

# How our overdrafts work

This provides you with more information about our overdrafts along with the tools available to help you manage your overdraft.

## What is an overdraft?

Overdrafts are intended for short-term borrowing and are not generally suitable for longer-term borrowing. Where you have an ongoing borrowing need, you may also wish to consider alternative options.

There are two types of overdraft – arranged and unarranged.

An arranged overdraft is a set amount you can borrow, that you've agreed with us in advance. Once you've agreed your overdraft it's there for you to dip into if and when you need to.

If you have not agreed an overdraft with us in advance and do not have sufficient funds to cover payments due, we may either refuse the payment or allow it and agree to an unarranged overdraft.

When you use an arranged or unarranged overdraft you will be charged debit interest.

Any arranged or unarranged borrowing will show on your credit file. Unarranged borrowing will show as arrears, which can negatively impact your credit file and make it harder for you to obtain credit in the future.

## How do I change an overdraft limit?

You can request to change or remove your arranged overdraft at any time by contacting us on **03457 212 212\*** You must make regular payments into your account to reduce the amount you owe.

Some of our accounts have overdraft limits that are automatically provided as part of the account. If you would like to change to a lower amount than the one automatically provided, please convert your account to a standard current account.

An eligibility tool is available on our website to allow customers to check if they are likely to be accepted for an overdraft before applying, but if you would like to increase your overdraft limit in the future then please just contact us.

## How much does my overdraft cost in pounds and pence?

As an example, the interest cost of borrowing £500 is:

| 7 days | 30 days | 60 days |
|--------|---------|---------|
| £2.98  | £12.76  | £25.66  |

This is based on borrowing £500 on the first day of our charging period and assumes this overdrawn balance remains until it is repaid at the end of 7, 30 or 60 days. This example does not include any interest-free amounts that are provided on some accounts.

## Overdraft calculator

A calculator is available which will allow you to calculate the cost of an overdraft based on your expected usage. The calculator is available on the 'Overdrafts' section of our website.

## Overdraft text alerts

An overdraft alert is a text message we'll send if you have a mobile phone number registered with us.

To help you manage your money and avoid or minimise any interest or charges you may incur, we will send you overdraft text alerts if you enter, or are about to enter, into an arranged or unarranged overdraft and to help avoid any items not being paid.

You will be automatically opted into overdraft alerts. You may choose to opt out of arranged or unarranged alerts or to opt back into receiving the alerts at any time. To do this, you will need to contact us on **03457 212 212\***, by secure message or authenticated web chat.

## Financial difficulties

If you find that you're struggling to keep your head above the water money-wise, please get in touch. The sooner you tell us, the sooner we'll be able to help. We'll have a chat and talk through the options that are available to you.

You can get further information by calling **0344 844 8899\***.

**Please call +44 (0) 3457 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 0800 and 0808 numbers are free from landlines and mobiles. 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 04/2020.



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