

Important information about your banking relationship with us

Changes to our Terms and Conditions
Annual Reminder of unarranged
overdraft interest rates and charges

Summary of how this affects you

Good news for our customers

From 1 January 2012 most electronic payments you make, such as standing orders or bill payments, will be paid on the same day. At the moment these types of payments can take up to three working days to reach the recipient.

This change is due to The Payment Service Regulations 2009, which mean that we will be changing the way most of your payments are sent, using the Faster Payments Service for all applicable payments.

If the bank you are making a payment to does not accept the payment using the Faster Payments Service, we will advise you of alternative ways to pay if they are available.

What else will change?

In addition to these changes, we will be changing the way we use the information we hold about you. This is explained on page 5. If you'd rather we didn't use your details in this way please call us on **08457 888 444** to let us know.

We are also renaming some of our fees. Details are on page 7.

Annual Reminder of unarranged overdraft interest rates and charges

Each year we remind eligible customers of our unarranged overdraft interest rates and charges. Nothing has changed since we last advised you and no action needs to be taken.

This leaflet covers:

- Part A: Changes to your Terms and Conditions, including: Pages 3-7
 - changes to the way payments are processed
 - changes to the way we use your information
- Part B: An Annual Reminder of unarranged overdraft Page 7
interest rates and charges

Please take the time to read through this leaflet which explains the changes to our Terms and Conditions in full and includes your Annual Reminder. If you have any questions please contact your local branch.

Part A

October 2011

Changes to Terms and Conditions for Personal and Private Banking

As explained in the introduction on page 2, we are making some changes to the following:

- our 'Personal and Private Banking – Terms and Conditions' (our '**Terms and Conditions**'); and
- our leaflet 'Personal and Private Banking – A Guide to Fees and Interest' (our '**Fees Leaflet**')

Firstly, we have changed the way most of your payments are processed, using the Faster Payments Service for all applicable payments.

Secondly, we have made some changes to our Terms and Conditions to clarify the types of information that we hold about you (particularly in light of new technologies you can use to access your accounts) and how we use your information.

If you do not object to the way we propose to use your information by 1 January 2012, you indicate to us that you consent to these changes.

We have also renamed our subscription fees for packaged account customers. These are now referred to as "account fees". In addition, we have made some changes to General Condition 1.4.1 and Account Specific Conditions 24.16, 25.16, 26.16, 31.22, 31.23 and 33.13.

These changes alter the terms of the contract between you and us, come into effect on **1 January 2012** and apply to all our Personal and Private Banking current accounts and savings accounts unless otherwise stated.

Please read the information in this leaflet carefully and keep it for future reference.

- Section 1 of this leaflet summarises the main changes to our Terms and Conditions and Fees Leaflet.
- Section 2 of this leaflet provides full details of the changes to our Terms and Conditions.
- Section 3 of this leaflet provides full details of the changes to our Fees Leaflet.

The updated versions of the Terms and Conditions and Fees Leaflet will be available on request in your local branch or on our website natwest.com from **1 January 2012**.

Section 1: Summary of changes

Main terms being changed in our Terms and Conditions	Summary of change
Throughout the Terms and Conditions	All references to “subscription fees” have been changed to “account fees”.
General Condition 1.2 Section A Conditions of General Application	General Condition 1.2 has been deleted and replaced with new General Conditions 1.2 and 1.3 which clarify: <ul style="list-style-type: none"> (a) the types of information that we hold about you (particularly in light of new technologies); (b) the way we use, share and analyse your information within The Royal Bank of Scotland Group; (c) the types of organisations we share your data with; and (d) how we will use information that we hold (including any transactional information) for marketing purposes.
General Condition 4.1 Section A Conditions of General Application	General Condition 4.1 has been amended to reflect the timescales in which cash is credited to your account.
General Condition 5.5 Section A Conditions of General Application	General Condition 5.5 has been deleted and replaced with a new General Condition 5.5 which explains how we deal with your payment instructions as well as timescales for making payments. Where you instruct us to make a payment, we will make the payment using the Faster Payments Service if possible. If we cannot use the Faster Payments Service, we will advise you of alternative methods.
Account Specific Conditions 24.16, 25.16, 26.16, 31.23 and 33.13	We have inserted new Account Specific Conditions 24.16, 25.16, 26.16, 31.23 and 33.13 to make it clear that any interest accrued under an existing ISA account held with us will not be paid upon closure if the balance is transferred to a new ISA account held with us. Instead the accrued interest will be paid on the next interest payment date under the new ISA account.
Account Specific Condition 31.22 (Fixed Rate ISA)	This has been amended to clarify that annual interest will be paid to the Fixed Rate ISA account on the last business day in March and not the last business day in April.
Main terms being changed in our Fees Leaflet	Summary of change
Throughout the Fees Leaflet	All references to “subscription fees” have been changed to “account fees”.

Section 2: Detailed changes to our Terms and Conditions

Throughout the Terms and Conditions, all references to “subscription fees” have been changed to “account fees”.

General Conditions

General Condition 1.2 has been deleted and replaced with new General Conditions 1.2 and 1.3 which read:
1.2 The information we hold about you

Your information comprises all the financial and personal information we hold about you and your transactions. It includes:

- (a) information that we receive from third parties (including other members of our Group, third parties who provide services to you or us and credit reference or fraud prevention agencies);
- (b) information that we learn about you through our relationship with you and the way you operate your accounts; and
- (c) information that we gather from the technology which you use to access our services (for instance location data from using your mobile phone to access our mobile banking services). If you contact us electronically, we may collect your electronic identifier e.g. Internet Protocol (IP) address or telephone number supplied by your service provider.

1.3 How we use your information and who we share it with

1.3.1 We may use and share your information with other members of the Group and with third parties providing services to either you or the Group. This information helps us and them to:

- (a) assess and process applications, provide you with services and manage our (or their) relationship with you;
- (b) carry out financial (including credit) and insurance risk assessments;
- (c) recover debt; and
- (d) prevent and detect crime.

1.3.2 The information which we hold and share allows us and other Group companies to better understand what our customers need from us. Within the Group, we analyse the information:

- (a) to understand our customers' preferences, expectations and behaviour;
- (b) to develop, test and review the performance of the Group's products and services; and
- (c) to enable the Group to find and make more relevant offers of its products and services to you.

1.3.3 If you agree, we may also use and share information about you and your transactions with other members of the Group to help us understand the way you like to operate your accounts, your lifestyle and your purchasing preferences and to offer you other products or services which we or third parties can provide. Only we will contact you in this way, and we will only do so if we believe that these will be of genuine interest to you. We will not share your information outside the Group for marketing purposes.

We will ask you when you first open your account if you are happy to receive such information by mail, email, text and other forms of electronic communication. If you change your mind about how you would like us to contact you or no longer

wish to receive this information, you can let us know by contacting us at **08457 888 444**.

- 1.3.4 We do not disclose your information to anyone outside the Group except:
 - (a) where we have your permission;
 - (b) where we are required or permitted to do so by law or a regulatory body;
 - (c) to third party service providers, agents and sub-contractors acting on our behalf;
 - (d) to debt collection agencies;
 - (e) to credit reference and fraud prevention agencies;
 - (f) to other companies that provide a service to you directly or on our behalf;
 - (g) where we may transfer rights and obligations under this agreement or assign, transfer or charge our interest in any financial product provided to you under your account; or
 - (h) as set out in General Condition 1.3.5.
- 1.3.5 We may disclose your information to government entities or regulatory bodies in order that those entities may discharge their responsibilities and obligations or exercise their powers or functions.
- 1.3.6 We may transfer your information to other countries on the basis that anyone to whom we pass it provides an adequate level of protection. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations.
- 1.3.7 Our third party service providers may share information about you with us in accordance with their own policies on use of information. If we obtain information about you from our third party service providers, we will only use this information for the purposes set out in this General Condition 1.3.
- 1.3.8 We may contact you by a variety of means including via the application on your mobile phone, by email, text message, post and/or telephone. If at any point in the future you change your mobile phone number, email address, postal address or telephone number, you should tell us promptly about those changes.
- 1.3.9 From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object to the change within 60 days, you consent to that change.
- 1.3.10 If you would like a copy of the information we hold about you, please write to: The Chief Operating Office SAR team, Ground Floor, RBS Gogarburn, PO Box 1000, Edinburgh EH12 1HQ. A fee may be payable.

General Conditions 1.3 and 1.4 have been re-numbered accordingly, and references to these General Conditions have also been updated to follow the revised numbering.

The first sentence of General Condition 1.4.1 (formerly General Condition 1.3.1) has been amended and now reads:

We may make periodic searches at credit reference agencies. This will include, for example, searches to check your identity and prevent fraud, when you open your account and from time to time when you use your card. We will also provide information to the Group to manage and take decisions about your accounts, trace debtors, recover debt, prevent fraud and to check your identity to prevent money laundering, unless you provide us with other satisfactory proof of identity.

General Condition 3.1.8 has been deleted.
General Condition 4.1 has been deleted and replaced with a new General Condition 4.1 which reads as follows:

4.1 Cash and electronic funds

- 4.1.1 Cash paid in at a branch will be added to your account and treated as cleared immediately.
- 4.1.2 Cash paid into a quick deposit facility before 3.30pm on a business day will be added to your account and treated as cleared on the same day. Otherwise, it will be processed the next business day.
- 4.1.3 Electronic transfers will be added to your account and treated as cleared immediately upon receipt.

General Condition 5.5 has been deleted and replaced with a new General Condition 5.5 which reads as follows:

5.5 Timescales for making payments

- 5.5.1 Where you instruct us to make a payment:
- (a) If we can make the payment using the Faster Payments Service, the payment will normally be credited to the payee's account immediately (but may sometimes take up to 2 hours), where the payment is within our defined limits and the receiving institution is a member of the Faster Payments Service. If we suspect fraudulent activity on your account, we may take longer than 2 hours to credit the payee's account. Further information on the Faster Payments Service can be found in the leaflet *Our commitment to you*.
- (b) If we cannot use the Faster Payments Service to make the payment, we will advise you of alternative methods of making the payment. In these circumstances, where the payment is to be made in the European Economic Area (EEA), payments will be credited to the payee's account as follows:
- Payments in Sterling or Euro will reach the institution holding the account by the end of the next business day following receipt of your instructions.
 - Paper-based instructions for payments in Sterling or Euro will reach the institution holding the account by the end of the second business day following receipt of your instructions.
 - Payments not in Sterling or Euro will reach the institution holding the account by the end of the fourth business day following receipt of your instructions.

Different timescales apply to payments outside the EEA.

- 5.5.2 With the exception of payments using the Faster Payments Service:
- (a) instructions received on a non-business day are treated as received on the next business day;
- (b) instructions received after 3.30pm are treated as received on the next business day unless we tell you that the payment will be processed immediately; and
- (c) instructions for future dated payments are treated as received on the proposed payment date, or the next business day.
- 5.5.3 Where you require a currency conversion between Euro and Sterling, the payment will reach the institution holding the account by the end of the next business day following receipt of your instructions where:

- (a) the receiving account is held in the UK; or
- (b) in the case of a cross-border payment, the cross-border transfer takes place in Euro and in the EEA.
- For other currency conversions, different timescales apply.

General Condition 14.5.1 has been deleted and replaced with a new General Condition 14.5.1 which reads as follows:

- 14.5.1 Where you instruct us to make a payment through the Service, we will make the payment using the Faster Payments Service if possible. If we cannot use the Faster Payments Service, we will advise you of alternative methods of making the payment.

Account Specific Conditions

A new Account Specific Condition 24.16 has been inserted and reads:

- 24.16 If you request to close an ISA account held with us and transfer the balance to a new ISA account held with us, any accrued interest will not be paid upon closure but will be paid on the next interest payment date under the new ISA account.

Existing Account Specific Conditions 24.16 to 24.18 have been re-numbered accordingly.

A new Account Specific Condition 25.16 has been inserted and reads:

- 25.16 If you request to close an ISA account held with us and transfer the balance to a new ISA account held with us, any accrued interest will not be paid upon closure but will be paid on the next interest payment date under the new ISA account.

Existing Account Specific Conditions 25.16 to 25.19 have been re-numbered accordingly.

A new Account Specific Condition 26.16 has been inserted and reads:

- 26.16 If you request to close an ISA account held with us and transfer the balance to a new ISA account held with us, any accrued interest will not be paid upon closure but will be paid on the next interest payment date under the new ISA account.

Existing Account Specific Conditions 26.16 to 26.19 have been re-numbered accordingly.

In Account Specific Condition 31.22, the word "April" has been deleted and replaced with "March".

A new Account Specific Condition 31.23 has been inserted and reads:

- 31.23 If you request to close an ISA account held with us and transfer the balance to a new ISA account held with us, any accrued interest will not be paid upon closure but will be paid on the next interest payment date under the new ISA account.

Existing Account Specific Conditions 31.23 to 31.30 and the cross reference within existing Account Specific Condition 31.23 to Account Specific Condition 31.24 have been re-numbered accordingly.

A new Account Specific Condition 33.13 has been inserted and reads:

- 33.13 If you request to close an ISA account held with us and transfer the balance to a new ISA account held with us, any accrued interest will not be paid upon closure but will be paid on the next interest payment date under the new ISA account.

Existing Account Specific Conditions 33.13 to 33.15 have been re-numbered accordingly.

Section 3: Detailed changes to our Fees Leaflet

Throughout the Fees Leaflet, all references to “subscription fees” have been changed to “account fees”.

Part B

Only applicable to customers who hold a current account with us that can incur an unarranged overdraft charge

Your Annual Reminder

Unarranged overdraft interest rates and charges

At least once a year we remind you of our unarranged overdraft interest rates and charges. Nothing has changed since we last advised you, and no action needs to be taken. We are required by the Consumer Credit Act 1974 to send you this information at least once a year.

1. Unarranged overdrafts

Instructions for a withdrawal or payment which would result in:

- your account becoming overdrawn, or further overdrawn, without prior arrangement; or
- your arranged limit being exceeded (if you have an arranged overdraft),

will be treated as an informal request for an unarranged overdraft.

We will decide in our discretion (taking into account your financial circumstances) whether or not to accept your request.

To decide if your instructions would create an unarranged overdraft, only the cleared balance (plus any unused arranged overdraft) on your account will be considered. If we do make a payment against a credit balance which has not yet cleared, this does not mean that we will do so again on any future occasion.

Unarranged overdrafts are repayable on demand. If we allow an overdraft to be created or your arranged overdraft limit to be exceeded, this will not mean that your arranged overdraft limit has been changed, nor that we will make any other payment which would have the same effect.

2. Unarranged overdrafts – interest

If you exceed your arranged overdraft limit, we will not charge debit interest on your unarranged overdraft.

However, you may be subject to unarranged overdraft charges (please see section 3 below).

3. Unarranged overdrafts – charges

Making an informal request for an unarranged overdraft means you will normally have to pay a Returned Item Fee and/or an Unarranged Overdraft Fee:

Unarranged Overdraft Fee
An Unarranged Overdraft Fee will be charged for each day on which there is an unarranged overdraft of greater than £6 on your account at close of business on that day. Please note: we will only charge an Unarranged Overdraft Fee for a non-business day (i.e. a Saturday, Sunday or Bank Holiday) if there is an unarranged overdraft of greater than £6 owing on your account at close of business on the first following business day.

When charged
21 days after the end of the charging period (or the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date we issue your statement to you.
Returned Item Fee
A Returned Item Fee will be charged if: <ul style="list-style-type: none">■ you informally request an unarranged overdraft by issuing instructions for a withdrawal or other payment; and■ the payment cannot be met from the cleared balance in your account or any unused arranged overdraft; and■ we decide in our discretion not to make the payment.
When charged
21 days after the end of the charging period in which we decide not to make the payment (or the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date we issue your statement to you.

Student Account, Graduate Account, Basic Account and Step Account holders will only pay the Returned Item Fee, and not the Unarranged Overdraft Fee.

Please note that it is possible to incur both a Returned Item Fee and/or an Unarranged Overdraft Fee on your account on the same day or as a result of a single transaction (for example, where we take a Returned Item Fee from your account and this creates an unarranged overdraft of greater than £6 on your account).

If we are going to charge you an Unarranged Overdraft Fee and/or a Returned Item Fee, we will give you not less than 14 days' notice of how much we are going to charge you and when.

If we have a valid reason for doing so, we may change any of your terms (including charging interest where no interest is currently charged) by giving you notice not less than 60 days before the change comes into effect.

If you have any questions regarding unarranged overdraft charges please contact your local branch.

