

Investment Account

Our terms and conditions explained

Effective from 31 December 2010

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Part A - Agreement to Assign Windfalls to Charity Terms and Conditions

Important

By completing and signing an application form to open a share account you make an Agreement to Assign Windfalls to Charity (unless you fall into one of the groups of people who are exempt).

The terms of the Agreement contained in your application form are set out below and you should keep a copy for future reference.

Note: This Agreement does not apply to you if:

- (i) you have held shares in the Society (other than permanent interest-bearing shares) at all times since 29th February 2000; or
- (ii) you have already entered into an agreement in either the same or similar terms with the Society and have held shares in the Society (other than permanent interest-bearing shares) continuously since the date the account for which you were then applying was opened; or
- (iii) you are, in respect of the account for which you are now applying, in one of the other groups of people that the Society has decided should be exempt*. Where more than one of you is signing this form the above Note and, if applicable, the rest of this Agreement applies to each of you separately.

A1. I agree with the Society that I will assign to the selected charity my right to receive any windfall benefits. I authorise the Society and any successor to pass any windfall benefits direct to the selected charity (or to any other registered charity which the selected charity may nominate) without giving any notice to me. I understand that the selected charity will have the benefit of this Agreement and that neither it nor the Society will release me from it or vary its terms, even if the Society decides at some stage in the future that new shareholding members generally will not be required to enter into similar agreements. I authorise the Society to give the selected charity any information about me and any account that I have with the Society (either now or in the future) but only if the selected

charity reasonably needs it for any purpose arising out of this Agreement. I understand that if the Society no longer exists following a merger with another building society, this Agreement will still apply between me and the other society.

In this Agreement:

- (a) "Selected charity" means the Skipton Building Society Charitable Foundation or, if it ceases to be registered as a charity, any other registered charity selected by it;
- (b) "windfall benefits" means any benefits which I may become entitled to as a shareholding member of the Society under the terms of any future transfer of the Society's business to a successor (i.e. on a conversion or take-over), where the transfer to the successor is publicly announced within five years of the day on which I become a holder (either sole or joint) of the account for which I am now applying (or such shorter period as applies to me if I am in one of the groups of people that the Society has decided do not need to agree to the usual five year period*). The expression "windfall benefits" does not include either (i) the right to have savings in a share account with the Society replaced by savings in a deposit account with the successor or (ii) if I am in one of the groups of people that the Society has decided may keep some or all benefits*, those benefits which the Society has decided I may keep; and
- (c) "Successor" means any company or other corporate body to which the Society transfers its business under Section 97 of the Building Societies Act 1986 (or under any provision, which amends or replaces it). *Details of these groups and (where applicable) the shorter periods that apply and the benefits that may be kept are available from the Society. The number and composition of the groups may be changed from time to time but no change will apply retrospectively.

Part B – Terms and Conditions of Investment Accounts with Skipton Building Society

Applicability

- (i) These terms and conditions, as amended from time to time, (the “Conditions”) apply to any account which one or more persons (“you”) (whether individual(s), or as corporate body(ies)) hold with Skipton Building Society (“us/we”). The Conditions are to assist you to understand the relationship between you and us. In addition if you have:
 - (a) a branch-based or postal investment account, Part C of these Conditions also apply;
 - (b) an internet-based account, Part D of these Conditions also apply;
 - (c) a telephone based account, Part E of these Conditions also apply;
 - (d) any account with us, Part F of these Conditions also apply.
- (ii) References to “you” includes your personal or other legal representatives and references to “we/us” includes our successors and anyone to whom we transfer our rights in respect of an account.
- (iii) In the Conditions, “account” includes any type of share or deposit account in which you have money invested. Only share accounts confer membership rights (in accordance with the Rules).
- (iv) With the exception of Part F, in the event of any difference between the Conditions and any specific terms and conditions relating to particular types of account or to the provision of particular services, the specific terms and conditions will apply. Where the terms in Part F apply to your account, they prevail over any conflicting terms elsewhere in these Conditions or in the specific terms and conditions for your product.
- (v) Where the account is held by a corporate body the use of the words “you” and “your” in the Conditions

in a context which could refer to an Individual(s), and not to a corporate body, will refer instead to the Individual(s) authorised by the corporate body in relation to the account. Condition B27 does not apply to any account held by a corporate body.

- (vi) In the Conditions “working days” do not include Saturdays, Sundays or English bank holidays.
- (vii) The headings are provided for ease of reference and shall not affect the interpretation of these Conditions.

Important information about compensation arrangements

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a building society is unable to meet its financial obligations. Most depositors - including most individuals and small businesses - are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible depositors accounts with the building society, including their share of any joint account, and not to each separate account.

For further information about the scheme (including any amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website, which is www.FSCS.org.uk or call 020 78927300.

Rules of the Society

The Conditions are subject to the Rules of the Society for the time being in force (“Rules”), copies of which are available on request.

Personal Details

- B1. You must state your:
- (a) full name and address;
 - (b) date of birth;
 - (c) National Insurance number;
 - (d) telephone number, if you have one;
 - (e) any other personal information as required by changes that have been made or are about to be made, in the law or interpretation of the law, relevant codes of practice, the way we are regulated or by any EU Directive;

In your application to open an account with us and you must, as soon as possible, tell us in writing (or by secure messaging for internet based accounts) if any of your personal details above change. We may require production of such evidence of this as we think appropriate.

Post Office box numbers and care/of addresses will not be accepted.

- B2. Subject to Part D of these Conditions you must supply to us on request a specimen of your signature and the signature(s) of any individual(s) whom you authorise to act on your behalf in relation to your account(s).
- B3. (a) You must supply to us such evidence as we may require from time to time on any application form, which you complete to open an account with us, of:
- (i) your identity;
 - (ii) the identity of any person for whom you are acting; and
 - (iii) if you are under 18 years of age, the identity of your parent, legal guardian or other adult opening/operating the account for you.
- (b) We may make any enquiries we consider necessary to confirm your identity and address and (if appropriate) the identity and address of those persons described in paragraph (a) above. If you are over 18, we may use a Credit Reference Agency to verify your identity, in line with regulatory requirements. A record of the search will be retained, but this will not affect future credit. In certain circumstances we may require further proof of your identity.

Cooling Off

- B4. (a) If you are not happy with your choice of account, then you have 14 calendar days to

cancel it (unless your account is a fixed or tracker rate account (other than a Cash ISA) or a Cash Child Trust Fund).

(b) Your 14 day cancellation period begins on the later of the following two dates:

- (i) the date you opened your account; and
- (ii) the date on which you had received copies of all documents containing contractual terms relating to your account and any other pre-contractual information which we are required by the Financial Services Authority’s rules to provide you with.

(c) To cancel your account you must send a written notice to us at our Principal Office in Skipton or (if your account is an online account) by secure message. For e mail please use the “Contact Us” facility on our website, “www.skipton.co.uk”.

(d) If you cancel your account, we will return all the funds in your account to you and any interest earned, and we will not impose any extra charges. If, at your request, we have supplied you with any services before you cancel your account, you will have to pay our charges for supplying those services.

(e) If you do not cancel your account, you will remain bound by the terms of your contract with us until your account is closed.

Joint Accounts

(please also see Parts C, D or E to see how this applies to your account.)

- B5. An account may be held by several people jointly, unless the terms of the account do not allow it to be a joint account.
- (a) any liability of joint account holders to us will be joint and several; this means that joint account holders are liable to us not only together but also separately for the full amount, which is due to us;
- (b) if one joint account holder dies all money in the joint account will pass automatically into the ownership of the surviving joint account holder(s);
- (c) we will treat all joint account holders as being entitled to all money in the account (even in the event of a breakdown of the relationship between joint account holders). We will not recognise or be concerned as to any division of ownership of the money between the account holders and/or other persons (unless we are required to do so by law);

(d) in the case of joint account holders where the relationship with the other joint account holder ends, then we may agree to close the account or remove one of the names from the account. All account holders will be required to provide their written agreement to the closure or removal of a name;

(e) Where the joint account confers membership rights the first named on the investment account application form will be recorded in the Society's records as the Representative Joint Shareholder for the account. Subject to the Rules of the Society only the Representative Joint Shareholder will have voting rights; and

(f) only the address of the first named will be registered in relation to the account. This is irrespective of the number of account holders on the account and all communications (electronic or otherwise) relating to the account will be sent to the first named account holder only (except where, by law, we need to correspond with each account holder individually) and any communication sent to the first named account holder will be deemed to have been received by all account holders.

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Third Parties

- B6. We will not be bound to recognise the interest or claim of anyone except you in or over the money in your account (unless we are required to by law) whether or not we may have notice of such interest or claim. We will not be liable to you in any way for not recognising any such interest or claim (unless we are required by law). For the avoidance of doubt nothing in these Conditions shall confer or purport to confer on any third party any benefits or the right to enforce any terms or conditions in respect of your account(s) with us.
- B7. (a) We will observe a strict duty of confidentiality about your personal financial affairs and will only disclose information about your account(s):
- (i) where we are legally compelled to do so;
 - (ii) where there is a duty to the public to do so;
 - (iii) where our interests require us to do so; or
 - (iv) where disclosure is at your request or with your consent.

(b) We will comply with the Data Protection Act 1998 and all rules and regulations made under this Act at all times when obtaining or processing data about you. You are entitled, by paying a fee, to have a right of access to information we hold about you. This information will be provided in accordance with the relevant data protection rules and regulations prevailing at the time of your request.

(c) Information provided by you on your application may be shared by the Society with other companies within the Skipton Building Society Group. Such information may be used for the purposes set out in your application or agreed by you including but not limited to notification of any products, services and investment or lending opportunities of the Society or other companies within the Skipton Building Society Group. Every time you submit an application to us we will provide you with the opportunity to advise us of your desire not to receive such details if you so wish.

- B8. Telephone calls to or from us (or someone acting on our behalf) may be monitored and recorded by us (or someone acting on our behalf) for quality and training purposes.

Restrictions

- B9. Accounts are only available to persons resident in the UK.
- B10. We may refuse to accept your application to open an account with us or to record a transfer of entitlement to an existing account (unless we are required to by operation of law).
- B11. We can restrict at any time the amount, which can be withdrawn from any account. We will only do this if:
- (a) we reasonably believe that there may be fraudulent activity or other financial crime affecting the account;
 - (b) we are required to do so by any law, regulation or court order;
 - (c) there is a dispute (which we reasonably believe may be genuine) about the ownership of, or entitlement to, the money in the account;
 - (d) circumstances beyond our reasonable control prevent us from offering a normal service (such as in the event of terrorist

threat, computer systems failure or strikes).

In the case of (d) above:

- (i) we will act proportionately to the circumstances in question;
- (ii) we will take all reasonable steps to ensure that the restrictions are lifted as soon as practical and to minimise the inconvenience to you;
- (iii) we will take into account the interests of the Society's membership as a whole;
- (iv) we will, if practical, give advance notice; and
- (v) we may consider exceptions to the restrictions if we are reasonably satisfied that substantial hardship would otherwise be caused.

- B12. (a) Where applicable to your account, the maximum amount you can withdraw on demand from a branch per day on each account is £250 in cash and £100,000 by cheque. For withdrawals of over £100,000 a cheque will be sent to you by post from our Principal Office in Skipton.

The maximum amount, which can be withdrawn on demand at our Agencies will vary and information must be obtained from your local Agent. We may alter these withdrawal limits at any time in accordance with Condition B35.

(b) Withdrawals by debit card are not permitted.

- B13. We may refuse to carry out or allow any transactions on your account at our absolute discretion if, and for as long as, we are not reasonably satisfied as to:
- (a) the identity or authority of:
 - (i) any person attempting to carry out the transaction;
 - (ii) any person for whom you are acting;
 - (iii) your parent, legal guardian or other adult opening/operating the account for you if you are under 18 years of age; or
 - (b) the lawfulness of the transaction; or
 - (c) irrevocable clearance of any funds required to meet the transaction; or
 - (d) performance of the Conditions or any other applicable conditions; or
 - (e) ownership of the funds or if there is a dispute regarding your account.
- B14. (a) We may repay to you (or any person authorised by you where the account terms permit this), at any time without giving you

any reason, the amount due to you in whole (in which case we will close your account(s)) or in part on any or on all of your accounts with us together with interest accrued up to but not including the date of repayment.

(b) We will inform you immediately of our decision and we will give you not less than 30 days' prior written notice of such repayment, unless the account is for a fixed term in which case the notice as required in accordance with the specific terms and conditions of that account will be given. This right is not exercisable by us if it would lead to you losing any tax benefit attached to your account because of early withdrawal, unless we compensate you for loss of such benefit.

(c) if there are any exceptional circumstances (for example, fraud, or a legal obligation on us to close the account, or you have engaged in threatening or abusive behaviour towards our staff), we may close your account without giving you any notice.

Account Documents

- B15. (a) The account holder(s) cannot assign their rights in the account or use the account as security for a loan.
- (b) You agree to the admission of our records as evidence in any legal proceedings or dispute with us even though such records may not be in writing or necessarily the originals or may be documents produced by computer equipment; this does not mean that you agree to the content of such records.

Payments into your Account

- B16. (a) You may pay into your account cash (where your account conditions allow this) and other items payable to you but we will not allow you to pay in non-sterling cheques or foreign currency.
- (b) Transfers from other Skipton Building Society accounts held by you are permitted subject to the terms and conditions of those other Skipton Building Society accounts.
- (c) You may pay into your account using debit cards (where your account conditions allow this).
- (d) We do not allow payments into a share or deposit account via credit cards.
- B17. We will not cash cheques.

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B18. (a) We will not accept crossed cheques, or cheques which are payable to payee “only”, when they are made to a person whose name is different to the name on the account into which you wish to pay the cheque. For example, if Mrs M A Smith has an account in her name only, she cannot pay into that account a cheque made payable to Mr & Mrs Smith because Mr Smith is not named on the account. However, if Mrs M A Smith and Mr J W Smith have an account in their joint names, cheques made payable to either Mrs M A Smith or Mr J W Smith only can be paid into their joint account, because they are both named on the account. (b) Cheques made payable to Skipton Building Society must also contain the name or account number of the person whose Skipton account is to be credited. For example, Skipton Building Society – J. W. Smith or Skipton Building Society – Account 123456789. Cheques made payable to the account holder(s) will be accepted provided they meet the criteria in Condition 18(a). We may not accept cheques that are payable only to Skipton Building Society unless they are drawn on an account which matches the name(s) on the Skipton Building Society account.

B19. If a cheque or other item paid into your account is dishonoured we will deduct from your account the amount of that cheque or item and any interest we have paid on it. No interest will be added to your account in relation to a cheque or other item, which is dishonoured.

Payments out of your account

B20. The Central Cheque Clearing Cycle normally takes three working days. However, as we are not a clearing bank, we will normally permit withdrawals (subject to the terms of your specific account allowing withdrawals) on the seventh working day from and including the day on which we pay a cheque into your account (if this is a working day). For example, a cheque paid in on a Monday will normally be available for withdrawal on the Tuesday of the following week. For debit card payments, withdrawals will be permitted on the third working day from and including the day on which the payment was made into your account (if this is a working day). For example, a debit card payment made on a Monday will

normally be available for withdrawal on the Wednesday of the same week.

B21. (a) When, as permitted by the terms of an account, you instruct us to issue a cheque from your account with us made payable to a third party, we will not ‘stop’ that cheque once it has been issued. (b) Cheques normally become out of date after 6 months and you should ensure that you pay any cheques into your account(s) allowing them sufficient time to clear before the end of the 6-month period. Please see Condition B20 for details of the clearing cycle. (c) If a cheque is issued from your account by us at your request and it is not used and is paid back into your account from which it was issued, no interest will accrue in relation to that money until the date the cheque would start to earn interest under Condition B23(a)(ii).

Your rights where a payment is unauthorised or incorrectly carried out

B22. (a) If a payment from your account was not authorised by you, then within a reasonable period we will: (i) refund the amount of the payment to you; and (ii) where applicable, restore your account to the state it would have been in had the unauthorised payment not taken place. (b) Subject to Conditions B22(c) and B22(d) below, if a payment from your account was authorised by you but is incorrectly carried out by us, then (unless we can prove that the amount of the payment was received by the bank, building society or other organisation which the account to be credited is held by) without undue delay we will: (i) refund to you the amount of the non-executed or defective payment; and (ii) where applicable, restore your account to the state it would have been in had the defective payment not taken place. (c) Condition B22(b) above will not apply where the non-execution or defective execution of a payment by us was due to abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary. (d) If a payment from your account was authorised by you, but we are provided with

incorrect information (with regard to routing the payment to the correct destination and intended recipient), you will be liable for that payment and Condition B22(b) above, will not apply. However, we will make reasonable efforts to recover the payment and we may charge you a sum reasonably corresponding to our costs incurred in respect of these efforts.

Interest

B23. Subject to the specific terms and conditions of particular types of account, (a) Interest will accrue on an account: (i) from the day on which we receive cash; and (ii) on the third working day from and including the day on which we pay a cheque, banker’s draft, travellers cheque or postal order or you make a debit card payment into your account (if this is a working day) until (but not including) the day of withdrawal. For example, a cheque or debit card payment paid in on a Monday will accrue interest from Wednesday; and (iii) In the case of payments into your account other than in cash or by way of cheque, banker’s draft, travellers cheque or postal order or debit card, on the working day we receive the funds. (b) Interest will not be paid, on the day of withdrawal (including closure of the account), or on fractional parts of £1. (c) We may change at any time (whether or not with immediate effect) any rate of interest to be paid on any account if we reasonably believe that the change is needed for any one or more of the following reasons: (i) to reflect, in a proportionate manner, changes in the Bank of England repo rate (Bank Base Rate) or in interest rates generally offered by our competitors in the consumer savings market; (ii) to enable us to maintain the competitiveness of interest rates charged to borrowers from us, while having regard to the interests of our consumer investors, in the interests of our business as a whole; (iii) to reflect, in a proportionate manner, any increase or reduction in costs reasonably incurred by us in operating our consumer investment products; (iv) to reflect, in a proportionate manner,

changes that have been made, or are about to be made, in the law or the interpretation of the law, relevant codes of practice, the way we are regulated, or any decision by an ombudsman, court, tribunal, regulator or similar body; (v) to enable us to harmonise, in a reasonable manner, the interest rates being paid to our consumer investors following any acquisition of investment accounts or any takeover of, or merger with, another provider of investment accounts; or (vi) it is necessary to maintain our financial strength in the interests of all our consumer customers. (d) We can also change the interest rate for any valid reason (other than a valid reason mentioned in (c) above) where we reasonably believe the change is appropriate. Where we do so you can within 30 days of our notifying you of any change, without having to give us any notice, switch your account or close it without having to pay any extra charges or lose any interest due up to the date of switching/closure. We will tell you this, and that we are changing the interest rate in accordance with this Condition B23(d), when we give you personal notice in accordance with Condition B36. (e) Except where Condition B23(f) below applies, if the rate is changed we will: (i) for branch-based accounts, notify you within 3 working days of the change by advertisement in 2 or more daily newspapers of our choice with national circulation (currently The Daily Telegraph and Daily Express) and by general notice exhibited in our branches; and (ii) for non-branch-based accounts (including internet based accounts) we will, within 30 days of the rate change, notify you personally in accordance with Condition B36.

You can contact our Customer Services Department, our website or your local branch for up-to-date details of interest rates.

(f) From 1 May 2010, we shall give you reasonable notice, in writing or other durable medium (such as e mail or text message), where we exercise a power to make a material change to a rate of interest which is to your disadvantage. We will

determine whether a change to a rate of interest is “material” having regard to the size of the balance in the account and the size of the interest rate change.

You can contact our Customer Services Department, our website or your local branch for up-to-date details of interest rates.

- B24. Subject to Condition B23, interest accrues on a daily basis (the 29 February in any leap year is excluded in the calculation and addition of interest).

Charges

- B25. (a) When you become a customer we will tell you about any charges we make for the day-to-day running of your account (“day-to-day charges”). You can also find out about any day-to-day charges by telephoning our helpline, looking on our website or asking our staff.
- (b) We can abolish or reduce day-to-day charges without having to notify you.
- (c) We can make other changes to day-to-day charges (including increasing charges or introducing new charges) if we reasonably believe that the change is needed for one or more of the following reasons:
- (i) to reflect, in a proportionate manner, any new or increased cost (including any inflationary increase) which we reasonably incur in operating your account;
 - (ii) to reflect, in a proportionate manner, changes, which we may reasonably make in the services we provide, including any new or improved service or facility available on your account;
 - (iii) to reflect, in a proportionate manner, changes that have been made, or are about to be made, in the law or the interpretation of the law, relevant codes of practice, the way we are regulated, or any decision by an ombudsman, court, tribunal, regulator or similar body;
 - (iv) to reflect, in a proportionate manner, changes in technology;
 - (v) to make our charges operate more fairly between our consumer customers generally;
 - (vi) to enable us to harmonise, in a reasonable manner, charges following any acquisition of investment accounts or any takeover of, or merger with, another provider of investment

- accounts; or
- (vii) it is necessary to maintain our financial strength in the interests of all our consumer customers.
- (d) We can also make other changes to day-to-day charges for any valid reason (other than a valid reason mentioned in (c) above) where we reasonably believe the change is appropriate. Where we do so you can within 30 days of our notifying you of any change, without having to give us notice, switch your account or close it without having to pay any extra charges or lose any interest due up to the date of switching/closure. We will tell you this, and that we are changing the charges in accordance with this Condition B25(d) when we give you personal notice in accordance with Condition B36.
- (e) Where in accordance with Condition B25(c) or (d) above we change day to day charges or change any charge to your disadvantage or introduce a new charge for the day to day running of the account we will tell you about the change not less than 30 days before it takes effect by giving you personal notice in accordance with Condition B36. Where we do so you can within 30 days of our notifying you of any change or introduction of a new charge, without having to give us notice, switch your account or close it without having to pay any extra charges or lose any interest due up to the date of switching/closure.
- (f) If we make a charge (other than a day-to-day charge) for a specific service or product, we will tell you before we provide the service or product and whenever you ask us.

Tax

- B26. Where required by legislation, interest will be paid or credited after deduction of income tax at the applicable rate unless the required certification for gross payment has been received. Depending on your overall level of income you may:
- (i) be able to claim a refund of the tax deducted;
 - (ii) have an additional higher-rate tax liability; or
 - (iii) have no further tax to pay.
- Further advice on the taxation of interest income can be obtained from HM Revenue & Customs or your local tax office.

Incapacity or Infirmary

- B27. If it appears to us that you are suffering from mental disorder or that, through mental infirmity arising from your disease or age, you are incapable of managing your affairs, we may give consent to any person appearing to have care of you or to be managing your affairs to withdraw all or any part of the amount in your account(s) with us. Such consent shall not be given in England and Wales until:
- (i) we have given written notice to the Court of Protection; and
 - (ii) the Court has given written notice that it does not object (we may exercise our discretion in cases of exceptional urgency) and in Scotland if you have a factor, curator or tutor their approval has been given and in Northern Ireland if you have a receiver, committee, guardian or controller their approval has been given. In all cases we may require the person who appears to have the care of you or to be managing your affairs to give us such indemnity against all claims in respect of the withdrawal as we think fit.

In certain circumstances we may also require any such person to apply to the Court for authority to operate your account.

Unclaimed Balances

- B28. We may close your account(s) with us by cancelling any amount in the account(s) if either:
- (a)
 - (i) for a period of three years you have received no loan from us, made no payment to us, and have claimed no money from your account(s) with us, and
 - (ii) the amount due to you is less than £100, and
 - (iii) we cannot trace you after we have made reasonable enquiries, or:
 - (b)
 - (i) whatever the amount in your account(s) for a period of five years you have received no loan from us, made no payment to us, and have claimed no money from your account(s) with us, and
 - (ii) we cannot trace you after we have made reasonable enquiries.

If at any time you ask us to do so we will reopen any account closed (on the terms and

conditions which applied to the account on the date on which the account was closed) and re-credit the amount which was in your account at the time we cancelled it together with interest which would have accrued if your account had remained open at an appropriate rate of interest, if the same type of account no longer exists.

Retention and Set-Off

- B29. We will have the right to keep and set off all money in any account(s) you have with us against any money you may owe to us which is due for payment to us whether the money is due under a mortgage, guarantee or otherwise. Subject to the above, and us providing you with seven days' prior written notice, we may at any time withdraw from and use all or part of any money in any of your account(s) with us:
- (i) to reduce the mortgage or guarantee amount; or
 - (ii) in full or partial settlement of any debt you owe us or for any other valid reason.

We may during the seven-day notice period not allow any transactions in respect of money in your account. If we exercise this right no interest or bonus will be payable on any money so withdrawn.

Death

- B30. In the event of death, we will pay interest on the dates due in accordance with any HM Revenue & Customs regulations that are in force at the time. Your personal representatives must notify us of the death and we will advise them of any terms and conditions which need to be satisfied in order for them to access the funds in your account.

Language and choice of law

- B31. These terms and conditions and the specific terms and conditions relating to particular types of account are governed by the laws of England and Wales (unless your account is opened in Scotland or Northern Ireland in which case the laws of that jurisdiction will apply). All contracts will be conducted in the English language. 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 (unless your account is opened in Scotland or Northern Ireland in which

case the courts to have jurisdiction over any dispute will be the courts of Scotland and Northern Ireland respectively).

Disclosure to a Credit Reference Agency

B32. By opening an account with us you agree to us disclosing to a Credit Reference Agency information about any undisputed personal debt you may owe us (e.g. an overdrawn account) where you have defaulted in repaying the sum owed to us and despite you receiving a formal demand from us for payment of the debt you have failed to make any satisfactory proposals for repayment.

We will give you at least 28 days' notice if we intend to make such a disclosure.

Complaints

B33. We have an internal complaints procedure to handle any complaint you may have about our services to you. If you are not satisfied with our services, you should ask for details of this procedure at any branch or from our Principal Office. Complaints we cannot settle may be referred to the Financial Ombudsman Service and we will provide you with details of how to contact the Financial Ombudsman Service.

Implied Conditions

B34. Any terms and conditions which are implied by law will apply in respect of your account(s) with us in so far as they are not varied or amended by or inconsistent with specific terms and conditions relating to types of account, or the Conditions, or the Rules of the Society.

Variation of these conditions

(other than relating to interest rates and charges)

B35. (a) In this Condition B35 we describe how we may change these Conditions, and any special conditions applying to particular accounts, other than the rate of interest and charges, which are dealt with respectively in Conditions B23 and B25.
(b) If the change is to your advantage we can make it immediately and tell you about it within 30 days in accordance with (g) below. In all other circumstances the

following provisions of this Condition B35 apply.

(c) We can make a change if we reasonably believe that the change is needed for any one or more of the following reasons:

- (i) to reflect, in a proportionate manner, changes which we reasonably make in the way we look after your account or the services or facilities we offer to our customers;
- (ii) to reflect, in a proportionate manner, changes in the general practice of other financial institutions that offer savings accounts to consumers;
- (iii) to reflect, in a proportionate manner, changes in technology;
- (iv) to correct errors or to clarify the meaning of the Conditions;
- (v) to reflect, in a proportionate manner, changes that have been made, or are about to be made, in the law or the interpretation of the law, relevant codes of practice, the way we are regulated, or any decision by an ombudsman, court, tribunal, regulator or similar body;
- (vi) to enable us to harmonise, in a reasonable manner, the Conditions following any acquisition of investment accounts or any takeover of, or merger with, another provider of investment accounts;
- (vii) it is necessary to maintain our financial strength in the interests of all our consumer customers.

(d) We can also make a change for any valid reason (other than a valid reason mentioned in (c) above) where we reasonably believe the change is appropriate. We will tell you this and that we are making the change in accordance with this Condition B35(d) when we give you notice in accordance with Condition B35(e).

(e) If the change is to your disadvantage or made under (d) above, we will give you at least 30 days' personal notice in accordance with Condition B36 before making the change. At any time up to 60 days from the date of the notice you may, without having to give us any notice, switch your account or close it without having to pay any extra charges

or lose any interest due up to the date of switching/closure.

(f) If the change is neither to your advantage nor disadvantage and is not made under (d) above we will give you at least 30 days' notice in accordance with (g) below before we make the change.

(g) We may give you notice of changes made under this Condition B35(b) or B35(f):

- (i) by advertisement in two or more daily newspapers of our choice with national circulation (currently the Daily Telegraph and Daily Express) and by general notice exhibited in our branches; or
- (ii) for non-branch-based accounts, this includes internet accounts, by giving you personal notice in accordance with Condition B36.

Contacting You and Contacting Us

B36. Where these conditions provide for us to give you personal notice we can, at our discretion, give you any notice about your account by any suitable permanent form including by post, secure messaging and email to the address or email address you provided in your application or as notified to us by you in writing. For e mail please use the "Contact Us" facility on our website, "www.skipton.co.uk".

- B37. Any notice sent by us to you will, unless otherwise specified in the notice itself, be deemed to be delivered 48 hours after posting to, or delivery at, the address of the first named account holder (or sending in the case of email or secure messaging).
- B38. If you send us an email or secure message it will be deemed to be delivered 48 hours after sending to our correct email address.

Matters Beyond Our Control

B39. We will not be liable to you for any loss which you may suffer if, by reason of any causes beyond our control (including, but not limited to, strikes, industrial action or failure of equipment or power supplies) we cannot provide services generally or any particular service to you.

General

B40. Each Condition in these Conditions is separate from the others.

B41. The Contracts (Rights of Third Parties) Act 1999 will not apply to these Conditions.

Part C – Additional Terms and Conditions for Branch-Based and Postal Investment Accounts

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- C1. No more than four persons may jointly hold an account with us.
- C2. (a) any order, request or authorisation for a payment or transfer of money from the account and/or any receipt for money paid out of the account must be signed by all joint account holders;
(b) all joint account holders may, however, authorise either on the application form or later by letter that one or more of them, or an agent, can sign on behalf of them all;
(c) any such authority may be revoked by any joint account holder by notice to our Principal Office or any branch;
(d) if any joint account holder notifies us in writing of a dispute on a joint account where withdrawals can be made by any person, then we reserve the right to decide that no withdrawals will be allowed except on the signatures of all parties to the account until we receive notice that the dispute is resolved;
(e) if you have given to us interest mandate instructions on a joint account and we are notified of any dispute, the interest mandate instructions will be revoked. Any interest accrued, but not yet paid in accordance with the mandate, will, when due, be credited to the account. If the account conditions state that interest cannot be credited to it, interest will be paid by cheque drawn in favour of all joint account holders and sent to the address registered pursuant to Part B Condition B5(f).
- C3. (a) In this Part C “Security Details” means any personalised device or personalised set of procedures agreed between you and us from time to time which can be used by you to initiate an instruction or request to make a payment.
(b) You must use your Security Details in accordance with the instructions we give you when you open your account and any

changed instructions we give you after that.
(c) Any personal information which you have supplied to us for the purpose of ensuring that access to your account will only be given where the answers given to a random series of questions which are personal to you must exactly match the personal information you have supplied to us.

- C4. (a) You must notify us promptly by telephone if you believe that your Security Details have been disclosed or that someone has tried, or may try, to use your Security Details to access your account. You must also send us, without delay, confirmation in writing of what you have told us over the telephone. The written confirmation must be sent to us at our Principal Office or any branch and must be signed by you or, in the case of a joint account, by each of the account holders.
(b) You must take all reasonable steps to ensure that your Security Details are kept secret and are not disclosed to anyone else, including anyone who holds the account jointly with you. For example, you should:
(i) never write your Security Details down in any way that could allow someone else to access your account;
(ii) destroy any advice from us concerning your Security Details promptly after receipt;
(iii) not reveal your full Security Details to us (if we have to, we will only ever ask you for part of your Security Details);
(iv) familiarise yourself with the Security and Privacy Statement and the Frequently Asked Questions on the Society’s website, as these contain useful information which can help keep your account secure.

- C5. In this Part C “Account Document” means a passbook or such other evidence of investment or record of transactions as we may from time to time use. Any Account Document issued to you will remain our

property. Where applicable, you must produce the Account Document relating to an account before we will allow you to make a withdrawal from that account.

- C6. You must keep any Account Document safe and if it is destroyed, lost or stolen you must promptly report this to us at our Principal Office or any branch. If you do so by telephone, you must then confirm the destruction, loss or theft immediately in writing. The written confirmation must be signed by all the account holders. We may, at your expense and after payment of any reasonable fee request, require either orally or in writing:
(a) Evidence from you about the disappearance or destruction;
(b) Details of the place or places where you have normally carried out transactions on the account;
(c) An indemnity from you;
(d) You to notify the Police of any theft – and co-operate with their enquiries.

Subject to the above we may transfer the amount in the account to a new account and issue a new Account Document to you for that new account.

- C7. The following terms apply to any losses you suffer in respect of an unauthorised payment, which arises, from the misuse of your Security Details or Account Documents after they have been lost or stolen or where you have failed to keep them safe:
(a) You will be liable for all the losses where you have acted fraudulently;
(b) You will also be liable for all such losses where you have failed intentionally or with gross negligence, to comply with your obligations under Conditions C4 and C6. However, you will not be liable for any such losses, which arise after you have notified us under Conditions C4 or C6 (as applicable) or where we have failed to provide you with appropriate means for notifying us under those Conditions.

Part D – Additional Terms and Conditions for Internet based accounts

Part D contains the **Terms and Conditions for Internet based accounts** and these are incorporated into these Investment Account Terms and Conditions and they can be located by opening the document at www.skipton.co.uk/IATC and then going to Part D of that document.

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Part E – Additional Terms and Conditions for Telephone Based Accounts

Application

- E1. Where your account(s) is a telephone based account, the provisions in these Additional Terms will apply. In cases of conflict the following order of priority will apply: (i) Part F of these Conditions (ii) the specific terms and conditions (iii) these Additional Terms (iv) Parts B and C of these Conditions.

Telephone account requirements

- E2. Telephone based accounts are available:
- (i) to individuals who are UK residents aged 16 years and over;
 - (ii) to a maximum of two account holders (unless the product terms and conditions do not allow joint accounts);
 - (iii) for security reasons if you open an account in your sole name you will not be able to add an additional account holder at a later date, but you will be able to apply for a new account in joint names;
 - (iv) where not more than one signature is required to operate the account.
- E3. Telephone based accounts are not available:
- (a) for companies, clubs and charities;
 - (b) for accounts in the names of more than two persons;
 - (c) for holders of a power of attorney, trustees, or deputies under the Mental Capacity Act, personal representatives or any other third party acting on account holders behalf;
 - (d) if we are unable to confirm your identity and/or current address.

Account operation

- E4. Your account will be given an account number for administration purposes only following telephone instruction to open the account. However, your account will only be opened when we have received:
- (i) signed application form (from both parties where applicable);
 - (ii) cleared funds; and
 - (iii) your memorable word(s) (if this is the first time you have opened a telephone based account).
- E5. You cannot operate a telephone based account by telephone or use the telephone services described in Condition E18 unless these Additional Terms or the product terms and conditions expressly allow it.
- E6. You cannot operate a telephone based account through a branch or by post unless these Additional Terms or the product terms and conditions expressly allow for it.

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Authority

- E7. You authorise us to accept and act on telephone instructions and to carry out the transactions set out in Condition E18 when you have been authenticated by the telephone identification procedures we require set out in Condition E11 to Condition E17 Security.
- E8. Either of you can operate a joint telephone based account provided you have both fulfilled the service criteria. If one of you gives us your instruction then that instruction is deemed to have been given in respect of both of you. We will continue to accept the instructions of either of you until we receive notification to the contrary.
- E9. If we receive notice of a dispute between joint account holders, or if we are required by law to do so, then we may place a restriction on your account and any interest mandate instructions will be revoked. This restriction will stop access to the telephone

service and prevent any transactions to and from your account until:
(i) we are satisfied that any dispute has been resolved; or
(ii) we have both account holders' written consent; or
(iii) the law permits you to operate the account.

Interest will continue to be credited to your account when due in accordance with the terms and conditions of your account.

E10. No passbook will be issued for telephone based accounts. If you cease to be eligible for a telephone based account your account will automatically be changed to a suitable alternative account available at that time with the Society, and a passbook or other account document as appropriate will then be issued to you.

Security

E11. In this Part E "Security Details" means any memorable word provided to you when you first open a telephone based account with us and you must use your Security Details in accordance with the instructions given to you at the time you open your account and any changed instructions we give you after that. This memorable word will then form part of your Security Details for all of your telephone based accounts.

E12. Whenever you telephone us you will be taken through a security process to confirm your identity. You will be asked a random series of questions, which are personal to you. Your answers must match exactly the personal information supplied by you. This information will also constitute your Security Details.

E13. You must not tell anyone else that your Security Details are used in relation to the telephone services. You must also take all reasonable steps to ensure your Security Details are kept secret and to prevent their fraudulent use. You should avoid writing down your Security Details and avoid keeping records of your security details in a way that can be easily accessed and understood by anyone else including anyone who holds the account jointly with you. You should destroy any advice from us concerning your Security Details promptly after receipt and not reveal your full Security

Details to us (if we have to, we will only ever ask you for part of your Security Details). You should familiarise yourself with the Security and Privacy Statement and the frequently Asked questions on our website, as these contain useful information which can help keep your account secure.

E14. You must tell us immediately by calling 0845 458 4522* between the hours of 8.30 a.m. - 6.00 p.m. Monday to Friday or 9.00 a.m. - 12 noon Saturdays (excluding Bank Holidays in England and Wales) if you know, or even suspect, that someone else has your Security Details. You also agree to help us and to notify the Police and co-operate with their enquires in trying to recover any losses (we may require further evidence from you orally or in writing, and we may ask you for an indemnity).

E15. As long as we have followed our security process outlined in Condition E12 we will act on the instructions to make payments from your account, even if those instructions were not given by you, or for joint accounts, with your authority, unless you have notified us to the contrary. However, unless you have acted fraudulently or with gross negligence or failed to observe Conditions E13 to E16, your liability for transactions or instructions which may have not been authorised by you, will be limited as set out in Condition E17. Your liability may also be limited by law.

E16. For your own protection you should not use an analogue cordless telephone or mobile telephone operating on an analogue network to call us. We are not responsible if anyone else intercepts or overhears any telephone conversation between you and us.

E17. The following terms apply to any losses you suffer in respect of an unauthorised payment, which arises, from the misuse of your Security Details after they have been lost or stolen or where you have failed to keep them safe:

- (i) You will be liable for all the losses where you have acted fraudulently;
- (ii) You will also be liable for all such losses where you have failed, intentionally or with gross negligence, to comply with

your obligations under Conditions E13 to E16. However, you will not be liable for any such losses, which arise after you have notified us under Conditions E13 to E16; (as applicable) or where we have failed to provide you with appropriate means for notifying us under those Conditions.

Services

- E18. Upon receipt of your instructions authenticated in accordance with E12, we will:-
- (i) provide you with details of the balance(s) on your telephone based account(s) and (provided that you can supply the account number(s)) any other Skipton Building Society accounts that you hold. On your request these will be confirmed in writing;
 - (ii) credit your account with debit card payments;
 - (iii) provide you with a transaction receipt by post for telephone withdrawals and deposits. We will also provide notice of deposit by BACS or CHAPS;
 - (iv) Subject to the product terms and conditions of each account we will transfer monies held on your telephone based account to another telephone based account, or any other Skipton Building Society account including online accounts, providing that the account to which funds is to be transferred is in either your sole name, or, if it is a joint account, in the names of you both. Where the telephone based account to be debited is in the name of an individual, the account to be credited must include the name of that individual. For joint telephone based accounts the account to be credited may be in either both names of the joint account holders or in one of them;
 - (v) on any telephone based notice accounts, accept notice to withdraw or transfer funds or close any account; For security reasons, you are not able to give notice instructions by telephone for non-telephone based accounts;
 - (vi) arrange withdrawals or account closures on telephone based accounts by telephone instruction to make BACS payments to your Authorised Account or payment by cheque to the named account holders.

Service restrictions

- E19. For security reasons we can not accept telephone instructions to:
- (i) transfer funds from any other existing non-telephone Skipton Building Society account;
 - (ii) send cheques to third parties;
 - (iii) carry out any instructions regarding a change to account holders' names, address(es), telephone number(s), Authorised Account or Memorable Word;
 - (iv) exercise any right to cancel the account.

These must all be submitted in writing to the Society.

Authorised account

- E20. Your Authorised Account is an account notified to us by you as being an account to which funds from your telephone based account(s) may be remitted. Full details of your Authorised Account, including branch address, sort code and account number must be submitted in writing to us by you when you apply for a telephone based account, if you wish to change your Authorised Account and at any time we may request. Your Authorised Account must be a UK bank or building society account. For each telephone based account, you may have separate Authorised Accounts, subject to product terms and conditions.
- E21. Payment of interest (when not accumulated to the account) may be made to the same Authorised Account, or to any other Skipton Building Society account subject to the terms and conditions of either account.
- E22. If your telephone based account is a sole account, your Authorised Account must be in the same name. If your telephone based account is a joint account, your Authorised Account may be in either both names of the joint account holder or in one of them.

Transactions

- E23. Instructions received by 4.00 p.m. on any working day (not being a Saturday, Sunday or a Bank Holiday) will be processed that day. Instructions received at any other time will ordinarily be processed the next working day.

E24. As there is no account document our records and your transaction confirmations will be evidence of your dealings on your telephone based accounts, unless proved to be wrong.

E25. It is your responsibility to ensure that you have sufficient cleared funds in your account to meet any withdrawals you request; withdrawals cannot be processed if your account has insufficient cleared funds to meet the withdrawal. If in doubt, please request details of your balance.

Unauthorised transactions

E26. In addition to Conditions B11 to B13 of Part B of these Conditions, we may refuse to act on any telephone instruction if we know or suspect a breach of security or lack of authority. We may ask you to provide written confirmation of instructions for certain transactions.

Transaction advice

E27. Whenever you request to make a deposit by debit card, or a withdrawal or a transfer in respect of your account, we will send you transaction advice. Please check your transaction advice as soon as it is received, which should be within seven days. Please contact us as soon as possible if you have any queries on it.

E28. We will provide you with an annual statement, but this will not detail individual transactions.

Withdrawal from the telephone service

E29. If you no longer wish to use a telephone based account you must contact us to discuss changing to a non-telephone based account.

E30. We reserve the right at any time to withdraw the telephone service entirely where, in our reasonable opinion, it is not commercially viable for the service to continue. If we do so we will give you 30 days prior notice, following which those accounts affected will be transferred to a suitable alternative account at that time with the Society

Suspension of your account and disputes

E31. In addition to Condition B13 of these Conditions we may suspend access to the telephone service and restrict any

transactions at any time if:

- (i) the wrong Security Details have been used or we otherwise reasonably believe that access to the account is not by you or authorised by you;
- (ii) we reasonably think there is a dispute relating to the account; in particular where this means sole instructions cannot be accepted on a joint account;
- (iii) we believe the account or the telephone service will or are likely to be used in an illegal or harmful way; or
- (iv) we believe the use of the telephone service by you is or is likely to harm the interests of the Society or any company in the Skipton Building Society Group.

E32. These restrictions will remain in place until such a time as we think is reasonable or until we are satisfied that any dispute relating to your account has been resolved.

Termination or withdrawal of the telephone service and closing your account

E33. If we withdraw the telephone service we will:

- (i) automatically change your account and transfer any monies in your account to a suitable alternative account available with the Society at that time;
 - (ii) where appropriate and subject to satisfying our other requirements issue a passbook or other account document as appropriate to your account(s).
- E34. We will terminate access to the telephone service:
- (i) on notification of the death of a sole account holder;
 - (ii) on notification to us in writing of any lawful request by your attorney, trustee, trustee on bankruptcy, deputy or personal representative acting on your or your estate's behalf to operate your account in their name (this includes a request in respect of one of joint account holders).

We will then change your account and transfer any monies in your account to a suitable alternative non-telephone based account available at the time; and, where appropriate and subject to satisfying our other requirements issue a passbook or other account document as appropriate to the account.

Availability of the telephone service

E35. The service is intended for use only within the UK. We cannot therefore warrant that the telephone service is compliant or appropriate for use in other jurisdictions outside of the UK.

E36. In circumstances where the telephone service has been unavailable for a continuous period of more than 48 hours we will use reasonable endeavours to make available suitable alternative arrangements. This may include (subject to any legal requirements that may be required): making account information available to you by telephone or post; and enabling transactions on your account via a branch or our Principal Office.

THE FOLLOWING CONDITIONS FROM PART B OF THESE CONDITIONS DO NOT APPLY TO THIS TELEPHONE SERVICE.

E37. Those terms and conditions relating in whole or in part to companies, clubs and charities, holders of a power of attorney, trustees in bankruptcy, or deputies under the Mental Capacity Act, do not apply to this Telephone Service

E38. Part C – Additional Terms and Conditions for Branch-Based and Postal Investment Accounts, do not apply to this Telephone Service.

E39. Part D – Additional Terms and Conditions for Internet Based Accounts, do not apply to this Telephone Service.

THE FOLLOWING CLAUSES EXCLUDE OR LIMIT OUR LEGAL LIABILITY FOR THE SERVICE FOR TELEPHONE BASED ACCOUNTS. YOU SHOULD READ THEM CAREFULLY.

E40. We have taken and will take reasonable steps to ensure the accuracy, currency and completeness of the information given to you through the telephone service. You must use reasonable care in your use and reliance upon the information provided by us and we will not be liable to you in circumstances where it is not reasonable for you to rely on the information.

E41. We do not warrant that the telephone service will be available and meet your requirements, that access will be uninterrupted, that there will be no delays, failures, errors or omissions or loss of recorded information.

Part F – Terms and Conditions relating to Payment Services

Definitions and Application

F1. In this Part

(a) “Cut-off Time” means:

- for a transfer from your account to another account with us, 4:00 pm on a business day;
- for a BACS payment from your account, 3.30 pm on a business day; and
- in any other case, 3.00 pm on a business day;

(b) “These Conditions” mean:

- in the case of customers whose accounts were with Scarborough Building Society immediately prior to the effective date of the merger of 30 March 2009 which was made between Scarborough Building Society and Skipton Building Society, the General Investment Conditions, including the terms contained in Schedule 3 of the Merger Notification Statement issued pursuant to Schedule 8A of the Building Societies Act 1986 in respect of the merger between Scarborough Building Society and Skipton Building Society; and
- in the case of other customers, the Investment Account Terms and Conditions.

(c) “Terms and Conditions relating to Payment Services” has the meaning given in Condition F2(a);

(d) “Payee” means the person who is intended to receive money under a Payment Transaction;

(e) “Payment Account” means any account which we have notified you in writing is a “Payment Account” or is stated to be a “Payment Account” in the specific or individual terms and conditions of your product;

(f) “Payment Transaction” means a transaction by which:

- money is paid into an account;
- money is withdrawn from an account; or
- money is transferred to or from an account;

(g) “Reference Rate” means any rate of interest which is used as the basis for calculating the interest to be paid on your account and which comes from a publicly available source which can be verified by both you and us;

(h) “Regulations” means the Payment Services Regulations 2009;

(i) “Required Information” means the information about each Payment Transaction carried out on your account which we are required to provide or make available under the Regulations (this includes a reference enabling you to identify the transaction, the amount of the transaction and the date on which it was debited or credited to your account for interest purposes);

(j) “Security Details” means:

- in the case of an online account, the unique identification number given to you when you applied for the account, the activation code given to you once the account is open and any of your passwords;
- in the case of a telephone account, the memorable word you have supplied to us; and
- in either case, any personal information which you have supplied to us for the purpose of ensuring that access to your account will only be given where the answers given to a random series of questions which are personal to you exactly match the personal information you have supplied to us, and references to your Security Details include any replacement Security Details we provide under Condition F19;

(k) references to “your account” are to any Payment Account which you hold with us.

F2. This Part (Part F of the Investment Account Terms and Conditions) has two functions:
(a) First, it contains the contractual terms (known as the “Terms and Conditions relating to Payment Services”) which apply to your account with us. These terms govern Payment Transactions carried out on your account (except for those carried out by cheque, banker’s draft, travellers cheque, paper-based voucher or postal order). In all other respects, the operation of your account will be governed by the applicable provisions in the other Parts of these Conditions and

by the specific or individual terms and conditions for your product. Where the terms in this Part apply to your account, they prevail over any conflicting terms elsewhere in these Conditions or in the specific or individual terms and conditions for your product.

(b) Secondly, this Part sets out the general information about the Terms and Conditions relating to Payment Services, which we are required to provide under the Regulations (apart from details of the interest rate payable on your account, which will be found in the specific or individual terms and conditions for your product).

Information about us

F3. (a) We are Skipton Building Society and our Principal Office is at The Bailey, Skipton, North Yorkshire, BD23 1DN, Telephone number 08458 501700. You may contact us at our Principal Office or, if your account is a branch account, at any of our branches.
(b) We are authorised and regulated by the Financial Services Authority under registration number 153706.

The main services provided

F4. Your account allows you to give us instructions to carry out Payment Transactions. Depending on the nature of your account, you may operate the account at one of our branches, or by post, or by telephone or online. Where the specific or individual terms and conditions for your account allow, or where we agree, automated payments may be made to or from your account by electronic means such as CHAPS, BACS or standing order. Where your account is a branch account and (in the case of withdrawals) the specific or individual terms and conditions for your account allow cash withdrawals, you may pay in or withdraw cash at any of our branches.

Carrying out Payment Transactions on your account

F5. If you wish to instruct us to carry out a Payment Transaction on your account you must provide us with the following information:
(a) In the case of a branch or postal account, you must provide us with the account number, which is stored in your passbook or included in individual

correspondence between us or on statements we provide you.

(b) In the case of an online or telephone account, you must provide us with your Security Details.

(c) In every case, you must provide us with a unique identifier or other information sufficient to identify the other party to the Payment Transaction.

F6. All Payment Transactions will be carried out in sterling unless we agree otherwise.

F7. Your consent to a Payment Transaction or a series of Payment Transactions, on your account must be given by as follows:

(a) In the case of a branch or postal account, you must give us written instructions to carry out the Payment Transaction and your instructions must be signed by you or, if the account is a joint account, signed:

- (i) by any one or more of you; or
- (ii) by any agent who has been authorised in writing to sign on behalf of you all.

(b) In the case of an online account, you must instruct us to carry out the Payment Transaction by using the online facilities we provide in relation to your account.

(c) In the case of a telephone account, you must give us instructions by telephone to carry out the Payment Transaction.

F8. If you wish to withdraw your consent to a Payment Transaction, you may do so using the same means of communication as you were entitled to use under Condition F7 when instructing us to carry out the Payment Transaction. You will not be able to withdraw your consent after the latest time for revoking your instructions under Condition F10.

F9. If we are instructed to carry out a Payment Transaction, the instructions (whether coming directly from you or indirectly from the Payee) will normally be treated as received at the time when we actually receive them. However:

- (a) instructions which are received on a day which is not a business day will be treated as received on the next business day;
- (b) instructions which are received after the Cut-Off Time on a business day will be treated as received on the next business day;

(c) instructions for a future payment will be treated as received on the day agreed for payment or (if that day is not a business day) on the next business day.

F10. Except where paragraph (a) or (b) below applies, you may not revoke any instructions to carry out a Payment Transaction after we have received them:

(a) Where a Payment Transaction is initiated by the Payee, you may not revoke your instructions after transmitting them to the Payee or giving your consent to the Payment Transaction to the Payee.

(b) If you give us instructions, which authorise us to carry out a Payment Transaction at a future date, you may withdraw your instructions at any time up to the end of the business day proceeding the day when the Payment Transaction is due to be carried out.

F11. If we are instructed to carry out a Payment Transaction, we will ensure that the payment is credited to the institution which holds the Payee's account within the following timescales:

(a) where the instructions are given on paper, the payment will be credited by the end of the fourth business day following the time when the instructions are treated as received under Condition F9 (or, after 1 January 2012, by the end of the second business day following that time);
(b) in any other case, the payment will be credited by the end of the third business day following the time when the instructions are treated as received under Condition F9 (or, after 1 January 2012, by the end of the first business day following that time).

F12. No specific spending limits apply to Payment Transactions initiated by the use of your Security Details.

Using your Security Details and keeping them safe

F13. You must use your Security Details in accordance with the instructions we give you when you open your account and any changed instructions we give you after that.

F14. You must take all reasonable steps to ensure that your Security Details are kept secret and are not disclosed to anyone else, including anyone who holds the account jointly with you. For example, you should:

(a) never write your Security Details down in any way that could allow someone else to access your account;

(b) destroy any advice from us concerning your Security Details promptly after receipt;

(c) not reveal your full Security Details to us (if we have to, we will only ever ask you for part of your Security Details);
(d) familiarise yourself with the Security and Privacy Statement and the Frequently Asked Questions on the Society's website, as these contain useful information which can help keep your account secure; and
(e) in the case of an online account:

(i) never record your Security Details in any software which retains it automatically on your computer (for example any "save password" feature or function on your web-browser or toolbar);

(ii) not allow anyone else to use any of the computer or electronic equipment you use to access your account without taking suitable precautions;

(iii) ensure you have fully logged off from the E-Savings facilities when you are not using them.

Disclosure or misuse of your Security Details

F15. You must notify us promptly by telephone if you believe that your Security Details have been disclosed or that someone has tried, or may try, to use your Security Details to access your account. You must also send us, without delay, confirmation in writing of what you have told us over the telephone. The written confirmation must be sent to us at our Principal Office and must be signed by you or, in the case of a joint account, by each of the account holders.

F16. If we receive a notification from you under Condition F15, we may require you:
(a) at your own expense, to provide evidence about the disclosure or misuse of your Security Details and to supply us with details of the place or places where you have normally carried out transactions on the account;

(b) to provide us with an indemnity to cover our reasonable costs of investigating the disclosure or misuse of your Security Details;
(c) to notify the Police of the disclosure or misuse of your Security Details and to co-operate with their enquiries.

Stopping the use of your Security Details

F17. We may stop the use of your Security Details to access your account if:

(a) we have received a notification from you under Condition F15; or

(b) for any other reason, we reasonably suspect that your Security Details have been disclosed or are being, or may be, used fraudulently or without your authority.

F18. Unless it would compromise reasonable security measures or be unlawful, we will give you written notice that we are stopping the use of your Security Details and will give our reasons for doing so. Our notice will be given before we carry out any measures to stop the use of your Security Details or (if we are unable to notify you beforehand) immediately afterwards.

F19. As soon as practicable after:

(a) you make a written request that the use of your Security Details should no longer be stopped; and

(b) the reasons for stopping the use of your Security Details have ceased to apply, we will either allow you to use your old Security Details again or else replace them with new ones.

Your liability for loss caused by the misuse of your Security Details

F20. The following terms apply to any losses you suffer in respect of an unauthorised Payment Transaction, which arises, from the misuse of your Security Details after they have been lost or stolen or where you have failed to keep them safe:

(a) You will be liable for all the losses where you have acted fraudulently;

(b) You will also be liable for all such losses where you have failed, intentionally or with gross negligence, to comply with your obligations under Conditions F13 and F14. However, you will not be liable for any such losses, which arise after you have notified us under Condition F15 or where we have failed to provide you with appropriate means for notifying us under that Condition.

Your rights where a Payment Transaction is unauthorised or incorrectly carried out

F21. If we carry out a Payment Transaction to which your consent had either not been

given in accordance with Condition F7 or had been withdrawn, then (provided the requirement in Condition F26 is met) we will immediately refund the amount of the Payment Transaction to you and, where applicable, restore your account to the state it would have been in if the Payment Transaction had not taken place.

F22. If you instruct us to carry out a Payment Transaction involving a payment from your account, then (subject to Condition F28) we are liable to you for correctly carrying out the Payment Transaction unless we can prove that the institution which holds the Payee's account received the payment within the appropriate time limit stated in Condition F11. At your request, we will make immediate efforts to trace the Payment Transaction and notify you of the outcome.

F23. If we are liable under Condition F22, then (provided the requirement in Condition F26 is met) we will:

(a) without undue delay refund the amount of the unpaid or defective Payment Transaction and, where applicable, restore your account to the state it would have been in if the defective Payment Transaction had not taken place; and

(b) be responsible to you for any charges or interest which you must pay as a result of the unpaid or defective Payment Transaction.

F24. If you are the Payee under an unpaid or defective Payment Transaction and the institution which holds the account of the person making the payment can prove that we received the payment in accordance with the Regulations, then (subject to Condition F28) we will be liable to you for correctly carrying out the Payment Transaction.

F25. If we are liable under Condition F24, then (provided the requirement in Condition F26 is met) we will:

(a) immediately credit your account with the amount of the unpaid or defective Payment Transaction; and

(b) be responsible to you for any charges or interest which you must pay as a result of the unpaid or defective Payment Transaction.

F26. To be entitled to redress under Conditions F21, F23 or F25, you must notify us of the unauthorised, unpaid or defective Payment Transaction without undue delay and in any event within 13 months after the date when the Payment Transaction was debited to your account. This requirement does not apply where we have failed to make the Required Information about the Payment Transaction available to you under Condition F31.

F27. If you initiate a Payment Transaction as Payee, then (subject to Condition F28) we are liable to you for correctly transmitting your instructions, within the time limit we have agreed with you, to the institution which holds the account of the person who is to make the payment. If we fail to do this, we will immediately re-transmit your instructions to the other institution. At your request, we will make immediate efforts to trace the Payment Transaction and notify you of the outcome.

F28. We are not liable to you for an unpaid or defective Payment Transaction if you provide us with an incorrect unique identifier for the other party to the Payment Transaction. However, we will make reasonable efforts to recover the payment and may charge you a reasonable sum to cover our costs of doing so.

Charges

F29. The charges we make for services supplied under this Part are set out in our Tariff of charges (to which you should refer for a full explanation of the charges). A summary of the charges is also set out below:

Service Charge

Service	Charge
CHAPS Fee	£25
Duplicate Statements	£10
Duplicate Section 975 Statement of Deduction of Tax	£10
Garnishee Order	£55
Data Subject Access Request	£10
Special Clearance Cheque	£20

F30. Details of the interest rates we pay on your account will be found in the specific or individual terms and conditions for your product.

Keeping you informed about Payment Transactions on your account

F31. The Required Information about each Payment Transaction carried out on your account will be made available to you as follows:

(a) Where Payment Transactions on your account are recorded in a passbook, then, on each occasion when you present your passbook to us in person or by post, we will provide you in writing with the Required Information about each Payment Transaction which has been carried out on your account since the passbook was last updated.

(b) Where your account is an online account, the Required Information about each Payment Transaction on your account will be made available to you online as soon as reasonably practicable after the Payment Transaction has been carried out. You will be able to access the Required Information for a period of at least one year by using your Security Details.

(c) In any other case, the Required Information will be provided to you as soon as reasonably practicable after the Payment Transaction has been carried out.

Changes to this Part

F32. Subject to the modifications in Conditions F33 and F34, our powers of variation in these Conditions apply to this Part and enable us to change:

(a) the interest rates we pay on your account;

(b) the charges which apply to your account; and

(c) the Conditions in this Part.

F33. We will give you two months' prior notice of the changes mentioned in Conditions F32(b) and F32(c). Except where Condition F34 applies, where your account is a Payment Account (as defined in Condition F(1)(e)), we will give you two months' prior notice of the changes mentioned in Condition F32(a) unless the change is more favourable to you in which case we will inform you in accordance with the Conditions. Unless you notify us that you object to a change

referred to in Condition F32 before the date on which it is due to come into force, you will be deemed to have accepted it. If you do notify us that you object to a change referred to in Condition F32, you may close your account immediately and without charge at any time before the change is due to come into force.

F34. If the specific or individual terms and conditions for your Payment Account provide for changes in the interest rate which applies to your account balance to be based on a Reference Rate, then:

(a) the method we use for calculating the interest we pay on your account balance will be as stated in the specific or individual terms and conditions for your account;

(b) where those terms and conditions provide for the interest rate to change automatically to reflect a change in the Reference Rate, that change will apply immediately and without notice;

(c) unless the specific or individual terms and conditions for your account provide otherwise, we will inform you of any change in the interest rate as soon as possible.

Notices and other communications

F35. (a) Any notice or other communication we send you under this Part will be in writing and may be sent:

(i) by post to the most recent postal address which you have notified to us in writing; or

(ii) if applicable, by e mail or secure messaging service to the most recent electronic address which you have notified to us in writing for the purpose of receiving notices under these Conditions.

(b) Where your account is a joint account, any notice or other communication under this Part may be sent to you at the address of the first-named account-holder.

F36. Except where some other means of communication is expressly required or permitted under this Part, any notice or other communication you send to us under this Part must be in writing and must be sent to us by post at our Principal Office or by e-mail or secure messaging service. For e mail please use the "Contact Us" facility on our website "www.skipton.co.uk".

F37. Any notice or other communication sent in accordance with Condition F35 or F36 will be treated as received 48 hours after the time of posting or (as the case may be) sending by e mail or secure messaging service.

Termination

F38. You may on giving one month's notice terminate the contract in this Part, which means that we will not offer any payment services to you as defined in the Regulations (such as electronic payments out of your account). If you wish to close your account, you may do so subject to any notice provisions or fixed duration that applies within the specific or individual terms and conditions of your account.

F39. Unless we are entitled to close your account immediately under the general law because the contract between you and us is unenforceable, void or discharged, we will give you two months' prior written notice before exercising our right to close your account under these Conditions.

Copies of the Terms and Conditions relating to Payment Services and Required Information

F40. You have the right at any time to receive a copy of the contractual terms and information mentioned in Condition F2.

Language and applicable law

F41. The terms and information mentioned in Condition F2, and any notices or other communications under this Part, will be in English.

F42. The Terms and Conditions relating to Payment Services are governed by the law of the relevant part of the United Kingdom and the courts of that part have exclusive jurisdiction over any dispute relating to the Terms and Conditions relating to Payment Services. For these purposes, the relevant part of the United Kingdom is:

- (a) Scotland, where your account is opened in Scotland;
- (b) Northern Ireland, where your account is opened in Northern Ireland; and
- (c) England and Wales in any other case.

Complaints

F43. We have an internal complaints procedure to handle any complaint you may have about our services to you. If you are not satisfied with our services, you should ask for details of this procedure at any branch or from our Principal Office. Complaints we cannot settle may be referred to the Financial Ombudsman Service and we will provide you with details of how to contact the Financial Ombudsman Service.

Circumstances beyond our control

F44. We are not liable for any contravention of a requirement imposed on us under this Part where:

- (a) the contravention is due to abnormal and unforeseeable circumstances beyond our control, the circumstances of which would have been unavoidable despite all efforts to the contrary; or
- (b) the contravention is due to our obligations under other provisions of the law of the European Union or the United Kingdom.

Principal Office, The Bailey,
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*To help maintain service and quality, some telephone calls may be recorded and monitored.