

first direct

Account Terms and Conditions
Effective 10 November 2014

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first direct Account Terms and Conditions

effective from 10 November 2014

These **first direct** Account Terms and Conditions (the “**first direct Terms**”) are made up of sections 1 and 2 (the “**General Terms**”), section 3 (the “**Special Account Conditions**”) and section 4 (the “**Text Message Banking Conditions**”).

Your agreement with us consists of the **first direct** Terms and any Additional Conditions (together the “**Terms**”) that apply to 1st Account, Savings Account, Everyday Savings Account, Everyday e-Saver Account, Regular Saver Account, Bonus Savings Account and e-Savings Account and any other accounts that we specify from time to time.

Your use of Internet Banking, Telephone Banking and Text Message Banking will, for all products that you have with us, be subject to these Terms.

Additional Conditions include the following, as applicable to your product/service: (1) all overdraft interest and credit interest rates that apply to your product/service; (2) all charges (including Informal Overdraft Usage Fees) and other information that is covered in the interest rates and charges information as applicable to your product/service; (3) any other terms that we provide you. You will be given the interest rates and charges information when you take out your product/service with us, and can also find details of overdraft interest and credit interest rates and charges (including Informal Overdraft Usage Fees) by telephoning us or by looking on our website.

If any Additional Conditions contradict the General Terms, then the Additional Conditions will apply.

In the Terms:

“**business weekday**” means Monday to Friday, except for public holidays;

“**HSBC Group**” means HSBC Holdings plc, its subsidiaries, associated and affiliated companies and their HSBC branches and offices;

“**we**”, “**us**” and “**our**” mean **first direct**, a division of HSBC Bank plc;

“**you**” and “**your**” mean the account-holder or, if the account is in joint names, all account-holders;

“**recipient**” means the person receiving money paid (this may be another person or it may be you if you are sending a payment to another account in your name or if you are withdrawing cash);

“**HSBC branch(es)**” means a branch(es) of HSBC Bank plc in the United Kingdom, Channel Islands and the Isle of Man;

“**Customer Representative**” means a **first direct** employee who deals with customer queries;

“**Telephone Banking**” means our telephone banking service;

“**Internet Banking**” means our internet banking service available by logging on at **firstdirect.com**;

“**self-service machines**” means automatic machines at which you can access banking services using your card and Card PIN. These include ATMs, HSBC Express Bank machines, HSBC paying-in machines and machines from which you can withdraw foreign currency. It will be clear at each machine what type of machine it is and what type of services you can access;

“**HSBC self-service machines**” means HSBC Bank plc’s self-service machines;

“**ATMs**” means automated teller machines at which your card will be accepted, which may be operated by us or by someone else;

“**HSBC Express Bank machines**” means some of HSBC Bank plc’s self-service machines that offer day-to-day banking services in addition to the services that are available at ATMs; and

“**HSBC paying-in machines**” means some of HSBC Bank plc’s self-service machines that allow you to deposit cheques, sterling bank notes and, in some cases, coins, for payment into your account.

The product/service you have with us should not be used for business purposes. No third party will have any rights under the Terms.

Please read the Terms and keep them in a safe place. You can ask for a copy of the Terms at any time.

Contact Information

To contact us, please call using the applicable number below. To help us continually improve our services and in the interests of security we may monitor and/or record your telephone calls with us. All lines are open 24 hours and calls will be put through to our Call Centre.

Telephone

From UK, Channel Islands and Isle of Man: 03 456 100 100
From abroad: +44 1132 345678

Text-phone

From UK: 03 456 100 147

Text Relay

From abroad: +44 151494 1260

Section 1 – General Terms – Payment Services

This **Section 1** is a separate framework contract for payment services on your account which includes the basis on which we may vary any of the credit interest and overdraft interest rates and other Terms. We have divided section 1 into parts as follows:

Part A – contains the information you must provide to us when you make a payment and the different ways in which you can ask us to make a payment. Part A also includes important security information.

Part B – contains terms of general application to the different types of payments you can make, including when payments will and will not be paid from your account, payments that involve a foreign currency and when you will receive credit interest on payments made from your account.

Part C – contains terms specific to each type of payment, ranging from internal transfers to cheques.

Part D – contains terms relating to joint accounts, statements, fraud prevention and responsibilities. Part D also includes terms relating to changing the Terms and ending the framework contract and closing your account.

Part A

1 Different types of payment into and out of your account

Details of the different types of payments we offer are set out in our Give me the Facts brochure. We can change this information by giving you at least two months' advance personal notice. Some types of payment are not available on certain accounts or via certain channels.

2 Information you need to provide when you make a payment

2.1 Priority Payments and SEPA payments you make and international payments you receive

2.1.1

You must provide us with all the following details to enable us to make a Priority Payment or SEPA payment:

- the correct details of the recipient's bank, including the bank's SWIFT Bank Identifier Code ("**BIC**") address, sort code or national bank code;
- the recipient's bank account number, or International Bank Account Number ("**IBAN**") if making a SEPA payment or paying to a bank in the EEA;
- the name and address of the recipient to whom the payment is made;

- your own account number (and IBAN for a SEPA payment), name and address. This is a legal requirement and these details will be passed to the recipient's bank.
- the recipient's reference, if applicable;
- for payments to certain countries, the reason for making the payment (we will tell you when we need this information unless you are instructing us to make a payment via post in which case you must always include this information); and
- the amount of the payment.

2.1.2 If you are going to receive an international payment you must tell the sender of the payment your BIC and IBAN.

2.2 Electronic Fund Transfers, Bill payments (including faster bill payments) and internal transfers

2.2.1 Unless Clause 2.2.2 of the General Terms applies, you must provide us with all the following details to enable us to make the payment:

- the sort code and account number for the recipient's account;
- the date the payment is to be deducted from your account;
- the recipient's name;
- any reference identifying the payment (including a reference to you or the recipient); and
- the amount of the payment.

2.2.2 If you do not have the sort code and account number for the recipient's account but have made a payment to the recipient within the last 13 months from your account and we have set their information up on your account, then we can make the payment in the absence of this information with your agreement.

2.3 Standing orders (including faster standing orders)

We will require all the following details from you to enable us to set up a standing order from your account:

- the recipient's name, sort code and account number;
- the date we are to start deducting the payments from your account;
- how often you want us to make the payments;
- the amount of each payment and for what length of time you require us to make the payments; and
- any reference identifying the payment (including a reference to you or the recipient).

2.4 We use payment systems to send electronic payments. Payment systems will use the recipient's sort code and account number (or BIC and IBAN) when sending a payment. All other information you have provided, such as the recipient's name, will be sent to the recipient's bank but may not be used when the payment is applied to the recipient's account. You must make sure that you provide us with the correct sort code and account number because if you don't it is likely that your payment will not reach the recipient.

2.5 If we are notified by the Current Account Switch Service that a person you are making a payment to has switched their account to another provider, we will update your instruction with the new sort code and account number.

3 Internet Banking

3.1 We have introduced a higher level of security for certain Internet Banking services such as paying someone for the first time, changing your personal details and telling us you want to close your account or cancel an overdraft facility. We will be writing to you giving you details about the new security requirements and when they will apply to you shortly after this date. Once the new security requirements apply to you, when you log into Internet Banking in the usual way you will not be able to use those services that require a higher level of security.

3.2 To use Internet Banking for the first time, you must set up a telephone password in accordance with Clause 4 of the General Terms. Once you have done this, we will supply you and, in the case of joint accounts, each of you, with your unique identifier which you can then use to access the service together with other security information that we request.

3.3 Payments

3.3.1 You can make some payments through Internet Banking by logging on, using your username, and providing other security information that we request. We will be writing to you after 30 September 2013 to advise you that we will be introducing different security requirements for you to be able to make payments to a person or organisation for the first time using Internet Banking. We can change the security information we require you to provide and will tell you about this.

3.3.2 When you have provided your payment instructions, you will be asked to confirm those instructions. This will be your agreement for us to make the payment.

3.4 Using Internet Banking and Installation

3.4.1 You can use Internet Banking as long as you have equipment which is compatible with our system and which meets the minimum specifications detailed in our product literature.

3.4.2 We may provide or make available installation updates and other software for the operation of Internet Banking. The software we provide will have been thoroughly tested and checked for viruses and certified before production. Whilst every care is taken to ensure that installation is risk free, it is your responsibility to back up all your important data before installation.

3.5 Use of Internet Banking – encryption and viruses

3.5.1 We use a very high level of encryption. The use of such levels of encryption may be illegal in jurisdictions outside the UK, Channel Islands and Isle of Man. It is your responsibility to ensure that, if you wish to use Internet Banking outside of the UK, Channel Islands and Isle of Man, your ability to use Internet Banking is permitted by local law and we shall not be liable for any loss or damage suffered by you as a result of your not being able to use Internet Banking in other countries.

3.5.2 To help ensure that you can use Internet Banking safely and without interruption you are responsible for ensuring that:

- the equipment you use to access Internet Banking is kept fully operational;
- any software installed on your equipment is kept virus free;
- all your important data is backed up at regular and frequent intervals; and
- you only access Internet Banking when using a computer or other device which can be used to access the internet and which has installed on it up-to-date anti-virus and anti-spyware software, firewall and security patches where it is possible to do so.

3.6 Availability of Internet Banking

Internet Banking, or services provided through Internet Banking, may be temporarily unavailable if we have to carry out routine or emergency maintenance. We will try to inform you in advance but it may not always be possible to do so.

3.7 Secure e-messages

3.7.1 You may send us and we may send you secure e-messages via Internet Banking. We will be writing to you after 30 September 2013 to advise you that we will be introducing different security requirements for you to be able to send us secure e-messages via Internet Banking. You should check your messages regularly at **firstdirect.com** as they may contain important account information.

3.7.2 If you send us a message we will aim to respond to you within two business weekdays. If this is not possible or if we are not willing to answer your query or comply with your request within this timescale or at all, we will aim to let you know this within two business weekdays. Please be aware that once you have sent a request we may not be able to cancel it before it is implemented.

- 3.7.3** We will not deal with messages:
- to give effect to matters for which there is a particular facility in Internet Banking, for example, to make a payment;
 - which require immediate attention (please telephone us instead);
 - which are requests relating to a transaction, such as sharedealing or fund management instructions (please telephone us instead);
 - which are requests to take out, change or renew existing insurance policies (please telephone us instead);
 - reporting the loss or theft of cheques and/or credit cards (please telephone us instead);
 - stopping a cheque for any reason (please telephone us instead);
 - on behalf of any third party in relation to our dealings with them;
 - which are offensive, frivolous or similarly inappropriate.
- 3.7.4** We may send you service messages concerning any accounts, products or services which you have with us, including Internet Banking, or any other service related matter.
- 3.7.5** Unless we specifically ask you to, you should not reply to text messages or emails which we send or otherwise try to contact us by these methods. We may not act on any messages received in this manner unless we have asked for a response.
- 3.8** **Copyrights, Trademarks and copying material**
- 3.8.1** HSBC, the Hexagon logo, and **first direct** are all registered trademarks.
- 3.8.2** We have a licence for, or own, all copyrights for our website through which you access Internet Banking and all trademarks and other materials used on it.
- 3.9** **Online Applications**
- 3.9.1** You may be eligible to apply for loans, credit cards or other credit facilities with or without pre-approved limits through the “apply online” function. Under no circumstances should the “apply online” screens be construed as an offer to provide a credit facility to you on particular terms or at all.
- 3.9.2** Any pre-approved limit for you is based on the information available to us at the time we make our calculations.
- 3.10** **Miscellaneous**
- 3.10.1** You are liable for any telephone or other communication charges and any charges made by your internet service provider or any other third party as a result of your use of Internet Banking.
- 3.10.2** We will not be liable for any disclosure of confidential information where it is as a result of you not complying with Clause 9 of the General Terms, which relates to important security measures.
- 3.10.3** We may, at any time, appoint one or more agents to provide all or any part of Internet Banking and references to “we”, “us” or “our” will include references to such agent(s).
- 3.10.4** We will take reasonable care to ensure that any information provided to you by Internet Banking is an accurate reflection of the information contained in our computer systems or, where the information is provided by a third party, accurately reflects the information we receive from that third party. Where information provided via Internet Banking is beyond our reasonable control (for example it is provided by a third party), we cannot guarantee that it is accurate or error free. Some of the information available through Internet Banking may be identified on the screens or in any User Guide in respect of any electronic media as subject to certain restrictions, or on a specific basis (for example, it is only accurate as at a certain date). If we do this, and you rely on that information, you do so subject to those restrictions or the basis on which the information is provided. (User Guides set

out information about how to use Internet Banking, for example they explain how to set up Internet Banking and how to make payments via Internet Banking. User Guides are available at **firstdirect.com** and, if you ask us to, we will send you a paper version on how to set up Internet Banking.)

3.10.5 You agree that unless we have specifically agreed with you otherwise, we shall have no liability for:

- any equipment, software or associated user documentation which any party, other than us, produces at any time for use in connection with Internet Banking unless the issue arises due to our fault or wilful negligence; or
- any services through which you access Internet Banking or which you access through Internet Banking which are not controlled by us.

3.10.6 We are not obliged to monitor your use of Internet Banking for any failure by you to carry out your obligations under the Terms, including your security duties under Clause 9 of the General Terms, or to notify you of any such failure.

3.10.7 Our records, unless shown to be wrong, will be evidence of your dealings with us in connection with Internet Banking.

4 Telephone Banking

4.1 Clause 4 of the General Terms applies to your use of Telephone Banking in respect of accounts held solely or jointly by you and/or any accounts of a third party which you are authorised by the account holder to operate, e.g. because they have signed a third party authority (called a third party mandate) in your favour or have granted you a power of attorney. Telephone Banking can only be used by our customers, including if you are operating an account for a third party. If you use Telephone Banking to operate any accounts of a third party, you agree to do so only if, and to the extent that, you are authorised to do so by the account holder.

4.2 Telephone Banking is available, provided that you have a touch tone telephone and your identity can be verified, by speaking to a Customer Representative. We will never ask you for your full password. We will also use voice recognition technology or other electronic means to assist in verifying your identity.

4.3 You can contact us via Telephone Banking by calling the applicable number set out above section 1 of the General Terms.

4.4 Your instructions

4.4.1 You can make some payments through Telephone Banking (once you have completed our security procedures) by speaking to a Customer Representative, who will take details of the payment and then confirm the details to you. You must confirm these details are correct before we make the payment. Your confirmation will be your agreement for us to make the payment.

4.4.2 On satisfactory completion of our security procedures, we can act on any instructions given to us, even if these instructions were not given by you or with your authority.

4.5 Availability of Telephone Banking

Telephone Banking may be temporarily unavailable if we have to carry out routine or emergency maintenance. We will try to inform you in advance but it may not always be possible to do so.

4.6 Using a Text-phone or Text Relay

4.6.1 If you wish to use a Text-phone or Text Relay to contact us, we will contact you on your Text-phone or via Text Relay to set up your personal security details and password.

4.6.2 If you have a joint account, each of you who wishes to use the Text-phone or Text Relay service must have a unique password and security details.

5 HSBC Branch

You can pay in cash and cheques in HSBC branches. You cannot make payments out of your account using the counter service, but you can withdraw cash from your account using that service.

6 Self-service machines

To make a payment (including deposits and withdrawals) using self-service machines, you must use your debit card and PIN and type the payment details out on the key pad and then confirm to us that you want the payment to be made. This will be your agreement for us to make the payment.

7 Post

To make a payment by post, you must send a letter addressed to us at **first direct**, 40 Wakefield Road, Leeds, LS98 1FD. You must set out all the details we tell you we need to make the relevant payment (please see Clause 2 of the General Terms) and you must sign the letter (your signature must match the signature provided by you on the application form you completed at account opening). This will be your agreement for us to make the payment. We will make the payment once we have checked your instructions.

8 Debit cards – and self-service machines

8.1 General

8.1.1 We will issue you, and in the case of joint accounts, all of you, with a debit card when you open a 1st Account. We may also have issued you with a debit card on a savings account.

8.1.2 All debit cards we issue will be VISA debit cards.

8.1.3 Only the relevant parts of the terms and conditions in this Clause will apply if your card does not have all of the functions set out below.

8.2 Issuing a card and Card Personal Identification Number (“Card PIN”)

8.2.1 We will only send you a card if you ask for one or to replace a card already held. We will renew your card periodically and replace it when it is lost or stolen.

8.2.2 If you ask us to send, or we issue you with, a replacement card before your existing card’s expiry date you will only be able to use your existing card for 30 days after the date we send you a replacement card. You can change your Card PIN, but not within the 30 day period before the expiry of an existing card or at any time between the order and receipt of a replacement card.

8.2.3 We will issue you with a Card PIN. We will not reveal your Card PIN to anyone but you. You can use your Card PIN with your card for withdrawing money and using other services available from self-service machines.

8.2.4 If your account is in joint names, these terms apply to each cardholder. We can only issue a card to a person authorised by all of you to operate the account alone.

8.3 Your card and your account

8.3.1 You must not use your card after the end of the month it expires, or after we have asked you to return it to us or told you that its use is suspended. Please also see Clause 27.7 of the General Terms which provides more detail on the suspension of the use of cards.

8.3.2 We may charge for card use at the rates set out in the interest rates and charges information we provide you with. You authorise us to deduct all such charges from your account.

8.3.3 You must not use your card for an illegal purpose.

8.4 Returning your card

You can return your card to us at any time, but it must be cut into at least six pieces.

8.5 Self-service machines

8.5.1 All cards can be used in HSBC self-service machines in the UK, Channel Islands and Isle of Man.

8.5.2 You may have to enter your Card PIN in order to use HSBC self-service machines.

8.5.3 You can obtain and perform the following from some HSBC self-service machines in the UK, Channel Islands and Isle of Man by using your debit card:

- details of the balance and available balance on your account;
- pay cash and cheques into your account; and
- make transfers between the account on which the card has been issued and any Everyday Savings Account, Savings Account or Everyday E-Saver Account you hold and which you have nominated for this purpose. To set this up you must call us.

8.5.4 We will be responsible for any money lost if there is a fault on an HSBC self-service machine of which we have not notified you by a message on the screen or a notice on the machine. If you have been notified of a fault on one of the HSBC self-service machines you should not use your card and if you do, we will not be liable for any loss. The number of HSBC self-service machines made available will vary from time to time.

8.5.5 We may allow you to use your card in self-service machines in the UK and abroad operated by other financial institutions if such machines display the VISA logo if you have a VISA debit card. We may decide to stop or impose limitations on customers being able to use their cards in these machines in respect of particular types of account.

8.5.6 If financial institutions charge for your use of their self-service machines, such charges will be payable by you. For example, financial institutions may make a charge for withdrawals from a self-service machine located in the UK, Channel Islands or Isle of Man.

8.5.7 You can use your debit card to:

- make certain charitable donations. The money will be deducted from your account immediately. All donations will be paid into an account with us in the relevant charity's name; and
- purchase mobile phone top-ups for "pay-as-you-go" mobile phones at HSBC self-service machines. You must ensure that you enter the correct mobile telephone number when purchasing mobile phone top-ups as we will not provide a refund if you enter an incorrect mobile telephone number. This service is not available in the Channel islands and Isle of Man.

Using either of these services will reduce your daily cash withdrawal limit from HSBC self-service machines by the amount of the payment you have made.

8.5.8 We will not be responsible if you cannot use your card in a machine operated by another financial institution or third party.

8.5.9 You must not use a debit card issued on a savings account to borrow from us.

Important Security Information

You must take all reasonable precautions to keep safe and prevent fraudulent use of any cards, security devices, security details (including PINs, security numbers, passwords or other details including those which allow you to use Internet Banking and Telephone Banking).

These precautions include but are not limited to all of the following, as applicable:

General

- never writing down or otherwise recording your PIN and other security details in a way that can be understood by someone else;
- not choosing security details that may be easy to guess;
- taking care to ensure that no one hears or sees your security details when you use them;
- keeping your password(s) and security details unique to your accounts with **first direct**;
- not allowing anyone else to have or use your card or PIN or any of your security devices, security details or password(s) (including for Internet Banking and Telephone Banking) and not disclosing them to anyone, including the police, an account aggregation service that is not operated by us, and us, except your card number and other card details when using your card, in connection with making payments, or your security details when registering for or resetting your Telephone Banking and Internet Banking security details (but even then do not disclose in full);
- keeping card receipts and other information about your account containing personal details (such as statements) safe and disposing of them safely. People who commit fraud use many methods, such as searching in dustbins, to obtain this type of information. You should take simple precautions such as shredding paper containing such information;
- changing your security details or password(s) immediately and telling us as soon as possible in accordance with Clause 9.2 of the General Terms if you know, or even suspect, that someone else knows any of those security details, or if we ask you to;
- keeping your card and PIN and other security details safe;

Cards and Card PINs

- safely destroying any Card PIN advice we send you immediately after receipt e.g. by shredding it;
- signing each card as soon as you receive it if it bears a signature strip;
- keeping your debit card separately from your cheques;
- not disclosing the card number, Card PIN or card security codes except when using the cards to make payments;
- not disclosing your Card PIN for mail order payments or when paying for goods and services over the telephone or through the internet; and
- complying with Clause 17.2 of the General Terms covering the acceptance of verified by Visa when using debit cards to make payments through the internet;
- not tampering with the card;
- complying with all reasonable instructions we issue regarding keeping your card and Card PIN safe;

Telephone Banking

- when you call us, we will confirm your identity using our current security procedures. We may not be able to assist you if we are unable to identify you using our security procedures;
- when you contact us by telephone, you should not use cordless or mobile telephones operating on an analogue network. We recommend that you use either a landline telephone or a digital mobile telephone. We are not responsible for the security of your account if anyone else overhears you speaking to us on the telephone;
- further security information that applies to Telephone Banking including if you use a Text-phone or Text Relay is included in our Give me the Facts brochure. We may change this information by giving you at least two months' advance personal notice;

Internet Banking

- keep your personal computer secure by using anti-virus and anti-spyware software and a personal firewall;
- keep your passwords and PINs, security devices and other security details secret unless you need to disclose them as part of our account aggregation service – we will never ask you for your Internet Banking security information in full;
- always access Internet Banking by typing in the bank address to your web browser, never go to Internet Banking from a link in an email and then enter personal details;
- never access Internet Banking from any computer connected to a local area network (LAN) (this is usually the case for computers you use at work) or any public internet access device or access point (e.g., at an internet café) without first making sure that no one else will be able to observe or copy your access or get access to Internet Banking pretending to be you;
- never record any password details on any software which retains it automatically (e.g. any computer screen prompts or 'save password' feature or the line on your internet browser) unless retaining your password is a specific function of a banking service provided by **first direct** such as the Internet Banking Plus service;
- once you have logged on to Internet Banking, do not leave the electronic media from which you have accessed it or let anyone else use the electronic media until you have logged off; and
- follow all security measures recommended by the manufacturer of the electronic media you use to access Internet Banking, e.g. the use of personal identification numbers for mobile telephones with internet access.

9.2

If any card, PIN, security device or security details are lost or stolen, or you suspect that someone has used or tried to use them, you must tell us without delay by calling us on the following numbers:

- **from the UK, Channel Islands and Isle of Man**
03 456 100 100 (Text-phone **03 456 100 147**) - lines are open 24 hours; or
- **from abroad**
+44 113 234 5678 (Text Relay **+44 151 494 1260**) - lines are open 24 hours. If you normally use Text Relay and cannot call us on the number provided above, you can ask a third party to call the number and suspend access to your account - we will not re-order new cards or PINs or change security details until we speak directly with you.

All calls will be put through to our Call Centre. To help us continually improve our services and in the interests of security we may monitor and/or record your telephone calls with us.

9.3

If asked, you must confirm in writing the loss or theft of your cards or security details relating to your card, Internet Banking or Telephone Banking by writing to us at **first direct**, 40 Wakefield Road, Leeds, LS98 1FD.

9.4

If you no longer require your card and/or any unused cheques, then you must cut them into at least six pieces and return them to us.

9.5

We will ask you to co-operate with us and the police in relation to any investigation into the actual or suspected misuse of your card, password, PIN, security details and/or accounts. You must report any unauthorised transactions to the police within seven days of our request. We may also disclose information about you or your account to the police or other third parties if we think it will help prevent or recover losses.

9.6

If you find your card after having called us under Clause 9.2 of the General Terms to advise us of its loss, you must not use it again. You must cut it into at least six pieces and return it to us immediately to the address at Clause 9.3 of the General Terms.

Part B

10 When payments will and will not be made by us

10.1 We will make/authorise a payment from your account if you authorise it in any of the ways set out in section 1 of the General Terms, and:

- there are sufficient cleared funds in your account; or
- the payment is covered by an overdraft that we have agreed following a formal or informal request from you for an overdraft or an increase to an existing overdraft limit, please see Clause 1.2 of section 3 for more details).

There may be a delay in carrying out your instructions while fraud prevention checks take place.

10.2 Where the payment is to be made in the future, you must make sure that you have met the conditions in Clause 10.1 at the start of the day the payment is due to be made (i.e. 00.01am).

10.3 This clause only applies to bill payments, standing orders and sterling Direct Debits. If you do not meet the requirements set out in the previous clause, we will still make a payment that is due to be made on a working day (and won't recall a Direct Debit payment we have already made that day) if, before 3.30pm on the day the payment is due to be made:

- you pay in sufficient cleared funds; and
- there is still a sufficient available balance to enable the payment to be made up to 3.30pm that day.

If the payment is due to be made at a weekend or on a bank holiday then we will make the payment if you meet the requirements of this clause on the next working day.

10.4 When we assess whether to make/authorise payments under Clause 10.1 of the General Terms, we may consider any other payments we have made or have agreed to make from your account that day (e.g. card transactions), even if those other payments have not already been deducted from your account. You must take this into consideration when requesting payments.

10.5 We will decide which payments to make if it is not possible to make all of your payments. We will try and use as much of the available balance in your account as possible.

10.6 We may refuse to make a payment (and we will not be responsible for any loss):

- if any of the conditions set out in section 1 of the General Terms have not been met (this includes if we do not agree to an informal request for an overdraft to cover the amount of the payment); or
- if the payment would exceed any limits we may set (please see Clauses 15.1 and 18.1 for more details about limits); or
- if we are not reasonably satisfied the transaction or the instruction is lawful; or
- if we consider that your account has been or is likely to be misused; or
- for fraud prevention purposes; or
- if we are not able to send the payment by one of the payment methods we use (for example, if a recipient's bank does not accept the types of payment we can make).

10.7 If we refuse to make a payment that you have requested: for standing orders, direct debits and cheques, we will write to you on every occasion a payment is refused; and for other payments you will normally be told when you request the payment, unless we suspect fraud or it would otherwise be unlawful - please see Clause 26 of the General Terms for details about our fraud prevention measures and what we do if we suspect fraud. If you telephone us, we will tell you if a payment has been refused, the reasons for the refusal (if we are able) and the procedure for correcting any factual errors that led to the refusal. This information will be available immediately after our refusal of your instruction. We will not be able to provide you with details in any of these ways if it is unlawful for us to do so.

11 Foreign Payments

11.1 General

The exchange rates we use are variable exchange rates which can change constantly throughout the day (for example, to reflect movements in foreign exchange markets).

11.2 Payments you make

11.2.1 The exchange rate we will apply to payments you make involving a currency exchange, other than future dated payments, is the rate we provide or make available to you on the telephone when you request the payment and which you agree by going ahead with the payment or by confirming the rate specifically. The exchange rate we apply to future dated and recurring payments will be the **first direct** exchange rate applicable at the time your payment is processed. You can call us to find out rates.

11.2.2 When you instruct us to make a payment involving a currency exchange, we will check to see if you comply with Clause 10.1. If you do, then we will carry out the currency exchange. After we have done this we will check again that you still comply with Clause 10.1. If you do not and we are unable to make the payment, we will convert the payment back into the original currency at the **first direct** exchange rate applicable at that time. If this leads to a loss or a gain due to an unfavourable or favourable movement of the **first direct** exchange rate, you agree that we can deduct the amount of that loss from your account, or credit your account with the amount of the gain, as applicable.

11.2.3 If you make a payment that involves an exchange into a foreign currency, and that payment is returned to us, we will convert the returned payment back to the original currency by buying the original currency at the **first direct** exchange rate applicable when we receive the returned payment. We are not responsible for any fluctuations in the exchange rate.

11.2.4 Subject to Clause 14.4 if you are able to cancel an instruction for a payment to be made in a currency other than sterling before we have made the payment but after we have converted the payment into the other currency, we will convert the payment back into the original currency by buying the original currency at the **first direct** exchange rate applicable when you cancel your instruction and will then add the value of the payment to your account. We are not responsible for any fluctuations in the exchange rate.

11.2.5 We will deduct charges from your account when you instruct us to make a payment to an account in a country outside the UK, Channel Islands and Isle of Man and when you instruct us to make a non-sterling payment. Details of the charges are in the interest rates and charges information that is applicable to your account.

11.2.6 For payments in an EEA currency that you instruct us to make to accounts in countries within the EEA, we will not deduct from your account charges made by agents we use, any intermediary bank and/or the recipient's bank, unless:

- the payment is over €50,000 (or currency equivalent);
- we convert the payment to another EEA currency before sending it to the recipient's bank; and
- you agree that we deduct such charges from your account.

11.2.7 For payments other than those described in Clause 11.2.6, unless you ask us to deduct all charges made by agents, intermediary banks and/or the recipient's bank from your account, these charges will be deducted from the amount of the payment.

11.3 Payments you receive

11.3.1 If you receive a Priority Payment or SEPA payment in a different currency to the currency of your account and you told the sender of the payment your correct BIC and IBAN in accordance with Clause 2.1.2, we will convert the payment into the currency of your account by buying that currency at the **first direct** exchange rate applicable when we receive the payment. We will then add the payment to your account.

- 11.3.2** We will deduct charges from your account when you receive a payment into your account from a bank located outside of the UK, Channel Islands and Isle of Man and when you receive into your account a non-sterling payment. The charge for sterling payments is different from the charge for payments in any other currency. The charges for payments received are detailed in the interest rates and charges information.
- 11.3.3** Any foreign banknotes paid into your account using a HSBC branch will be converted at the applicable **first direct** exchange rate and then added to your account.

12 Interest on payments you make and receive

- 12.1** You will receive credit interest (where it applies) on the amount of a payment up to the time the payment is deducted from your account. If your account is overdrawn, you will be charged overdraft interest (where it applies) on the amount of a payment from the time the payment is deducted from your account.
- 12.2** Credit interest (where it applies) will be calculated on payments into your account once the payment has been added to your account and will be paid into your account in accordance with the terms we have agreed with you.

13 Charges for payments/services and for enquiries about an instruction

- 13.1** We may charge for some payments/services we provide at the rates set out in the interest rates and charges information. You authorise us to deduct all charges (including Informal Overdraft Usage Fees) from your account when you give your instructions or, if the charge applies to payments you receive, when we add the payment to your account.
- 13.2** We may make a charge for any enquiries we receive in respect of each payment instruction, whether made by you or another person. We will not charge you if we have made an error. We will advise you of the charge before we start investigations on your behalf.
- 13.3** We may charge for any incidental expenses we incur in providing additional services to you. We will advise you of the charge before we provide the service. You authorise us to deduct these charges from your account when you give your instructions.

14 Cut-off times, execution times and when you can cancel an instruction to make a payment

- 14.1** The cut-off time is the time before which on a business weekday (or calendar day for faster bill payments and internal transfers, which can be made on any day) a payment or a payment instruction is treated as received by us on that business weekday (or calendar day, as appropriate). This means if we receive a payment or a payment instruction after the cut-off time, we will treat this as received by us on the following business weekday, or for faster bill payments and internal transfers, the following calendar day. If we receive a payment (other than faster bill payments and internal transfers) or a payment instruction (other than for a faster bill payment or internal transfer) on a day that is not a business weekday, we will treat this as received on the next business weekday. Cut-off times vary for different types of payment and for different ways in which the payment is requested. Information about cut-off times for each type of payment is set out in our Give me the Facts brochure and in Clauses 19.3 and 21.2.2 of the General Terms. We can change this information in the Give me the Facts brochure by giving you at least two months' advance personal notice. We will receive any instructions you give us by post when we open your letter (there are no cut-off times for this).
- 14.2** Some types of payments have additional currency cut-off times. For these payments, you must give your instructions before the earlier of the cut-off times that apply for us to treat the instructions as received before the cut-off time. Please see the interest rates and charges information for information about currency cut-off times.

- 14.3** The maximum execution time (the time it takes for the payment to reach the recipient's bank), is set out in Clause 15.2 of the General Terms and in Clauses 16 to 21 of the General Terms. The day we receive your instruction will depend on whether your payment instructions were received before or after the cut-off time.
- 14.4** Where you have instructed us to make a payment immediately, we will begin processing the instructions when they are received. You cannot usually cancel your instructions after you have given them to us, unless the payment is a duplicate SEPA payment which you have sent in error (a duplicate SEPA payment is a SEPA payment that is to the same beneficiary, for the same amount, and on the same day as another SEPA payment you have sent), or a SEPA payment made fraudulently from your account by a non-account holder, in which case you can cancel it within ten business weekdays.
- 14.5** If you instruct us to make a payment on a future date, we will begin to process the payment shortly after 00.01am on the date you specify. In this case, whether you may cancel your instructions will vary for different types of payment and for different ways in which the payment is requested. Information about cancelling is set out in Give me the Facts brochure. We can change this information by giving you at least two months' advance personal notice.
- 14.6** After any time limits for cancellation referred to in this Clause have expired, you may only cancel your instructions if we agree and, in the case of debit card payments and direct debits, if the person who receives the payment also agrees.
- 14.7** All cut-off times quoted refer to time in London, UK.

Part C

15 Internal transfers, bill payments (including faster bill payments), Electronic Fund Transfers, Priority Payments, SEPA payments and standing orders (including faster standing orders)

- 15.1** Information about how you can request us to make a payment for each of the payment types set out above, and whether you can arrange for a payment to be sent on a future date is set out in our Give me the Facts brochure. We can change this information by giving you at least two months' advance personal notice.
- 15.2** The maximum execution times for payments to reach the recipient's bank are as follows:
- Internal transfers – immediate
 - Bill payments - immediate for bill payments to other accounts with us and/or HSBC Bank plc, same day for other bill payments we can pay via faster payments. Next business weekday for other bill payments. 3 working days for bill payments to HSBC Bank International branch.
 - Electronic Fund Transfers – same day
 - Currency Account Transfers – next business weekday except for Moroccan Dirham accounts which may be up to 2 business weekdays
 - Priority payments – next business weekday (within the EEA and in EEA currency). Up to 4 business weekdays (outside the EEA and/or non EEA currency) but this may take longer depending upon the country the money is being sent to
 - SEPA payments – next business weekday
 - Standing orders – Immediate for standing orders to other accounts with us and/or HSBC Bank plc (up to 2 hours to a credit card with us and/or HSBC Bank plc), same day for any other standing orders. 3 business weekdays for a standing order to an account at HSBC Bank International branch.

- 15.3** We may set limits on the payments you can make from your account via Internet Banking, Telephone Banking or post. If we do, we will tell you the applicable limit when you make a payment. Your consent to making a payment will also be your agreement to the limit that applies to that payment. We will make payment limits available to you if requested.
- 15.4** If a standing order that is made to your account is returned unpaid, the amount of the standing order will be deducted from your account before 3.30pm on the day the standing order is credited to your account. If you withdraw against a standing order that is later returned unpaid, and the deduction of the amount of the unpaid standing order from your account would either make your account go overdrawn or go over an existing overdraft limit, we will treat this as an informal request for an overdraft – please see Clause 1.2 of section 3 for further details. Standing orders sent via the faster payments system cannot be returned unpaid.

15.5 Automatic Transfer

- 15.5.1** If you ask us, we will set up an automatic transfer from your 1st Account to your **first direct** Savings Account, Everyday Savings Account or Everyday e-Saver Account. This means that we will automatically transfer money on a date you choose each month from your 1st Account to your Savings Account, Everyday Savings Account or Everyday e-Saver Account. Automatic transfers are made by way of internal transfer.
- 15.5.2** We will accept instructions for an automatic transfer to be made to a Savings Account, Everyday Savings Account or Everyday e-Saver Account in the same joint names as the 1st Account or to a Savings Account, Everyday Savings Account or Everyday e-Saver Account in the sole name of one of the parties to the joint 1st Account.
- 15.5.3** You can choose a maximum balance on your 1st Account (which must be in whole pounds) above which money will be automatically transferred each month.
- 15.5.4** You have the option of setting a minimum amount that you want to have transferred each month.
- 15.5.5** It is your responsibility to ensure your transfer date is adjusted if the date your salary is paid into your 1st Account changes. We will continue to automatically transfer funds out of your 1st Account on the requested date each month until we hear differently from you. If you want to change your transfer date please call us or change it online using Internet Banking.

16 Direct Debits

- 16.1** Details about how you can set up a direct debit are set out in our Give me the Facts brochure. We can change this information by giving you at least two months' advance personal notice.
- 16.2** The recipient will normally lodge the direct debit instruction electronically onto your account but may occasionally send the original direct debit instruction you completed to us. When each payment request is sent to us we will check that the reference for that payment matches the reference on the direct debit instruction and will then make the payment from your account.
- 16.3** You can withdraw your agreement for direct debit payments to be made at any time by telling us via Telephone Banking, or HSBC Express Bank machine before 4.30pm one business weekday before that payment is due to be made by us. You should also tell the recipient that you have cancelled the direct debit instruction.
- 16.4** The payment will be deducted from your account and received by the recipient's bank on the direct debit due date, provided that we receive the request to make the payment from the recipient, or the recipient's bank, by 10.30pm two business weekdays before the due date. If we receive the request after this time we will make the payment two business weekdays later.

17 Debit card payments

- 17.1** You can use your debit card where VISA is accepted. We may issue, at our discretion, debit cards with a contactless function which can be used at retailers who accept contactless VISA debit card payments. Debit cards with a contactless function will have a transaction limit, which we will tell you about when you receive your card from us. We may change this limit by telling you in accordance with the requirements in Clause 30 of these General Terms.
- 17.2** When you place an order over the internet with an organisation that participates in Verified by Visa you will be invited to register for this service. If you do not do so we may not authorise the payment for your order.
- 17.3** Before we will make a payment from your account:-
- 17.3.1** for transactions in person, we will require you to:
- enter details of your Card PIN into a keypad; or
 - provide a signature; or
 - if you use a contactless function on your card, remove it from your wallet, purse or where it is being stored and hold the card near the contactless device provided by the retailer (you may be asked to also either enter your Card PIN into a keypad or provide a signature);
- 17.3.2** for other transactions we will require certain personal details and the three digit card security number on the back of your card. If you have registered for the Verified by Visa service, when you place an order over the internet you may also be required to enter the Verified by Visa security details. For decision-making and card-misuse prevention purposes, we may refer an authorisation request back to the retailer for further information. This may result in you being asked to produce further identification. This may also be done on a random basis for fraud prevention purposes.
- 17.4** You can withdraw your consent to make a card payment after you have authorised it if you advise us and agree this with the retailer or supplier.
- 17.5** We will not be responsible if a retailer or other supplier refuses to accept your debit card.
- 17.6** We will normally deduct from your account the amount of a debit card payment made in the UK, Channel Islands or Isle of Man on the first business weekday after we receive the request from the retailer's bank for the payment to be made. We will make the payment to the retailer's bank on the same day.
- 17.7** When you use your debit card to pay for goods in a non-sterling currency, or to make non-sterling cash withdrawals from self-service machines operated by a third party, you may be able to agree that the currency conversion is done by the third party at the point of sale or point of withdrawal, as applicable (we will call this "third party conversion"). Most self-service machines inside the UK, Channel Islands and Isle of Man will not give you a choice and will always be third party conversion.
- 17.8** Unless you have agreed a third party conversion, the exchange rate that applies to any foreign currency debit card payments (including cash withdrawals) is the VISA Payment Scheme Rate applying on the day the conversion is made. We will make the conversion and deduct the payment from your account once we receive details of the payment from VISA, at the latest the next business weekday. Details of the current wholesale market rates can be obtained by calling us on the usual telephone numbers, set out before section 1 of the General Terms, or visiting the card support section of our website **firstdirect.com**.

18 Cash withdrawals

- 18.1** If we have told you that you can use self-service machines or you make a withdrawal at Post Office® branches using your card, we will set a limit on the amount you can withdraw each day. You will be advised of the amount of the limit when you receive your card from us.
- 18.2** Sterling cash withdrawals from self-service machines in the UK, Channel Islands and Isle of Man and Sterling cash withdrawals from Post Office® branches in the UK will be deducted from your account on the same day.
- 18.3** For any non-sterling cash withdrawals at third party self-service machines (excluding HSBC self-service machines) both inside and outside of the UK, Channel Islands and Isle of Man, unless you use third party conversion (as described in Clause 17.7), the amount of any cash will be converted into sterling as set out in Clause 17.8. We will deduct the withdrawal from your account once we receive details of the payment from the card scheme, at the latest the next business weekday. If you use a third party conversion, the applicable exchange rate, the amount of cash you will receive and the amount in sterling will be shown on the screen and you will need to press a button on the keypad to agree to the withdrawal. The amount in sterling will be deducted from your account balance when we receive details of the payment from the self-service machine operator, at the latest the next working day. See the relevant interest rates and charges information for charges that will apply.
- 18.4** For any sterling cash withdrawals at third party self-service machines outside the UK, we will deduct the withdrawal from your account once we receive details of the payment from the payment scheme (e.g. VISA), at the latest the next working day. See the price list for charges that will apply.
- 18.5** For all cash withdrawals, you are not able to cancel the transaction after you have pressed a button on the keypad to agree to the withdrawal.
- 18.6** For withdrawals over the counter at HSBC branches, you must provide an item of identification acceptable to us and the cheque book for the account (if you have been issued with one).
- 18.7** We will deduct cash withdrawals made over an HSBC branch counter from your account on the same day.

19 Cash payments in

- 19.1** You can pay cash in
- over the counter at any HSBC branch; or
 - if you have a card issued by us, at one of the HSBC Express Bank machines that allows payments to be made into your account; or
 - to a current account, using the card issued on that account, at any Post Office® branch.
- You must complete a paying in slip to pay in cash at HSBC branches or Express Bank machines. If you are paying in cash at a Post Office® branch, you must swipe your card through the card reader on the counter and hand your cash to the cashier. Post Office® Local branches apply a maximum limit of £1,000. You must not send cash to us by post.

- 19.2** If you pay only cash into your account over the counter at one of the HSBC branches, or Post Office® branch, it will be credited to your account and available for you to withdraw immediately. It will be treated as cleared for credit interest and/or overdraft interest calculation purposes (if applicable) on the same day.
- 19.3** If you pay in cash using one of the HSBC paying-in machines, provided you pay in before the cut-off time displayed on the machine, it will be credited to your account and available for you to withdraw immediately after the machine is opened and we receive and check your deposit, which will be on the same business weekday. If the cut-off time is missed, your money will be credited to your account the next time the HSBC paying-in machine is opened and we receive and check your deposit, which is usually the next business weekday. Some HSBC paying-in machines will automatically count the money you deposit and it will be credited to your account and available for you to withdraw immediately. It will be treated as cleared for credit interest and/or overdraft interest calculation purposes (if applicable) on the same day.
- 19.4** If you use one paying-in slip to pay a mixture of cash and cheques into your account over the counter at any HSBC branch or by using HSBC paying-in machines, the cash will be credited to your account, available for you to withdraw and treated as cleared for credit interest and/or overdraft interest calculation purposes (if applicable) as described in Clauses 19.2 and 19.3 of the General Terms (as applicable). Please see Clause 21 of the General Terms for the treatment of cheques.
- 19.5** Other banks may allow (although they may charge) you to pay in cash through their branches to your **first direct** account(s) by using a pre-printed paying-in slip. The cash will be credited to your account and available for you to withdraw immediately after we receive it. It will be treated as cleared for credit interest and/or overdraft interest calculation purposes (if applicable) on the same day.

20 Cash withdrawals and cash and cheque payments in at Post Office® branches

If you have a 1st Account you can use your debit card and card PIN at all Post Office® branches in England, Wales, Scotland and Northern Ireland, but not in the Channel Islands and Isle of Man, to check your balance, pay in cash and withdraw cash from your 1st Account. You must have a Card PIN to be able to do this. You can also pay cheques in to your 1st Account at all Post Office® branches by completing a pre printed paying in slip from your paying in book or cheque book and handing this to the Post Office® cashier in a paying in envelope.

21 Cheques

21.1 Cheques you issue

21.1.1 When you issue a cheque on your account, the amount will normally be deducted from your account two business weekdays after the recipient pays it into their account, e.g. the amount of a cheque paid in on a Monday will normally be deducted from your account on that Wednesday. More time may be needed for a cheque paid into a building society account or any bank outside England or Wales or any account held at a non-clearing bank. However:

- if a cheque you issue is paid into another account with us, the amount will be deducted from your account on the same day;

- if you cash a cheque you issue at any HSBC branch, the amount will be deducted from your account immediately; and
- if you issue a cheque which is 'specially presented' (please see Clause 21.3.1 of the General Terms for details of what 'special presentation' is), the amount will be deducted from your account on the day it is received by us. This is likely to be on the business weekday after the day it was paid in by the recipient, but could be on the day it is paid in.
- if we have agreed in advance that you can cash a cheque at any Post Office® branch, the amount will be deducted from your account three working days after you have paid it in, provided you pay it in before the relevant Post Office® cut off time.

21.1.2 You can instruct us to stop or cancel a cheque as long as we receive the request to stop it before 1.30pm on the day the cheque is presented for payment.

21.1.3 You must only write cheques in sterling. If you need to make a payment in a foreign currency, please contact us.

21.1.4 If a cheque is lost or stolen, or you think someone has signed one of your cheques without your permission, you must call us immediately.

21.1.5 Cheque books remain our property at all times. They must be returned when you close your account or if we ask for their return.

21.1.6 **When writing a cheque:**

- you must take all reasonable precautions to prevent anyone else altering it or making a forgery. This includes (but is not limited to) using black ink which cannot be erased, never leaving a gap between words or figures and never signing a cheque before you use it;
- you must not write a future date on it as it may not prevent the payee from paying it into their bank before that date or us from paying the cheque before this date.

21.1.7 Our cheques have the words "A/C PAYEE" printed across them which means they can only be paid into the bank account of the person/organisation named on the cheque. If you want to write a cheque that can be paid into the bank account of someone other than the person you name on the cheque you must put a line through the words "A/C PAYEE" on the cheque and sign your name (not your initials) alongside the alteration.

21.1.8 You must sign all alterations to cheques you issue.

21.1.9 If we receive for payment one of your cheques that is more than six months old, we may, but do not have to, pay it.

21.1.10 We will keep original cheques paid from your account or copies for at least six years unless we have already returned these to you. Subject to this, if there is a dispute about a cheque paid from your account, we will give you the cheque or a copy as evidence.

21.1.11 Banking of cheques for payment will at all times be subject to the rules and clearing processes of any cheque clearing system(s) used by us.

21.2 **Clearing cheques**

21.2.1 This section applies to cheques drawn in sterling or in euros (other than those drawn on banks abroad) paid into branches of English, Scottish, Welsh or Northern Ireland banks in England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man. For foreign cheques (as defined in Clause 21.4.1 of the General Terms) see Clause 21.4 of the General Terms. Payments may take longer through some financial institutions. Please call us for further details.

If you pay a cheque in at a Post Office® branch before the relevant Post Office® cut off time we should receive your cheque from the Post Office® on the next working day. The timescales set out in Clauses 21.2.2 to 21.3.6 will start on the working day we receive your cheque from the Post Office®.

- 21.2.2** When you pay a cheque into your account, you will normally have to wait three business weekdays after the day it has been paid in before you can withdraw the money (unless you ask us to send it for special presentation - please see Clause 21.3.1 of the General Terms), e.g. if you pay a cheque in on a Monday we will normally make the money available for withdrawal on the Thursday. We may extend this time period if there are actual or potential credit or fraud prevention reasons to do so. If you are more than three working days into switching your current account to another provider using the Current Account Switch Service, we will not include the balance of the cheque in the money we send to your new provider when your account is switched. We will send them the amount of the cheque four working days after the day you have paid it into your account. When we refer to the day you pay a cheque into your account we mean the first day that we deal with and process the cheque. If you pay in a cheque via a self-service machine after the cut-off time displayed in HSBC branches, we will not process your cheque until the following business weekday. If you post a cheque to us we will process your cheque on the day we receive it. The cheque will be included in your balance (but not your available balance) before you can withdraw the money.
- 21.2.3** We treat cheques as being cleared for credit interest and/or overdraft interest calculation purposes (if applicable) two business weekdays after they have been paid in, e.g. on Wednesday if paid in on a Monday. If you withdraw money which is not cleared for credit interest and/or overdraft interest calculation purposes (if applicable), you may be charged overdraft interest even though your account shows a credit balance. So in the above example if you have an overdrawn balance on the Monday and you spend the proceeds of the cheque before Wednesday you may be charged overdraft interest.
- 21.3** **Cheques returned unpaid and paying in cheques**
- 21.3.1** The amount of the cheque will be included in your balance before you can withdraw it. Although the amount of the cheque may be included in your available balance (when you can draw against it), the bank on which the cheque is drawn may still return it unpaid (see Clause 25.8 of the General Terms). When a cheque is returned unpaid, it will usually happen three or four business weekdays after the cheque has been paid into your account, but it could be later (see Clauses 21.3.3 to 21.3.6 of the General Terms). You can ask for a cheque which you are paying into your account to be specially presented by post to the bank it is drawn on. Upon receipt, the other bank will confirm whether the cheque has been paid. If it has, we may allow you to withdraw against it earlier than we would normally do, but it may be longer if there are postal delays. Special presentation does not change the clearing cycle for credit interest and/or overdraft interest calculation purposes (if applicable). A charge will be deducted from your account for this.
- 21.3.2** If you withdraw against a cheque which is later returned unpaid, and the deduction of the amount of the unpaid cheque from your account would either make your account go overdrawn or go over an existing overdraft limit, we will treat this as an informal request for an overdraft – please see Clause 1.2 of section 3 for further details. Depending on the reason given for the cheque being unpaid, we will either ask for payment again from the bank of the person who issued it, or return it to you.
- 21.3.3** Clauses 21.3.4 and 21.3.5 of the General Terms apply to sterling cheques paid in at and drawn on branches of English, Scottish, Welsh or Northern Ireland banks.

- 21.3.4** If a cheque paid into your account is returned to us unpaid, we will not deduct the amount of the cheque from your account beyond the sixth business weekday after it was accepted by us unless Clause 21.3.5 applies (if you pay a cheque into your account over the counter at another bank the date we accept the cheque will be when your account with us is credited with the amount of the cheque). Because we process overnight, the deduction from your account could appear on your account statement up to 9.00am on the seventh business weekday. For example, if you pay a cheque into your account on Monday, your account will not be debited after close of business on Tuesday the following week (or Thursday the following week for cheques paid in at other banks' counters) and the debit will show on your account statement by 9.00am on Wednesday the following week (or Friday the following week for cheques paid in at other banks' counters).
- 21.3.5** A cheque you pay in may be returned and the amount of the cheque deducted from your account more than six business weekdays after the date you have paid it into your account where:
- you are, or we reasonably suspect you are, knowingly involved in a fraud concerning the cheque; or
 - you have given your express consent.
- 21.3.6** Clauses 21.3.4 and 21.3.5 of the General Terms do not apply to cheques paid in at or drawn on HSBC branches in the Channel Islands and the Isle of Man. In such a situation, a cheque could be deducted later than six business weekdays after you have paid it into your account. Because of this, we may require you to wait until we are certain that the cheque has been paid before you are able to draw against it.
- 21.3.7** If you want to pay in a cheque or other item which has been made payable to someone else, that person must sign it on the back. We may ask for further details before we accept it. We will not accept cheques or other items made payable to a company or business. If a cheque or other item is marked on the front 'non transferable' or 'account payee', we can only accept it for the person it is made payable to, except in relation to joint accounts into which we will accept such items if they are made payable to any one of you. However, a cheque or other item made payable to joint names cannot be paid into a sole account.
- 21.4** **Foreign cheques**
- 21.4.1** By 'foreign cheques' we mean cheques drawn in a currency other than sterling. You may send us by post foreign cheques you want to pay into your account. If you pay in foreign cheques at an HSBC branch then they will send it to us by post. We will convert the amount at the **first direct** exchange rate applicable on the date we pay it in. We will tell you the applicable exchange rate and fees we will charge in writing.
- 21.4.2** We may agree to "negotiate" a foreign cheque. This means that we will add to your account immediately the converted amount in full (see Clause 21.4.1 of the General Terms) but if it is returned unpaid, we will have a right to recover from you and we are entitled to deduct from your account either the amount we added or, if we have converted the cheque into another currency, the amount reconverted at the exchange rate applicable on the date we make the deduction. This means that if the exchange rate has changed, the amount we deduct could be greater than the amount we originally added.
- 21.4.3** The amount of the cheque will start accruing credit interest (if applicable) from when it is added to your account.
- 21.4.4** For any foreign cheque that we negotiate, we will deduct our fees at the time we process it. If the cheque is returned unpaid we may also deduct a further fee at the time it is returned.
- 21.4.5** We may send a foreign cheque for "collection". This means we will add the amount to your account only when we have received the amount from the bank on which it is drawn.

- 21.4.6** When negotiating or collecting any foreign cheque, we do not accept liability for any loss, damage or delay caused which is not directly due to our negligence or default and if exchange restrictions or some other cause result in us receiving payment in a currency different from that of the cheque, neither we nor our agents are responsible for any loss in exchange which may occur if and when subsequent conversion takes place.
- 21.4.7** Because of practical difficulties that occur from time to time with foreign cheques drawn on banks abroad, e.g. exchange restrictions, we may not always be able to negotiate or collect foreign cheques for you.
- 21.4.8** The Uniform Rules for Collections, as published by the International Chamber of Commerce from time to time also apply to any "negotiation" or "collection" of foreign cheques or other forms of foreign payment. If you would like a copy of these, please call us.
- 21.4.9** You must sign the back of any foreign cheques you pay into your account. Your signature should be in the same form as your name on the front of the cheque e.g. if it is payable to W Livingstone, please sign W Livingstone.
- 21.4.10** For a cheque that we collect, we will deduct our fee from your account at the time of processing and will deduct from your account any charges claimed by our agents and/or the bank on which the cheque is drawn. We will give you details of the charges if you ask us to do so. Cheques can be returned to us several months after your account is initially credited. In addition, US law allows a bank to return a cheque up to six years after it has been paid.
- 21.4.11** Please call us if you require details of our foreign tariffs or visit our website.
- 21.5 Bank Drafts**
- 21.5.1** We will deduct a charge from your account for any bank drafts you request.
- 21.5.2** If you no longer need a bank draft we have provided to you, you should return it to us. We will pay the amount of the draft into your account. We will deduct a charge from your account for this. For foreign currency bank drafts we will convert the amount of the draft into sterling using the **first direct** exchange rate at the time the draft is paid in (this may mean that the amount that is paid into your account is different from the amount deducted when the draft was issued).
- 21.5.3** If a bank draft is lost or stolen, you can ask us to put a warning on the original draft; where the original draft was drawn on a foreign bank (this is likely to be the case where the payee is in a foreign country), we will ask the foreign bank to put a warning on the original draft. The warning will not stop or cancel the bank draft (it is a guaranteed form of payment) but may alert any recipient to the fact that it has been lost or stolen, and so increase the chances that it will not be accepted. We will deduct a charge for this from your account and, where the draft is drawn on a foreign bank, we will deduct any charge the foreign bank makes for this.
- 21.5.4** If a bank draft is lost or stolen, you can ask us to provide a replacement draft, refund the amount of the draft to you or send an electronic payment to the intended recipient. Before we do this, we will check to see whether the original draft has been paid, and if it has not been paid, we will ask you to agree to pay us the value of the original draft if we subsequently have to pay it. If it is in a foreign currency, we will ask you to pay the value of the original draft in sterling using the **first direct** exchange rate at the time we have to pay the draft

22

Payments made into your account by mistake

Who has made the mistake?	What we will do	When we will do this	When we will tell you
The bank that has made the payment to your Account.	Deduct the payment from your Account and return it.	Up to 17 working days after the payment has been made into your Account.	As soon as we can unless this would compromise our reasonable security measures or it is unlawful to do so.
A customer of another bank has paid money into your Account by mistake.	<ol style="list-style-type: none">1. We may deduct the payment from your Account and return it if we reasonably believe that the payment has been made into your Account by mistake; or2. We may prevent you from using the amount of the disputed payment if we reasonably believe that the payment has been made into your Account by mistake whilst we investigate further.	Up to 10 working days after the payment has been made into your Account.	

In all other situations, we will contact you for your instructions.

If a payment is made into your account as a result of fraud we can deduct it from your account at any time.

If we deduct a payment from your account and this leads to your account either:

- going overdrawn and you don't have a covering formal overdraft facility on your account; or
- going over an existing formal overdraft limit

then we'll treat this as an informal overdraft request from you.

Part D

23 Joint accounts

23.1 Joint accounts are operated on the basis of the authority below.

We do not open accounts that require authority or signature of all joint account holders to be obtained in respect of individual transactions or instructions. However, there may be some circumstances where all signatures are required to operate the account. Please see Clause 23.4 of the General Terms.

23.2 Unless this conflicts with another authority given in writing on the joint account, and until any one of you cancels this authority, you authorise us to:

- pay all cheques and accept other instructions for payment (including those given to us using Telephone Banking or Internet Banking), or to stop such payments, signed or given by any one of you, whether the account is in debit or credit;
- deliver any item held by us or HSBC Bank plc in safe keeping in your joint names against the receipt of any one of you; and
- accept instructions signed or given to us by any one of you to act on behalf of you all in all other transactions with us, including providing an overdraft or other facility and closing accounts in your joint names, but not including converting a joint account to a sole account (see Clause 23.9 for more details). In such a case, you consent that any information we may need to send you may be sent to only one of you.

23.3 We will accept such authority until it is cancelled by any one of you (unless otherwise agreed in writing) or treated by us as cancelled under Clause 23.4 of the General Terms.

- 23.4** If any one of you tells us of a dispute between any of you, we may treat this as notice of cancellation of the authority set out in Clause 23.2 of the General Terms. If we do, any further transactions, including payments by standing order or direct debit, will need the authority of you all and the use of additional services such as Internet Banking may be suspended. This means you will have to make alternative arrangements for your regular payments to be made. We may also ask for the return of any unused cheques and cards. Until all the cards are returned, card transactions (including those carried out via HSBC self-service machines) will continue to be deducted from the joint account. We will need the authority of all of you to pay out any credit balance on the joint account or to close the joint account.
- 23.5** If we receive notice that any one of you has become mentally incapable we will not allow withdrawals, accept new payment instructions or an instruction to close the account from the remaining joint account holders from that time. We will only be able to make payments that were authorised before we received notice of incapacity until either an Attorney or Receiver is appointed to act for the person who is mentally incapable.
- 23.6** We may disclose to any of you any information we hold about the account(s) including historical statement information. This means that where a sole account is converted into a joint account, statement information relating to the account when it was a sole account may be made available to any of the joint account holders.
- 23.7** Unless Clause 23.2 of the General Terms applies, in the event of the death of any of you, the survivor(s) have authority to instruct us to pay them any credit balance and deliver to them any items held in safe keeping. This is subject to any rights which we or a third party may have in relation to the account.
- 23.8** You agree that if any one of you registers for Internet Banking or any other banking service provided over an electronic channel (including our Text Message Banking service) which we may make available to you:
- 23.8.1** we may provide Internet Banking or such other service in respect of your joint account even if not all of you have registered for Internet Banking or such other service; and
- 23.8.2** you will be bound by these Terms which contain the Internet Banking terms and/or the terms of such other service (terms are available on request or at **firstdirect.com**); and
- 23.8.3** we may follow any instructions given to us in relation to your joint account by any one of you, even if any joint account mandate requires the authority of more than one of you. This Clause overrides the mandates.
- 23.9** We will not accept instructions to convert a joint account to a sole account, even where those instructions are provided by all joint account holders.

24 Third party instructions

If you want to authorise another person to operate your account(s), you (all of you for joint accounts) will need to sign a third party mandate. If you do this then you will be responsible for the third party's actions or omissions as if they were your own.

25 Statements

- 25.1** We will either provide you with paper statements or your statements will be available to be viewed electronically within Internet Banking (if you are registered for Internet Banking). If we provide you with paper statements for your 1st Account we will do so at least every month or, if you have not used your account for at least two years, at least annually unless: you choose to receive statements less frequently; or Clause 25.4 applies. We will send you statements for your Everyday Savings Account, Savings Account, Regular Saver Account and Bonus Savings Account once a year. Customers with an Everyday e-Saver Account or an e-Savings Account will not receive paper statements. We recommend that you print or save copies of such statements for your records.

- 25.2** If we provide you with paper statements, when a charge is applied to your 1st Account we will send you a paper statement at the end of your monthly charging cycle that covers transactions made during that cycle. This will happen even if you have chosen to receive your statements less frequently.
- 25.3** If one or more payments have been made from or to your account in any month and you would not normally receive a statement that month because, for example, you receive statements every three months, you can ask us to provide you with a paper statement for that month.
- 25.4** If there are no transactions on your account in any statement period and if your account has a credit balance of less than £50, you will not receive a statement in that period, unless you request that we send one to you. Please note that you will continue to receive statements at the frequency you agree with us if you are overdrawn and we will always send you at least one statement annually.
- 25.5** If you have a joint account, we will send a statement to each of you (to different addresses if you wish) unless you ask us not to.
- 25.6** If an incorrect entry on your account is identified, we will correct it. If we do this on the same day the incorrect entry was made the details may not show on your statement.
- 25.7** If you ask, we will send you additional statements (including paper copies of statements sent to you electronically or copies of those previously supplied).

25.8 **Balance information**

25.8.1 We may provide you with details of:

- the balance on your account. This may include transactions that are still being processed and so may be subject to change. It may not include the amount of any overdraft you have.
- the available balance on your account. This includes the amount of cleared funds in your account together with the amount of any overdraft you have.

Please also refer to Clause 21 of the General Terms. Your account and the transactions passing through it may be affected by a court order, or any order we receive from the Child Maintenance and Enforcement Commission, that is obtained, for example, against you or your account. If so, the balance may change and transactions may not be processed or may be reversed.

26 **Fraud prevention**

26.1 We may carry out certain checks on transactions on your account as part of our fraud prevention measures.

26.2 As part of our fraud prevention measures, we may need to speak with you to re-confirm some payments, e.g. high value payments, or we may need to ask you additional security information. We will tell you when this is the case. If we need to speak with you but cannot do so for any reason, we will only make the payment if we believe it is genuine. Our fraud prevention measures may lead to the payment being delayed. This will not prevent you from later disputing you authorised the transaction.

26.3 If we believe there is suspicious activity on your account, we may contact you by post, telephone (including mobile phone), email, mobile messaging or (if you are registered for Internet Banking) secure e-message. We may leave a message to ask that you call us. If we ask, you must contact us as soon as possible. In respect of payments made through Telephone Banking or Internet Banking, if you do not reply to us by the end of the day we have called you, we will allow the transaction to proceed if we believe the transaction is genuine. This will not prevent you from later disputing you authorised the transaction. If we do not believe it is genuine we will not make the payment. For payments made using your debit card, if you do not reply to us the debit card payment will not proceed. If you subsequently confirm the debit card payment is genuine, the payment may need to be processed again. If you do not contact us, we may need to contact you in respect of future transactions and this may lead to those payments being declined.

27 Responsibilities

27.1 Making payments

27.1.1

We will make payments based on the information we require you to provide us as set out in Clause 2 of the General Terms. If you provide us with incorrect information, we will not be responsible if the payment is not made, it is delayed or it is made incorrectly. If you ask us, we will make immediate efforts to trace and recover an incorrect payment and will tell you the outcome. If you provide us with incorrect information, and you ask us to try to recover the payment, we may charge you for this service. We will give you details of our charges before we try to recover the payment. The recipient's bank may also charge you if this happens.

27.1.2

If you provide us with extra information to that specified by us as required, we will only be responsible for making the payment based on the information we have told you we require.

27.1.3

It is the recipient's bank's responsibility to make sure a payment we have sent them is added to the bank account of the recipient. Some recipient banks will only use the BIC address, sort code or national bank code and the account number or IBAN when doing this.

27.1.4

If you have instructed us to make a payment, we are responsible for it being made correctly unless we can prove to you, or the recipient's bank (as appropriate), that the payment was received by the recipient's bank within the timescales for executing payments set out in Clause 15.2 of the General Terms and in Clauses 16 to 21 of the General Terms. Where we can prove this, the recipient's bank will be responsible to the recipient for making available the payment and crediting the recipient's account, as appropriate.

27.1.5

If a payment has been made incorrectly and we fail to prove the payment you authorised was received by the recipient's bank as required by Clause 27.1.4 of the General Terms, we will, without undue delay, refund your account with either:

- the payment; or
- in the case of an overpayment, any excess amount incorrectly deducted so you do not incur any loss,

and we will also restore your account to the position it would have been in had the incorrect payment or overpayment not been made, for example, by refunding any charges (including Informal Overdraft Usage Fees) or overdraft interest as appropriate. We will not do this if the circumstances giving rise to the incorrect payment transaction were due to abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary.

27.2 Refunding pre-authorised payments such as Direct Debits

27.2.1

If you authorise a transaction and the following conditions apply:

- the exact amount of the payment is not specified when you give your authority, for example with a direct debit; and
 - the amount of the payment exceeds the amount you could reasonably have expected to pay, taking into account your previous spending pattern, the Terms and all other circumstances (but not fluctuations in the exchange rate),
- then, provided you ask for a refund within eight weeks (subject to your additional rights under the Direct Debit Guarantee Scheme) of the payment being charged to your account, we will refund your account with the full amount of the payment. No refund will be made if you have agreed with us for the particular payment to be made and, where appropriate, details of the payment are provided or made available to you by any means at least four weeks before the payment is made from your account.

- 27.2.2** You must provide us with any information we request which is reasonably required to allow us to verify the conditions set out in Clause 27.2.1 of the General Terms.
- 27.2.3** We will either make a refund or provide you with our reasons for refusing your request within ten business weekdays of either receiving your request for a refund, or receiving the information referred to in Clause 27.2.2 of the General Terms.
- 27.2.4** The Direct Debit Guarantee Scheme applies, in addition to Clause 27.2.1 of the General Terms, to direct debit payments.
- 27.3** **Unauthorised transactions**
You must read your statements carefully on receipt or when they are available online. To help us prevent fraud, you must tell us immediately by calling us if you do not recognise any transaction shown on your statement or if you think any payment you have authorised has been executed incorrectly. If you do not tell us promptly (at the latest within 13 months of the date the transaction was deducted from your account), you may not be entitled to have any errors corrected.
- 27.4** **Liability for unauthorised transactions**
- 27.4.1** Subject to Clauses 27.4.2 to 27.4.4 and 27.5 of the General Terms, we will be responsible for any unauthorised transactions that you tell us about in accordance with Clause 26.3 of the General Terms (if, on reasonable grounds, we suspect fraud or that you have been grossly negligent, we will investigate the transaction). Where we are responsible, we will immediately refund the amount of the unauthorised transaction and any resulting overdraft interest and charges. We will have no further liability to you (including Informal Overdraft Usage Fees). If we later become aware of evidence that shows we are not responsible for the transaction, we will recover an amount equal to the refund from your account.
- 27.4.2** You will be responsible for all losses if you act fraudulently or if you allowed another person to use your card security details (including PINs, security numbers, passwords or other details which allow you to use Internet Banking and Telephone Banking or your account).
- 27.4.3** You will be responsible for all losses arising from unauthorised transactions on your account as result of:
- you acting fraudulently;
 - you intentionally or with gross negligence failing to use your card, Telephone Banking and/or Internet Banking in accordance with the Terms (including keeping safe your card, PIN or any other security or personalised details); or
 - you intentionally or with gross negligence failing to notify us in accordance with Clause 9.2 of the General Terms of the loss or theft of any card, PIN, or other security or personalised details.
- 27.4.4** Unless you have acted fraudulently, you will not be responsible for any losses in respect of an unauthorised transaction:
- if someone uses your card before you receive it;
 - if your card has been used to purchase goods via the telephone, via the internet or mail order, or you have purchased goods and services via Internet Banking or Telephone Banking;
 - after you have notified us of the loss or theft of your card or security details in accordance with Clause 9.2 of the General Terms; or
 - if we have failed to provide the facilities we describe in Clause 9.2 of the General Terms for you to tell us that your card or any security details have been lost or stolen.

27.5 Abnormal and unforeseen circumstances

27.5.1 We will not be responsible to you if we fail to comply with any of the Terms:

- due to abnormal and unforeseen circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary; or
- where our failure to comply is due to our obligations under European or national law.

27.6 Payments into your account

27.6.1 We will only process payments into your account using the BIC address, sort code or national bank code and the account number or IBAN provided.

27.6.2 We can only accept responsibility for payments into your account after we have received and checked them.

27.6.3 If you pay two or more items into your account using a paying-in slip you must take care to add these up correctly on the paying-in slip. If, when we process the payments in, we notice that the total amount of the items is added up incorrectly on the paying-in slip and the difference is over £1, we will add the correct amount to your account. We will tell you we have done this. If the difference is £1 or less we may not carry out the correction or tell you.

27.7 Suspension of debit cards, Telephone Banking or Internet Banking

27.7.1 We may, at any time, ask you to return your card to us, stop your use of your card, or suspend your use of Telephone Banking or Internet Banking if we have reasonable grounds which relate to:

- the security of the card, or its suspected unauthorised or fraudulent use;
- the security of or the suspected unauthorised or fraudulent use of Telephone Banking or Internet Banking; or
- if we consider there is a significantly increased risk that you will be unable to repay any overdraft on your account.

27.7.2 We will normally give you advance notice (either in writing, secure e-message if you have agreed, or by phone) if we are going to stop your use of your card, or suspend your use of Telephone Banking or Internet Banking. We will tell you why we are taking this action but we will not give you notice or details of the reason for the suspension if this would compromise our reasonable security measures or if it is unlawful to do so. We may occasionally stop your use of your card or suspend your use of, Telephone Banking or Internet Banking without notifying you where we have been unable to contact you in advance. We may also stop your use of your card or suspend your use of Telephone Banking or Internet Banking due to national or European legal obligations that apply to us.

27.7.3 We may deduct from your account the amount of any card transaction (and any charges relating to any such card transaction) despite the fact that your card may have been returned or your use of it stopped at the time we make the deduction.

27.7.4 You can ask us to lift any suspension of your use of Telephone Banking or Internet Banking or to provide you with a new card by calling us.

28 Making changes

- 28.1** We may change interest rates, charges and other Terms in accordance with and Clauses 28 to 33 of the General Terms.
- 28.2** For products or services which have a fixed term or have some terms and conditions that are fixed, please also see the Additional Conditions for information on the circumstances in which we may make changes to those terms. If there is a conflict between this Clause 28 or Clauses 29 to 33 of the General Terms and those Additional Conditions, the Additional Conditions will apply.
- 28.3** When we tell you about a change personally, we may do this by post, email, secure e-message, a message on your statement, or in any other way that will be sent to you individually. We recommend that you print or save copies of electronic notifications for your records.
- 28.4** When you open your account, we will give you our interest rates and charges information which contains details of our credit interest and overdraft interest rates. You can also find out about our current credit interest and overdraft interest rates by telephoning us or on our website. When we change the credit interest and/or overdraft interest rates on your account, we will update the information available on our website within three business weekdays of the change and will update information in our literature as soon as reasonably possible after the change.

29 Credit interest and/or overdraft interest rate changes

- 29.1 Changing interest rates that apply to money you have borrowed from us by way of overdraft (“overdraft interest rate”)**
- 29.1.1** Overdraft interest rates are set by us following our assessment of your ability to meet your financial commitments (which will include considering your credit history and information held about you by credit reference agencies as well as how you conduct your account once it has been opened).
- 29.1.2** We may change the overdraft interest rate by telling you personally at least seven days in advance of making the change.
- 29.2 Changing interest rates that apply to money in your account (“credit interest rates”)**
- We may change the credit interest rate for your account in the following ways:
- 29.2.1** if the change is favourable to you, by, within 30 days of the change, telling you about it personally; and
- 29.2.2** if the change is not favourable to you, by telling you about it personally:
- at least 30 days in advance of making the change if you have a Regular Saver Account; and
 - at least two months in advance of making the change if you have any other account.

30 Other changes to the Terms

- 30.1** We may make changes to the following parts of the Terms, including introducing new charges or changes to the basis on which we charge for operating/providing product(s)/service(s), by giving you at least two months’ advance personal notice: the introduction before section 1 of the General Terms, section 1 of the General Terms, Clauses 43 and 48 of the General Terms and the wording on the back page under the headings “Financial Services Compensation Scheme” and “How to Complain about our services”.

30.2 We may change the types of payments available on your account by giving you at least two months' advance personal notice.

30.3 We may make changes to the credit interest and overdraft interest rates and charges (including Informal Overdraft Usage fees) information as it applies to your account, including introducing new charges or changes to the basis on which we charge for operating/providing product(s)/service(s), in the following ways:

- for changes to interest rates see Clause 29
- for overdraft information (excluding overdraft rates) and to increase or introduce new overdraft charges, we will tell you personally at least 30 days in advance;
- for reductions in overdraft charges we'll tell you personally within 30 days of the change being made; and
- for all other changes, by giving you at least two months' advance personal notice.

30.4 We may make any other changes to the Terms, including changes to the basis on which we charge for operating/providing product(s)/service(s), in the following ways:

- if the change is not favourable to you, by giving you at least 30 days' advance personal notice; and
- for any other changes to terms and conditions that apply to money you borrow from us by way of overdraft, by giving you advance personal notice; and
- for any other changes, by, within 30 days of the change, telling you about it personally.

31 Reasons for making changes

We may make any change to the Terms under Clauses 28 to 30 of the General Terms at any time if we reasonably believe that the change is to your advantage or is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or those which are expected to apply in the near future);

- to respond proportionately to changes in general law or decisions of the Financial Ombudsman Service;
- to meet our regulatory requirements;
- to reflect new industry guidance and codes of practice;
- to respond to the making of a relevant recommendation, requirement or decision of any court, ombudsman, regulator or similar body;
- To allow us to make reasonable changes to the way in which we manage your account as a result of changes to technology or the systems we use including introducing new services or facilities or replacing an existing service or facility with a new one.

In addition,

(i) we can change interest rates (both credit interest and overdraft interest) at any time;

- to respond proportionately to changes in the Bank of England base rate, other specified market rates or indices or tax rates;
- to proportionately reflect other legitimate costs in providing the account (including our funding costs).

We can also change interest rates for any other valid reason; and

(ii) we can change charges at any time to proportionately reflect legitimate increases or reductions in the costs of providing the account, services or facilities (including our funding costs).

We can also change charges for any other valid reason.

32 Other reasons for making changes to the extent the Terms do not apply for a fixed term

To the extent the Terms do not apply for a fixed term, we can make any change so long as we give you advance notice and you are able to close your account or end a service that relates to an account, before the change takes effect without charge.

We need this flexibility to change because we need to be able to manage how we provide your account over a long period of time and it is very difficult for us to anticipate all the circumstances when we might need to change the way your account works. If you do not like any change we make in this way, you have the right to close your account and move to a new account either with us or another financial institution.

33 What you can do when we tell you about a change

You may end this framework contract and close your account within two months of the date of any advance notice of a change we send to you or, if longer, up to the date the change is due to take effect, unless it is a change in overdraft interest rates under Clause 29.1. There will be no charge for this. If you do not tell us that you want to close your account then we will assume you have accepted the change and it will take effect automatically.

34 Ending this framework contract and closing your account

34.1 You can end this framework contract (section 1 of the General Terms) with us at any time, by writing or phoning us, or via Internet Banking. You must destroy any unused cheques and all cards issued to you by cutting them into at least six pieces.

34.2 In relation to joint accounts, any of you may request closure and the re-direction of balances and regular payments unless Clause 23.4 applies.

34.3 If this framework contract is ended in accordance with this Clause 34 of the General Terms, your account will close and, other than Clause 35 of the General Terms and where terms/products/services are expressly stated to continue, your agreement with us, consisting of the Terms, will also end.

34.4 You must repay any money owed to us before we close your 1st Account. If you close your 1st Account, we will deduct any outstanding interest and/or charges that haven't yet been applied to your account before providing the remaining money to you. You are responsible for cancelling payments into and out of your account. If someone tries to make a payment into your account after it has been closed, we will take reasonable steps to return the payment to them. If, after account closure, we pay any cheques you have issued or card transactions you have made or incur any charges relating to these, you agree to repay us these amounts in full.

If you switch your 1st Account to another provider using the Current Account Switch Service / CASS, before your account closes, we will deduct any outstanding interest and/or charges that haven't yet been applied to your account before sending any remaining money to your new account.

If you have switched your 1st Account, payments will be forwarded and redirected for 36 months from the switch date. If someone tries to make a payment into your account after 36 months of the switch date, we will take reasonable steps to return the payment to them.

If you switch your account to another provider, you must repay any monies owed to us before we close your account.

- 34.5** We can end this framework contract with you and close your account immediately in the following situations:
- 34.5.1** if you have seriously or persistently broken any of the Terms, including where:
- you are, or we reasonably suspect you may be, using or obtaining, or allowing someone else to use or obtain, an account, service or money illegally; or
 - your account is, or we reasonably suspect your account is, being used for an illegal purpose; or
 - you are, or we reasonably suspect you may be, acting fraudulently; or
 - your behaviour is improper, for example you act in a threatening or violent manner towards staff, which makes it inappropriate for us to maintain your account; or
 - you were not entitled to open your account or take out your service; or
 - we have demanded that you repay an overdrawn balance on your account to us and you fail to do so; or
 - you have not provided us with adequate information required under Clause 35.3; or
- 34.5.2** if we reasonably consider that by continuing the contract:
- we may break a law, regulation, code, court order or other duty; or
 - we, or another HSBC Group company, may be exposed to action or censure from any government, regulator or law enforcement agency.
- 34.6** We will give you notice in writing immediately after your account has been closed under Clause 34.5 of the General Terms.
- 34.7** We may end this framework contract and close your account for any other reason by giving you at least two months' written notice. This Clause 34.7 does not apply to any account you have with us during a fixed term, for example Regular Saver.
- 34.8** If we close your account we will repay any credit balance to you.
- 34.9** On account closure you must destroy any unused cheques and all cards we have issued to you by cutting them into at least six pieces.

Section 2 – General Terms – General Provisions

Section 2 contains terms of general application, including terms relating to how we will use your information, our right of set-off, transferring your account and transferring our rights and obligations.

35 **Your Information**

35.1 This section explains how we will use information about you once you have applied for any of the products and services covered in this booklet together with any other products or services where we tell you this section will apply. Whether it is processed in the UK or overseas, in accordance with data protection legislation, your information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.

35.2 Confidentiality

Information we hold about you will not be disclosed to anyone (including other members of the HSBC Group), other than:

- where we are legally required to disclose;
- where we have a public duty to disclose;
- where our legitimate business purposes require disclosure;
- where the disclosure is made with your consent; or
- as set out in the terms below.

35.3 Collection and use of Customer Information

35.3.1

We may collect Customer Information from you, and may process and store it (or may pass it within the HSBC Group or to third parties to process and store in accordance with clause 35.4 below) in connection with:

- processing applications that you make,
- providing you with, or marketing, products and services,
- for credit assessment, customer service, debt recovery, market research, behavioural scoring, product analysis, insurance, audit and administrative purposes, prevention and detection of fraud and other crime, tax collection, verification of your identity and to meet our legal obligations,
- Compliance Obligations, and/or
- Financial Crime Risk Management Activities.

35.3.2

If you fail to comply with any reasonable request from us to supply Customer Information or to take any other action we reasonably request in connection with Tax Information, then we and/or the HSBC Group may be unable to provide or continue providing you with products or services, and may:

- take action in connection with Compliance Obligations;
- reach reasonable conclusions about your account and/or other products and services (including that any or all must be reported to Tax Authorities, regardless of their actual status),
- withhold taxes from payments made to your account and/or in relation to other products and services and/or pay taxes to Tax Authorities; and/or
- close your account(s) and/or cease to provide or make available other products and/or services.

35.3.3

You agree to inform, or respond to any request from, any relevant member of the HSBC Group promptly if there are any changes to Customer Information previously provided to us or the HSBC Group.

35.3.4

You confirm that every person whose Personal Data you have provided to us has agreed to the use of their information as set out in these terms and conditions.

35.4

Disclosure of Customer Information

35.4.1

You agree that we may use, transfer and disclose Customer Information to the following recipients wherever located (and that they may also use, transfer and disclose it):

- any member of the HSBC Group in connection with the activities listed in clause 35.3.1 above, Compliance Obligations and/or Financial Crime Risk Management Activities;
- any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers) in connection with the provision of any products or services, Financial Crime Risk Management Activities, reporting or the collection of any amounts due from you;
- any Authorities, in connection with the Compliance Obligations or Financial Crime Risk Management Activities;
- payment recipients, clearing houses, settlement systems, market counter parties, swap or trade repositories, stock exchanges, companies in which you have an interest in securities where we hold such securities for you, or persons acting on your behalf for the purpose of providing the services;
- anybody to whom we transfer, or may transfer, any of our rights and obligations under the Terms, or who acquires any interest in, or assumes or bears risk in connection with any products or services;
- fraud prevention agencies (if you give us false or inaccurate information and fraud is identified);

- credit reference agencies and/or other financial institutions to conduct credit checks and obtain or provide credit references; and
- other banks for the purpose of providing any products or services, such as where you make transfers or payments to account holders at other banks.

This may include Customer Information provided by you or someone acting on your behalf. You agree that this information may be shared with the above recipients outside the UK.

35.5

Financial Crime Risk Management Activities

35.5.1

We may take reasonable action to comply with laws, regulations, sanctions regimes, international guidance, HSBC Group internal policies and procedures, and/or demands from any Authorities, relating to Financial Crime Risk Management Activity. Such action may include (without limitation):

- intercepting, investigating, delaying, blocking or refusing any payment, service or application for a service, or use of credit;
- processing Customer Information (which may include matching Customer Information with other data in possession of HSBC Group); and
- the disclosure of Customer Information.

35.5.2

Neither we nor any other member of HSBC Group shall be liable to you or to any third party for any loss arising in connection with Financial Crime Risk Management Activities.

35.6

Credit reference agencies

35.6.1

If you apply for an account or credit, we may use details of your credit history to assess your ability to meet your financial commitments. The credit reference agencies will record details which may form part of your credit history whether or not you proceed with your application. If you make several applications within a short period of time, this may temporarily affect your ability to obtain credit. Where you have agreed, we may share details of how you manage any current accounts or borrowing from us with credit reference agencies.

35.6.2

If we make demand for repayment following default and you fail to repay the full amount due or to make and keep to acceptable proposals for repayment within 28 days we may (in the absence of any genuine dispute about the amount owed) register the default with the credit reference agencies. This may affect your ability to obtain further credit.

35.6.3

If you make a joint application for a current account or credit, an association linking your financial records with those of your fellow applicant(s) will be created by the credit reference agencies. The credit history of your 'associates' may be taken into consideration in any future application for credit. The association will continue to link your credit histories unless and until you successfully file a 'notice of disassociation' with the credit reference agencies.

35.7

Further information on credit scoring, credit reference and fraud prevention agencies

Further details explaining how information held by credit reference agencies and fraud prevention agencies may be used is set out in a leaflet entitled "Credit Scoring, Credit Reference and Fraud Prevention Agencies" available on our website **firstdirect.com** or can be requested by writing to the Fraud Manager, **first direct**, 40 Wakefield Road, Leeds, LS98 1FD. Please write to this address if you require details of the credit reference and fraud prevention agencies we use.

35.8 Market Research

The HSBC Group may share relevant information about you, your transactions and your relationships with third party research agencies who may invite you (by post, telephone, electronic and other means) to take part in market research activities for the HSBC Group. **If you do not wish to be contacted for market research purposes please let us know.**

35.9 When you use a computer or other device to access websites operated by or on behalf of the HSBC Group and associated third parties, information may be stored and accessed on that device:

- to improve your experience;
- to improve the functionality, security and performance of those websites;
- to provide you with promotional content; and/or
- to provide us with information about how those websites are used and how users arrive at those websites.

In the event that you receive emails sent by or on behalf of the HSBC Group, such emails may contain technologies to track for market research purposes whether you opened those emails and whether you accessed internet links contained within those emails. You agree to information being stored, accessed and used in this way.

Members of the HSBC Group may also exchange, analyse and use relevant information about you in the ways described above to ensure that promotional content displayed to you on screen when you use HSBC Group websites is more likely to be relevant and of interest. Further information is available on our cookie policy, and site terms and privacy statement on **firstdirect.com**.

35.10 Further Information

35.10.1 Under data protection legislation, you can make a written request for a copy of certain personal records we hold about you. The current fee is £10.00 per request from each individual.

35.10.2 To ensure that we carry out your instructions accurately, to help us to improve our service and in the interests of security, we may monitor and/or record your communications with us including telephone calls. In the interests of security and for preventing and investigating crime we may use closed-circuit television in and around our premises for the monitoring and collection of sound and/or visual images. Any recordings remain our sole property.

35.10.3 We may make and retain copies of passports, driving licences or other identification evidence that you provide.

35.10.4 We will obtain your written consent before providing a banker's reference about you, however, if we receive a request from another financial services institution we will provide information required to verify your identity for money laundering prevention purposes.

35.10.5 We will ask you when you open an account whether you are happy for us to contact you to market products, services (including mortgages) and promotions available from members of the HSBC Group and selected third parties by post, telephone, electronic and other means. If you change your mind at any time please let us know.

35.11 Definitions

These capitalised terms have the following meanings when used in this clause:

“Authorities” includes judicial, regulatory, public or government authorities, Tax Authorities, securities or futures exchange, or law enforcement bodies, or any of their agents having jurisdiction over any part of the HSBC Group;

“Compliance Obligations” means compliance by any member of the HSBC Group with any reporting, disclosure or other obligations under any applicable local or foreign laws, regulations or voluntary codes, directives, court orders, agreements with or demands from the appropriate Authorities;

“Customer Information” means Personal Data, confidential information and/or Tax Information;

“Financial Crime Risk Management Activity” includes (but is not limited to):

- (a) detecting and preventing money laundering, terrorist financing, tax evasion, fraud, the provision of financial and/or other services or support to any persons or entities which may be subject to economic or trade sanctions, and violations of, or attempts to circumvent or violate, any laws or regulations;
- (b) performing Compliance Obligations in connection with (a) above;
- (c) intercepting and investigating any payment, instruction or any other information in connection with any payment screening; and/or
- (d) confirming your identity and status;

“Personal Data” means any information relating to an individual from which they can be identified;

“Tax Authorities” means domestic or foreign tax, revenue, fiscal or monetary authorities; and

“Tax Information” means any documentation or information relating to an individual, their identity or their tax status, including but not limited to their name(s), address(es), age, date of birth, place of birth, nationality, citizenship, tax residence, tax domicile, tax identification number (if appropriate), personal and marital status, and shall include where applicable Forms W9 and W8-BEN (as issued by the Internal Revenue Service of the United States of America) as amended, supplemented or substituted from time to time, or a self-certification form.

36 Our right of “set-off”

36.1

If:

- any accounts you hold with us in your sole name and which you hold jointly with another person(s) are in credit; and
- you have failed to pay us any amount which you owe on any other accounts you hold with us (in your sole name or which you hold jointly with another person(s)) anywhere (including any card accounts and those in different currencies) or any other amount you owe us,

we may use the money you hold with us to reduce or repay the amount which you owe us.

This is called our right of “set-off”.

36.2

We can use our right of set-off as follows:

Account in credit held in name of:	A	A	A and B	A and B	A and B
Right of set-off can be applied against amounts owed on accounts held by:	A	A and B	A and B	A	B

36.3

In addition, if any accounts you hold with us (in your sole name or which you hold jointly with another person(s)) are in credit we may use that money to repay any amount you owe on any other account (in your sole name or which you hold jointly with another person(s)) with any other company in the HSBC Group anywhere (unless we are prevented from doing so by law).

36.4

We will not use our right of set-off:

- against any money which we hold in an account in your name which you have advised us is not yours; or
- against any money which we are required to hold by law in an account in your name for someone else; or
- in any way that contravenes any law, regulation, code of conduct or industry guidance.

36.5

If we are contemplating using our right of set-off:

- we will always remind you of our rights by providing you with general information about our set-off rights and the circumstances in which we may exercise them in advance; and
- in doing so, we may (and you irrevocably authorise us to) convert to sterling any balance that is in a currency other than sterling at the first direct exchange rate that applies at the time.

37 Unclaimed Assets Scheme

- 37.1** This section does not apply to customers who are under the age of 18 or to Regular Saver Accounts.
- 37.2** We participate in the unclaimed assets scheme established under the Dormant Bank and Building Society Accounts Act 2008.
- 37.3** If you have an account with us, including an account that we have closed in accordance with these Terms but we have not been able to repay your money to you, and there has been no activity from you in relation to that account for at least the last 15 years, we may transfer your balance to the unclaimed assets scheme at Reclaim Fund Limited ("RFL"). We will give you at least 30 days' notice before we transfer any of your money to RFL. RFL is a not-for-profit reclaim fund which is authorised and regulated by the Financial Conduct Authority.
- 37.4** Upon transfer of the money to RFL we will close your account in accordance with Clause 34 of the General Terms (unless it has been already closed).
- 37.5** You will still have the right to your money after it has been transferred to RFL. We will handle all repayment claims and so you should ask us (and not RFL) for information about having your money repaid to you.
- 37.6** Both we and RFL participate in the Financial Services Compensation Scheme ("FSCS"). The transfer of the money to RFL will not affect any entitlement you have to compensation under the FSCS.

38 Credit Interest

- 38.1** Where credit interest is payable on an account, it will be calculated daily at the rate(s) applicable on the balance cleared for credit interest purposes at the end of the day. Unless these Terms say otherwise, credit interest will be paid into the account monthly and if the account is closed, credit interest up to the date of closure will be added to the closing balance.
- There are special rules applicable to the payment of credit interest on e-Savings, Bonus Savings and Regular Saver Accounts (see section 3 - Special Account Conditions).**
- 38.2** We will pay you credit interest after deduction of basic rate tax. If you are a higher rate tax payer you may have to pay higher rate income tax on your credit interest. However, if you are resident in the UK you will receive credit interest gross (without deduction of tax), if you are eligible and provide us with a completed form headed R85 or complete the appropriate form R85 online within Internet Banking.
- 38.3** For joint accounts, if all parties are not eligible to receive credit interest gross, we can pay the credit interest part gross and part net if we hold a valid form R85 for the party who is eligible.
- 38.4** In the UK, if we pay credit interest with tax deducted in the current tax year before we process the completed form R85, the tax will be refunded directly to the account from either the beginning of the tax year i.e. 6 April or when the last Section 975 Statement of tax deducted was issued, whichever is the later.
- 38.5** If you ask us to divert credit interest payments from a particular account to another account either in your name or another person's name, then we will deduct the applicable rate of tax (if any) relevant to the account on which the credit interest arises before the credit interest is diverted.

39 Obligation to report income

If you are connected with a country (for example because you have income or assets there, or are domiciled or resident there), you may be obliged by law to report your worldwide income to a tax authority in that country. You should take tax advice if you are in any doubt about your reporting obligations.

40 Bankruptcy – For accounts held in the UK

40.1

In the event that a petition for a Bankruptcy or Sequestration Order is presented against you then you agree that we may:

- suspend or stop your ability to make payments via Internet Banking and Telephone Banking; and/or
- ask you to return any debit cards and cheque books you have;
- refuse to act on any instructions given by you or anyone else to make any payment(s) out of your account unless you have previously obtained an appropriate Order from the Court; and/or
- set up a separate account(s) in your name to which any of your future payments will be credited.

40.2

If we are notified that any other court order or arrangement has been entered into or application made in relation to your account which requires authority to be obtained from a third party before we act on instructions to make payments from your account, you agree that we may take any of the actions set out in the first three bullet points in Clause 40.1 above until we receive appropriate authority from the relevant third party.

41 Cancellation of your account

For a period of 14 days after the date we open your account, you have the right to cancel your agreement with us by closing your account. You can do this by writing to us at **first direct**, 40 Wakefield Road, Leeds LS98 1FD or phoning us or via Internet Banking. We will give you all your money back together with any credit interest it has earned. We will ignore any additional charges and any notice period that applies to your account. For applications completed by telephone, the cancellation period will start from the day after you receive the terms and conditions in the post, by email or secure e-message.

42 Transferring your account

We may transfer you from your existing account(s) to other account(s) we believe are appropriate for you if your existing account(s) is no longer going to be sold by us, or if we introduce new eligibility criteria or change any existing eligibility criteria for such account(s) and you do not meet this. We will give you at least two months' notice of this. You can close your account within 60 days of it being converted without any charge or interest being applied (if applicable) for doing so.

43 Contacting you

43.1

You agree that we may use any contact details you have provided to us, including your postal address and telephone number(s) (including your mobile telephone number) and email address to contact you for service or operational reasons. These include telling you about changes to the Terms, including credit interest and/or overdraft interest rates, that apply to your account(s) and generally communicating with you about the day-to-day running of your account(s), products and services. If you are registered for Internet Banking you agree that we may also contact you using our secure e-message service within Internet Banking for these purposes. You must ensure that the contact details you provide are accurate and that you notify us promptly

of any changes, including to your email address, telephone number(s) and postal address. If you would prefer that we do not contact you for service or operational reasons by email, mobile message or secure e-message please let us know. Whilst we will try to use your preferred channels wherever possible, you may continue to receive important service messages via any of these channels, for example, when we need to contact you urgently. We will also use secure e-messages to contact you in respect of any accounts you hold that are managed solely online.

43.2 Where we hold alternative address details for you, we may send mail to your home address if it is returned from, or if you do not respond to mail sent to, your correspondence address. (See also Clause 43.1 of the General Terms).

43.3 We may record telephone numbers (including mobile telephone numbers) from which you contact us from time to time. In limited circumstances, we may use these telephone numbers to contact you if we are unable to contact you via telephone numbers you have provided to us.

44 Inactive accounts

We will mark your account as dormant (ie we suspend it) if it has been inactive for at least 12 months.

45 Transferring rights and obligations

We may transfer all or any of our rights in relation to your account(s). We may also transfer any of our obligations but only to someone we reasonably consider capable of performing them equally as well as us and who is authorised or recognised by the FCA as being entitled to accept deposits. This includes us appointing another HSBC Group company as our agent (i.e. to act on our behalf) for debt recovery purposes. You may not transfer any of your rights or obligations in relation to your account(s) or transfer or assign any account or deposit.

46 Not enforcing the Terms

We may occasionally allow you extra time to comply with your obligations or decide not to exercise some of our rights. If we do, we can still insist on the strict application of these Terms at a later date.

47 Your statutory rights

Nothing in the Terms will reduce your statutory rights including your rights relating to misdescribed accounts or services, the fairness of terms on which they are provided to you, any rights you may have to close your account and/or claim compensation. For further information about your statutory rights contact your local authority Trading Standards Department or the Citizens Advice Bureau.

48 Governing Law and language

These Terms are in English, which is the language we will use in our communications with you. The Terms are governed by the laws of England and Wales as are our dealings with you. You and we submit to the non-exclusive jurisdiction of the courts of England and Wales.

Section 3 – Special Account Conditions

This **Section 3** applies to the accounts detailed below in addition to the rest of the Terms. Where the terms in this Section 3 differ from the Terms these terms will apply.

1 1st Account

1.1 Banking Fee

1.1.1 You must pay our banking fee for each month or part of a month that you hold a 1st Account unless we agree to waive the fee. Full details of our banking fee and our current waivers may be found in our interest rates and charges information and on our website at **firstdirect.com**.

1.1.2 For the purposes of this Clause a “month” means a calendar month.

1.1.3 The banking fee will be deducted from your 1st Account (whether sole or joint). The charge will be deducted monthly in arrears. We will notify you at least 14 days before the charge is due to be deducted from your account.

1.2 Borrowing from us

1.2.1 You can request an overdraft, or an increase to an existing overdraft limit, on your 1st Account (but not on a savings account) by either:

- making a formal request, that is, you ask us for and we agree to provide you with, an overdraft or an increase to an existing overdraft limit before you authorise any payments or withdrawals from your account that, if made by us, would cause your account to go overdrawn or over an existing overdraft limit; or
- by way of an informal request, that is, where you authorise a payment or withdrawal to be made from your account which, if made by us, would cause your account to go overdrawn or over an existing overdraft limit, without having agreed with us in advance an overdraft or an increase to an existing overdraft limit on your account to cover such payment.

1.2.2 If we receive a formal request for an overdraft or an increase to an existing overdraft limit from you, we will consider your request and, if we agree to it, we will give you a letter setting out the terms of the overdraft.

1.2.3 If we receive an informal request for an overdraft or an increase to an existing overdraft limit from you, we will consider your request and if we agree to it, we will provide you with an overdraft or an increase to your existing overdraft limit to cover the item concerned for 31 days. We will charge you an Informal Overdraft Usage Fee on any day your account is in informal overdraft.

1.2.4 If we do not agree to an informal request from you for an overdraft or an increase to an existing overdraft limit, then we will not make any payment authorised by you that would cause your account to go overdrawn or over any agreed overdraft limit. If you do require an overdraft or an increase to an existing overdraft, it would be in your interest to contact us to discuss your borrowing requirements as it would probably be cheaper for you to have a formal overdraft than several informal overdrafts.

1.2.5 If we receive:

- any cheque drawn by you that we may be bound to honour; or
- any debit card transaction on your account; or
- any other payment or withdrawal instruction or request made by you (or by anyone with your authority) to us in any way, that would, if honoured by us, either make your account go overdrawn or go over an existing overdraft limit, we will treat this as an informal request from you for an overdraft – please see Clauses 1.2.1 and 1.2.3 of this section for further details.

- 1.2.6** We may charge you overdraft interest whenever your account goes overdrawn, on the amount by which it is overdrawn. Please see our interest rates and charges information for details of when we charge overdraft interest. We may continue to charge overdraft interest until there is a cleared credit balance on your account. Please see Clause 25.8 of the General Terms.
- 1.2.7** Before we deduct overdraft interest as set out in Clause 1.2.5 of this section, and/or charges as set out in Clause 1.2.3 of this section, we will give you at least 14 days' notice of the amount we are going to deduct.
- 1.2.8** Savings accounts must always be kept in credit. If there is at any time a debit balance on a savings account, then we will be entitled to close your account in accordance with Clause 34 of the General Terms.
- 1.2.9** Whenever your account is overdrawn, you should make regular payments into your account. You must tell us if you are unable to do this.
- 1.2.10** We may reduce or withdraw your overdraft limit at any time and demand in writing that you pay any money you owe us immediately.
- 1.2.11** You may at any time cancel your overdraft facility by repaying the overdrawn balance together with any accrued overdraft interest and all charges (including Informal Overdraft Usage Fees) and telling us you wish to cancel it.
- 1.2.12** We will calculate overdraft interest daily on your account debit balance cleared for overdraft interest purposes at the end of the day and deduct it from your account monthly, or when we have to make demand or when the account is closed. We will charge overdraft interest until the balance on your account is paid in full.
- 1.2.13** In relation to joint accounts, all of you together and individually are responsible for any money owed to us on the joint account. We may demand repayment from all and any of you for any money owing on the account.
- 1.2.14** Once we have agreed to provide you with an overdraft facility you have the right to cancel this facility within 14 days. If you do wish to cancel you should write to us at 40 Wakefield Road, Leeds LS98 1FD or cancel via Internet Banking or Telephone Banking. If you exercise your right to cancel you will be required to pay us any overdraft interest on the outstanding balance until your balance is repaid in full. You will also be required to pay us any Informal Overdraft Usage Fee payable. Your right to cancel will end after 14 days but you are still free to end your overdraft facility at any time by paying back all amounts.

Text alerts

- 1.2.15** To try to help you avoid charges, if we hold a mobile telephone number for you we may send you text messages:
- if we have agreed an informal overdraft on your account; or
 - if there is an insufficient available balance in your account to meet payments due to be made that day.

You can opt out of receiving these text messages by calling us.

It may not be possible for us to send you text messages on every occasion set out above (for example, if there are problems with our systems or if it is after 10.45pm) and you must continue to monitor your account carefully yourself.

We will send these text messages to the most recent mobile telephone number we hold for you. You must tell us as soon as possible if you change your mobile telephone number.

2 Bonus Savings Account

- 2.1** If you apply for a Bonus Savings Account on or after 1 December 2010, you must already have a 1st Account before you make your application for a Bonus Savings Account.
- 2.2** To open a Bonus Savings Account, you must deposit a minimum balance of £1 or such other amount as we specify from time to time. You may only hold one Bonus Savings Account at any one time. You can only have a Bonus Savings Account in your sole name, joint accounts are not permitted.
- 2.3** We will pay credit interest on your account balance at the applicable standard rate for this account in accordance with Clause 38 of the General Terms. However, if during any calendar month, you do not close your account or make any withdrawal from it, we will pay credit interest at our Bonus Rate.
- 2.4** Your Bonus Savings Account will not qualify as a “combined account” for the purposes of any offset Mortgage you have with us.
- 2.5** Bill payments, Faster payments, Electronic Funds Transfers, SEPA payments, Priority Payments and direct debits and standing orders cannot be made from Bonus Savings Account.

3 e-Savings Account

- 3.1** You may only hold one e-Savings Account at any one time and the account must be opened in your sole name. Joint accounts are not permitted.
- 3.2** If your e-Savings Account is closed, you will not be allowed to open another one.
- 3.3** **If during any calendar month your e-Savings Account is closed or you make a withdrawal, no interest will be paid on the full account balance for that month.**
- 3.4** Your e-Savings Account will not qualify as a “combined account” for the purposes of any offset Mortgage you have with us.
- 3.5** Your e-Savings Account is an online account, transactions must be conducted and instructions delivered online via Internet Banking. You should not contact us by telephone in relation to your e-Savings Account. Balances and statements will only be made available online.
- 3.6** Bill payments, Faster payments, direct debits and standing orders cannot be made from e-Savings Accounts.

4 Everyday e-Saver Account

- 4.1** Your Everyday e-Saver Account must be operated online through Internet Banking.
- 4.2** A minimum deposit of £1 is required to open an Everyday e-Saver Account. You will receive credit interest at the Everyday e-Saver rate.
- 4.3** You agree that statements for your Everyday e-Saver Account will be delivered electronically to “view statements” within Internet Banking. You will not receive paper statements for your Everyday e-Saver Account.
- 4.4** We may send you any communication relating to your account, including, but not limited to, variations to the Terms or the credit interest rates by secure e-message. You must access Internet Banking to check your secure e-messages and balance regularly and at least once every 30 days.
- 4.5** Your Everyday e-Saver Account will not qualify as a “combined account” for the purposes of any offset Mortgage you have with us.
- 4.6** Bill payments, faster payments, direct debits and standing orders cannot be made from Everyday e-Saver Accounts.

5 Regular Saver Account

5.1 You must already have a 1st Account with us before you can apply for a Regular Saver Account.

5.2 **You must continue to hold a 1st Account with us for as long as you have your Regular Saver Account. If you do not do this we will close your Regular Saver and pay the money into your 1st Account prior to you closing it. If you are switching your 1st Account using the Current Account Switch Service, we will send the money to your new current account the working day after the switch has taken place. If you have an outstanding debt on your 1st Account, we will use the money from your Regular Saver to repay that debt. We will then send any remaining money to your new current account.**

5.3 You can only have one Regular Saver Account with us which must be in your sole name. You cannot open a joint Regular Saver Account. You cannot open an account on behalf of someone else.

5.4 You must open your Regular Saver Account with an initial deposit on the day of account opening of between £25 and £300 (in multiples of £5) by direct transfer from your 1st Account only.

5.5 Once a month you must make a standing order from your 1st Account into your Regular Saver Account. This must be made on the same day of the month that you opened your Regular Saver Account or the next business weekday.

5.6 You can only make one standing order payment to your Regular Saver Account in any one month. You can change the amount of your standing order subject to Clause 5.7 of this section 3.

5.7 The Maximum Monthly Balance means £300 in the first month after your account is opened, increasing by £300 in each subsequent month, so £600 in month 2, £900 in month 3 and so on.

5.8 Interest on your Regular Saver

We calculate credit interest on the daily cleared balance on your Regular Saver Account and will pay this to your Regular Saver Account on the first anniversary of the date your account was opened.

You will receive credit interest on your Regular Saver Account at the fixed Regular Saver Account credit interest rate advised to you at account opening. You will only receive this in respect of monthly savings made in accordance with Clauses 5.4 to 5.7 and Clause 5.9 of this section.

If you have saved more than the applicable Maximum Monthly Balance then you will receive credit interest on the excess at the same rate as would apply to an amount equivalent to the excess in our Savings Account or any account that replaces it.

If you close your Regular Saver Account before the first anniversary of the date you opened it (including if you cancel your contract with us as set out in Clause 41 of the General Terms) we will pay you credit interest up to the date of closure at the same rate as would apply to an equivalent amount in our Savings Account or any account that replaces it.

If Clause 34.5 of the General Terms applies and, as a result, we decide to close your Regular Saver Account, you will receive credit interest up to the date of closure at the same rate as would apply to an equivalent amount in our Savings Account or any account that replaces it.

5.9 You cannot make any withdrawals or make any payments from your Regular Saver Account unless you close it.

We will then repay all the money in your Regular Saver Account into your 1st Account unless you advise us to pay it to a savings account you hold with us.

5.10 On the first anniversary (365 days later) of the date your Regular Saver Account was opened your account will cease to be a Regular Saver Account. If you have one of the following accounts with us in the same name as your Regular Saver Account, your money and any accrued credit interest will be transferred to that account:

- Everyday e-Saver;
- Savings Account;
- any account that we have replaced any of the above with.

If you have more than one of the accounts listed above we will transfer your money to the account which pays the highest rate of credit interest.

If you do not have any of the accounts set out above with us, your Regular Saver Account will convert to a new Savings Account in the same name as your Regular Saver Account or any account that we have replaced it with, and will be subject to these **first direct** Terms. It can take up to five working days to convert your Regular Saver to a new Savings Account (or to any account that has replaced the Savings Account). You will earn credit interest at the Savings Account rate (or the rate of the account that has replaced the Savings Account), if applicable, until it is converted. While your account is being converted you will have instant access to your money via Telephone Banking.

5.11 Your Regular Saver Account does not qualify as a “combined account” for the purposes of any offset Mortgage you have with us.

6 Savings Account and Everyday Savings Account

Bill payments, Faster payments, direct debits and standing orders cannot be made from these accounts.

Section 4 - Text Message Banking Conditions

This **Section 4** applies to our Text Message Banking service in addition to the rest of the Terms. Where the terms in this Section 4 differ from the Terms these terms will apply.

1 Text Message Banking

The text message banking service is intended to enable us to provide you with information regarding your accounts with us.

1.1 Registering for the Text Message Banking service

1.1.1 When you open your first 1st Account with us, if a mobile phone number is provided by you, unless you tell us not to, we will send you a weekly mini-statement (see Clause 1.2.1 of this section 4 for details) to your mobile phone via text message.

1.1.2 Once you have opened an account with us, you may apply to register for the text message banking service online by following the instructions set out on our website at **firstdirect.com** or by calling us on **03 456 100 123**.

1.1.3 When you register you will be asked to nominate the number of one mobile phone on which you wish to receive text message banking. We will only send messages to one mobile phone number per customer. If you are unsure as to the compatibility of your mobile phone, you should contact your service provider.

1.2 Text Messages

1.2.1 When you register with us as a text message banking customer, you can request:

- a mini-statement. This means you will receive a text message that confirms your account balance and up to five of the most recent transactions on your nominated account(s) which has/have been processed by the date and time stated in the text message. We will stop sending you mini-statements if your account becomes inactive for more than 90 days;
- a “credit or debit above” event message. This means that you will receive details of any credit or debit transactions above the amount specified followed by your account balance at the date and time stated in the text message;
- a “balance below or above” event message. This means that you will receive your balance followed by your most recent transactions (maximum of five). You will receive a message every day your balance is above/below the amount you have specified if there has been activity on your account.

1.2.2 If two or more events occur on the same date, you will receive a mini-statement message with the message header “multi-event”. When this is not practical separate messages will be sent.

1.2.3 You can change events or accounts by calling us on **03 456 100 123** or online using Internet Banking. You must do this by 10:00p.m. if you want us to act on your new instructions from the next business weekday onwards.

1.2.4 You must tell us as soon as possible by calling us on **03 456 100 123** if any of your text messages appear to be irregular.

1.2.5 We will only send you text messages once, if you delete a text message which we have sent to you, it cannot be sent again.

1.2.6 Each text message we send to you will contain a maximum of 160 characters.

1.2.7 Any Flexiloan balance included in a text message will not be the amount which is payable if you wish to repay the loan early. You should call us on **03 456 100 100** or write to us for this information.

1.3 Security

You are responsible for the security of your mobile phone. YOU MUST take all reasonable precautions to prevent anyone else from accessing your confidential information. These include:

- for each account you nominate we recommend that you choose a nickname that is personal to you avoiding names that are easy to guess such as your name or the account name. Where you choose a nickname you should check that each text message received on your mobile telephone containing information about your account you have nominated contains your nickname for that account;
- USING at all times the SIM card Personal Identification Number (“SIM card PIN code”) on your mobile telephone, resetting any pre-set SIM card PIN code and resetting the SIM and PIN code if you know or suspect someone else knows it. (Please refer to your phone handbook or your network provider for information on how to change your SIM card PIN code.) When choosing a new SIM card PIN code avoid numbers which are easy to guess such as 1234 or your birth date;
- NOT telling anyone else, even the Police, your SIM card PIN code or nicknames or writing them down in a way that someone else could easily understand.
- TELLING us as soon as possible by calling us on **03 456 100 123**, if: you know or suspect that someone else knows your SIM card PIN code or nicknames; your mobile telephone number changes; your mobile telephone is lost, stolen or no longer under your control; or your contract with the network operator ends;

- KEEPING YOUR MOBILE PHONE SAFE at all times and not leaving it switched on without having set the SIM card PIN code and not leaving it unattended in a place accessible to anyone else or letting anyone you would not wish to see your text messages use your mobile telephone unless you have suspended text message banking; and
- complying with all reasonable instructions we issue regarding keeping your mobile telephone SIM card PIN code and nickname(s) safe.

1.4 Taking your mobile phone outside the UK

1.4.1 We recommend you suspend text message banking if you are taking your mobile telephone outside the UK. This is because the security of any foreign telephone network through which text messages might be transmitted to your mobile telephone cannot be guaranteed.

1.4.2 If you do take your mobile telephone outside the UK without suspending text message banking as we recommend, you shall be deemed to authorise us, the network operator and any third party to whom information about you and your accounts has been passed for the provision of text message banking, to transmit such information and store information in such countries or territories as are necessary to send text messages to your mobile telephone.

1.5 Liability

1.5.1 We will take reasonable care to ensure that any text messages we send reach you and that they are accurate and complete. However, we cannot guarantee this as it depends upon the reliability of the text messaging service provided by the network operator for your mobile phone as well as geographic, atmospheric and other conditions or circumstances beyond our control. If we can show that the text message was sent by us to you we shall have no liability to you if you suffer loss due to the text message not being received accurately or at all.

1.5.2 You must ensure the text messaging service provided by your network operator and your mobile phone are compatible with the text message banking service we provide.

1.5.3 We will not be liable for any disclosure of confidential information where you have not complied with the provisions of Clause 1.3 of this section or with our recommendations in Clause 1.4.1 of this section.

1.5.4 We will not be liable to you for any loss you suffer due to any event or circumstance beyond our reasonable control which leads to the text message banking service being wholly or partly unavailable such as, but not limited to, technical breakdown, strikes or other industrial action (whether or not involving our employees) or communications or power failure.

1.6 General

1.6.1 You may at any time cancel your text message banking registration or amend the individual events for which you are registered (see Clause 1.2.3 of this section).

1.6.2 You may be charged by your network provider for receiving any text messages we send you. You will be responsible for paying any such charges.

1.6.3 For your own security, we may suspend text message banking with immediate effect and without prior notice to you if we have reason to suspect that you are not receiving the text messages being sent to your mobile telephone or that someone else is receiving the text messages. We will tell you in writing when we have done this.



Financial Services Compensation Scheme

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

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

first direct and HSBC are both trading names of HSBC Bank plc and customers who hold deposits under both trading names will only be eligible for one claim of up to the FSCS deposit limit in total.

For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website FSCS.org.uk or call the FSCS on 070 7741 4100 or 0800 678 1100. Please note *only* compensation related queries should be directed to the FSCS.

For all other enquires on your account please contact **first direct** on **03 456 100 100**.

How to complain about our services

Your views are important to us. If we do not deliver the standard of service you expect, or if we make a mistake, we want to know. We will investigate the situation and set about putting things right as quickly as possible. Where appropriate, we will also take steps to avoid making similar mistakes in the future.

Contact us and provide us with the details of your complaint. Where possible, we will try to give you an answer there and then.

You can contact the department concerned in the following ways, **from the UK 03 456 100 100** (Text-phone **03 456 100 147**) or **from abroad +44 113 234 5678** (Text Relay **+44 151 494 1260**), **by secure e-message** ("dissatisfied") or **by writing to** Customer Relations **first direct**, 40 Wakefield Road, Leeds LS98 1FD.

We intend to resolve your concerns fairly and quickly. In most cases this can be done if you allow the department involved to listen to your concerns, understand the problem and then deliver an effective solution to you. However, if you remain dissatisfied and you would like more information about our process for resolving complaints, please ask for our explanatory leaflet, '**Listening to Your Comments**'.

You may be able to refer your complaint to the Financial Ombudsman Service. You can write to: **Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.**
email: enquires@financial-ombudsman.org.uk

You can call the Financial Ombudsman Service on **0800 0 234 567** or **0300 123 9 123** or send a fax on **0207 964 1001** or simply log on to their website at **complaint.info@financial-ombudsman.org.uk**

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