



# eSavings Balanced FTSE Loyalty Bond Terms



## Bradford & Bingley eSavings Balanced FTSE Loyalty Bond (Guaranteed Equity Bond and Fixed Rate Account)

The eSavings Balanced FTSE Loyalty Bond Account is only available to our existing eSaving account holders.

If you have an existing eSaving account with us and wish to apply for an Account then please ensure you have read the following terms (known as the “**Terms**”) carefully before making an application.

By completing an on-line application form for an Account, you will be deemed to have read, understood and agreed to these Terms. Once your application has been accepted and the Account is open, these Terms will form a legal and binding contract between you and us.

These Terms refer to the Bradford & Bingley eSavings Balanced FTSE Loyalty Bond account which comprises a five year guaranteed equity bond element and a one year fixed rate element.

### 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 eSavings Balanced FTSE Loyalty Bond account which 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.
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.
Closing Date:	the earlier of 26 September 2005 and the date on which the eSavings Balanced FTSE Loyalty Bond product has been fully subscribed.
Deposit:	the amount you deposit in the Account comprising both the Fixed Rate Element and the Guaranteed Equity Bond Element.
Early Bird Interest:	interest payable on the Deposit from the date of the Deposit until the Start Tracking Date, currently 5.10% gross/AER.
Extraordinary Event:	a fundamental change to the method of calculation of the Index, the Index not being published for 60 consecutive working days or an announcement that publication of the Index is to cease.
Fixed Interest Rate:	7.50% gross.
Fixed Rate Element:	means 50% of your Deposit, the interest (both Early Bird Interest and fixed rate interest) on which is calculated in accordance with clause 5.
FRE Maturity Date:	10 October 2006 (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 Nominated Account.

GEB Maturity Date:	10 October 2010 (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 and is transferred to your Nominated Account.
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 interest earned on your Account is calculated by reference to this Index during the Account Term. The Index may be substituted by us from time to time under these Terms.
Maturity Date:	means the FRE Maturity Date and/or the GEB Maturity Date as the context requires.
Nominated Account:	an existing Bradford & Bingley eSavings account which is held in the same name(s) as the Account, and from which the Deposit is transferred and to which funds are transferred on the relevant Maturity Date.
Participation Rate:	70%.
Start Tracking Date:	10 October 2005.

## 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 (including any Nominated Account or eSavings account details and e-mail address) 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 Closing Date.
- 2.2 When you apply to open an Account, you must nominate a Nominated Account into which the Fixed Rate Element and Guaranteed Equity Bond Element together with any interest and any return will be transferred on the relevant Maturity Date.
- 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 resident in the UK. This does not include the Isle of Man and the Channel Isles.
  - 2.3.3 You must hold and continue to hold throughout the Account Term the Nominated Account with us. Your Nominated Account must be an existing eSavings account, and the Account must be opened in the same name(s) as the Nominated Account. For example, if your Nominated Account is held by joint account holders, the Account must be opened in the same names as those joint account holders.
  - 2.3.4 You must agree to be bound by the Terms.
- 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 the Account offer being closed or there being insufficient funds in your Nominated Account.
- 2.7 The Account cannot be set up as a trustee account, or under a power of attorney arrangement. The Account cannot be opened by a club, charity, business or other organisations.
- 2.8 The Account is available to individuals saving jointly, subject to a maximum of two joint account holders.
- 2.9 You will need to transfer existing funds from your Nominated Account to the Account as the Deposit. The minimum Deposit is £2,000.00 and the maximum Deposit is £250,000.00. Prior to the transfer of funds, you must ensure that there are sufficient available funds and that the terms of the Nominated Account allows you to make such a transfer.
- 2.10 The Account is a sterling account. The Deposit must be in pounds sterling.
- 2.11 Subject to your right to cancel in accordance with clause 3 below, no transactions (including, deposits, withdrawals or transfers) are permitted during the Account Term.
- 2.12 Upon the relevant Maturity Date, the Fixed Rate Element or Guaranteed Equity Bond Element as appropriate, together with any interest and any return will be transferred to your Nominated Account, and the terms and conditions of your Nominated Account shall apply to such transferred amounts.
- 2.13 The Account is designed to be opened and operated over the internet. As an existing eSavings account holder, you should be able to access your Account using your existing Nominated Account user name and password. No passbook or certificate will be issued for your Account.
- 2.14 All Account information must be accessed over the internet.
- 2.15 You will not receive regular written Account statements, as statements can be viewed on-line and printed out (subject to a maximum of 2 years' data).
- 2.16 You agree to examine all statements made available to you. 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, complete and accurate in all respects.
- 2.17 It is your responsibility to ensure that your postal and e-mail and other contact details are valid and correct, and that you check your e-mail account regularly.
- 2.18 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, please write to us at Bradford & Bingley plc, PO Box 1086, Newcastle upon Tyne NE99 1SD or telephone us on 0845-601-7802.

### 4. Errors

- 4.1 While we will try to operate your Account accurately, mistakes may occur: If 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. 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.

- 4.2 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 Your Deposit will earn Early Bird Interest from the date you make the Deposit until 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.
- 5.1.2 We may vary the Early Bird Interest rate at any time for any one of more of the following reasons:
- (a) To reflect changes which have occurred, or which we reasonably think are about to occur, in the rates of interest which other financial institutions pay to their savers;
  - (b) To reflect a change which has occurred, or which we reasonably think is likely to occur, in the interest we earn on any funds which savers have invested with us and which we have placed on the money market;
  - (c) To enable us to set the interest rate which we pay to our savers at a level which will attract or retain business from savers;
  - (d) To make sure that our solvency level is prudent and continues to satisfy the requirements of our regulator;
  - (e) To enable us to harmonise the interest rates which we pay to our savers with those paid by any other financial institution whose business we acquire;
  - (f) To reflect any of the following:
    - (i) a change which has been made or is about to be made in:
      - the law;
      - regulatory requirements; or
      - any relevant code of practice;
    - (ii) a decision by a Court;
    - (iii) a decision, recommendation or guidance by an ombudsman, regulator or similar body;
  - (g) To reflect changes in the cost of managing your Account (including changes caused by developments in the technology we use).
- 5.1.3 We may also vary the Early Bird Interest rate at any time for any other valid reason, provided that we give you notice of the variation at the earliest opportunity by personal e-mail.

### 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 the Start Tracking Date until the FRE Maturity Date, and will be transferred to your Nominated Account together with the Fixed Rate Element on the FRE Maturity Date. The terms and conditions (including those relating to interest) of your Nominated Account will then apply to the amounts transferred.

## 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:

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

\*The Average Monthly Price (mean) is obtained by taking closing Index values on the first working day of each month during the final twelve months of the Account Term. These twelve values are then used to calculate the Average Monthly Price. 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 returned to you.

- 6.3 The Account does not invest the Guaranteed Equity Bond Element directly into the stockmarket but in a deposit account which, 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 transferred to your Nominated Account together with the Guaranteed Equity Bond Element on the GEB Maturity Date. The terms and conditions (including those relating to interest) of your Nominated Account will then apply to the amounts transferred.

## 7. Extraordinary Event

- 7.1 On the occurrence of an Extraordinary Event in respect of the Index, we will use all reasonable efforts to source an alternative index with similar parameters.
- 7.2 If a reasonable alternative method of calculation cannot be identified within 60 working days, 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.
- 8.4 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. If the Index is not published within 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 FTSE 100 index as published.

## 9. Change to Account Terms

- 9.1 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.
- 9.2 We may make a change where:
- 9.2.1 the change is to your advantage; or
- 9.2.2 the change will make the Terms easier to understand.
- 9.3 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:
- 9.3.1 To reflect a change in the general practice of other financial institutions which offer savings accounts to the public;
- 9.3.2 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;
- 9.3.3 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 9.3, we will ensure that the extent of the change is not greater than is justified by the reason for making it.
- 9.4 Each of the reasons listed in clause 9.3 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.
- 9.5 If we make a change under clause 9.2, we will tell you about it by personal e-mail at least 10 working days before making the change. If we make a change under clause 9.3, we will give you not less than 30 days' prior notice by personal e-mail of the change.
- 9.6 We may also make a change which is to your disadvantage, provided that we give you not less than 30 days' prior notice of the change. We will give you personal notice of this change.
- 9.7 You will be free for a period of 60 days following the giving of our notice under clause 9.6 above, to close your Account without having to pay any extra charges or interest for doing so.
- 9.8 You will not be entitled to amend or alter these Terms at any time.

## 10. Charges

- 10.1 We may at any time reduce or abolish any charge which applies to your Account with immediate effect and without notice.
- 10.2 We may introduce a new charge or increase an existing charge for your Account for any one or more of the following reasons:
- 10.2.1 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.

10.2.2 To reflect any increased costs that we incur in looking after your Account as a result of a fall in the value of money;

10.2.3 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.

- 10.3 Each of the reasons listed in clause 10.2 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.
- 10.4 If we impose a new or increased charge under clause 10.2, we will give you not less than 30 days' prior personal notice.
- 10.5 In addition to the charges referred to in clause 10.2 we may also recover from you any reasonable costs if we do any work, incur any costs, charges, expenses or liabilities:
- 10.5.1 as a result of your default, or
- 10.5.2 in responding to any request which you make, or
- 10.5.3 directly as a result of any act or omission by you.
- 10.6 Where clause 10.5 applies, you will:
- 10.6.1 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
- 10.6.2 Indemnify us against any liabilities reasonably incurred by us as a result of clause 10.5.
- 10.7 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.
- 10.8 Notwithstanding the Account cannot be overdrawn, in the event that we deduct a sum in accordance with Clause 10.6 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.

## 11. Closure

- 11.1 We may freeze your Account if we suspect that it is being used illegally or if there is a dispute about your Account.
- 11.2 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 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.
- 11.3 You cannot close your Account during the Account Term unless a sole account holder dies or the last surviving joint account holder dies. In these circumstances only, the Account can be:
- 11.3.1 closed without notice or penalty, in which case we will transfer to the Nominated Account the Guarantee Equity Bond Element, Fixed Rate Element and any interest earned on the Fixed Rate Element at the Fixed Interest Rate up to the point of closure (you will not benefit from any return on the Guaranteed Equity Bond Element), or

- 11.3.2 transferred into the name(s) of the personal representative or beneficiary(ies) and left until funds are transferred to the Nominated Account on the relevant Maturity in accordance with these Terms. This is conditional upon the Nominated Account also being transferred into the name(s) of the same personal representative or beneficiary(ies) to whom the Account is transferred and such persons complying with and satisfying our money laundering requirements.
- 11.4 The Account shall automatically close after the Account Term and all funds have been transferred to your Nominated Account.
- 11.5 Once your Account is closed, you will be unable to continue to view your details on the web-site. 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.
- 11.6 Once an Account is closed, it cannot be re-activated or re-opened.

## 12. Security

- 12.1 As you already hold the Nominated Account with us, the same "memorable data", user name and password to access your Account on the web-site will apply to the Account.
- 12.2 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.
- 12.3 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, and 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.
- 12.4 We advise you not to access your Account from a public computer, e.g. in an internet café.
- 12.5 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.

## 13. Use of the web-site

- 13.1 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.
- 13.2 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, 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.

- 13.3 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.
- 13.4 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.
- 13.5 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.
- 13.6 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.
- 13.7 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.

## 14. Liability

- 14.1 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:
  - 14.1.1 accuracy,
  - 14.1.2 adequacy,
  - 14.1.3 access or inability to access, or any delay in access,
  - 14.1.4 security of access, and/or
  - 14.1.5 suitability or securityof the web-site or use of any content.
- 14.2 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:
  - 14.2.1 accuracy,
  - 14.2.2 adequacy,
  - 14.2.3 access or inability to access, or any delay in access,
  - 14.2.4 security of access, and/or
  - 14.2.5 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.
- 14.3 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.

## 15. Tax

- 15.1 All interest and any return on the Account will be paid after the deduction of income tax at the appropriate rate (currently 20%\*\*) or, subject to the required certification, gross.
- 15.2 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.

- 15.3 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.
- 15.4 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.
- 15.5 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>).
- 15.6 Section 352 "Certificate of Income Tax Deducted" will be automatically produced each year and one copy only will be provided to you if requested. We reserve the right to send this to you in either paper or electronic format. Other taxes and costs may exist which are not paid via us or imposed by us.
- 15.7 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.
- 15.8 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.

## 16. Retention & Set Off

- 16.1 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.

## 17. Joint Accounts

- 17.1 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 any or all of you in the event of a breach of the Terms.
- 17.2 You consent to us acting on instructions given by any joint account holder. You should be aware that subject to these Terms, any 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.
- 17.3 In the event of any dispute between joint account holders, please contact us immediately, so that a "no withdrawals" marker can be placed on the Account to prevent further withdrawals until the dispute is resolved. Please note that it is your duty to inform us of any such dispute, either in writing or by telephone.
- 17.4 On proof of death of any joint account holder, the survivor(s) will be the only person(s) recognised by us as having any ownership of, or any interest in, the Account and the provisions of clause 11.3 shall apply.
- 17.5 We can give information about your Account and transactions to any joint account holder. A notice we send to one of you is treated as a notice to all of you.

## 18. Incapacity or infirmity

- 18.1 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.

## 19. Trusts

- 19.1 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.
- 19.2 Your rights to the Account may not be assigned and you may not use the Account as security for a loan.

## 20. Settlement of Disputes

- 20.1 We have an internal complaint procedure to resolve disputes with customers. Any dispute which cannot be resolved under this procedure may be referred to an ombudsman service or any court with the relevant authority.
- 20.2 Initial Review

If you have a complaint we want to sort this out as quickly as possible. Please e-mail us at [enquiries@savings.bradford-bingley.co.uk](mailto:enquiries@savings.bradford-bingley.co.uk) providing your account details. We will then try our very best to help you. Alternatively you can write to us at Bradford & Bingley plc, PO Box 1086, Newcastle upon Tyne NE99 1SD.
- 20.3 Independent Review

If we don't resolve the problem to your satisfaction, you can ask for an independent review to be carried out. We will look at the issues you've raised again and then arrange to send you a final response.
- 20.4 Financial Ombudsman Service

If, for whatever reason, you're not happy with our final 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.

## 21. Notices

- 21.1 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.
- 21.2 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.
- 21.3 Where we are required to give you personal notification in accordance with these Terms, that notification will normally be by e-mail. If circumstances beyond our control arise, which prevent us giving notice by e-mail, we will provide you with personal notification by alternative means (e.g. post).

## 22. Governing Law, Jurisdiction and Language

- 22.1 The laws of England and Wales govern the Terms (and any negotiations before opening the Account).
- 22.2 You and we agree that the only Courts to have jurisdiction over any dispute relating to your Account or its operation will be the Courts of England and Wales.
- 22.3 The contract and all communications with you about the Account will be in English.

## 23. Unclaimed Balances

- 23.1 We may close the Account if we cannot trace you after reasonable enquiry. This does not affect your right to claim the balance together with interest that would have accrued on it if your Account had remained open.

## 24. Banking Code

- 24.1 We subscribe to the Banking Code, a voluntary code followed by banks and building societies in their relations with personal customers in the United Kingdom. It sets standards of good banking practice which are followed as a minimum by banks and building societies subscribing to it. As a voluntary code it allows competition and market forces to operate to encourage higher standards for the benefit of customers.

## 25. Deposit Protection Scheme

- 25.1 In the event that we cease to trade, your deposit is covered by the Financial Services Compensation Scheme, which was established under the Financial Services and Markets Act 2000 and of which we are a member. In respect of deposits, payments under the Scheme are limited to 100% of the first £2,000 of a depositor's total deposits with us and 90% of the next £33,000, resulting in a maximum payment of £31,700. Most depositors, including individuals and small firms, are covered and deposits denominated in all currencies are treated alike. Further information regarding the Compensation Scheme can be obtained from us on request.