



# 50/50 FTSE Bond

## Terms & conditions



## Terms and Conditions

These terms were last updated 6th January 2006 and are valid as at that date.

Please ensure you have read the following terms (known as the 'Terms') carefully before making an application.

By completing an application for an Account, you will be deemed to have read, understood and agreed to these Terms. The Terms, together with your Application, form the contract between you and us.

These Terms refer to the Bradford & Bingley 50/50 FTSE Bond that comprises a one-year Fixed Rate Element (Part 1) and a five-year Guaranteed Equity Bond Element (Part 2).

Before opening an Account you need to decide if you want to open and operate your Account through our Branches, through our Direct Savings Unit or online. You can only transact on and close the account through the channel of opening.

If you are opening your Account in a Branch you will have to sign an application form. Once we receive your signed application form and have accepted your application then the Terms will form a legal and binding agreement between you and us.

If you are opening your Account online then unless you already have one of our eSavings accounts, your applications must be submitted via the internet on the application form provided. Photocopied application forms are not acceptable. We will send you an application form for signature. Once we receive your signed application form and have accepted your application then the Terms will form a legal and binding agreement between you and us.

If you are opening your Account online and you already have one of our eSavings accounts, you can log onto your existing account to apply online with a shortened application process without signing an application form. You will need to accept the Terms during the application process and once the Account is open, these Terms will form a legal and binding agreement between you and us.

If you are opening your account through the Direct Savings Unit you will have to return your signed application form.

We will then use an electronic verification system so do not send any identification documents with your application form. If we do require further identification we will notify you by post.

## Definitions

We/us/our:	Bradford & Bingley plc (a bank) whose registered office is at PO Box 88, Croft Road, Crossflatts, Bingley BD16 2UA and registered in England under company registered number 3938288 and our successors, transferees and assignees.
You/Your:	the person or persons named as holders of the Account or the person or persons named as the applicants in the application for the Account, including (where appropriate) your personal representatives and/or your beneficiaries.
Account:	the 50/50 FTSE Bond that you have with us.
Account Term:	the term of the Account commencing on the Start Tracking Date and ending at the close of business on the GEB Maturity Date.
AER:	Annual Equivalent Rate which illustrates what the interest rate would be if interest was paid and compounded once each year.
Application:	means the application made for the Account. It also includes any other information which we are given before the Account is opened.
Average Monthly Price:	the average (mean) closing Index values on the Observation Dates set out in more detail in clause 6.
Base Rate:	means either the Bank of England's 'repo rate' (commonly known as its base rate), or any other interest rate set by a UK based financial institution which replaces the repo rate.
Branch:	means any Bradford & Bingley plc Branch or any Branch Type Agency.
Calculation Agent:	the financial institution authorised by the Financial Services Authority (or its successor) to calculate and publish a successor index to the FTSE 100™.
Deposit:	the amount you deposit in the Account comprising both the Fixed Rate Element and the Guaranteed Equity Bond Element. The minimum Deposit is £1,000.00 and the maximum Deposit is £250,000.00.

DSU:	Direct Savings Unit.
Early Bird Interest:	interest equal to the Base Rate payable on the Deposit from the date of the Deposit until (but not including) the Start Tracking Date, currently 4.50% gross/AER. Where the Base Rate changes, the rate that will apply to the Account will be effective within 30 days of the Base Rate change.
Extraordinary Event:	a fundamental change to the method of calculation of the Index, the Index not being published for 20 consecutive working days, or an announcement that publication of the Index is to cease.
Fixed Interest Rate:	7.50% gross per annum (6.00% net per annum)
Fixed Rate Element:	means 50% of your Deposit, the interest (both Early Bird Interest and interest at the Fixed Interest Rate) on which is calculated in accordance with clause 5.
FRE Maturity Date:	17th March 2007 (or the first business day thereafter if the FRE Maturity Date is not a business day), being the date on which the Fixed Rate Element of the Account matures and is transferred to your Maturity Account.
GEB Maturity Date:	17th March 2011 (or the first business day thereafter if the GEB Maturity Date is not a business day), being the date on which the Guaranteed Equity Bond Element of the Account matures.
Guaranteed Equity Bond Element:	means 50% of your Deposit, the return on which is linked to the change of the Index over the Account Term as detailed in clause 6.
Index:	the recognised index known as the 'FTSE 100™ Index' of one hundred leading stocks listed on the London Stock Exchange currently published by London Stock Exchange Plc and the Financial Times Limited. The return earned on your Guaranteed Equity Bond Element is calculated by reference to this Index during the Account Term. We may substitute the Index from time to time under the Terms.
Last Opening Date:	the earlier of 4th March 2006 and the date on which the 50/50 FTSE Bond has been fully subscribed.
Maturity Interest:	means interest equal to the Base Rate less 2%, currently 2.50% gross/AER (2.00% net per annum). Where the Base Rate changes, the rate that will apply to the Account will be effective within 30 days of the Base Rate change.
Month:	means a calendar month.
Nominated Account:	A personal UK bank or building society account that offers Direct Debit facilities which is held in your name (or where there are two of you, in the name of at least one of you).
Observation Dates:	1st March 2010, 1st April 2010, 4th May 2010, 1st June 2010, 1st July 2010, 2nd August 2010, 1st September 2010, 1st October 2010, 1st November 2010, 1st December 2010, 4th January 2011, 1st February 2011, 1st March 2011.
Participation Rate:	100%.
Personal Notice:	means notice given to you under clause 24.3.
Return:	means the return earned on your Guaranteed Equity Bond Element calculated by reference to the Index
Return Date:	17th March 2011 (or the first business day thereafter if the Return Date is not a business day), being the date on which the Guaranteed Equity Bond Element of the Account is transferred to your Maturity Account.
Start Date Price:	means the closing Index value on the Start Tracking Date set out in more detail in clause 6.
Start Tracking Date:	17th March 2006.

## Interpretation

1. The headings are provided for ease of reference and shall not affect the interpretation of these Terms.
2. Any words in the masculine include the feminine and any words in the singular include the plural and the other way around.
3. Each clause in these Terms is treated as a separate contractual term. If any term is held to be invalid, illegal or unenforceable, that term shall to that extent be deemed not to form part of these Terms and the remainder of these Terms shall not be affected.

## 1. Relationship

- 1.1 We act as the deposit taker for the Account.
- 1.2 It is your responsibility to inform us of any changes to your personal details on any Nominated Account, eSavings account or account nominated to receive Maturity Interest until the time your Account is closed.
- 1.3 We reserve the right for third parties to administer the Account on our behalf.

## 2. Eligibility & Account Opening

- 2.1 Your Account must be opened by the Last Opening Date.
- 2.2 When you apply to open an Account, you must also open a Maturity Account into which the Fixed Rate Element and Guaranteed Equity Bond Element together with any interest and any return will be transferred on the FRE Maturity Date and/or the Return Date as appropriate.
- 2.3 The following are the criteria for opening and operating an Account:
  - 2.3.1 You must be an individual aged 18 years or over:
  - 2.3.2 You must be and must remain resident in the UK for taxation purposes. This does not include the Isle of Man and the Channel Isles.
  - 2.3.3 You must agree to be bound by the Terms.
    - 2.3.4.1 If you are opening your Account online, unless you already have one of our eSavings accounts, you will need to satisfy the money laundering regulations. We will seek to validate your identity and residency via an online search facility or; if this fails to provide us the level of proof we require to comply with regulations, we will ask you to provide to us proof of address and identity. If we require such documentary evidence to support your application, we will outline specific requirements.
    - 2.3.4.2 If you are opening your Account in a Branch, then you will need to satisfy the money laundering regulations. You will need to provide to us proof of address and identity. If we require such documentary evidence to support your application, we will outline specific requirements.
- 2.4 If you fail to meet any of the qualifying criteria we reserve the right not to open an Account for you.
- 2.5 Account holders (including joint account holders) may only have one Account opened at any one time.
- 2.6 We reserve the right to reject any application at our discretion, for example due to application for the Account being received after the Last Opening Date.
- 2.7 The Account cannot be set up as a trustee account, or under a power of attorney arrangement. A club, charity, business or other organisation cannot open the Accounts.
- 2.8 The Account is available to individuals saving jointly, subject to a maximum of two joint account holders.
- 2.9.1 If you apply online and you already have one of our eSavings accounts you can apply online while already logged into your existing account and you may opt to:
  - 2.9.1.1 open an Account by making a transfer of existing funds from your eSavings account as the Deposit provided that there are sufficient available funds and the terms of the eSavings account allows. Prior to the transfer of funds, you must ensure that there are sufficient available funds and that the terms of the eSavings account allows you to make such a transfer.
  - 2.9.1.2 open an Account by making the Deposit by a personal cheque drawn on an account with a UK bank or building society held in the name of the applicant(s) (or one of them). This cheque may take up to 8 working days to clear: Standard cheque clearance is 3 days. This will allow time for the cheque to go through the clearing system as cheques take several days to return unpaid.
- 2.9.2 If you apply online and you do not already have one of our eSavings accounts, the Deposit can only be made by a personal cheque drawn on an account with a UK bank or building society held in the name of the applicant(s) (or one of them). This cheque may take up to 8 working days to clear: Standard cheque clearance is 3 days. This will allow time for the cheque to go through the clearing system as cheques take several days to return unpaid.
- 2.9.3 If you apply through a Branch, the Deposit can only be made by a personal cheque drawn on an account with a UK bank or building society held in the name of the applicant(s) (or one of them). This cheque may take up to 8 working days to clear: Standard cheque clearance is 3 days. This will allow time for the cheque to go through the clearing system as cheques take several days to return unpaid. No transfers from other Bradford & Bingley accounts are permitted.

- 2.10 The Account is a sterling account. The Deposit must be in pounds sterling.
- 2.11 No transactions (including, deposits, withdrawals or transfers) are permitted on the Account, subject to your right to cancel in accordance with clause 3 and right to withdraw in clause 9.
- 2.12 If you opened your Account online:
  - 2.12.1 the Account is designed to be operated over the Internet. All Account information must be accessed over the Internet. No passbook or certificate will be issued for your Account. If you are an existing eSavings account holder, you should be able to access your Account using your existing account user name and password.
  - 2.12.2 it is your responsibility to check your e-mail account regularly.
- 2.13 If you opened your Account in a Branch or via the DSU, the Account is designed to be operated through a Branch or via the DSU.
  - 2.13.1 A certificate will be issued for your Account. The certificate remains our property at all times; we can revoke or suspend your right to use it at any time; and it must be returned to us on request.
  - 2.13.2 If you discover or suspect that your certificate has been lost or stolen, you must notify us as soon as possible. We will then take immediate steps to stop your certificate being used to gain access to your Account.
  - 2.13.3 If someone other than you produces an account document to us and pretends to be you or to be authorised by you, and is therefore able to withdraw money from your account, you will be liable for the amount of any withdrawals if you have acted fraudulently or with gross negligence. You may be found to have acted with gross negligence if you have failed to look after your account documents properly;
- 2.14 It is your responsibility to ensure that your postal and other contact details (if your Account is opened online, including your e-mail address) are valid and correct.
- 2.15 We reserve the right to withdraw this Account at any time but if we do existing customers will be guaranteed the Terms.

### 3. Cancellation

- 3.1 If within 14 days of opening the Account, you are unhappy with the Account or change your mind about opening the Account, we will help you switch to another of our savings accounts for which you are eligible. Alternatively, we will give you your money back together with any interest earned. Once this period has expired, no withdrawals from the Account are permitted.
- 3.2 To cancel your Account in accordance with clause 3.1:
  - 3.2.1 If your Account was opened online, please write to us at Bradford & Bingley plc, PO Box 1086, Newcastle upon Tyne NE99 1SD or telephone us on 0845-601-7802.
  - 3.2.2 If your Account was opened in a Branch, please write to us at Bradford & Bingley plc, PO Box 88, Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA.

### 4. Errors

- 4.1 While we will try to operate your Account accurately, mistakes may occur:
  - 4.1.1 If you opened your Account online and you are aware that an amount has been incorrectly credited or debited to your Account you should notify us immediately by secure e-mail (via the 'contact us' section of the web-site once you are logged on) or by calling us on 0845-601-7802. For security please have your Account details ready.
  - 4.1.2 If you opened your Account in a Branch and you are aware that an amount has been incorrectly credited or debited to your Account you should notify us immediately by calling us on 0845-600-8885. For security please have your Account details ready.
- 4.2 If you use funds with the knowledge that they were incorrectly credited to your Account we may take steps to recover the money from you or take it from your Account and take such other proceedings or actions as may be appropriate.
- 4.3 If we become aware of any anomaly on your Account we will notify you and amend the error accordingly, including removing any money incorrectly credited to your Account.

## 5. Interest

### 5.1 Early Bird Interest

5.1.1 The Early Bird Interest is a variable tracker rate.

5.1.2 Your Deposit will earn Early Bird Interest from the date you make your Deposit until (but not including) the Start Tracking Date. On the Start Tracking Date, 50% of any Early Bird Interest will be credited to the Guaranteed Equity Bond Element and the remaining 50% will be credited to the Fixed Rate Element of the Account.

### 5.2 Interest on Fixed Rate Element

5.2.1 The Fixed Interest Rate on the Fixed Rate Element is fixed until the FRE Maturity Date.

5.2.2 Interest on the Fixed Rate Element will be calculated from (and including) the Start Tracking Date until (but not including) the FRE Maturity Date, and will be credited to your Fixed Rate Element on the FRE Maturity Date.

5.2.3 We will not inform you at the FRE Maturity Date.

### 5.3 Maturity Interest

5.3.1 The Maturity Interest is a variable tracker rate.

5.3.2 Your Fixed Rate Element will earn Maturity Interest from (and including) the FRE Maturity Date. The Maturity Interest on your Fixed Rate Element will be credited to the Fixed Rate Element.

5.3.3 Your Guaranteed Equity Bond Element will earn Maturity Interest from (and including) the GEB Maturity Date. The Maturity Interest on your Guaranteed Equity Bond Element will be credited to the Guaranteed Equity Bond Element.

5.3.4 Maturity Interest will be paid annually on 31 March.

## 6. Guaranteed Equity Bond Element

6.1 The Guaranteed Equity Bond Element is a fixed term bond. No interest (other than Early Bird Interest) will be paid on the Guaranteed Equity Bond Element.

6.2 The gross Return on the GEB Maturity Date will be calculated as follows:

$$\text{Return} = \frac{(\text{Average Monthly Price}^* - \text{Start Date Price}^{**}) \times \text{Participation Rate}}{\text{Start Date Price}^{**}}$$

\*The Average Monthly Price is obtained by taking closing Index values on the Observation Dates. These thirteen values are then used to calculate the Average Monthly Price (mean). **Averaging offers some protection against the volatility, and sudden falls or rises of the Index. However, this may reduce the overall return if the Index rises over the final 12 months of the Account Term. Please note that past and current performance of the Index is no indicator of future performance.**

\*\*The Start Date Price will be obtained for the Index at the close of business on the Start Tracking Date.

Where there has been no increase in the Average Monthly Price of the Index over the Account Term, then the Return is zero. You will receive no Return on the Guaranteed Equity Bond Element. However, your original investment (i.e. the Guaranteed Equity Bond Element itself together with any Early Bird Interest) will be paid to your Maturity Account.

6.3 The Account does not invest the Guaranteed Equity Bond Element directly into the stock market but in a deposit account that, instead of paying interest over its term pays a return based on the performance of the Index. The value of the Index may fluctuate and any gains made before the GEB Maturity Date are not guaranteed if the Index subsequently falls. Please note that the Index excludes dividend income, either paid on or reinvested in the underlying shares and that the constituents of the Index are subject to periodic review.

6.4 Any Return on the Guaranteed Equity Bond Element will be added to the Account by the Return Date and backdated to the GEB Maturity Date.

## 7. Extraordinary Event

7.1 If the Index is not available or cannot be ascertained on any particular date, the level taken will be that published on the next following working day.

- 7.2 If the Index is not published for 5 working days, but a comparable successor index, acceptable to the Calculation Agent, is calculated and published by another entity, the price for the relevant date will be the value of that successor index at the close of business on the first working day thereafter. If the method of calculating the successor index has materially changed such that it no longer fairly represents the value of the Index, then the Calculation Agent will make adjustments to the calculation - in good faith and after consultation with us - that produce a price based on an index that is broadly comparable to the Index.
- 7.3 On the occurrence of an Extraordinary Event in respect of the Index, if a reasonable alternative method of calculation cannot be identified within 20 working days in accordance with clause 7.2, then we may cancel the Guaranteed Equity Bond Element of the Account and pay a return based on the level of the Index immediately prior to the Extraordinary Event. In this event, the Fixed Rate Element will continue until the FRE Maturity Date.

## 8. FTSE 100™ Index

- 8.1 The FTSE 100™ Index is calculated by FTSE International Limited. FTSE International Limited does not sponsor, endorse or promote this product and is not in any way connected to it and does not accept any liability in relation to its issue, operation and trading.
- 8.2 'FTSE®', 'FT-SE®' and 'Footsie®' are trade marks jointly owned by the London Stock Exchange Plc and the Financial Times Limited, and are used by FTSE International Limited under licence. 'All-World', 'All-Share', 'All-Small' and 'FTSE4Good' are trade marks owned by FTSE International Limited.
- 8.3 All copyright in the index values and constituent list vests in FTSE International Limited. We have obtained full licence from FTSE International Limited to use such copyright in the creation of this product.

## 9. Transactions

### 9.1 Deposits

After the initial Deposit, you cannot make any further deposits to the Account.

### 9.2 Withdrawals

- 9.2.1 Withdrawals are not allowed on the Fixed Rate Element until the FRE Maturity Date and withdrawals are not allowed on the Guaranteed Equity Bond Element until the Return Date.
- 9.2.2 Subject to 9.2.1:
- 9.2.2.1 If you opened your Account online:
- 9.2.2.1.1 you can make a withdrawal request without any requirement to give notice. Your instructions will be processed as soon as practicable. Upon receipt of a withdrawal request, funds will be withdrawn from your Account immediately. If the withdrawal request is made prior to midday, funds will usually be credited to your Nominated Account two working days later (e.g. request on Monday, funds arrive Wednesday). If a withdrawal request is made after midday, or on a weekend or English bank holiday, the funds will normally be credited to your Nominated Account three working days later. You should note that it can take up to four working days for withdrawn funds to arrive in your Nominated Account.
- 9.2.2.1.2 The Account offers penalty-free access to your monies, provided that all charges have been paid. Monies withdrawn cannot be transferred to any account other than your Nominated Account. All withdrawals must be made via BACS transfer apart from emergency CHAPs withdrawals, which can be made as detailed in clause 9.2.2.1.3.
- 9.2.2.1.3 If you need to make an urgent withdrawal of funds, a same day CHAPs request can be made, by telephone or the internet, prior to midday for a same day withdrawal. This service is subject to a charge, which will be deducted from your Account balance (before the CHAPs withdrawal is made), and details of the current charges will be provided to you before requesting this service. Please note that the same day service only applies to requests made before midday on a working day (i.e. it excludes weekends and English bank holidays).

- 9.2.2.1.4 In the event of a genuine emergency, difficulty, or if the web-site is unavailable for any reason, transactions can be requested by telephone by calling 0845-601-7802, but are subject to us first verifying your identity. We reserve the right to refuse to accept telephone requests in the event of persistent abuse of this facility or if we have not been able to verify your identity to our satisfaction. Please note that we are unable to process deposit requests by telephone.
- 9.2.2.2 If you opened your account in a Branch, you can make withdrawals from your Account at any time without notice and without any penalty. Withdrawals of up to £750 in cash per day can be made at any Bradford & Bingley Branch or up to £500 at any Bradford & Bingley local agency. You can withdraw more than £750 in cash if you wish, however, you'll need to give your local Branch 48 hours notice in advance so that they can arrange this for you. You can make a cheque withdrawal of between £50 and £100,000 at any Branch and between £50 and £30,000 at any Bradford & Bingley local agency. If you require a cheque for more than this, simply apply at your local Branch and a cheque will be sent from Head Office. You can also make cheque withdrawals by post – just send your certificate together with your written instructions to either your local Branch or Head Office.
- 9.2.3 The Account may not go overdrawn and there must be sufficient cleared funds to pay charges before making any withdrawals. Withdrawals will not be authorised unless you have sufficient cleared monies in your Account.
- 9.2.4 Once a transaction request has been processed, it cannot be cancelled.
- 9.2.5 If we fail to carry out your instructions or do so after an unreasonable delay or incorrectly, we will be liable for any resulting loss not exceeding the value of any interest you did not receive or had to pay as a consequence (and subject to you providing us with satisfactory evidence of such lost interest), but we will not be liable for any indirect losses. We will not be liable if we could not carry out your instructions due to a factor outside our control.
- 9.2.6 Payments cannot be made by Direct Debit from the Account to accounts held by third parties and the Account offers no bill payment facility.

## 10. Change to Account Terms

- 10.1 We may change these Terms at any time in accordance with the following provisions. Changes may consist of the addition of a new Term or the alteration or the deletion of an existing Term.
- 10.2 We may make a change where:
- 10.2.1 the change is to your advantage; or
- 10.2.2 the change will make the Terms easier to understand.
- 10.3 We may also make a change where the change is not clearly to your disadvantage and is made for one or more of the following reasons:
- 10.3.1 To reflect a change in the general practice of other financial institutions which offer savings accounts to the public;
- 10.3.2 To provide for innovations or improvements in the way we look after your Account, or in the services or facilities we offer to customers with an Account;
- 10.3.3 To reflect any of the following:
- (a) A change which has been made, or is about to be made, in:
- the law;
  - regulatory requirements; or
  - any relevant code of practice.
- (b) A decision by a Court or tribunal;
- (c) To reflect any decision, recommendation, or guidance by an ombudsman, regulator or similar body.
- If we make a change for a reason set out in clause 10.3, we will ensure that the extent of the change is not greater than is justified by the reason for making it.
- 10.4 Each of the reasons listed in clause 10.3 above is to be treated as a separate contractual term. If any one or more of those reasons is invalid, the validity of the others will not be affected.

- 10.5 If we make a change under clause 10.2, we will tell you about it by Personal Notice at least 10 working days before making the change. If we make a change under clause 10.3, we will give you not less than 30 days' Personal Notice before the change takes effect.
- 10.6 We may also make a change that is to your disadvantage, provided that we give you not less than 30 days' Personal Notice before the change takes effect.
- 10.7 Following us giving you Personal Notice under clause 10.6, you will be free for a period of 60 days to close your Account without having to pay any extra charges or interest for doing so.
- 10.8 You will not be entitled to amend or alter these Terms at any time.

## 11. Charges

- 11.1 We may at any time reduce or abolish any charge that applies to your Account with immediate effect and without notice.
- 11.2 We may introduce a new charge or increase an existing charge for your Account for any one or more of the following reasons:
- 11.2.1 To reflect any new or increased costs which we incur:
- (a) In improving the way in which we look after your Account;
  - (b) In introducing a new or improved service or facility for your Account;
  - (c) In complying with any decision by a Court or tribunal;
  - (d) In complying with any change which has been made, or is about to be made in:
    - the law;
    - regulatory requirements; or
    - any relevant code of practice.
  - (e) In complying with any decision, recommendation or guidance by an ombudsman, regulator or similar body.
- 11.2.2 To reflect any increased costs that we incur in looking after your Account as a result of a fall in the value of money;
- 11.2.3 To enable us to harmonise the charges which we make to our customers with the charges made by any other financial institution whose business we acquire.
- If we impose a new or increased charge for a reason set out in this clause, we will ensure that the amount of the charge is not greater than is justified by the reason for imposing it.
- 11.3 Each of the reasons listed in clause 11.2 is to be treated as a separate contractual term. If any one or more of these reasons is invalid the validity of the others will not be affected.
- 11.4.1 If we impose a new or increased charge under clause 11.2, we will give you not less than 30 days' Personal Notice before the change takes effect.
- 11.4.2 Following us giving you Personal Notice under clause 11.4.1, you will be free for a period of 60 days to close your Account without having to pay any extra charges or interest for doing so.
- 11.5 In addition to the charges referred to in clause 11.2 we may also recover from you any reasonable costs if we do any work, incur any costs, charges, expenses or liabilities:
- 11.5.1 as a result of your default, or
  - 11.5.2 in responding to any request which you make, or
  - 11.5.3 directly as a result of any act or omission by you.
- 11.6 Where clause 11.5 applies, you will:
- 11.6.1 Pay to us the full amount of any costs, charges or expenses which we incur (including an administration fee to cover the cost to us of any work done by our officers, employees and agents) unless you can show that they were unreasonably incurred or are unreasonable in amount; and
  - 11.6.2 Indemnify us against any liabilities reasonably incurred by us as a result of clause 11.5.
- 11.7 Any sums which are payable by you under this clause which are not paid, or any deposits that were paid into your Account and are subsequently returned unpaid, may be recovered from you by deducting such sum from the balance credited to you in respect of your Account after having given you notice of our intention to do so in writing.

- 11.8 Notwithstanding the Account cannot be overdrawn, in the event that we deduct a sum in accordance with clause 11.6 and there is an insufficient balance credited to your Account to meet such sum, you accept liability for interest at our then current rate for unauthorised overdrafts in respect of the whole or any part of such sum that exceeds the balance credited to your Account for the period from deduction until funds are deposited in your Account so the deduction can be made.

## 12. Closure

- 12.1 We may freeze your Account if we suspect that it is being used illegally or if there is a dispute about your Account.
- 12.2 We reserve the right to close your Account at our discretion if it is being misused or in the event of a breakdown in the relationship between you and us. If we close your Account we will usually give you at least 30 days' Personal Notice. However we reserve the right to close your Account without notice if there are exceptional circumstances, such as suspected fraud.
- 12.3 After the Return Date, you can close your Account at any time without notice or loss of interest. You cannot close your Account before the Return Date. You may also close your Account in the circumstances set out in clause 19.
- 12.4 If you opened your Account online, closure of the Account must be made by requesting a closing withdrawal when logged onto the secure web-site. Once we have processed the closure in line with your request, any outstanding balance in your Account together with interest from the date of the last interest payment up until the date you close the Account, will be transferred to your Nominated Account. The closing funds will be available in your Nominated Account in line with the timescales for a standard withdrawal.
- 12.5 Once an Account is closed, it cannot be re-activated or re-opened.

## 13. Security

- 13.1 Clause 13 only applies to you and your Account if you opened your Account online.
- 13.2.1 If you already hold an eSavings account with us, the same 'memorable data', user name and password to access your Account on the web-site will apply to the Account.
- 13.2.2 If you do not already hold an eSavings account with us, as part of the application process you will be asked to provide responses to 4 'memorable data' questions. You should ensure that your memorable data responses are not known to anyone else and cannot easily be guessed by anyone else.
- 13.3 You will have to enter your user name and password to access the Account web-site. It is your responsibility to keep your user name and password secure and to alert us immediately if you suspect that someone knows your user name and/or password; or if you have misplaced any record of your user name and/or password, or if you forget your user name and/or password. You must also notify us if you become aware of any unauthorised use of your user name and password or any other breach of security regarding the Account web-site. We will not be liable for any losses incurred as a result of you failing to treat your user name and password securely, or if you have acted fraudulently or negligently.
- 13.4 You are responsible for any instructions given to us using your user name and password or memorable data responses, whether through the web-site or by telephone. We are entitled to treat such instructions as genuine, and act upon them, unless we have received from you prior notification of unauthorised use or disclosure of your user name and/or password or memorable data responses or you should reasonably have discovered it or the withdrawal is effected due to our negligence. If it is due to our negligence we will be liable only to such extent as that negligence causes financial loss.
- 13.5 It is your responsibility to keep your user name and password secure and to alert us immediately if you suspect that someone knows your user name or password; or if you are aware that you have misplaced any record of your user name or password, or if you forget your user name or password. You must notify us if you become aware of any unauthorised use of your account, user name, password or any other breach of security regarding the account.
- 13.6 You may be liable for any use of the account by a third party if you have not taken all reasonable steps to prevent anyone from doing this or if you have not notified us of any such actual or suspected misuse as soon as possible. You will not be liable to Bradford & Bingley for losses which take place after you have told us about the theft, misuse etc as long as you notify on 0845-601-7802.

- 13.7 If a third party uses the account with your, or any joint account holder's consent, you will be liable for such use without limit.
- 13.8 We advise you not to access your Account from a public computer, e.g. in an Internet café.
- 13.9 The Account web-site includes a facility that gives you the option to change your password when you first log on to the web-site. In addition, you can change your password at any time via the 'maintenance' section of the web-site once logged in. In the event that you have lost or forgotten your password you can contact us by telephone and an operator will ask you a series of security questions based on your memorable data. Once your identity has been verified to our satisfaction you will be issued with a new user name and password, which will be sent to you separately. Until you receive your new user name and password, you can make emergency transactions by telephone, subject to us successfully verifying your identity.

## 14. Use of the web-site

- 14.1 Clause 14 only applies to you if you opened your Account online.
- 14.2 You will be entitled to access your Account on and use the web-site in accordance with the Terms once we have confirmed to you acceptance of your application for the Account.
- 14.3 You are responsible for ensuring that your computer equipment meets all relevant technical specifications necessary to use the web-site and is compatible with the web-site. You can view the web-site using Internet Explorer versions 5.0 and Netscape Navigator 6.2 or above. Your equipment will need at least the following minimum specification; any IBM compatible 486DX/66MHz or higher processor; Windows 95, Windows 98, Windows 2000, Windows XP or Windows NT 4 (service pack 3 or above) operating system. 16Mb RAM for Windows 95 or Windows 98 & 32Mb for Windows ME, Windows 2000, Windows XP or Windows NT 4. mouse, keyboard, and modem. It is your responsibility to log off the web-site if you plan to leave your browser unattended, otherwise third parties may gain access to your personal details and Account. The web-site will automatically log you off after 20 minutes of non-usage.
- 14.4 You will be responsible for all internet service, telephony or other fees and charges incurred by you with any third party in accessing the web-site. You must not attempt to interfere in any way with the proper working of the web-site and in particular you must not attempt to circumvent security, tamper with, hack into, or otherwise disrupt any computer system, server, web-site, router, or any other internet connected device.
- 14.5 In the event that you encounter any technical problems with the web-site you may contact us on 0845-601-7802. The availability of the web-site could be restricted depending on the severity of the problem.
- 14.6 You are only permitted to use the web-site for your own personal non-commercial purposes, and you may not in any way make the Account available to any third party.
- 14.7 The web-site may provide links to other web-sites that are not under our control. We shall not be responsible in any way for the content of any such other web-sites. We provide such links only as a convenience and the inclusion of any link does not imply any warranty, endorsement or other acceptance of responsibility or liability by us in respect of the content (including but not limited to materials and services) contained in or offered by any such web-site.
- 14.8 We take no responsibility for any third party banner advertisements on the web-site or any frames surrounding the web-site. The presence of any such advertisements on the web-site does not represent any endorsement or other acceptance of responsibility or liability by us for any goods or services advertised or goods or services provided or offered on any web-site to which any such advertisement links.

## 15. Liability

- 15.1 Clause 15 only applies to you if you opened your Account online.
- 15.2 We use reasonable skill and care in selecting the providers of content and providing secure access to the content and the web-site and in providing the Account. However, because of the inherent nature of the internet and the number of sources from which we may obtain content we do not give any warranties, express or implied, or make any representations as to the:
  - 15.2.1 accuracy,
  - 15.2.2 adequacy,
  - 15.2.3 access or inability to access, or any delay in access,

- 15.2.4 security of access, and/or
- 15.2.5 suitability or security of the web-site or use of any content.
- 15.3 We exclude to the fullest extent permitted by law any statutory or implied conditions and any liability (whether or not in contract) for any losses, costs or damages resulting from or relating to the:
  - 15.3.1 accuracy,
  - 15.3.2 adequacy,
  - 15.3.3 access or inability to access, or any delay in access,
  - 15.3.4 security of access, and/or
  - 15.3.5 suitability or security,of use of the web-site or any content except where caused by our wilful default or negligence. In no event will we be liable to you for lost profits, indirect or punitive or consequential damages.
- 15.4 For the avoidance of doubt, nothing in this clause shall exclude or limit any liability under any rules, regulations or decisions in force or issued by the Financial Services Authority (or its successor) from time to time.

## 16. Tax

- 16.1 All interest and any return on the Account will be paid after the deduction of income tax at the appropriate rate (currently 20%<sup>\*\*\*</sup>) or, subject to the required certification, gross.
  - 16.2 Net equivalents assume the basic rate of income tax at 20%. Net rates are rounded and are for illustrative purposes only. Tax rates and legislation are subject to change.
  - 16.3 Individuals who are non-tax payers, and who have not registered to receive their interest without tax deducted, can claim a repayment of tax from the Inland Revenue.
  - 16.4 Individuals with taxable income in the starting rate band (currently 10%<sup>\*\*\*</sup>) who are due to pay less tax than the amount deducted from their interest can also claim such a repayment.
  - 16.5 Individuals whose interest falls within the basic rate band (currently 22%<sup>\*\*\*</sup>) will have no more tax to pay on their interest, as the tax deducted from it at the appropriate rate (currently 20%<sup>\*\*\*</sup>) will satisfy the tax due.
  - 16.6 Individuals who are higher rate taxpayers will have to pay the extra tax due on their interest (the difference between tax deducted at the appropriate rate (currently 20%<sup>\*\*\*</sup>) and the higher rate (currently 40%<sup>\*\*\*</sup>).
  - 16.7 Section 352 'Certificate of Income Tax Deducted' will be automatically produced each year and one copy only will be provided to you if requested. If you opened your Account online, we reserve the right to send this to you in either paper or electronic format.
  - 16.8 Other taxes and costs may exist which are not paid via us or imposed by us.
  - 16.9 If you are liable for tax at a higher rate at any time then you will be responsible for accounting to the Inland Revenue and Customs for a further payment of tax. Interest will be paid without deduction of tax if you have completed a declaration to show that you are eligible to have interest paid in full (Inland Revenue Tax Form R85). Where interest is paid gross in circumstances where it later becomes apparent that interest should have been paid subject to a deduction of tax, we shall be entitled (except where the error was our sole responsibility) to recover any overpayment.
  - 16.10 In all circumstances you are responsible to the Inland Revenue and Customs and we cannot accept any liability.
- <sup>\*\*\*</sup>the rate of tax is subject to legislation and may be varied in the future.

## 17. Retention & Set Off

- 17.1 We may set off all or any of the credit balance on your Account against any indebtedness you may have to us, (whether under a mortgage, loan, guarantee, overdraft on another account or otherwise) which is due for payment or repayment but which has not been paid or repaid as the case may be. Interest will not be paid on any credit balance after it has been used in this way.

## 18. Joint Accounts

- 18.1 If your Account is held jointly, then these Terms will apply to both of you together and to each of you on your own. We may take action against either or both of you in the event of a breach of the Terms.

- 18.2 You consent to us acting on instructions given by either of you. You should be aware that either one of the joint account holders will be able to withdraw the entire balance of your Account, close your Account, or change the interest payment instructions, without the knowledge or consent of the other joint account holder. If you do not want a joint account holder to be able to do this, then you should not open a joint account.
- 18.3 On proof of death of either joint account holder, the survivor will be the only person entitled to ownership of, or any interest in, the Account. That person will be entitled, subject to these Terms and our prior approval, to transfer the Account into another name or to withdraw money from it or both.
- 18.4 We can give information about your Account and transactions to either of you. A notice we send to one of you is treated as a notice to both of you.

## 19. Incapacity or Infirmary

- 19.1 If after reasonable enquiry it appears to us that you are incapable of managing your financial affairs through age, infirmity, or mental disorder, and that no-one has been appointed with lawful authority to look after your financial affairs, we may allow withdrawal of all or part of your Account balance (subject to the Terms) by anyone who reasonably appears to us to have custody or care of you or the management of your financial affairs. The receipt of that person shall be a full and sufficient discharge to us of our responsibilities to you and shall be binding on you.

## 20. Trusts

- 20.1 We need not recognise any trust or charge or other claim of anyone else over your Account, investment, or other property unless obliged to do so by law or by order of a competent Court or other authority. Except in cases where we are so obliged, we will not be held responsible for omitting or neglecting to recognise any such trust, charge or claim.
- 20.2 Your rights to the Account may not be assigned and you may not use the Account as security for a loan. We will not recognise the interest or claim of any other person on your Account unless we are required to do so by law.

## 21. Settlement of Disputes

We subscribe to the Banking Code and have a complaint procedure to resolve disputes with customers as set out therein. This complies with rules made by the Financial Services Authority as amended from time to time.

If you have a complaint we want to sort this out as quickly as possible.

If you opened your Account online, please e-mail us at [enquiries@savings.bradford-bingley.co.uk](mailto:enquiries@savings.bradford-bingley.co.uk) providing your Account details. Alternatively, you can write to us at Bradford & Bingley plc, PO Box 1086, Newcastle upon Tyne NE99 1SD.

If you opened your Account in a Branch please contact us in person, e-mail us at [enquiries@savings.bradford-bingley.co.uk](mailto:enquiries@savings.bradford-bingley.co.uk), or write to Customer Relations, PO Box 88, Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA.

### **Financial Ombudsman Service**

If, for whatever reason, you're not happy with our response you can refer your complaint to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR. Their telephone number is 0845 080 1800 and they will investigate your complaint on your behalf.

## 22. Death

- 22.1 If the Account is held in joint names and one of the account holders dies, it will continue in the name of the surviving depositor.
- 22.2 If a sole account holder dies or the last surviving joint account holder dies, the Account can be:
- 22.2.1 transferred into the name(s) of the personal representative or beneficiary(ies) in accordance with these Terms. This is conditional on such persons complying with and satisfying requirements in clause 2 – in particular our money laundering requirements; or
  - 22.2.2 closed by the personal representatives or beneficiary(ies) without notice or penalty in which case we will pay:

- 22.2.2.1 the Fixed Interest Rate on the Fixed Rate Element up until the date of closure, and
- 22.2.1.2 a fixed interest rate of 2.00% AER/gross p.a. on the Guaranteed Equity Bond Element up until the date of closure. You will not benefit from any Return.

## 23. Statements

- 23.1 You will not receive regular written Account statements. Except that:
  - 23.1.1 Shortly after the Start Tracking Date we will write to you to tell you about any Early Bird Interest added to your Account, the balance of the Fixed Rate Element, and the Guaranteed Equity Bond Element and the Start Date Price.
  - 23.1.2 Within 10 days of the GEB Maturity Date we will write to you to tell you about your Return and the balance of your Guaranteed Equity Bond Element.
  - 23.1.3 You will receive an annual statement if any Maturity Interest is paid to you.
- 23.2 If you opened your Account online, once your Account is closed, you will be unable to continue to view your details on the website. It is your responsibility to print out any Account details (e.g. statements, transaction history) prior to logging off from the secure web-site after closing your Account.
- 23.3 If you opened your Account online:
  - 23.3.1 You will not receive regular written Account statements, as statements can be viewed online and printed out (subject to a maximum of 2 years' data).
  - 23.3.2 You agree to examine all statements made available to you that set out transactions on the Account. You agree that unless you object in writing to Bradford & Bingley plc, PO Box 1086, Newcastle upon Tyne NE99 1SD to any of the matters contained in the statements within six months of the date of transaction appearing on your statement on the site, you will be deemed conclusively to have accepted all the matters contained in them as true and accurate in all respects.

## 24. Notices

- 24.1 Any notice to be given to us under these conditions must be in writing addressed and sent to the Company Secretary at our Registered Office: PO Box 88, Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA.
- 24.2 Where we send a notice or other document by post, it will be treated as properly served if we post it to you in a prepaid envelope addressed to the address you notified to us. The notice or document will be treated as served 48 hours after it is posted if it is posted by first-class mail and 10 days if it is posted by second-class mail. Where we send a notice or other document by e-mail, it will be treated as properly served immediately it is sent if we sent it to the e-mail address you have notified to us.
- 24.3 Where we are required to give you Personal Notice under the Terms:
  - 24.3.1 If you opened your Account online, that notification will normally be by e-mail. If circumstances beyond our control arise, which prevent us giving notice by email, we will provide you with Personal Notice by alternative means (e.g. post).
  - 24.3.2 If you opened your Account in a Branch, that notification will normally be by post. If circumstances beyond our control arise, which prevent us giving notice by post, we will provide you with Personal Notice by alternative means.
- 24.4 If we accidentally fail to send you Personal Notice this will not make the notice invalid.