The co-operative bank

Overdraft Terms and Conditions

Account Type:

Application Number:

'We' and 'us' refers to The Co-operative Bank p.l.c. of 1 Balloon Street, Manchester, M4 4BE and 'you' refers to _____

We are pleased to offer you an arranged overdraft on the above account.

When does this agreement start?

Your overdraft agreement starts on:

What is your agreement with us?

Your overdraft agreement with us is made up of:

- the terms and conditions in this document (called 'this agreement' in this document);
- your current account charges leaflet; and
- your current account terms and conditions.

It's important that you read these carefully. If the current account terms and conditions say something different about the same topic, this agreement will apply. This agreement also replaces any previous terms or agreements relating to an overdraft on your current account.

What if your overdraft is on a joint account?

You'll each be separately and jointly responsible for the overdraft. This means we can ask any, or both, of you to repay it in full. That's still true even if your joint relationship ends, or even if only one of you set it up or used it.

What's your overdraft limit?

You can borrow up to your overdraft limit of £_____

How long does your overdraft last?

The overdraft has no fixed or minimum duration. It will continue until you or we end it.

We will review your overdraft on at least an annual basis. We will normally tell you about any changes we're going to make at least 30 days before the end of each 12-month period. The first 12-month period starts from the date we approve your application for this overdraft (if relevant) and make your overdraft limit available to you.

Your overdraft is repayable 'on demand'. This means we can withdraw it and ask you to repay it in full immediately at any time on our written demand.

We'll normally give you notice that your arranged overdraft must be repaid, or that we're going to reduce your overdraft limit. But we may ask for repayment without notice. We'll keep charging interest (where applicable) until your overdraft is completely repaid.

What do we mean by business day? A business day is usually Monday to Friday (excluding bank holidays). For example, for some payments our business day is all day, every day. But branch opening hours will be the normal business day for payments at a branch.

How much does your overdraft cost?

The cost of your overdraft depends on your account type. We'll charge interest on any overdrawn balance at the following rate:

Current Account, Current Account Plus, Everyday Extra - Annual Interest Rate of 35.9% (variable).

Privilege Account - Annual Interest Rate of 35.9% (variable). No interest is charged on the first £200 of your arranged overdraft.

Privilege Premier Account - Annual Interest Rate of 35.9% (variable). No interest is charged on the first £300 of your arranged overdraft.

smile Current Account - Annual Interest Rate of 35.9% (variable).

smilemore Current Account - Annual Interest Rate of 35.9% (variable). No interest is charged on the first £260 of your arranged overdraft.

We'll continue to charge interest and charges until you repay your overdraft in full. We'll do this even where a court makes an order requiring you to pay us the outstanding balance.

Where interest is charged, we calculate interest daily on any amount borrowed up to your arranged overdraft limit. We calculate interest on your cleared balance. This means the interest amount might not take account of payments made in or out of your current account that day if they don't show on your current account until after we've worked out how much interest to charge. We'll charge the total amount of interest to your current account on the 21st of each month. But if the 21st isn't a business day, we'll charge the interest on the next business day after that.

To help you avoid unexpected overdraft charges, you should regularly monitor your account. You can check your balance online, via mobile banking or telephone, in branches or at cash machines. You should also be aware of the timing of your standing orders and direct debits.

What's the total charge for credit?

The total charge for credit for this arranged overdraft is £_____

This figure is only an example. It assumes you borrow up to your arranged overdraft limit and don't repay anything for 3 months. It also assumes the interest rate that applies to your overdraft doesn't change for those 3 months. This figure also takes into account any interest-free overdraft amount and any monthly fee you pay for maintaining your current account in those three months (if this applies).

Monthly cap on unarranged overdraft charges

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 of the monthly cap on unarranged overdraft charges that all banks must use. The monthly cap refers to the charges and interest we apply in a charging period, not a calendar month. In fact, we don't charge fees for allowing or refusing a payment when you lack the funds you need.

When we talk about 'charging period', we mean the fifth day of the month to the fourth day of the next month. That's unless we tell you otherwise on your statement. For example, 5 April to 4 May is one charging period. But when these dates don't fall on business days, the charging period will begin or end (as relevant) on the next business day.

Overdraft charges cap

We won't charge you more than £60 in interest in one charging period. So whatever type of overdraft you use (arranged or unarranged, or both), the most you'll pay for any charging period will be £60.

Once the £60 cap is reached, we'll waive any further interest for that charging period. If we agree to refund any previously charged interest during any charging period, the £60 limit will increase by the amount of those refunded charges.

See the Account Charges Leaflet relevant to your account for more details.

Can we change the terms of this agreement (including changes to interest rates and your overdraft limit)?

Because our agreement with you could last a long time, from time to time we may need to make changes to it. For example, we might need to:

(a) increase or decrease interest rates you pay us;
(b) increase or decrease charges, or introduce new ones; or
(c) change any other terms (including the availability of account services).

We might need to make these changes:

a) to take account of an actual, or reasonably expected, change in the interest rates we have to pay – for example, as a result of a change to the Bank of England Base Rate; or
   (Example: the Bank of England base rate could increase or decrease. This could affect the interest rates you pay us, which might result in us increasing or decreasing our interest rates.)
b) to reflect an actual, or reasonably expected, change to:
   - our underlying costs; or
     'Costs' can include costs of funding, technology, employment, building, or administration.
     (Example: if our operational costs increase, we may need to spread a proportion of the increase across all our customers)
   - law or regulation, codes of practice or industry guidance that applies to us; a ruling by a court, ombudsman or similar body; or an undertaking given to a regulator; or
     (Example: the Financial Ombudsman could make a ruling about a particular customer that affects our other customers. This might mean we need to change our terms and conditions to reflect this)
   - our way of doing business, including the introduction of new technology;
     (Example: to reflect changes in digital banking.)

Any change we make will be reasonably proportionate to the impact of the underlying change on us. We won't make changes to cover the same cost twice.

If we're making a change that will benefit you, we don't need to give you a reason for it.

We can't predict everything that will happen over the period of time you hold your overdraft with us. So we may also need to make changes to our interest rates, charges or any other terms without a particular reason. You will be able to end this agreement without extra cost if you don't want to accept the change.

How can we make changes?

If we decrease the interest rates or charges you pay:

a) the new rate or charge will apply immediately; and

b) we'll tell you about the change in the next 30 days. We'll tell you on our website, by branch notices, national press adverts, statement messages or inserts, or by writing to you or emailing you. Or we can tell you by any mixture of these methods.

We'll give you at least 30 days' notice before we make any other changes.

The new terms will apply to your account automatically at the end of the notice period.

- If you don't want to agree to the change, you can switch your account or close it without paying any extra charges or interest. You can do this any time until the change takes effect. If you do this, you'll need to repay everything you owe us.
- If you don't switch or close your account by the time the change happens, we'll assume you've accepted the change.

Remember, you can close your account at any time without any extra charge.

How and when can this agreement be ended?

How can you end this agreement?

You can end this agreement at any time by repaying everything you owe us. You'll also need to tell us you want to end this agreement.

If you end this agreement and interest is payable on all or part of the overdraft, you'll need to pay us all the interest you owe us before this agreement can be ended.

How can we end this agreement?

We can end this agreement at any time by giving you at least 30 days' notice in writing.

We may end the agreement and terminate your overdraft immediately, without notice (but we'll give you notice if it's required by law), if:

a) you die; or

b) we reasonably decide that:

i) you have seriously or repeatedly broken your overdraft or linked current account terms and conditions;

ii) you, or any other authorised signatory or joint account holder of the overdraft or the linked current account, are or are likely to become bankrupt or insolvent, or enter into an Individual Voluntary Arrangement or equivalent in the jurisdiction where your address is after you open an account;

iii) you or anyone else take action that is, or could directly result in, a formal step being taken for bankruptcy or similar proceedings against you or any of your assets;

iv) you enter into or propose any composition, voluntary arrangement or scheme of arrangement with your creditors; or

v) you, or any other authorised signatory or joint account holder of the overdraft or the linked current account:

- have carried out or tried to carry out fraudulent or illegal activity on the overdraft, the linked current account or any other service we operate – or we have reason to think you or they may do so in the future;
- have caused or may cause us to breach any law, regulation, code of practice or other duty that applies to us as a bank;
- have behaved improperly towards us or anyone providing services to us – for example, if you have threatened, abused or harassed a member of staff;
- have given false or materially incomplete information when applying to open the overdraft or the linked current account, or to use any other service we provide, or at any time after; or
- have allowed a person who is not an authorised signatory to use the overdraft, the linked current account or any other service we provide.

When we end this agreement, you must repay all amounts owed to us by your use of this overdraft in full immediately on our written demand.

Can you cancel this agreement?

If you're not happy with your overdraft, you can cancel this agreement within 14 days from the date the overdraft was provided or the day you received a copy of this agreement (whichever is later). You don't have to give us a reason for this. You can do this by:

- **calling** us on 03457 212 212*; or
- **writing** to us at The Co-operative Bank p.l.c., PO Box 4931, Swindon SN4 4BE; or
- **visiting** us in a Co-operative Bank branch; or
- **sending** us a secure message (smile customers only).

*You will need to answer some security questions.

If you do this, you must repay everything you've borrowed (including any interest) within 30 days.

If you choose not to cancel, the overdraft will continue and this agreement will still apply. You can still end the overdraft agreement at any time by repaying everything you owe us. You'll also need to tell us you want to end this agreement.

What if we reject your application based on information we receive from a credit reference agency?

We'll tell you if we reject your application based on information we get from credit reference agencies. We'll also tell you the name and contact details of the credit reference agency we used. We won't charge you for this.

What if you have a complaint?

If you have a complaint about this agreement, please:

- **call** us on 03457 212 212*; or
- **send** us a secure message (smile customers only); or
- **email** us at complaints@co-operativebank.co.uk; or
- **write** to us at Customer Response, The Co-operative Bank p.l.c., P.O. Box 4931, Swindon SN4 4BE; or
- **visit** one of our branches.

We'll always do everything we can to resolve your complaint straight away. If this isn't possible, we'll keep you informed of our progress until your complaint has been resolved.

If you're still unhappy with our response you may be entitled to refer your complaint to the Financial Ombudsman Service:

- **Write** to Financial Ombudsman Service, Exchange Tower, Harbour Exchange, London E14 9SR
- **Call** 0800 023 4567*
- **Email** complaint.info@financial-ombudsman.org.uk
- **Visit** www.financial-ombudsman.org.uk

The Financial Ombudsman Service is a free service set up to help resolve individual disputes between customers and businesses providing financial services in the UK.

What is the governing law and courts?

This agreement, and all our dealings with you before the agreement is governed by the laws of England and Wales.

If your address is in:

- England or Wales, the courts of England and Wales will deal with any disputes that might happen
- Scotland or Northern Ireland, the courts of those countries will deal with any disputes
- the Isle of Man or the Channel Islands, the courts in the Isle of Man or the Channel Islands will deal with any disputes.

How will we communicate with you?

We'll always communicate with you in English.

How will we contact you?

We'll contact you using post, telephone or any electronic or digital message (including internet, email and text message), as appropriate.

That's why you must tell us about any change of address or other change in your contact details straight away. We may ask for evidence of the change.

Please call 03457 212 212* (8am to 6pm Monday to Friday, 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.

The Co-operative Bank p.l.c. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No: 121885). smile is a trading name of The Co-operative Bank p.l.c. Registered office: 1 Balloon Street, Manchester, M4 4BE. Registered in England and Wales (Company No: 990937).

*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 network provider. Calls to 0800 and 0808 numbers are free from landlines and mobiles. Calls may be monitored or recorded for security and training purposes.

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