

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 type of borrowing shows up on your credit file. However, an unarranged overdraft can negatively impact your credit file and may make it harder for you to obtain credit in the future.

Monthly cap on unarranged overdraft charges

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.

The monthly cap on unarranged overdraft charges for your current account is £60 Further details can be found online at smile.co.uk/products/current-account/overdrafts.

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*** or by sending us a secure message via online banking. 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 at smile.co.uk/products/current-account/overdrafts/calculator.

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*** or by secure message.

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 **03457 212 212***.

Please call 03457 212 212* (8am to 6pm Monday to Friday and 9am to 5pm Saturday and Sunday) 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 from a UK landline cost up to 16p per minute and from a mobile cost between 3p and 65p if outside any inclusive minutes. Charges for calls made outside of the UK will be determined by your local provider. Calls may be monitored or recorded for security and training purposes.