intelligent Finance plan. 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 (including standing orders and direct debits) normally takes three banking days. This condition, together with condition A.7, explains how long you have to wait to withdraw a cheque that you pay in, or receive interest on it. Money can be paid into your Intelligent Finance plan in a number of ways. We set these out and the total number of days before you can use the money, in the following table. If the payment is a regular personal loan payment or a regular mortgage payment you will not be able to re-use it.

A.4.18.2 to borrow money from us.
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.

If you want to pay a cheque into your jar:

A.6.7 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 pay a cheque into a current account or savings account (other than an Intelligent Finance account). In the case of a transfer into another Intelligent Finance, you may represent it for payment, if requested on a day which is a Sunday or 25th December) the next day.

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>Description</th>
<th>When the payment appears on your statement (transaction date)</th>
<th>When you can use the money</th>
<th>Mortgage (built-up reserve)</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>
<td>5 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>
<td>5 banking days after we receive it</td>
</tr>
<tr>
<td>CHAPS (also known as Express Payments)</td>
<td>day we receive it</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</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>
<td>same day</td>
</tr>
<tr>
<td>Direct 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>
<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>3 banking days from us requesting it</td>
<td>service not available</td>
<td>service not available</td>
</tr>
<tr>
<td>Standing order</td>
<td>day we receive it</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>
<td>service not available</td>
</tr>
<tr>
<td>BACS (also known as Standard Payments for example, salary)</td>
<td>day we receive it</td>
<td>day we receive it</td>
<td>day we receive it</td>
</tr>
</tbody>
</table>

A.6.2 If we receive a cheque or automated payment 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.6.3 You cannot cash or cheques into your Intelligent Finance plan using a cash dispenser or at a Halifax or Bank of Scotland branch or agency counter. 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:

A.6.4.1 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

A.6.4.2 may represent it for payment. If we represent a cheque or direct debit for payment, we will treat it as a new transaction.

A.6.4.3 If you pay a cheque into a current account or savings jar in your Intelligent Finance plan and we let you take some or all of the amount of the cheque out of your jar, it 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 days have passed following the day you paid the cheque in. After 6 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. This condition will become effective from 1st November 2007.

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.

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.6.9 In the tables in this condition A.6 and in condition A.7.1:
A.6.9.1 subject to condition A.6.9.2, a day is treated as ending at 8.30 p.m. with the next day starting at 8.31 p.m. (except on a Saturday which is treated as ending at 8.00 p.m. and a Sunday which is treated as starting at 8.01 p.m. on the Saturday immediately before it). If a transaction takes place after this time, it will be treated as taking place on the next day; and
A.6.9.2 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 We will not make a standing order payment or a future-dated bill payment from your current account jar on a Sunday. If you ask us to do so, we will treat it as if the payment were scheduled to be paid on the following Monday.
A.6.11 If you ask us to make a standing order payment or a future-dated bill payment, we will take the money out of your current account jar.
A.6.11.1 on the evening before the payment is due to be made if you have asked for the payment to be on a day other than a Sunday or a Monday; or
A.6.11.2 on the evening of the Saturday before the payment is to be made, if you have asked for the payment to be on, or we treat it as being scheduled for (see condition A.6.10) a Monday.
You must ensure that you have sufficient money in your current account jar to enable us to do this.
A.6.12 You can make BACS (which are also known as Standard payments) online from either your current account jar or your savings jar.
A.6.13 Please note that when you intend to send a payment using any money transmission service such as BACS (which are also known as Standard payments), or CHAPS (which are also known as Express payments) 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.
A.6.14 If you have insufficient money in your current account jar when we try to take it (see condition A.6.11), we will try to collect the money and make the payment as if the day on which the payment was to be treated as being scheduled was the day after the originally scheduled date.

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>Type of Transaction</th>
<th>When the payment appears on your statement (transaction date)</th>
<th>When do you start getting the benefit of any interest* (effective date)</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 (also known as Express payments)</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 another Intelligent Finance plan</td>
<td>same day or (if that day is a Sunday, or in the case of a transfer into a current account jar on 20th 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 you make the payment with your debit card</td>
<td>day we receive it</td>
</tr>
<tr>
<td>Direct debit from an account (other than an Intelligent Finance plan)</td>
<td>3 banking days from us requesting it</td>
<td>3 banking days from us requesting 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>2 banking days after we receive it</td>
</tr>
<tr>
<td>BACS (also known as Standard payments for example, salary)</td>
<td>day we receive it</td>
<td>day we receive it</td>
</tr>
</tbody>
</table>

*Provided the payment is not cancelled

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 after we discover it. We will adjust the interest we pay you or you pay us to take account of the transaction.

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.7.8 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 arrers 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.7.2 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.7.3 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 credit 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.

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 (8%);
- we pay interest at the appropriate rate (4%) on the remaining £30,000 in jar C2.
We may send you a decision notice before the end of the tax year.

A.7.1 We 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.7.2 We can change your interest rates (other than fixed rates). We can do this if it is reasonable to make the change because of the following circumstances:

A.8.1 to reflect a change or changes in the Bank of England’s base rate (that is the rate set by the Bank of England in connection with its open money market operations);

A.8.2 to reflect changes in rates of interest charged or paid by other major banks or financial organisations;

A.8.3 to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar organisation or an undertaking to the Director General of Fair Trading or a qualifying body (as defined in the Unfair Terms in Consumer Contracts Regulations 1999);

A.8.4 to reflect changes to the law, codes of practice or the way we are regulated;

A.8.5 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.8.6 to reflect changes in the costs we incur in looking after your Intelligent Finance plan because of:

A.8.6.1 the steps we have taken to modernise or improve our systems for managing Intelligent Finance plans generally; or

A.8.6.2 reasons outside our control;

A.8.7 because:

A.8.7.1 we are going to take over, take control of or acquire the business of another bank or organisation offering similar services;

A.8.7.2 we are going to be taken over or our business is acquired by another bank or organisation; or

A.8.7.3 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.
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 (other than special rates) for any other valid reason.

A.8.5 If we change interest rates on any of the jars that you have, we will give you notice within 30 days of any change unless the jar is governed by an agreement regulated by the Consumer Credit Act 1974 in which case we will give you notice not less than seven days before the change takes effect. The relevant notice may be published in at least three national newspapers.

A.8.6 If we change the interest rate under condition A.8.4 (that is to say, if we change it for a valid reason which is not set out in condition A.8.2 or A.8.3), we will give you notice of the change at the earliest opportunity.

A.9 Charges and expenses

A.9.1 We can make charges in connection with any part of your Intelligent Finance plan.

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

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, to reflect changes (including changes caused by inflation) in:

- the costs of running any jar within your plan;
- the costs we incur in carrying out any activity connected with any jar within your plan; or
- 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 jar within your plan.

- Except for charges relating to mortgage jars, we can also change the amounts we charge you, make new or different charges or change how you have to pay charges for any other valid reason.

- We will advise you of any changes to charges in Condition A.9.4 for the day-to-day running of your plan at least 30 days beforehand in writing.

- If you ask us to use a special service, we will tell you the charge.

- 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 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.

- 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.

- 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.10 Your statements

A.10.1 We will provide you with a statement once a year, unless the law or a regulation requires us to provide you with a statement more frequently. We will also send you statements for your current account jars 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.

A.11 Our rights

A.11.1 If we think that your Intelligent Finance plan 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 or how your Intelligent Finance plan or any jar in it operates, we may freeze your Intelligent Finance plan or part of it. 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 your Intelligent Finance plan 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:

- the money in any other jar owned by you alone in your Intelligent Finance plan; or
- 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.
A11.71 If and so long as you have chosen Option 1 (see condition A.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:

A11.71.1 we have stacked all the money we owe you; or

A11.71.2 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.

A11.72 If and so long as you have chosen Option 2 (see condition A.7.2), we will stack the money you owe us and the money we owe you in the way described in condition A11.71, except that we will continue stacking until we reach the point (the ‘set-off cut-off point’) where:

A11.72.1 we have stacked all the money we owe you; or

A11.72.2 we have stacked all the money you owe us; or

A11.72.3 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.

A11.73 In conditions A11.71 or A11.72, 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.

A11.74 We will not charge a special rate early repayment charge on any debt we repay under condition A11.71 or A11.72, or on any money we use to repay the debt.

A11.8 We will notify you if we use our rights in conditions A11.6 or A11.7.

A11.9 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.

A1.12 When can we change these conditions?

A1.12.1 If we give you at least 30 days’ notice, we can change these conditions (except the conditions in section F), or the ones which apply to any services on your Intelligent Finance plan, for any valid reason.

A1.12.2 When we change any of the conditions in sections A to E, 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 E of the new edition will apply to your Intelligent Finance plan from that date in place of this edition.

A1.12.3 When we give you notice of a change to the conditions, we will:

A1.12.3.1 send you a copy of the new edition of the conditions; or

A1.12.3.2 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.

A1.12.4 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.

A12.6 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.

A1.12.5 We can change any of the services available with your Intelligent Finance plan. We will give you at least 30 days’ notice (unless it is not practicable to do so, in which case we will give you as much notice as possible). We can make changes if it is reasonable to make the change for the following reasons:

A1.12.5.1 to reflect changes in market conditions beyond our control;

A1.12.5.2 to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar organisation or undertaking to the Director General of Fair Trading or a qualifying body (as defined in the Unfair Terms in Consumer Contracts Regulations 1999);

A1.12.5.3 to reflect changes to the law, codes of practice or the way we are regulated;

A1.12.5.4 to reflect changes to standards published by other organisations which we agree to apply to your Intelligent Finance plan or any jar in it;

A1.12.5.5 to reflect changes in the costs we incur in looking after your Intelligent Finance plan because of:

A1.12.5.5.1 the reasonable steps we have taken to modernise or improve our systems for managing the Intelligent Finance plans generally;

A1.12.5.5.2 reasons outside our control;

A1.12.5.6 because:

A1.12.5.6.1 we are going to take over, take control of or acquire the business of another bank or organisation offering similar services;

A1.12.5.6.2 we are going to be taken over or our business is acquired by another bank or organisation;

A1.12.5.6.3 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

A1.12.5.7 because someone else provides a service or facility 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.12.5.8 to reflect changes in technology or security design.

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.

A.12.6 Whenever condition A.12.5 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 or facilities.

A.12.7 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 close the jar and we:

A.12.7.1 change any of these conditions under condition A.12.1; or

A.12.7.2 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.12.8 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, 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 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.14.3 A notice may give the date when it will come into force. Except in the case of a notice we give under condition A.8.5 or A.8.6, 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.14.3.1 24 hours after it is sent, if the notice is sent by email or electronically;

A.14.3.2 48 hours after it is posted (if sent to an address in the United Kingdom) or 10 days after it is posted (if sent abroad).

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.15.3 We may also freeze your Intelligent Finance plan or any part of it if we find out that a bankruptcy order is made against you or we reasonably think that one is likely to be made. This means we will not allow anyone to take money out of any part of your Intelligent Finance plan, pay money in or carry out any other transaction unless that person has a legal right to do so (for example, a trustee in bankruptcy).

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)

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.

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.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 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 your Intelligent Finance plan or any part of it by giving you written notice. Normally the notice will be at least 30 days. However, if you have a mortgage jar we must comply with condition F.2.4.

A.17.4 We may close your Intelligent Finance plan or any jar within it immediately (unless by law we have to tell you first) if there are exceptional circumstances such as, if:

A.17.4.1 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.17.4.2 you behave towards us or any of our employees or agents in a way that we reasonably consider to be threatening or abusive.

A.17.4.3 there is evidence of fraud or we reasonably believe you are involved in any serious criminal or unlawful activity, or

A.17.4.4 for any other valid reason.

A.17.5 We will tell you as soon as possible if we do this.

A.17.6 If you move to an address outside the United Kingdom or you apply from abroad, using the internet:

A.17.6.1 to open a new jar; or

A.17.6.2 to borrow more money from us, we may close your Intelligent Finance plan or any jar within it. We will give you notice, but we will not let you use your Intelligent Finance plan during the notice period.

A.17.7 If we close all jars within your Intelligent Finance plan, we may also close your Intelligent Finance plan itself.

A.17.8 If we close your Intelligent Finance plan or any jar within it, we will, subject to condition A.17.9,

A.17.8.1 return your money to you along with any interest we owe you on your Intelligent Finance plan.

A.17.8.2 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.17.9 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.17.10 Unless we pay you interest at a special rate on a jar within your Intelligent Finance plan, we can close the jar and keep the money in it if:

A.17.10.1 you have less than £100 in it;

A.17.10.2 you have not taken any money out of the jar or paid any money into it for the past 12 months; and

A.17.10.3 we have not been able to find you after making reasonable attempts.

A.17.11 If we close a jar under condition A.17.10, we will re-open it if:

A.17.11.1 you ask us to; or

A.17.11.2 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 also pay any interest which the money would have earned if your jar had stayed open in the meantime.

A.17.12 If we close a current account jar or a savings jar you have in your Intelligent Finance plan:

A.17.12.1 we can still take the money out of your jar to cover any withdrawal; and

A.17.12.2 you will still have to pay back any overdraft, interest or charges which you owe us on your jar.

A.18 Foreign currency transactions

A.18.1 If we tell you that you can use your debit card to make a debit card transaction in a foreign currency, the amount of the debit card transaction will be changed to pounds sterling on the date we take it out of your current account jar. We may also make a charge for this service. We will choose the exchange rate that will apply but we will always make sure that we choose a reasonable one.

A.19 Special Arrangements

A.19.1 There are special arrangements if you want to pay foreign currency into your Intelligent Finance plan or take it out. Ask us for details.

A.19.2 Special arrangements apply to:

A.19.2.1 cash in foreign currencies;

A.19.2.2 cheques in foreign currencies or from foreign banks;

A.19.2.3 automatic credits.

If you need any more information, ask us for details.

A.20 General

A.20.1 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.

A.20.2 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.20.2.1 run our business lawfully;
A.20.2.2 make sure our financial regulator approves of the way we run our business; or
A.20.2.3 take account of changes in market conditions.

A.20.3 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.20.3.1 run our business lawfully; or
A.20.3.2 make sure our financial regulator approves of the way we run our business.

A.20.4 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.20.5 For similar reasons, we can also change the name of any service you use in connection with any part of your Intelligent Finance plan, without giving you notice.

A.20.6 You must give us an example of your signature if we ask you to.

A.20.7 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.20.8 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.20.9 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.20.10 Each paragraph and subparagraph in these conditions is separate from the others.

A.20.11 The Contracts (Rights of Third Parties) Act 1999 will not apply to the conditions in this booklet.

A.20.12 You must tell us immediately if you change your name, postal address, email address or any landline or mobile telephone number.

A.20.13 The agreement or agreements between you and us will be written in English.

A.20.14 Communications between you and us will be in English.

A.21 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.
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.

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.

B.3 When can we take money out of your current account jar?
B.3.1 When a cheque you have written is presented to us for payment, if you do not have enough money in your current account jar (taking into account any arranged overdraft and the amount of any withdrawal which we have still to take out of your current account jar), we can refuse to pay the cheque. We may ignore any money that is paid into your current account jar later that day.

B.3.2 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 can take the payment out 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 or as near to that date as possible. However, because of the way the banking system works, we will not be responsible for making sure the payment reaches that person by a given date.

B.3.3 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 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 of the way the banking system works and 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.3.4 When we use our rights under conditions A.116 or A.117 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.116 or A.117 respectively.

B.4 Using cheques
B.4.1 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.4.2 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.4.3 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.4.4 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.4.4.1 we believe that the cheques are being used by someone else;
B.4.4.2 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.4.4.3 we need to replace them for technical, security or design reasons.

B.4.5 You must not ask for money at the address which is printed on your cheques.

B.4.6 If we think that you are not keeping to these conditions, we may refuse to give you new or replacement cheques.

B.5 Stopping payments
B.5.1 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.5.2 Important: You cannot stop a debit card transaction.

B.5.3 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 payment is due to be made.

B.5.4 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.6 Taking care of your debit card
B.6.1 We may agree to give you a debit card if you have asked for one. 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.6.2 You must sign your debit card as soon as you get it.

B.6.3 You must take every care:

B.6.3.1 to stop anyone else using your debit card;
B.6.3.2 not to keep your debit card with any cheque book for your current account jar;
B.6.3.3 to keep your debit card safe and to prevent it from being lost, stolen or used by anyone else.

B.6.4 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.6.5 You should keep your debit card receipts safe and dispose of them carefully.

B.6.6 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.7 When can you use your debit card?
B.7.1 Unless condition B.7.4, B.7.5, B.7.6 or B.7.7 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.7.2 Your debit card belongs to us. You must destroy it immediately after the expiry date.
You may give your debit card back to us at any time.

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.11, A.15 or A.17 applies or if:

we believe that your debit card is being used by someone else;

we believe that you are not keeping to the conditions in sections A and B and as a result it is reasonable for us to ask you to return the debit card (for example if we have asked you to repay an overdraft and you have failed to do so);

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

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

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);

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

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

your current account jar is closed.

If we ask you to return your debit card you must not use it again and 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. We may put a ‘stop’ on your debit card to stop you using it.

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.

We may stop you using your debit card (without telling you first) if you are not keeping to the conditions in sections A and B and, as a result it is reasonable for us to stop your card (for example, if we have asked you to repay an overdraft and you have failed to do so). We may also refuse to give you a new or replacement debit card.

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.

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).

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

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.

You must not use your debit card to guarantee a cheque if the amount of the cheque is more than you have in your current account jar (taking account of any arranged overdraft and the amount of any withdrawal which we have still to take out of your current account jar).

B.9 Taking care of your PIN

B.9.1 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.9.2 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.9.3 You must take all reasonable steps to keep your PIN secret at all times. You must:

take every care to stop anyone else using it;

immediately destroy the piece of paper we send you to tell you what your PIN is; and

not write your PIN on your debit card or anything usually kept with it.

B.9.4 If you do write your PIN down, you must disguise it so that no one will know it is a PIN.

B.10 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.10.1 Debit card and PIN – if you lose your debit card, if it is stolen or you think that someone else might have used 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, 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.10.2 Cheques – if your cheque book or a cheque is lost or stolen 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, 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.10.3 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:

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

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

B.11 When are you legally responsible if you lose your debit card or PIN or they are stolen or used by someone else?

B.11.1 You will not be responsible for a debit card or a PIN being used 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).

B.11.2 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, 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:

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

you get the debit card back.

Condition B.11.2 does not apply if condition B.11.3 or B.11.4 applies.

B.11.3 You may have to pay more than £50 in the following circumstances:
B.11.3.1 If your current account jar is overdrawn or goes overdrawn because the debit card was used (before we received notice under condition B.10.1) by someone who got the debit card with your agreement.

B.11.3.2 In any other case if you have been fraudulent or acted without reasonable care in connection with the loss or theft of your debit card or PIN or in allowing someone else to have your debit card or PIN for example, if you have not followed the instructions in conditions B.6 and B.9.

B.11.4 You will not have to pay us any money for any loss we suffer because of the use of the debit card or PIN where your debit card or PIN has 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 card has been stolen and then used to purchase goods over the internet.

B.11.5 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.

B.11.6 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. You must help us fully in our investigations.

B.11.7 If we reasonably think that:

B.11.7.1 you or someone else is using your current account jar illegally;

B.11.7.2 you are not keeping to these conditions; or

B.11.7.3 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.

B.11.8 We will only refund your current account jar with the amount of a debit card transaction if we get some proof (that it is reasonable for us to accept) that you do not have to pay for the goods or services that you bought by making the debit card transaction.

B.12 Our legal responsibility for debit card transactions

B.12.1 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 gave us notice under condition B.10.1 unless:

B.12.1.1 you make the withdrawal or it is made by someone for you;

B.12.1.2 you have been fraudulent or have acted without reasonable care as mentioned in condition B.11.3.2.

B.12.2 If you never get your debit card from us (for example it is lost in the post), we will be responsible for paying the amount of any withdrawal made using it.

B.12.3 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.

B.12.4 Our responsibility under condition B.12.1, B.12.2 or B.12.3 will be limited to any amount (including interest) which we should not have charged to your current account jar.

B.12.5 We will not be responsible for any loss or expense which you suffer:

B.12.5.1 if your debit card is damaged;

B.12.5.2 if any bank, machine, terminal, retailer or anyone else refuses to accept the debit card or keeps it; or

B.12.5.3 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 or facilities, because of strikes, power cuts, equipment not working or other causes beyond our reasonable control.

B.13 Overdrafts

B.13.1 Unless we agree that you can do so, you must not use your current account jar or allow anyone else to use it if:

B.13.1.1 this would make your current account jar go into overdraft (where you do not have an arranged overdraft) or over your pre-arranged overdraft limit; or

B.13.1.2 your current account jar is already overdrawn or over your overdraft limit (where you do not have an arranged overdraft) or is already over your pre-arranged overdraft limit.

B.13.2 If we agree to let you have an arranged overdraft, we will decide your overdraft limit and tell you what it is. We may change it at any time but we will only reduce your overdraft limit or withdraw the availability of your overdraft where:

B.13.2.1 you have failed to regularly fund the current account jar;

B.13.2.2 you are in breach of a condition relating to the use of the overdraft;

B.13.2.3 your circumstances have changed for the worse;

B.13.2.4 we reasonably believe that the risks of lending to you have increased; or

B.13.2.5 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.

B.13.3 If we pay a cheque (including one which is guaranteed), charge interest, make charges on your current account jar or carry out a withdrawal or other transaction and this makes your current account jar go overdrawn or go over your overdraft limit, this does not mean we have agreed to allow you to have an overdraft or to increase your overdraft limit.

B.13.4 Unless condition B.13.6 below applies, as long as you stay within your overdraft limit, we will charge you interest on your overdraft at our rate for arranged overdrafts.

B.13.5 If without our agreement, your current account jar goes overdrawn or you go over your overdraft limit, if you have one, we will charge you interest on the amount of the overdraft that has not been arranged, at the rate we set for unarranged overdrafts. This rate will usually be higher than the rate we set for arranged overdrafts. You may also have to pay an arrangement fee and additional transaction charges.

B.13.6 We may change the rates of interest we charge on overdrafts (see condition A.8). You can get details of the current rates on the web at www.wf.com or by telephoning Intelligent Finance on 0845 60 4343.

B.13.7 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. If you have to pay 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.13.8 If we have:

B.13.8.1 asked you to pay any money you owe us on your current account jar, or

B.13.8.2 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.13.7 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.13.9 At any time, we may, subject to condition B.13.7, require you to pay us any overdraft, interest and charges which you owe on your current account jar.

B.13.10 If you close your current account jar, we will follow the steps in condition B.13.7 to work out the interest you have to pay us when you close your current account jar including interest 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.14 What happens if your current account jar is in joint names?

B.14.1 We will accept the instructions or signature of either one of you.

B.14.2 Either one of you can withdraw the whole balance in the jar (including any funds available within your arranged overdraft limit), irrespective of which of you deposited the funds.

B.14.3 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.

B.14.4 If one of you dies, we will continue to accept instructions in connection with your jar from the survivor.

B.14.5 If you no longer require a joint jar, you must tell us:

B.14.5.1 how you want us to divide the money we owe you (if any) between you;

B.14.5.2 how you intend to repay any money you owe us (whether under an arranged overdraft or an unarranged overdraft); and

B.14.5.3 what arrangements you want to make for payment of any standing orders and direct debits set up on the jar.

B.14.6 If there is a disagreement about who owns the money in your 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.

B.14.7 You must not use a debit card which we supply to the other one of you.

B.14.8 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.15 Automatic transfer of money between current account jars and savings jars

B.15.1 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.15.2 You can only link one savings jar to each current account jar for the purposes of this arrangement.

B.16 Your rights

B.16.1 You have the right to change your mind about opening a current account jar within your Intelligent Finance plan.

B.16.2 If you wish to change your mind, you must tell us within 14 days of making your first payment into the jar. 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.
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.

C.2 How do you use your savings jar?
We will tell you the smallest amount of money you must pay into each savings jar before you can open it.

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 on any savings jar overdraft;
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 You must not allow your savings jar to go overdrawn.
C.4.2 If we charge interest, make charges on your savings jar or carry out a withdrawal or other transaction and this makes your savings jar go overdrawn, this does not mean that we have agreed to allow you to have an overdraft.
C.4.3 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.

C.5 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 of making your first payment into the jar. 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.

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 If there is a disagreement about who owns the money in your 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 Individual Savings Accounts
Key features
General
C.7.1 An ISA is an individual savings account in which all interest is paid free of income tax and capital gains tax. There are different types of ISAs.
C.7.1.1 Maxi ISA – an ISA consisting of up to two components. It must include a stocks and shares component and may also include a cash component or both. Each component must be provided by the same provider.
C.7.1.2 Mini ISA – an ISA which is invested solely in stocks and shares or held solely as cash. Each Mini ISA may be provided by the same provider or by providers.
C.7.2 ISAs must be included in your Intelligent Finance plan. We only provide the cash components for Mini ISAs.
C.7.3 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 subscription limits imposed by the Government.
C.7.4 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.7.5 To open and operate an Intelligent Finance ISA:
C.7.5.1 you must be 18 or over;
C.7.5.2 you must be resident and ordinarily resident in the United Kingdom or qualify for ISA tax benefits;
C.7.5.3 you must not have already subscribed to the cash component of a Maxi ISA or another Mini ISA in the same tax year; and
C.7.5.4 the jar must only be held in, and must remain in, your sole name.
C.7.6 In any tax year you can contribute to either a cash Mini ISA or the cash component of a Maxi ISA but not to both.
C.7.7 Where the cash elements of your ISA comprises of more than one jar (for example, a direct access jar and a jar which is subject to a notice period for withdrawals) you may transfer funds between them without affecting the maximum subscription limits.
C.78 Once you have deposited an amount equal to the maximum subscription limit for a tax year you may make no further subscriptions that tax year regardless of any withdrawals you have made. You may make further subscriptions to the ISA in the following tax year.

C.79 If you deposit less than the maximum subscription limit for one tax year, you may still only deposit an amount equal to the maximum subscription limits for subsequent tax years into your ISA.

C.710 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 permitted.

C.711 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 cash component to another ISA provider.

C.712 If you die, any interest which we pay following the date of your death will not be exempt from tax.

C.713 If:
C.713.1 any of the information you give us in your application is found to be incorrect;
C.713.2 you have subscribed to more than one cash component; or
C.713.3 you have subscribed to both a Maxi and a Mini ISA in any tax year,
then we will tell you if your 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.714 If you cancel an ISA within the cooling-off period, your ISA will be deemed not to have existed for the purpose of calculating whether you have exceeded the maximum subscription limit for the current tax year and you will be entitled to subscribe to a further cash component.

C.715 If you fail to subscribe to your cash component in any tax year you must make another application to open a new cash component if you wish to invest in a cash component in subsequent tax years.

C.716 Your cash components must not be used as security for a loan.

C.717 We will write to you once a year to remind you of the terms of your cash component and your obligations.

C.8 Sole trader business savings jars

C.8.1 If we say you can open a sole trader business savings jar, you may only use it 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.8.2 You can only pay cheques made payable to your business into your sole trader business savings jar with the same name.

C.8.3 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.8.4 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.
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.
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.
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.
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;

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 we give you at least three months’ notice, you must pay us the mortgage debt in full by the time the notice runs out.

F.2.5 If you have not paid us any amount when you were due to, we will use any payment that you make to us which is not a regular mortgage payment to pay off the unpaid amount. If any money is left over, it will be an overpayment.

F.2.6 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.

F.3.4 If you have failed to pay your regular mortgage payment or any other amount you have to pay 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.174, F.172, F.178, F.179 or F.1710;

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:

F.4.5.6.1 an added rate of not more than 2% a year; or

F.4.5.6.2 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.4.10 We will not increase the variable mortgage rate so that it is more than 2% above the Bank of England’s base rate. If we charge you interest on the mortgage debt, or part of it, at a special rate which is linked to the variable mortgage rate, you will get the benefit of this protection on the variable mortgage rate element of the special 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:

F.5.2.1 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 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 increased special 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.
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.

Because changes in the banking system mean that:

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

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

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.

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).

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.

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:

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.

If your 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 jar you want to reduce or pay off.

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

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

then, towards paying any arrears on the mortgage debt;

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

then, towards repaying the capital.

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.

When we apply a payment in the way we describe in condition F.7.4, we will use the payment in the following ways.

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.

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.

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.

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

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

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);

you borrow more money from us;

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

you take a payment holiday;

we need to reflect a change to:

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

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

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

the amount of the capital;

the mortgage payment option you have chosen.

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.

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).

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).

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 you give us 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.7.8, 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.7.8 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;

F.7.12.2 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 occurred;

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 you 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.

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:

- you repay the capital on any repayment parts of the mortgage jar with interest by the end of the mortgage repayment period; and
- you make payments consisting only of interest on any interest-only parts of the mortgage jar.

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.

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.

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.

We will not recalculate the regular mortgage payment under condition F.7.13.2 if any of the following applies:

- you take a payment holiday;
- we agree any special payment arrangement with you because you cannot pay the regular mortgage payment;
- 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);
- 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.7.12), 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 mortgage payment option.

F.8 Payment holidays

F.8.1 You 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.8.2 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.8.3 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 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 you 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).

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.

F.10.3 In all other circumstances, you will have to pay us all of the special rate early repayment charge.

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; or

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; or

F.10.4.4 we give you notice under condition F.2.4 to pay us the mortgage debt in full and either you repay the mortgage debt in accordance with the notice or we sell the property following your failure to repay the mortgage debt in accordance with the notice (provided, in either case, you have kept to all of your other obligations under the mortgage).

F.10.5 If 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 our 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.
F11.5 You must get our permission before you:
F11.5.1 sell any part of the property;
F11.5.2 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;
F11.5.3 grant someone a licence or right to occupy all or part of the property;
F11.5.4 give someone else a mortgage or other security over any part of the property;
F11.5.5 give any part of the property away;
F11.5.6 alter or extend the property;
F11.5.7 change how the property is used or apply to any planning authority for consent to make such a change; or
F11.5.8 negotiate, waive or settle any claim for compensation for the compulsory purchase, loss or reduction in the value of the property; or
F11.5.9 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.
F11.6 You must carry out any building or repair work which:
F11.6.1 we agree you can do;
F11.6.2 is needed to maintain the value of the property; or
F11.6.3 the law says you must do.
F11.7 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).
F11.8 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.
F11.9 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.
F11.10 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.
F11.11 If you do not keep to any of your obligations to do with the property, we may keep to them for you.

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 aerosols, 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.
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.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.13.7 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 tell us how you want any money from a claim to be used. This will either be to:
F.13.9.1 repair or rebuild the property; or
F.13.9.2 reduce or pay off the mortgage debt.
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.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.2.

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 you do not pay us the mortgage debt in full by the time any notice under condition F.2.4 runs out.

F.17.4 If:

F.17.4.1 you enter into a voluntary arrangement with anyone you owe money to (or you are going to do so);

F.17.4.2 you apply to a court for an interim order; or

F.17.4.3 a bankruptcy order is made against you or we think that one is likely to be made;

F.17.4.4 anybody takes any of your money or property to recover a debt; or

F.17.4.5 anybody applies for a court order or decree against you to do with the property and this could harm our security.

F.17.5 If you die or, if there are two of you, one of you dies.

F.17.6 If you have given us any false or misleading information.

F.17.7 If the property is compulsorily purchased.

F.17.8 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.17.9 If you are involved in any serious criminal activity or fraudulent activity, unless your only involvement is as a victim.

F.17.10 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 1891 (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 ejectation. 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 ejectation 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 seventy nine 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 this witness Julie Elizabeth McCormack, one Castle Terrace, Edinburgh, at Edinburgh on the seventeenth day of September two thousand and seven.
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 1989 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 indemnify the creditor against any loss or damage, howsoever caused, to the security subjects in consequence of the breach of any such condition or the failure of the debtor to perform any such requirement, and for any costs or expenses which the creditor shall incur as a result thereof;
(b) to indemnify, in respect of the life of the policy, the creditor against any sum payable by the policy to the lessor of any demised property where the lessor has assigned or sub-let the property to the debtor, for the breaching by the debtor of any term or condition of the lease or the duty to pay rent, or for any sum payable by the policy to the lessor of any demised property in respect of a lease where the lessee has sub-let the property to the debtor, for the breaching by the debtor of any term or condition of the sub-lease or the duty to pay rent;
(c) to pay the creditor the excess of the sum payable by the policy to the insured person or the amount of any other sum payable by the policy to any person for the material loss or destruction of any security subjects at the time of the material loss or destruction, after deducting all sums payable by the policy to or in respect of the insured person or the amount of any other sum payable by the policy to the insured person for the material loss or destruction of any security subjects at the time of the material loss or destruction;
(d) to pay the creditor the amount of the premium due, or any part thereof, for the period of the policy and to give to the creditor six clear days notice in writing that the insured person has ceased to exist or is about to cease to exist.

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 indemnify, in respect of the life of the policy, the creditor against any loss or damage, howsoever caused, to the security subjects, or any part thereof, in consequence of the breach of any such condition or the failure of the debtor to perform any such requirement.

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 the benefit 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 feu duties, 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.