

# **BANK ACCOUNTS**

# **Interest rates and account fees**

## **April 2009**

**Bank of Scotland Ultimate Reward Current Account**

**Bank of Scotland High Interest Current Account**

**Bank of Scotland Current Account**

**Bank of Scotland Student Current Account**

**Bank of Scotland Cardcash Account**

 **BANK OF SCOTLAND**

# Guide to our current interest rates and account fees

With direct debits, standing orders and unexpected outgoings, always knowing just where you are isn't easy. We realise you can sometimes find yourself in situations where you end up having to pay unwanted fees.

This leaflet shows the current interest rates and explains our fees. Hopefully this information will help you avoid any unnecessary fees in the future. Please keep it in a safe place so you can read it when you need to.

## What can I do to avoid paying fees?

- **Ask us for an arranged overdraft.** If you need an overdraft or to increase an arranged overdraft, it would be in your interest to contact us to discuss this. This is because it will be cheaper for you to have an arranged overdraft rather than occasionally asking us to make payments when there is not enough money in your account or a large enough arranged overdraft. You can do this in one of our branches, by phone or online.
- **Check your balance** and make sure you have enough money in your account by 5pm to pay everything due to be paid out the following day. The money in your account must be available to withdraw (for example, you must have waited for any cheques you have paid into your account to be available).

- **Keep a record of any cheques you write and when they have been paid,** so that you know how much money is left in your account. Someone can pay a cheque you have written into their account up to six months after you have written it.
- **Check your statements** and make a list of the dates of your regular payments (for example, mortgage, loan or rent). Keep a list of when all your direct debits and standing orders are due.
- **If a direct debit payment date is at a bad time** in the month for you (for example, just before you are paid), contact the company involved and ask them if they would collect it at a more convenient time.
- **If you have fees to pay,** remember to include these in your budget.

## Keep an eye on your balance and avoid fees

Direct debits, standing orders, cheques and debit cards all make life easier. Making sure you have enough money in your account to cover these payments will help you avoid having to pay fees.

Remember that you need enough money in your account at the end of each day to cover any payments that are due to go out the next day. If you bank online with us, you can transfer money from other accounts right up to midnight. For other amounts you pay into your account (for example, cheques or payments made at a cash machine) you'll need to allow time for the money to reach your account. For cheques this can take several days.

It's easy to check your account balance. You can do this 24 hours a day online, by phone or from a cash machine. Or call into one of our branches during normal working hours.

# Interest paid on credit balances

If you have money in your bank account (credit balance), we'll pay you interest on it. The interest you receive will depend on the type of account you have and may depend on how you pay money into it.

		Interest paid on credit balances		
Account	Customer	AER %	Gross (before tax each year)%	Net (after tax each year)%
<b>Bank of Scotland Ultimate Reward Current Account</b>	Balances up to £2500	<b>2.50</b>	2.47	1.98
	Balances of £2500.01 or more	<b>0.10</b>	0.10	0.08
<b>Bank of Scotland Student Current Account</b>	All customers	<b>0.10</b>	0.10	0.08
<b>Cardcash</b>	Under 18	<b>1.51</b>	1.50	1.20

## The following accounts are no longer available to new customers

			Interest paid on credit balances		
Account	Customer		AER %	Gross (before tax each year)%	Net (after tax each year)%
<b>Bank of Scotland High Interest Current Account</b>	Money paid in each month of £1000 or more	Balances up to £2500	<b>1.00</b>	1.00	0.80
		Balances of £2500.01 or more	<b>0.10</b>	0.10	0.08
	Money paid in each month of less than £1000		<b>0.10</b>	0.10	0.08
<b>Bank of Scotland Current Account</b>	All customers		<b>0.10</b>	0.10	0.08
<b>Cardcash</b>	18 and over		Does not apply	Does not apply	Does not apply

The Annual Equivalent Rate shows what the interest rate would be if we paid interest on the full balance once a year. The Gross rate (before tax each year) is the rate of interest we pay before we take income tax at the rate set by law. The Net rate (after tax each year) is the amount of interest which we would pay after allowing for tax (currently 20%).

To qualify for the benefits of the High Interest Current Account you must pay in at least £1000 each month. Different facilities, interest rates and fees apply if you do not pay at least £1000 into these accounts each month.

We do not pay interest on credit balances in Cardcash accounts held by customers age 18 and over.

# Interest charged on overdrawn balances

If you go overdrawn on your account, the interest rate we charge will depend on whether you have an arranged overdraft with us, or whether your account has become overdrawn without an arrangement, or has gone over your arranged overdraft limit (an unarranged overdraft). We charge a higher rate of interest on unarranged overdrafts, and other overdraft fees (including the unarranged overdraft fee) so it makes sense to ask us to increase your overdraft limit if you think you may need to go over your current limit.

		Variable interest charged on overdrawn balances		
Account	Customer	Amount of arranged overdraft	Arranged overdraft	Unarranged overdraft
Bank of Scotland Ultimate Reward Current Account	All customers	Up to £300	Interest free (0% EAR)	2.13% a month (28.8% EAR)
		Over £300	1.50% a month (Typical 19.5% EAR)	2.13% a month (28.8% EAR)
Bank of Scotland Student Current Account	All customers	£3000 or less	Interest free (0% EAR)	1.82% a month (24.2% EAR)
		Over £3000	0.58% a month (7.2% EAR)	1.82% a month (24.2% EAR)
Cardcash	Under 18	Does not apply	Does not apply	Does not apply

The following accounts are no longer available to new customers

		Variable interest charged on overdrawn balances		
Account	Customer	Amount of arranged overdraft	Arranged overdraft	Unarranged overdraft
Bank of Scotland High Interest Current Account	Money paid in each month of £1000 or more	Any amount	1.24% a month (15.9% EAR)	2.13% a month (28.8% EAR)
	Money paid in each month of less than £1000	Any amount	1.50% a month (19.5% EAR)	2.20% a month (29.8% EAR)
Bank of Scotland Current Account	All customers	Any amount	1.50% a month (19.5% EAR)	2.13% a month (28.8% EAR)
Cardcash	Over 18	Does not apply	Does not apply	2.20% a month (29.8% EAR)

EAR is the equivalent annual rate. It shows what the interest would be if interest was taken from your account once a year. It does not take account of any fees or charges.

For arranged student overdrafts of more than £3000 we will charge interest at the arranged rate on the whole of the overdraft.

# Account fees

The section below outlines the fees that we add to your account in a number of different circumstances.

Type of transaction	Description	Bank of Scotland Ultimate Reward Current Account, Bank of Scotland High Interest Current Account and Bank of Scotland Current Account		Cardcash	
		Students (See note 2)	All other customers	Over 18	Under 18
<b>Paid item fee (See note 1)</b>	A fee we charge when a card transaction, cheque (whether guaranteed or not), standing order, direct debit or other instruction that we pay results in or increases an unarranged overdraft. (See notes 5 and 6)	£20 (no more than once a day)	£35 (no more than three times a day)	Does not apply	
<b>Unpaid item fee (See note 1)</b>	A fee we charge when we decide to return unpaid, or not to pay, any cheque, card transaction, standing order, direct debit or other instruction that would result in or increase an unarranged overdraft. (See notes 5 and 6)	£20 (no more than once a day)	£35 (no more than three times a day)	Does not apply	
<b>Unarranged overdraft fee (See note 3)</b>	A fee we charge for every month in which you at any time have an unarranged overdraft.	£28 (Up to once a month)	£28 (Up to once a month)	£28 (Up to once a month)	Does not apply
<b>Fees for special services</b>	Stopped cheque (except for lost or stolen cheques)	£7.50		£7.50	
	Special presentation of a cheque (clearance more quickly than usual)	£12		£12	
	Banker's draft	£10		£10	Free
	Copies of paid cheques	£5		£5	
	Extra statement	£5		£5	
	CHAPS (Clearing House Automated Payment System) payment	£25		£25	
	Foreign drafts, foreign currency, traveller's cheques and transferring funds electronically abroad	Please ask for details		Please ask for details	
<b>Monthly fee</b>	Monthly fee for your Ultimate Reward Current Account. (See note 4.)	£12.50		Does not apply	

## Notes

1. We will collect the fee 15 days after we pay or don't pay the item.
2. Student is defined in the Bank of Scotland Bank account conditions.
3. There is no charge or debit interest to pay if you are aged under 18. We will give you at least 14 days' notice before we take any interest out of your account. We will collect the fee on the last day of the next month.
4. If in the first year you close your account, we may charge you £12.50 for each remaining month to the end of the first year.
5. Card transaction is defined in the Bank of Scotland Bank account conditions.
6. 'Other instruction' could include any money coming out of your account.

## Fee-free period

If you are a new customer and say on your application form that you are transferring your main current account to a Bank of Scotland Ultimate Reward Current Account or a Bank of Scotland Reward Current Account, you will not pay any fees for four months after opening the account. You will still pay fees for special services and any cash machine charges.

## Replacement cards

We will provide up to two free replacement cards for each account within a 12-month period. We will charge you £5 for each further replacement card you ask for in a 12-month period (beginning from the date you open your account). We do not charge customers under 18.

## Using cash machines

**If you take money out of your account using any Bank of Scotland or Halifax cash machine, we will not charge you for the withdrawal.**

However, if you use a cash machine which is not a Bank of Scotland or Halifax cash machine, you may be charged by the machine owner. If so, the machine will show you the amount and tell you that it will be taken out of your account when you withdraw the cash.

## Buying goods and services in a foreign currency

When you use your debit card abroad to pay for goods or services, or to withdraw cash at cash machines, the exchange rate we use to convert the payment or withdrawal to sterling will include a conversion fee of 2.75%. We will also charge a fee of £1.50 for each payment or withdrawal.

## Overdrafts

To get an arranged overdraft, you must pay your salary (or, if you are a student, your grant cheque, student loan or parental contribution) or other regular amount into your account.

## Extra information

Bank of Scotland bank accounts and the services we offer depend on your circumstances and our requirements. Credit facilities (including overdrafts and cheque guarantee or debit cards) are only available to people aged 18 or over.

At any time we may tell you to repay any overdraft, interest and fees which you owe on your account. You must pay interest and fees when we add them to your account. This means, for example, the fee is due on the day we refuse to pay a cheque. We will give you at least 14 days' notice for the monthly fee for unarranged overdrafts. We will give you at least 14 days' notice before we take any interest charged on overdrawn balances out of your account if the interest you owe us is more than the interest we owe you on any money you have in your account for that month.

Under the conditions, we may change fees and make new or different ones (or change the way in which you have to pay fees). We may also change interest rates.

The information in this leaflet is correct at the date of printing (March 2009) and may change under the conditions.

## If you have extra needs

We are committed to meeting the needs of all our customers. If you have a hearing or speech difficulty, you can use Tynetalk whenever you contact us or contact us using textphone on 08457 323 436 (lines open 9am to 5pm, seven days a week). If you have difficulties with your eyesight, we can provide documents in large print, in Braille or on audio tape. Please speak to a member of staff.

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## Customer service

We aim to please – but we know that sometimes things go wrong. If you have a problem or complaint about your bank account, we want to know. In most cases this can be dealt with at your branch or by calling **08457 21 31 41**.

If we cannot sort out your complaint to your satisfaction, ring our Customer Complaints Helpline on **08457 25 35 19**. You can ask us for a copy of our complaints procedure. You may refer complaints we cannot settle to the Financial Ombudsman Service.

Bank of Scotland plc.

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