

# **smile current account**

# **Terms and Conditions**

terms and conditions of the smile current  
account, overdraft and debit card  
(incorporating smilemore and smile student)

Please read and keep your current account terms and conditions (conditions) in a safe place. The smile general conditions do not apply to smile/smilemore/smile student current account.

These conditions, together with the online application form and the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk) form the agreement between you, the account holder, and us, The Co-operative Bank p.l.c. Altogether, they set out the features of the current account, they tell you how your current account works and what your and our responsibilities are once you open a current account with us.

We, us or our means The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. You can contact us on 0870 843 2265 or by sending us an encrypted (secure) message or by writing to Customer Services Manager, The Co-operative Bank p.l.c., Delf House, Skelmersdale WN8 6GH. Where there is reference in these conditions to business day that means any day other than Saturday, Sunday or a Bank Holiday in England and Wales.

Where there is reference in these conditions to unique identifier, that means the required information to identify a bank account. For accounts in the United Kingdom this is the account number and sort code. For overseas accounts this is the International Bank Account Number (IBAN) and Bank Identifier Code (BIC). If you ask us at any time during the life of this agreement we will provide you with the information contained in this agreement.

As required by law, please note any terms and conditions of your account and all information, statements and notifications will be in English and we will communicate with you in English.

The Co-operative Bank is authorised and regulated by the Financial Services Authority (No. 121885).

## 1. Your account

1.1 To open an account you must be a UK resident over 18 and to have an account you must receive a regular payment (i.e. wage, salary, pension) which you must pay into your account.

1.2 We can refuse to accept an application to open an account from you or a deposit.

1.3 You can only use your account as a personal account. You must not use it as a club, charity, sole trader, company, partnership or other kind of business account or for any business purposes.

1.4 You can allow another person to deal with your account. If you want to do this we will require you to sign a document called a third-party mandate permitting such person to deal with your account. You can also appoint an attorney under a power of attorney. This legal document allows another person to act for you when you are not able to. If you allow another person to deal with your account they must do so in accordance with these conditions and you will be responsible for their actions or omissions as if they were your own.

1.5 You may open a joint account, all joint account holders must comply with these conditions. Joint account holders will each be fully responsible for all actions and omissions relating to the account. Please see condition 18 relating to joint accounts.

1.6 The currency of the account will be Sterling.

## 2. Cheques

### Paying a cheque into your account

2.1 When you pay a cheque into your account you will have to wait a maximum of four business days after the business day it has been paid in before you can withdraw the money. If you pay a cheque into your account via a Post Office® the payment into your account will be delayed by up to two business days and, therefore, you will have to wait a maximum of six business days after the business day it has been paid in before you can withdraw the money.

2.2 A cheque paid into your account may be returned unpaid. If this happens we will tell you and the amount may be taken from your account. We may ask for payment again from the bank of the person who issued the cheque or return it to you. If you withdraw some or all of the amount of a cheque which is later returned unpaid and this withdrawal or the unpaid cheque causes your account to go overdrawn or over any formal overdraft limit this will be considered an informal request to access our overdraft services in accordance with condition 13. You can assume that at the end of six business days, the cheque is cleared. After this time you are protected from any loss if the cheque is subsequently returned unpaid, unless it is found to be fraudulent or you are a knowing party to fraud.

### Payments by cheque

2.3 If you issue a cheque the money will be taken from your account three business days after the person being paid pays it into their bank account, unless it is paid into a building society, a bank outside the United Kingdom or a Post Office®, where it may take longer. If you cash a cheque at one of our branches the amount will be deducted from your account the same day provided it is a business day.

2.4 When you write a cheque it is important to take all reasonable precautions to prevent anyone else altering it. For example, clearly write the name of the person being paid and their account name or number, e.g. HMRC (account AN Other). Always draw a line through unused space on the cheque, to prevent extra numbers or names being added. Do not write a future (or post) date on a cheque as it may not prevent the person being paid from paying it into their bank before that date and payment being made.

2.5 You can tell us to stop a cheque by telephoning 0870 843 2265 or by sending us an encrypted (secure) message. The charge for stopping a cheque is set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)

We cannot stop or cancel a cheque that has been guaranteed by your cheque guarantee card. (Please see condition 2.7 for details.)

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

2.7 You may use your card as a cheque guarantee card if it has a cheque guarantee hologram. We guarantee to pay a cheque guaranteed with your card provided:

- the cheque is drawn on the account
- the cheque is issued and dated before the expiry date on your card
- the cheque is signed by you in the presence of the person being paid
- the signature on your card and the cheque are the same
- your card number is written on the back of the cheque by the person being paid
- your card has not been altered or defaced
- the cheque is dated with the actual date of issue
- the amount is within the cheque guarantee limit stated on your card.

You cannot stop a cheque guaranteed with your card and you must only issue one guaranteed cheque in any single transaction. If you issue a guaranteed cheque and this would cause your account to overdraw or exceed any formal overdraft limit we will consider this an informal request for our overdraft services in accordance with condition 13 and you may be charged as set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)

2.8 For security and fraud prevention purposes, if your cheque book or any cheques are lost or stolen or have been used by someone else, please tell us immediately you are aware by telephoning us on 0845 600 6000 or sending us an encrypted (secure) message.

### 3. Cash

3.1 When you pay cash into your account at any of our branch counters or with your card at a Post Office® the money will be available immediately after we receive it provided the payment in is made before 4.30pm. Cash paid in after 4.30pm will be credited to your account the next business day.

3.2 You may withdraw cash from your account by using your card at a cash machine or at any of our branches. If you use your card to withdraw cash from some cash machines you may be charged a cash withdrawal fee as follows:

- a fee for any cash withdrawn from a UK cash machine displaying the VISA or PLUS sign (i.e. a machine which does not display the LINK symbol) as set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)
- a fee for any cash withdrawn from any cash machine outside the UK as set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)

The amount you withdraw will be converted into Sterling using an exchange rate set by Visa which is available at [www.visaeurope.com](http://www.visaeurope.com). The conversion rate may not be the same as when the cash was withdrawn as rates may vary

- some cash machines operated by other financial organisations may apply an additional charge for use of their machine. If this is the case you will be told the charge before you make a withdrawal.

Our fees are set out in the smile account charges on our website [www.smile.co.uk](http://www.smile.co.uk)

3.3 We will not be responsible if you cannot use your card in a cash machine operated by another financial organisation.

3.4 You may withdraw cash from your account by using your card at any other bank branch which is authorised by VISA (e.g. another high street bank showing the VISA sign). If you do you will be charged a VISA cash withdrawal fee. Please see the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)

### 4. Electronic Payments into your Account

4.1 We accept the following electronic payments into your account:

- BACS, Direct Debits and standing orders
- Faster Payments
- CHAPS
- overseas payments.

4.2 Payments will be credited to your account immediately after we receive them provided they are received by us before 4.30pm on a business day otherwise they will be dealt with the next business day. This will affect when you can withdraw the money, please see condition 5 for details.

4.3 To enable money to be sent to your account you must provide the sender with your unique identifier (account number and sort code for UK payments or IBAN and BIC for overseas payments). All this information is available to you by accessing your account on the internet or on request through telephone banking.

4.4 In deciding which account is to be credited with monies we receive, we will use and rely on ONLY the unique identifier. It is your responsibility to ensure that the sender has the correct information. If the unique identifier is wrong we will not be responsible to you or the sender for failure to credit your account or any resulting loss of funds. This applies even if the sender also supplies other information such as your name.

4.5 If a payment is fraudulently or mistakenly paid into your account, the amount of the payment may subsequently be removed from your account. This may be the case even if you have used all or part of the

money. If removal of the payment from your account would either make your account go overdrawn or over an agreed overdraft limit this will be considered an informal request to access our overdraft services in accordance with condition 13.

4.6 If you or the sender ask us to assist in recovering funds where an incorrect unique identifier has been used, we will use our reasonable efforts to do so and may charge you our reasonable costs for this.

4.7 If we receive monies for your account in a currency other than Sterling, we will:

- convert the amount received into Sterling using a rate of exchange based upon the interbank dealing rate applicable to the market from time to time (The conversion rate may not be the same as when the monies were sent, as rates may vary.)
- take from the Sterling amount the charges for this service as set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)
- credit the Sterling amount (less applicable charges) to your account immediately after we receive them (Please see condition 4.2).

### 5. Electronic Payments out of your Account

5.1 We will make a payment out of your account if:

- you authorise us in accordance with these conditions
- there is available money in your account by way of cleared funds, a formal overdraft or we consider the payment request an informal request to access our overdraft services in accordance with condition 13.

5.2 We can make the following electronic payments out of your account:

- BACS, Direct Debits and standing orders
- Faster Payments
- CHAPS
- overseas payments.

When you tell us to make a payment in Sterling to a recipient in the United Kingdom, and provided you tell us before 4.30pm on a business day, the maximum time it will take to reach the recipient's bank will be as follows:

- until 31 December 2011, three business days following the day the instruction was received
- from 1 January 2012, the next business day following the day the instruction was received.

If possible we will use the Faster Payments system, meaning the payment will reach the recipient bank on the same business day if you instruct us before 4.30pm.

The Faster Payments system depends on the recipient's account being able to receive the monies and to financial limits. Please see our website or contact us on 0870 843 2265 for further details. You can tell us to make a payment in Sterling to a recipient in the United Kingdom and provided you tell us before 3pm on a business day the funds can be sent to the recipient bank the same day by the CHAPS system. There is a charge for this service, details of which are set in the smile account charges on our website [www.smile.co.uk](http://www.smile.co.uk)

5.3 Except for Direct Debits, if you request a payment to be made at a future date (for example by standing order) the date you request that the payment be made (or, if it is not a business day, the next business day) will be treated as the date on which you give us instructions to make the payment.

5.4 The payment will be deducted from your account immediately but can be reversed, for example, if we suspect error or fraud.

5.5 Funds transfers between current and savings accounts held with us instructed either by telephone or internet banking will be available to draw on the same business day provided the instruction is before 9pm.

Transfers can be reversed, if we suspect the transfer to be fraudulent, as part of our monitoring for fraud prevention.

5.6 Our charges for electronic payments are set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)

5.7 To make a payment in the United Kingdom you must provide us with the correct unique identifier (account number and sort code) of the recipient's account.

5.8 In making the payment we use ONLY the unique identifier. It is your responsibility to ensure that you give us the correct information. If the unique identifier is wrong we will not be responsible to you or the intended recipient for failure to credit the intended recipient's account or any resulting loss of funds. This applies even if you also supply other information such as the intended recipient's name.

5.9 If you or the intended recipient ask us to assist in tracking or recovering funds sent using an incorrect unique identifier, we will use our reasonable efforts to do so and may charge you our reasonable costs for this.

5.10 Instructions can be given to us using Telephone or Internet Banking complying with the security requirements at condition 11 and providing to us the required information. By doing so you will have given to us your consent for making the payment which may only be withdrawn in accordance with conditions 5.13 and 5.14.

5.11 For your protection there may be a delay in us carrying out your payment instructions while monitoring and/or fraud prevention checks take place.

5.12 Unless you have requested a payment to be made on a future date, or you have given us your payment instruction after close of business on a business day, the payment instruction will be regarded as having been received by us at the time you give it, and therefore you will not be able to cancel it after that time.

5.13 If you make a payment instruction after the close of business on a business day, or on a day that is not a business day, the time of receipt will be the next business day or, for future dated payments, the date stated for the payment to be made. You may cancel such payments at any time before 8pm the business day before payment is due to be made.

5.14 In exceptional circumstances it may be possible for us to stop or cancel a payment even after the time of receipt provided:

- the amount has not already been deducted from your account
- we have not told the payee or their bank that it will be paid
- it is not a cash or card payment.

5.15 We may be compelled by law to make payments to a third party (e.g. a Child Support Agency deduction order) or take other action in relation to your account (e.g. freezing funds). Where possible we will tell you when this happens.

## 6. Sending Payments Overseas

6.1 You may send payments to an account within the European Economic Area (EEA) in Sterling, Euro or the currency of the state where the account is held. When you tell us before 2.30pm on a business day to send a payment the maximum time it will take to reach the recipient bank will be as follows:

- for payments in Euro, until 31 December 2011 three business days following the day we receive your instructions. After this date the next business day following the day we receive your instructions
- for payments in other EEA currency four business days following the day we receive your instructions
- for payments in other non EEA currencies (e.g. dollars) please contact us on 0870 843 2265 for details.

6.2 Instructions for overseas payments that are not in Sterling can be made by sending us an encrypted (secure) message. Please see our website [www.smile.co.uk/foreign](http://www.smile.co.uk/foreign) for further details.

6.3 If you ask us to make a payment in a currency other than Sterling when the payment is processed and taken from your account, we will:

- convert the payment into the required currency using a rate of exchange based upon the interbank dealing rate applicable to the market from time to time (The conversion rate may not be the same as when the payment was made as rates may vary.)
- apply a charge for this service as set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)
- take the Sterling amount and the applicable charges from your account.

If you have instructed us to make a payment overseas and we have agreed a rate of conversion please ensure there is available money in your account 48 hours before the overseas payment is due to leave your account. If you decide to cancel your overseas payment during this time please tell us as soon as possible on 08457 558 888. You may be responsible for and have to repay all losses we incur due to movements in the conversion rate before cancellation.

6.4 To make an overseas payment you must provide us with the correct unique identifier for the recipient's account (IBAN and BIC). In making the payment we use only the unique identifier. It is your responsibility to ensure that you give us the correct information. Please see conditions 5.8 and 5.9.

## 7. Direct Debits and Regular Card Payments

7.1 You may use your card for regular card payments without having to use your card on each occasion that payment is to be made e.g. monthly payment to a retailer.

7.2 In addition to regular card payments, you may authorise Direct Debits to be made from your account. These regular payments are made at the request of another person who either directly or through their bank participates in the Direct Debit scheme. To use this service you will be asked to provide a Direct Debit mandate in that person's favour.

7.3 You agree we may pay the amount requested under Direct Debit or regular card payments even though the amount was not known or specified at the time you gave the authorisation and the amount of each payment varies.

7.4 Each time a payment is due to be made under a Direct Debit or regular card payment you agree that it will be a payment instruction to make the payment on the relevant future date referred to in the Direct Debit mandate or specified to us by the retailer, but if that date is not a business day, the date for payment will be the next business day. The time of receipt of the payment instruction will be the business day prior to the day on which the payment is to be made.

7.5 If you want to cancel a Direct Debit or other regular payment tell us by telephoning us on 0870 843 2265 or sending us an encrypted (secure) message before 9pm the business day before the payment is due to be paid. You must also tell the person or organisation that collects the payment that you have cancelled it. You may not be able to cancel any particular payment after the time of receipt of the payment instruction.

7.6 The maximum time for Direct Debit and regular card payments to reach the recipient bank will be one business day following receipt of the payment instruction.

## 8. Our Right to refuse to make a payment

8.1 We may refuse to make a payment out of your account if:

- a payment exceeds a particular value or we suspect fraudulent activity as part of our monitoring for fraud prevention purposes, a breach of security or misuse of your account or security details. We will tell you when we do this. This may include access to your account, including telephone and internet banking, being blocked
- you do not have available money (by way of cleared funds or formal overdraft) in your account at 9pm the business day before to cover payments. We may consider any due payments made, agreed or authorised from your account regardless of whether or not they have yet been deducted
- any relevant condition(s) of this agreement are not satisfied. If we refuse to make a payment we will notify you and may make a charge for refusing to make the payment as set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)

## 9. Unauthorised or Incorrectly Executed Payments

9.1 You must tell us without undue delay and in any event within 13 months after the date the transaction was taken from your account on becoming aware of any unauthorised or incorrectly executed payment transaction by telephoning us on 0870 843 2265 or sending us an encrypted (secure) message.

9.2 Please inform us as soon as possible (in any event within eight weeks from the date the payment was taken) if there is a payment you have authorised but the amount differs to that which you expected to pay. We will investigate and within 10 business days confirm to you the action we will take to correct it or whether we need further information from you to investigate the error.

9.3 Additionally you may be entitled to a refund of a direct debit (under the Direct Debit Guarantee Scheme) or regular card payment if the following conditions are satisfied:

- the authorisation did not specify the amount of each payment
- the amount paid exceeded what you could reasonably expect taking into account your previous spending pattern, our agreement with you and the circumstances of the case.

9.4 Your right to a refund will not apply if you gave your consent to the payment transaction directly to us and the recipient notified you of the amount in writing or by email or other manner agreed by you four weeks before the due date for payment.

## 10. Card Issue and PIN

10.1 We will issue you with a debit card (or each of you in the case of a joint account) to use as part of your account, in accordance with these conditions.

10.2 We will issue you with a PIN (Personal Identification Number) which you can use with your card to:

- withdraw cash from a cash machine
- purchase goods or services from a retailer or other supplier who will usually ask you to input your PIN into a screened key pad or, use your signature.

10.3 For security and fraud prevention we may impose spending limits on the use of your card for cash withdrawals, irrespective of funds available for drawing on your account.

10.4 You must not use your card

- after the end of the month it expires
- after we have asked you to return it to us in accordance with these conditions
- after its use is blocked or suspended or your account is closed in accordance with these conditions.

10.5 You will be responsible for all losses from the use of your card

and/or PIN if you have acted without reasonable care, including not complying with condition 11.1 or you have acted fraudulently.

10.6 You may use your card to pay for goods and services through a number of different channels, e.g. internet, telephone, television, mail order. You must not disclose your PIN to anyone.

10.7 You may use your card for regular card payments without you having to use your card on each occasion that payment is to be made, e.g. a monthly payment to a retailer. These regular card payments will be treated as described in condition 7.

10.8 You will be charged a fee when you purchase travellers' cheques or foreign currency with your card and for some cash withdrawals at cash machines (see condition 3.2 for details). Details are explained and set out in the smile account charges on our website [www.smile.co.uk](http://www.smile.co.uk)

10.9 We will not be responsible if any person, bank (or cash machine), retailer or other supplier refuses to accept your card or if you cannot use your card to make a payment. If this happens please telephone us on 0870 843 2265 or send us an encrypted (secure) message and we will explain the reasons for the refusal and what action you may be able to take to correct this.

10.10 You cannot stop a card payment. You may get a refund from the retailer. We will credit your account with the amount of the refund from the date the refund was made if we receive instructions or a refund voucher from a retailer.

10.11 We may refuse to make or authorise a card payment arising from an informal request for our overdraft services in accordance with condition 13. If this happens please telephone us on 0870 843 2265 or send us an encrypted (secure) message and we will explain the reasons for the refusal and what action you may be able to take to correct this.

10.12 We may refuse to authorise a payment if we consider that your card or account has been or is likely to be misused, or for fraud prevention. For decision making and card misuse purposes we may refer an authorisation request back to the retailer or supplier for further information. This may require you to provide further identification. This may also be done on a random basis for fraud prevention purposes. If this happens please telephone us on 0870 843 2265 or send us an encrypted (secure) message and we will explain the reasons for the refusal and what action you may be able to take to correct this.

10.13 We will register you with a service called Verified by Visa to help reduce fraud. Then, if you pay for goods or services ordered on the internet using your card and the retailer or supplier participates in Verified by Visa you will need to use the service. If you do not use the service, we may not authorise further internet transactions with participating retailers and suppliers.

10.14 We may stop or suspend your use of your card for the following reasons:

- where you go over any formal overdraft limit
- when you make excessive informal overdraft requests
- if you seriously or repeatedly break this agreement
- where we have good reason to suspect there may be fraudulent activity on your account.

We will give you prior notice, by telephone or letter, unless we have a good reason for not doing so, e.g. we consider your card or account has been or is likely to be misused. We may deduct from your account any card payment (and any charges) made by you, but not paid by us until after return or suspension of your card.

## 11. Security

11.1 You must take all reasonable security precautions to prevent misuse of your account, any cards and your customer security details (this can include PINs, account and card details, and other security details which can include security codes, passwords or secure personal information which allow you to access your account, including internet and telephone banking). Failure to take reasonable security precautions may result in access to your account, or additional services such as telephone or internet banking, being blocked.

Reasonable security precautions can include:

- signing your card as soon as you receive it
- keeping your card apart from your cheques and PIN
- keeping your card and cheques safe and not allowing anyone else to use your card, PIN or other security details
- not disclosing your cards or security details except when using your card or making payments or registering or resetting your security details to use internet or telephone banking
- destroying the PIN advice immediately
- never disclosing or writing down your PIN or security details in any way that can be understood by someone else, including a joint account holder or any technical advisor we suggest you may contact about internet banking
- not choosing a PIN or security details which may be easy to guess
- ensuring no one hears or sees you when you are using your security details or PIN
- keeping receipts and statements safe and destroying them safely, e.g. by shredding
- complying with all reasonable instructions we issue regarding keeping your card, cheques, PIN and security details safe
- telling us as soon as possible of a change of name, address or other contact details so that correspondence or replacement cards do not get into the wrong hands
- exiting internet banking when leaving a computer terminal unattended
- never sending your account details by a message which is not encrypted.

11.2 If your cards, cheques, PIN or security details are lost or stolen or you think someone knows them or has used or tried to use them you must tell us immediately you are aware by telephoning us on 0845 600 6000.

11.3 We will ask you to co-operate with us by providing information or other assistance in connection with the loss or misuse of your card, cheques, PIN or security details. We may also give the police information about you or your account which we consider relevant to assist with any investigation of criminal activity. In some instances we may ask you to contact the police in connection with suspicious or criminal activity on your account.

11.4 If you find your card or, cheques after having reported them lost or stolen or you think someone has used or tried to use them you must not use them. You must destroy them as appropriate, by cutting them into pieces and/or returning them to us at The Co-operative Bank p.l.c., Delf House, Skelmersdale WN8 6GH.

## 12. Liability

12.1 The maximum you will have to pay us if your card, cheques, PIN or security details are used without your permission is £50. If they are used with your permission or as a result of your acting fraudulently or without reasonable security precautions (see condition 11.1), or if you have deliberately or with gross negligence failed to inform us without undue delay of the loss, theft misuse or suspected misuse of your card or any of your personal security details you may have to repay all losses.

12.2 You will not be responsible for any losses for use of your card or your secure personal information after you have informed us, in the manner set out in condition 11.2, of their loss, theft, misuse or suspected misuse.

12.3 We are responsible to you for the correct execution of your payment instructions unless we can show that the recipient bank did receive the funds. On your request we will make immediate efforts to trace the funds and tell you of the outcome. If we have made an error we will without undue delay restore your account to the state it would have been had the error not taken place.

12.4 If we fail to credit your account with funds intended to be paid to you and which we receive with the correct unique identifier we will immediately make the amount available to you including, where applicable, crediting your account with the amount of those funds.

## 13. Overdraft Services

13.1 If you wish to use your account to borrow from us you can do so by use of our overdraft services. You must be aged 18 or over.

13.2 You can request use of our overdraft services either formally (in accordance with condition 13.3) or informally (in accordance with condition 13.4). We would always encourage you to request our overdraft services formally rather than informally.

13.3 You can request our overdraft services before your account goes overdrawn and if we agree to your request we will tell you your overdraft limit, confirm the terms of your overdraft in writing and we will charge you in accordance with the charges set out in smile account charges on our website [www.smile.co.uk](http://www.smile.co.uk)

13.4 If you have not requested our overdraft services in accordance with condition 13.3 you may still request our overdraft services by making a payment or withdrawal from your account, even though you do not have available money in your account, no overdraft limit has been agreed or where the payment or withdrawal would cause you to exceed any formal overdraft limit. We will consider such payment or withdrawal as an informal request to access our overdraft services in accordance with this condition 13.4. It will be within our discretion to agree your request for overdraft services in these circumstances and we can charge you as set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk). An overdraft not agreed in advance is more expensive than one that is.

13.5 Whether or not we agree any request from you under condition 13.4, you agree to immediately pay into your account enough money to bring your account into credit or within any formal overdraft limit.

13.6 We may at any time reduce any formal overdraft limit, subject to these conditions. You agree to repay all amounts owed to us by your use of our overdraft services at the end of any agreed term or immediately on our written demand. Any written demand will be sent by post to the address you last notified to us and will be treated as having been received by you 48 hours after posting, alternatively, we may send you a secure message. We will normally give you warning that your overdraft must be repaid or its limit reduced, but we may ask for repayment or reduction immediately. If possible, we will give you prior notice but we may ask for repayment without notice.

Until repayment, you will continue to pay interest and charges both before and after any court order in our favour for repayment.

13.7 Interest on an overdraft is calculated on the cleared balance each day and deducted on the 21st of each month or the nearest business day after.

13.8 If any accounts you hold with us are in credit, we may use them to reduce or repay any amounts you owe on other accounts you hold with us in the same name (including any credit card, loan or other accounts, including joint accounts). This is called set off and we will advise you as soon as possible afterwards when we have done this.

13.9 Charges applicable to our overdraft services are variable in accordance with condition 21 and are explained and set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk) which forms part of these conditions.

13.10 You are personally responsible for any money you owe us, whether this is as a result of your own actions or someone authorised by you. If you have a joint account all of you together and individually are responsible for any money owed to us on a joint account. We can demand payment from all or any of you. If joint account holders also have a sole account with us and that has a credit balance, we can apply set off.

13.11 Once we have agreed to provide you with a formal or informal overdraft you have a right to cancel it within 14 days (10 business days). If you wish to do so please telephone us on 0870 843 2265 or send us an encrypted (secure) message. If you decide to cancel you must immediately repay us the full amount you owe us including any interest or charges. If you do not cancel you are still free to end your overdraft at any time by repaying all amounts owed to us.

#### **14. Charges**

14.1 When you open an account, please ensure you read information about our account charges on our website at [www.smile.co.uk](http://www.smile.co.uk) which forms part of these conditions. This includes details of interest rates and the charges for our services. You can also find out about these charges by telephoning us on 0870 843 2265.

14.2 We may vary our charges in accordance with condition 21.

#### **15. Interest**

15.1 Unless otherwise stated in these conditions, if your account is interest bearing, interest will be calculated from the day we receive cleared funds for payment into your account. We will calculate interest on a daily basis on available money in your account.

15.2 Interest rate details are available in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk), or via telephone and internet banking.

15.3 We may vary interest rates in accordance with condition 21.

#### **16. Statements**

16.1 We will send you regular statements showing the balance of your account, details to enable you to identify each transaction and any charges. These details are also available via telephone and internet banking. If you have a joint account you will receive only one statement.

16.2 Please ensure you check your statement and tell us as soon as possible if there is an item you do not recognise. We will investigate in the manner set out in condition 9.

16.3 We can make available to you any further information which we hold in relation to any transaction on your account and this can be requested by you contacting us via telephone banking on 0870 843 2265 or sending us an encrypted (secure) message.

16.4 We may charge you for duplicate statements or other information, unless prevented from doing so by law. Our charges are set out in the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk)

#### **17. Telephone and Internet Banking**

17.1 You can use telephone and internet banking to transact upon your account or a joint account or the account of someone which you have been authorised by the account holder to operate, e.g.

because they have signed a third party mandate or you have been granted a power of attorney. Use of telephone and internet banking is in accordance with these conditions and you will need to register a security code and secure personal information to use these services.

17.2 You can contact us on 0870 843 2265. Lines are open 24 hours a day, 7 days a week, apart from Christmas Day. Our automated service is available 24 hours a day. Calls may be recorded and/or monitored to enhance security, resolve complaints, improve customer service and for staff training purposes.

17.3 To access telephone and internet banking we will ask you for account details, two digits of your security code and part of your secure personal information. For some internet instructions you may be asked to use your card and a card reader. If you do not use your card and card reader we will not be able to carry out your instructions.

17.4 If we are satisfied our security procedures have been met we can act on your instructions, including making payments from your account, even if these instructions were not given by you or with your authority. You must ensure instructions you enter when using internet banking (including encrypted (secure) messages) are accurate. Please see condition 5 for details.

17.5 You will be responsible for payments or other losses from your account which you have not authorised if you have not taken reasonable security precautions as set out in condition 11.

17.6 When you use internet banking we will allow you to use software which has been supplied to you in connection with the internet banking service provided you only use the software to access internet banking, other than for back up, do not copy it (or allow another), do not reverse engineer, modify or decompile it (or allow another), use computer equipment and or software which are compatible, virus free and ensure secure use of internet banking is not compromised.

17.7 To use internet banking you need to have Cookies enabled. "Cookies" are small files stored on a computer's hard drive. Cookies are generally harmless and are used to recognise a user so that they can receive a more consistent experience at a website. We use permanent Cookies to identify the link you used to find our website, check which browser you use so we can ensure our website and service works well for your computer and to monitor traffic on our website. In some circumstances, if you do not want to accept Cookies from websites other than us you can set up a trusted site. This means you can switch Cookies on for us but off for other websites. For assistance in how to do this, contact our technical helpdesk at [talk\\_to\\_a\\_techie@smile.co.uk](mailto:talk_to_a_techie@smile.co.uk) or on 0870 600 0217. We use temporary Cookies for security purposes but these are removed when you close down your browser.

17.8 In addition to the reasonable security precautions in condition 11, when using internet banking, we recommend:

- you purchase anti-virus software and take regular updates
- you purchase personal firewall software
- you do not access your account from a computer in a public place
- you log off using the exit link on screen
- you log back in and then log off correctly if you are disconnected from your internet service provider during an internet banking session
- you do not open emails from unknown sources
- you install any new security updates from your browser supplier
- you do not send any account details to us by a message which is not encrypted.

17.9 The card reader we may provide to you to access internet banking remains our property. If you lose, damage or need another card reader you can ask us for another by contacting us at on 0870

843 2265 or sending us an encrypted (secure) message. We may charge our reasonable replacement costs in these circumstances but will advise you of the amount at the time of your request.

17.10 The speed of or lack of interruption in relation to internet banking is not guaranteed.

### **18. Joint Accounts**

18.1 You may open an account jointly with one other person. You may add additional joint account holders once an account is open, but no more than four people may have a joint account. We will not operate a joint account where authorisation of all joint account holders is required for any payment or withdrawal. We may accept and act on instructions provided by one of you by telephone, internet, in writing or otherwise, even if the other disagrees.

18.2 We may issue a card to all or any of you.

18.3 We may deduct from the account all amounts which any of you authorises us to pay. This applies whether the account is in credit or overdrawn or exceeds any overdraft limit as a result.

18.4 If any joint account holder tells us of a dispute between any of you we may treat this as cancellation of authority to operate the account and any further payments or withdrawals will need the authority of all joint account holders and use of additional services, such as telephone or internet banking, may be suspended. We may also ask for return of your cards and unused cheques.

18.5 In the event of the death of any of you, the survivor(s) will have authority to instruct us to pay to them any credit balance on the account.

### **19. Closing your Account**

19.1 This agreement does not have a fixed or minimum duration.

19.2 You can end this agreement and close your account by phoning us on 0870 843 2265 or sending us an encrypted (secure) message. We can end this agreement and close your account at any time but we will give you at least two months' notice unless there are serious circumstances (e.g. fraud investigation or where you seriously or repeatedly break this agreement) which justify us closing your account with less notice.

19.3 For 14 days (10 business days) after the date we have received your signed application or you have started to transact on your account, you have a right to cancel and close your account. You can do this by sending us an encrypted (secure) message.

19.4 When you or we close your account we will pay to you any money credited to your account and you must repay us any money owed to us including payments we have made after closure and any interest and charges you have incurred.

19.5 In the event of death of a sole account holder we may require a grant of probate or letters of administration before releasing any monies in your account to your executors or personal representatives.

### **20. Personal Data**

20.1 We may use the contact details you have provided, including address, email address and telephone numbers, to contact you. You must phone us on 0870 843 2265 or send us an encrypted (secure) message at your earliest convenience on any change of name, address, email address or other contact details. If you do not do this, we may charge your account with the reasonable costs of locating you.



### **Using and sharing your information**

20.2 In this condition 20, the following words shall have the special meaning given below:

- "group" means us, the Co-operative Group Limited (Co-operative Group), Co-operative Insurance Society Limited and any companies or organisations the Bank, Co-operative Group wholly or partly own or are owned by us at any time and any other independent UK Co-operative Societies
- "information" includes any information about you or anyone associated with you, which we or the group hold now or in the future as a result of the application process or other dealings with us or the group, searches or checks at credit reference or fraud prevention agencies, products or services you hold within the group and any transactions for goods or services arising out of your account (including the supplier and the type of goods or services), and such information may include sensitive information as defined in the Data Protection Act 1998.

Your information may be held by us in any form and on any group database and used by us and the group for the purposes set out below.

We and the group may use, analyse and access your information to maintain and develop our relationships with you. Information shared with the credit reference and fraud prevention agencies may be accessed by other organisations and used by us and them to prevent fraud and money laundering. This may include the following purposes:

- checking details on applications for credit and credit related facilities
- to make credit decisions about you and anyone to whom you are linked financially or other members of your household
- managing credit and credit related facilities
- to consider and implement business, products and technology developments
- to undertake statistical analysis, financial risk assessment, money laundering checks (which may include telephoning you), compliance and regulatory reporting, fraud prevention and recovering debt
- checking details on insurance proposals and claims such as motor household, credit and life and other insurance proposals and insurance claims for you and anyone else linked to your insurance proposal or claim
- to help us identify products and services which may be of interest to you (unless you have asked us not to)
- meeting any obligations we may have under the card scheme your card is issued under
- checking details of job applicants and employees.

We may link your information between your account(s) and other products and services you have with us or the group and with information about others with whom you have a financial link.

We and the group may identify and tell you by letter, telephone, fax, including automated dialling, email or any other means of communication about products and services which may be of interest to you and which are offered by us, the group or other carefully selected organisations or companies (if you do not wish to receive such information please write to us at Customer Services, The Co-operative Bank p.l.c., P.O. Box 200, Skelmersdale WN8 6NY for more details, but please note this may mean you will not receive information about business product or service developments which may be of benefit to you). You do agree that we can forward any newsletter, statement message, new terms and conditions or information about any changes to the way your account(s) operate or provide information on card carriers.

We will disclose information outside the group only:

- where you have provided your agreement
- to our agents or subcontractors for operational reasons
- to our affinity partner(s) if you have an affinity product(s)
- to any persons, including, but not limited to, insurers, who provide a service or benefits to you or for us in connection with your account(s)
- to licensed credit reference agencies as set out below
- to fraud prevention and other agencies to help prevent crime or where we suspect fraud
- if compelled to do so by law
- for the purpose of compliance and regulatory reporting and to confirm your identity for money laundering purposes, which may include checking the electoral register
- to any person we will or intend to transfer our rights or obligations
- if your card or PIN are lost or stolen, or to meet any obligations we may have under any card scheme your card is issued under.

We may disclose your information to licensed credit reference and/or fraud prevention agencies to help make financial or insurance proposals and claims decisions (this will be during the application process and on an ongoing basis, to decide whether to continue to make products or services available to you or adjust any level of credit) for you and anyone with whom you are linked financially or other members of your household – our enquiries or searches may be recorded – and credit reference agencies may supply us with financial information.

We may also disclose information to licensed credit reference agencies about how you conduct your account(s) and this information may be shared with other financial institutions to help make financial decisions about you and anyone with whom you are linked financially or other members of your household. If you borrow and do not repay in full and on time, we may tell credit reference agencies who will record the outstanding debt.

A link between joint applicants and/or any individual identified as your financial partner will be created at credit reference agencies, which will link your financial records. You and anyone else with whom you have a financial link understand that each other's information will be taken into account in all future applications by either or both of you. This linking will continue until one of you successfully files a disassociation at the credit reference agencies.

You agree that your information may be transmitted to, from and/or through any country as a result of your use of your account(s) and any services which form part of your account(s) irrespective of the levels of data protection provided in any particular country and at your own risk. If we transfer your information to an agent or subcontractor who provides a service to us in another country outside the European Economic Area we will ensure they agree to treat your information with the same level of protection as us. If you write to us and pay a fee you have the right of access to your information held by us. Write to us at Customer Care, The Co-operative Bank p.l.c, P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. You have a right of access to your information held by credit reference and fraud prevention agencies on payment of a fee. If you ask we will tell you the name and address of the credit reference and fraud prevention agencies we may use.

We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

Law enforcement agencies may access and use this information.

We may record and/or monitor telephone calls to enhance security, sort out complaints, improve our customer service and for staff training purposes.

## 21. Changes

### Changes to our service or these conditions

21.1 We may make changes to the services or conditions of this account and we may introduce new services or conditions. Changes may be to the services or these conditions for the following reasons:

- to make these conditions easier to understand or fairer to you
- to correct mistakes, ambiguities, inaccuracies or omissions where it is reasonable to do so or as a result of customer feedback
- to make improvements to the services we provide which are of benefit to you
- to reflect changes in security design or technology at no increased cost to you
- to respond to changes in the law, codes of practice, industry wide fraud prevention practices, court or ombudsman decisions or new regulatory requirements or practice
- to respond to changes in the general retail practices of banks and other organisations offering similar services including the terms on which they offer similar products
- to take account of any change in our ownership or to reflect a reorganisation of our business as a result of it being acquired or merging with another bank or organisation to make sure that our customers and the customers of the other organisation are treated in a similar way if they have a similar product
- if we reasonably believe the change is necessary in the interests of our business as a whole, for example to protect our financial strength
- to respond to changes in your credit assessment or where your card or account has not been used for 12 months.

If we make changes to our payment services or conditions relating to those payment services (including conditions 3 to 12, 14 to 17, 19, 21, 22.3, 22.5 and 22.6) for the reasons listed above, we will inform you of any change by personal notice at least two months before we make the change. The new service or conditions will apply to your account automatically. However, if you do not agree to such a change you can, at any time up to two months from the date we tell you of the change switch your account or close it immediately without paying any extra charges or interest. If you do not switch or close your account you will be deemed to have accepted the change. Remember you can close your account at any time if you wish (see condition 19).

For all other changes to our services or conditions for the reasons listed above:

- where the change is more favourable to you we will inform you of any change at the earliest opportunity after the change has been made in national press advertisements, statement messages or statement inserts, or by writing to you (this can include email). The change will apply to your account automatically from the date of the change
- where the change we make is not favourable to you we will inform you of any change by personal notice at least 30 days before we make the change. The new service or conditions will apply to your account automatically. However, if you do not agree to such a change you can, at any time up to 30 days from the date we tell you of the change switch your account or close it without paying any extra charges or interest.

If you do not switch or close your account you will be deemed to have accepted the change. Remember you can close your account at any time if you want (see condition 19).

### Changes to our charges

21.2. In addition to the reasons listed above we can make changes to the charges applicable to the account or introduce new charges for the following additional reasons:

- to respond to reasonable cost increases or reductions associated

with providing the particular services to you

- to respond to changes made in the charges applied by our competitors in the retail financial services market offering similar services to customers with similar products.

If we make changes to our payment services charges (including any charges detailed in conditions 3 to 12, 14 to 17 and 19) for the reasons listed above or under condition 21.1 we will tell you about it by personal notice at least two months before we make the change. The change will apply to your account automatically. However, if you do not agree to such a change you can, at any time up to two months from the date we tell you of the change, switch your account or close it immediately without paying any extra charges or interest. If you do not switch or close your account you will be deemed to have accepted the change. Remember you can close your account at any time if you want (see condition 19). For all other changes to charges (e.g. overdraft charges or account subscription fees) for the reasons listed above or under condition 21.1 we will inform you of any change by personal notice at least 30 days before we make the change. The change will apply to your account automatically. However, if you do not agree to such a change you can, at any time up to 30 days from the date we tell you of the change, switch your account or close it without paying any extra charges or interest. If you do not switch or close your account you will be deemed to have accepted the change. Remember you can close your account at any time if you want (see condition 19).

### Changes to interest rates

21.3 We may change interest rates provided there is a valid reason for doing so. Changes may be made to interest rates for the following reasons:

- to respond to a change or changes in the bank rate (that is the rate set by the Bank of England (or any successor))
- to respond to a change in LIBOR (that is the London Inter Bank Offered Rate) or equivalent money market rate which impacts on the costs we incur in acquiring funding
- to respond to changes in the rates of interest which banks or other organisations offering similar services charge to customers with similar products
- to respond to changes in our credit assessment of you.

Where your account is interest bearing, we may make changes to our credit interest rates for the reasons listed above as follows:

- where the change to credit interest rates is more favourable to you we will inform you of any change at the earliest opportunity after the rate is changed in national press advertisements, statement messages or statement inserts, or by writing to you (this can include email). The new rates will apply to your account automatically from the date the rate changes
- where the change to credit interest rates is not favourable to you we will inform you of any change by personal notice at least two months before we make the change. The new rates will apply to your account automatically. However, if you do not agree to such change you can, at any time up to two months from the date we tell you of the change switch your account or close it immediately without paying any extra charges or interest. If you do not switch or close your account you will be deemed to have accepted the change. Remember you can close your account at any time if you want (see condition 19).

We may make changes to our debit interest rates (e.g. the overdraft interest rate) for the reasons listed above and we will inform you of any change by personal notice at least 30 days before we make the change. The new rates will apply to your account automatically. However, if you do not agree to such change you can, at any time up

to 30 days from the date we tell you of the change switch your account or close it immediately without paying any extra charges or interest. If you do not switch or close your account you will be deemed to have accepted the change. Remember you can close your account at any time if you want (see condition 19).

21.4 Where we make a change for one or more of the reasons in conditions 21.1, 21.2 or 21.3, we will do so in a reasonable and proportionate manner.

21.5 If we make a number of changes or a major change to these conditions during any 12-month period, we will provide you a full copy of the revised conditions.

## 22. General

22.1 It is our aim to ensure a complete service at all times, but we will not be responsible when failure is caused by abnormal and unforeseeable circumstances beyond our (or our agents and/or subcontractors) control, the consequences of which would have been unavoidable despite our efforts to the contrary.

22.2 The Co-operative Bank plc is covered by the Financial Services Compensation Scheme (FSCS), which would pay compensation of up to £50,000 to eligible depositors in the event of the Bank becoming insolvent. smile and Britannia are trading names of The Co-operative Bank and, as such, protection provided to depositors by the FSCS is limited to £50,000 for the total amount of combined deposits held with The Co-operative Bank, smile and Britannia.

However, if you held accounts, which were covered by the FSCS, with both The Co-operative Bank (including smile) and with Britannia Building Society immediately prior to the date of merger of the two organisations on 1st August 2009, then until 30th December 2010 those accounts with each of the Bank and Britannia are covered for up to £50,000, i.e. £50,000 for your Co-operative Bank account(s) and £50,000 for your Britannia account(s).

Certain customers are not covered by the FSCS. The exclusions include large companies, large mutual associations and local authorities: visit [www.fscs.org.uk](http://www.fscs.org.uk) for further details.

22.3 We may transfer our rights and/or responsibilities under this agreement to any person if:

- that other person is authorised to accept deposits and writes to you and undertakes to carry out all our duties and obligations under this agreement. If it does so, you agree that we will be released from all those duties and obligations
- we reasonably believe such person is capable of performing our responsibilities.

You may not transfer any of your rights or responsibilities under this agreement to any person.

22.4 You may be responsible for other taxes or costs that are not paid by or via us, e.g. higher rate tax.

22.5 This agreement with you is governed by the laws of England and Wales. Any dispute which arises in relation to this agreement shall be dealt with by any court in the UK, Isle of Man and Channel Islands which is able to hear the case.

22.6 If you have a complaint please telephone us on 0870 843 2265 or send us an encrypted (secure) message or write to Customer Services Manager, The Co-operative Bank p.l.c., Miller Street, Manchester, M60 0AL.

If you still remain unsatisfied you may be entitled to refer your complaint to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, Docklands, London E14 9SR or telephone 0845-080-1800.

The Co-operative Bank subscribes to the Banking Code, is a member

of the Financial Ombudsman Service and is licensed by the Office of Fair Trading (No. 006110).

### **smilemore**

1. To open and have a smilemore current account you must pay a monthly subscription, please refer to the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk) for details. To have an account you must receive a regular payment (i.e. wage, salary, pension) which you must pay into your account.
2. Your smilemore account has additional benefits set out on the website, [smile.co.uk/smilemore](http://smile.co.uk/smilemore) together with relevant terms and conditions and supplier terms and conditions. Certain benefits available with your smilemore account involve third party suppliers and any use by you of those benefits involves an agreement between you and the supplier. Any representations made by the supplier or us on the suppliers behalf are not representations made by us. This does not affect your statutory rights. For further information about your statutory rights contact your local authority Trading Standards Department or Citizens Advice Bureau. If a benefit is insurance cover the agreement is between you and the insurer not you and us. This agreement must be read with the Master Policies and in any conflict the Master Policies will prevail.
3. smilemore has additional overdraft services please refer to the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk) for details.
4. The monthly subscription, additional overdraft service and additional benefits are subject to variation in accordance with condition 21 of the smile Current Account Terms and Conditions above.
5. You can at any time ask us to convert your smilemore account and we can convert your smilemore account to a standard smile Current Account, in which case these additional conditions 1-6 and the additional benefits will no longer apply.
6. We will not be responsible if we are unable to perform our obligations under this agreement due (whether directly or indirectly) to the failure or lack of availability of the operation of any benefit.

### **Smile student account**

1. To open and have an account you must be a UK citizen or resident or, if you are a foreign national, you must have been a UK resident for a minimum of 3 years and be over 17 years and 6 months in age and in full time education, an under or post graduate student, including mature students and existing students and you must make an initial deposit into your account over £300.
2. Please refer to the smile account charges on our website at [www.smile.co.uk](http://www.smile.co.uk) for details of overdraft limits and charges relevant to smile student overdraft services.
3. You may not open a smile student account with another person and condition 18 (Joint Accounts) does not apply.
4. At the end of one year after your final year of study your account will convert automatically to a smile current account and these additional conditions 1-4 will no longer apply.

Part of The **co-operative** financial services

**Please call 0870 843 2265 if you would like to receive this information in an alternative format such as large print or Braille.**

**The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. Registered in England and Wales No. 990937.**

Co-operative Financial Services Limited, Registered Office: New Century House, Manchester M60 4ES. Registered Number IP29379R.

**The Co-operative Bank is authorised and regulated by the Financial Services Authority (No. 121885), subscribes to the Banking Code, is a member of the Financial Ombudsman Service and is licensed by the Office of Fair Trading (No. 006110).**

Interest rates are correct at time of going to press (09/09). Credit facilities are subject to status. The Co-operative Bank reserves the right to decline any application or offer a card product at a rate that differs from those advertised.

Calls may be monitored or recorded for security and training purposes. For BT customers calls to 0845 numbers will cost no more than 4p per minute. Call charges from other companies may vary and you may want to check this with your service provider.

smile.co.uk