

## Overdrafts and bank charges

If you use the current accounts listed to make payments when:

- you do not have enough money in your account and have not agreed an arranged overdraft with us, or
- the payment takes you over the limit of your arranged overdraft,

you may have to pay unarranged overdraft charges as a result. These accounts include the standard **smile** current account, **smilemore** account and the **smile** student account. Unarranged overdrafts cost more than arranged overdrafts.

The table overleaf gives some examples of our charges for making payments from your account despite having a lack of funds.

We developed these examples with leading consumer groups to help you to think about how changing the way you use your account can affect the amount we may charge you.

These examples are meant to show how different actions can result in different charges. They are only examples, so you shouldn't see them as actions you might take and charges you might have to pay.

**We may not allow you to use your account in the ways shown overleaf. You should avoid going overdrawn wherever possible and you should contact us if you need help to manage your account.**

Unless we have told you that an overdraft facility is interest-free, we will also charge you debit interest for each day that you use an overdraft. This includes unarranged overdrafts that exceed an interest-free amount. For details of all the charges and interest rates for these accounts, please refer to our account charges at [smile.co.uk/currentaccounts](https://smile.co.uk/currentaccounts)

Choose an example overleaf which shows how you might manage your current account. If you have recent bank statements, use these to help you choose. Once you have worked out reasons why you might be charged, it could help you to avoid charges in future.

Reasons that you might be charged	<ul style="list-style-type: none"> <li>• current account</li> <li>• smilemore current account</li> </ul>	• student account
1 We refuse a payment from your account due to lack of funds.	£0	£0
2 A payment from your account takes you into an unarranged overdraft by less than £10.  You are overdrawn for one day during the month.	£0	£0
3 A payment from your account takes you into an unarranged overdraft and you make another payment from the account while you are overdrawn.  You are overdrawn for two days in a row during the month.	£20	£0
4 A payment from your account takes you into an unarranged overdraft and you make nine more payments from the account while you are overdrawn.  You are overdrawn for nine days in a row during the month.	£60	£0
5 A payment from your account takes you into an unarranged overdraft. You are overdrawn for one day.  However, on three more occasions during the month, a payment takes you into an unarranged overdraft. On each of these occasions you are overdrawn for three days in a row.	£40	£0
6 A payment from your account takes you into an unarranged overdraft. You are overdrawn for 21 days in a row during the month and you make 12 more payments from the account while you are overdrawn.	£60	£0

Please be advised that the examples above **DO NOT** take into account any interest-free or fee-free overdrafts which may come as standard with some current account products.

Scenarios 3,4,5 and 6 assume that the unarranged overdraft is above £20. We do not apply unarranged overdraft charges to unarranged overdrafts of up to £20. Debit interest still applies.

The monthly cap on unarranged overdraft charges for your current account is £60.

1. Each current account will set a monthly maximum charge for:  
(a) going overdrawn when you have not arranged an overdraft; or  
(b) going over/past your arranged overdraft limit (if you have one).

2. This cap covers any:  
(a) interest and fees for going over/past your arranged overdraft limit;  
(b) fees for each payment your bank allows despite lack of funds; and  
(c) fees for each payment your bank refuses due to lack of funds.

This is a standard definition to allow you to compare unarranged overdraft charges across different providers but in practice, we don't actually charge fees for refusing a payment due to lack of funds.

For further information about the underlying transactions used to calculate these scenarios, please visit: [www.gov.uk/consumer-protection-rights](http://www.gov.uk/consumer-protection-rights)

**Please call 03457 212 212\* (8am to 8pm, 7 days a week) if you would like to receive this information in an alternative format such as large print, audio or Braille.**

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\*Calls to 03 numbers cost the same as calls to numbers starting with 01 and 02. Calls may be monitored or recorded for security and training purposes.

Information correct as at 10/2018.

[smile.co.uk](http://smile.co.uk)