
About Your Corporate Account and our Charges

BANK OF SCOTLAND ISN'T YOUR AVERAGE BANK

And we don't treat you like the average customer when it comes to giving you information. We like to look at things differently, explaining how your account works as clearly and transparently as possible.

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What to expect from us

We'll act fairly and reasonably in all our dealings with you

We will meet all the commitments and standards set out in the Business Banking Code, both in the products and services we offer and in the procedures our staff follow. Our products and services will meet the relevant laws and regulations, with banking and payment systems that are secure and reliable. If you experience financial difficulty we will consider your case sympathetically and positively.

We'll help you to understand how our financial products and services work

The information we give you will be in plain English. We'll help you choose the right products and services to suit your needs and clearly explain the financial implications of your choices.

We'll deal with things that go wrong quickly and sympathetically

This means handling your complaints quickly and correcting mistakes quickly if any have been made. If you're not satisfied with the way we handle a problem we'll tell you how to take your complaint forward. If any bank charges are applied due to our error, we will cancel them.

We will publicise the Business Banking Code, have copies readily available and ensure that our staff are trained to implement it fully

Information on the Business Banking Code can also be found at www.bankingcode.org.uk

Our Charges

This section gives a summary of our charges for services most frequently used by our Corporate customers. If you need information on specialist charges please contact your Relationship Manager to discuss further.

We want you to understand our charges clearly

One of the many ways we look at things differently is by making our charges as easy as possible to understand. We're also committed to treating you fairly:

- if you use a service we'll always let you know the cost in advance. We'll inform you about any transaction charges with your statement, which is issued 14 days before the charges are deducted from your account;
- from time to time it may be necessary for us to vary our interest rates. Notice of changes is given in leaflets and notices available in branches or sent to you personally by letter or a notification with your statement;
- if we intend to vary other terms and conditions we'll give you at least 30 days' notice except in cases where the law requires an immediate change.

ALL CORPORATE CURRENT ACCOUNTS

Item description		Transaction charge
Pay-ins to your Account	– Over the counter, Business Cashesaver	25p each
	– Automated e.g. Bacs, CHAPS	25p each
	– Faster Payments	25p each
Items included in your pay-ins	e.g. Cheque, batch of credit card vouchers	24p each
Cheques paid from your account	– Retained by the Bank	50p each
	– Returned with your statement	69p each
Direct Debits/other automated debits	e.g. ATM withdrawals	35p each
Faster Payments	– Immediate Faster Payment	£5 each
	– Future Dated Faster Payment	45p each
Payments made by Corporate Online via Bacs	e.g. Bill payments and third party payments	
	– To a single beneficiary	25p each
	– To multiple beneficiaries	8p each
Payments made by Telephone Banking via Bacs		25p each
Cash paid in while you wait		65p per £100
Cash paid in using Business Cashesaver	A quick and efficient cash handling service which means you don't have to wait while your cash is being counted. Please ask us for details.	50p per £100
Cash withdrawn		59p per £100
Providing change	– Account holders	£1.25 per £100
	– Non-account holders	5% (minimum £2.00)

BUSINESS OFFSET DIRECT CURRENT ACCOUNT

Item description		Transaction charge
Cheques	All cheques paid from account	40p each
All other transactions	e.g. Standing Order payments, Direct Debits, cheque pay-ins and inter-account transfers	Free

NOT FOR PROFIT CURRENT ACCOUNT

Item description		Transaction charge
Cheques	– First 50 cheques per monthly charging period	Free allowance
	– After free allowance used	40p per cheque
All other standard transactions	e.g. Standing Order payments, Direct Debits, Cheque pay-ins	Free of charge

CHARGES FOR OTHER SERVICES on all Corporate Current Accounts

Service description	Charge
Statements	
– Standard	Free of charge
– Copy	£5 per page (maximum £10)
Sterling Bank Draft	£10 per draft
Stopping a cheque	Free of charge
Cheques paid into your account returned unpaid	Free of charge
Copy Vouchers	
– e.g. Copy of an original cheque you have issued, or a copy of a pay-in slip	£5 per item
Same day transfer of money by CHAPS	£25 per transfer (£20 Telephone Banking or £12 if made via Corporate Online)
Payments and collections via Bacs	
– Per credit/debit item	9.8p
– Per file direct (via own software)	£4.50
– Per file indirect (via Commercial Bureau)	£2.75
– Referral of file e.g. over Bacs limit	£50 per file
– Request for Bacs file extraction	£50
– Request for Bacs file missing payment trace	£10
Other fees	
– Hardware Security Modules (HSM)	£650 per certificate
– Set-up fee Indirect	£75
– Set-up fee Direct	£150
– Smartcard	£30
– Smartcard Reader	£35
Special presentation of cheques	£12 per cheque (plus expenses)
Status enquiries	
– On Bank of Scotland customers	£10 (including VAT)
– On customers of other banks	Price on request
Cash withdrawal facility	£10 per facility
Your payments returned unpaid	£35 per item (maximum £105 per day)
Unauthorised overdraft letter	£30 per letter
Portable Credit History	£25 per request (two requests are allowable free of charge over a 12 month period)
Corporate Card*	
Annual spend per Cardholder	
– Under £2,500	£30
– £2,500 to £4,999	£25
– £5,000 to £9,999	£20
– £10,000 to £29,999	£15
– £30,000 and above	Free
Online Banking	
– Corporate Online Standard Service	Free of charge
– Extra Modules	£25 per month per module
– CHAPS	
– International	
– Foreign Exchange	
– Full Service (including all modules)	£50 per month
Other fees	
– Smartcard	£30
– Smartcard Reader	£35
– RSA Secure ID Token	£15
Night Safe facilities	Free of charge
Auditor's standard letter of request	£25 per hour (plus VAT)

* Corporate Card is free for the first 12 months. Annual fees for year 2 are payable in month 13, based on total card spend in the previous year.

We apply your charges on a monthly basis

Our charging period starts on the day after your monthly statement is produced. If your statements are weekly or bi-monthly our charging period will be based on the day after your first statement of the month is produced.

Interest on a Corporate Current Account overdraft

Our rate will be the Bank of Scotland Base Rate plus a further margin agreed with you. The final rate we agree will normally depend on the degree of risk involved and whether or not you're offering security. Our Base Rate is variable and subject to change, but the percentage above it that we agree will be fixed until the overdraft is due for renewal.

How we calculate overdraft interest

We calculate interest daily and generally apply it to your account monthly. Interest charged is shown on your account statement but will not be charged to your account until 14 days after your statement is produced.

Interest due up to 50p	No charge applied
Interest due 51p to 99p	Minimum charge of £1 applied

Fees normally charged on overdrafts	Arrangement Fee [▲]	Renewal Fee [●]
Corporate Current Account	From 1% of agreed limit (minimum £100)	From 1% of agreed limit (minimum £100)

Fees normally charged on business loans

Arrangement fees	From 1% of the loan (minimum £100)
Security fees	We will be pleased to provide you with an estimate of the fees and expenses which may be payable when Bank of Scotland takes security.

Legal & Valuation Fees

We do not normally pay the Legal & Valuation Fees sometimes associated with arranging business borrowing.

Unauthorised borrowing

Our standard rate for unauthorised borrowing is 22.50% above Bank of Scotland Base Rate (displayed in our branches) or a rate agreed with you and recorded in your loan agreement. To discuss this further contact your Relationship Manager.

Charges comparisons with other banks

To compare our charges with those of other banks visit the British Bankers' Association website at www.bba.org.uk

OPERATING YOUR ACCOUNT

Making payments

Did you know you can set up payments online with Corporate Online? Or, if you prefer more traditional payment and withdrawal methods, our range includes cheques, Standing Orders, Direct Debits, Bacs, CHAPS, Faster Payments and branch transactions. Please refer to our website at www.bankofscotland.co.uk/corporate for further information on Payment Processing.

Our dedicated Corporate Customer Service Team can help you set up the payment methods which suit you best. Just call them on **0845 8 505 808**[†].

The cheque clearing system

The complete process of cheque clearing takes place over 6 working days as follows:

Day 0 – The collecting bank or building society receives the cheque.

Day 2 – The account starts to earn interest on the money paid in or reduces the balance on which overdraft interest is charged. This is also the day on which the payer's bank account will be debited with the amount shown on the cheque.*

Day 4 (or day 6 for savings accounts) – When the money is available to withdraw (if it is an account that allows withdrawals).

Day 6 – By the end of day 6 the customer can be certain that the money is theirs and cannot be reclaimed without their consent. This is providing the customer has not been a knowing party to fraud.

PLEASE NOTE: Up until the end of day 6, a cheque may still bounce and the money may be reclaimed from the payee's account.

CHEQUE CLEARING

How long does it take for a cheque to clear?

Cheque clearance has two meanings:

- the time taken before funds paid into an account by a cheque can be withdrawn, or
- the time taken before interest starts to accrue on funds paid into an account by cheque, this is referred to as "Cleared for Interest Payment purposes".

Please note that cheques still may be returned after the cheque clearance date, and funds have been withdrawn.

* Please refer to our branch locator on www.bankofscotland.co.uk/corporate for full details of your local branch services.

Cheque Clearance Cycle on Your Account

Cheque paid into a Bank of Scotland account on day 0:

	Day 0 Monday	Day 1 Tuesday	Day 2 Wednesday	Day 3 Thursday	Day 4 Friday	Saturday	Sunday	Day 5 Monday	Day 6 Tuesday
Cheques drawn on the same Bank of Scotland branch	Cheque lodged, cleared for interest and available for withdrawal								
Cheques drawn on another Bank of Scotland branch or another Bank, lodged to a Bank of Scotland account	Cheque Lodged		Interest calculated from this day (End of Day) Funds available for transfer (via I & TB)*		Funds available for withdrawal (Start of Day)				Certainty of cheque known (i.e. funds belong to you) at end of working day

NB: Saturdays, Sundays and Bank Holidays are non-business days.

NB: Interest is calculated from 2 business days after the cheque is lodged.

* This means inter account transfers between your accounts via Corporate Online, Internet Banking & Telephone Banking Services.

Interest calculation

Like all banks interest is calculated on your cleared balance which is the balance that appears on your statement less the value of any cheques waiting to be cleared for interest purposes (see the Cheque Clearing Cycle).

Interest that we charge you is calculated on your debit (overdrawn) balance plus any cheques waiting to be cleared.

Example

Account with £20,000 agreed overdraft limit. For the purposes of this example interest is charged at 3% above Bank of Scotland Base Rate which is, say, 4%. This makes the applied rate 7%.

On a given day the cleared balance on your account is £18,914 overdrawn. This is how the interest we would charge for that day is calculated:

$$\pounds 18,914 @ 7\% \div 365 = \pounds 3.63$$

If the account balance goes over the agreed limit then a higher rate of interest will normally be charged on the excess amount.

Example

Account overdrawn with agreed limit exceeded by £9,842 – Bank not informed. For the purposes of this example unauthorised borrowing is charged at 22.50% above Bank of Scotland Base Rate which again is, say, 4%. This makes the applied rate 26.50%.

The interest we would charge for the unauthorised borrowing for that day is calculated as follows:

$$\pounds 9,842 @ 26.50\% \div 365 = \pounds 7.15$$

The daily interest we would pay you on a cleared credit balance in a current or a deposit account is calculated in the same way.

Cheques returned unpaid

We assume that all cheques will be paid, which is why the value of each cheque you pay in will appear on your statement on the same day. If a cheque is returned unpaid, its entry in your statement will be cancelled by a corresponding debit amount. If the cheque is returned after it has been cleared for interest purposes (see the Cheque Clearing Cycle) then you will not lose any interest earned on its value.

Out of date cheques

This is understandably rare. If a cheque is dated six months or more earlier than the date when you pay it in then the bank on which it's drawn may refuse to pay it. You would then have to return the cheque to whoever issued it and ask either for a new cheque or for the old one to be re-dated and the alteration initialled.

Stopping/Amending payments

Payments made by debit card, credit card, Corporate Online, Internet Banking or Telephone Banking service cannot be stopped once you've made them.

To stop a cheque that was written without a cheque guarantee card you must tell us before we receive the cheque through the clearing system for payment. You can give us the instruction by telephone, in writing or at a branch.

To cancel or amend a standing order or similar arrangement you should allow 2 bank working days for the bank to cancel payments.

To stop a **Direct Debit** you should write to us before the next payment is due to be made. To avoid the risk of payment being made you should allow 2 bank working days for us to action your instruction. Unless you tell us otherwise we will assume that you want us to stop all future payments as well. If you're paying by **Direct Debit** you should also send a copy of your letter to the organisation involved.

Direct Debits

To set up a Direct Debit the organisation you want to pay will provide you with a Direct Debit instruction to complete and return. If the organisation makes changes to the collection day or amount you must be notified in advance, normally 10 working days.

Payments collected in error

Under the Direct Debit Guarantee Scheme we as your bank are responsible for giving you a full and immediate refund, even if the error was made by the organisation collecting your payments.

Standing Orders

Unlike a Direct Debit the payment must be for a fixed amount each time. The organisation you want to pay will supply you with a Standing Order instruction (usually called a mandate). It's your responsibility to complete the date, the amount you want us to pay from your account and when. Payments will continue as instructed until you tell us otherwise. All you need to do is ensure that there's enough money in your account to cover your payments.

A BANK THAT HAS MORE OF A HEAD FOR BUSINESS

To find out more please contact your **Relationship Manager**.

Alternatively, call our **Corporate Customer Service Team** on **0845 8 505 808**[†].

For information on all our **products and services** visit our website

www.bankofscotland.co.uk/corporate

[^] **Arrangement Fee** covers the Bank's costs in assessing and setting up a new or increased overdraft.

[•] **Renewal Fee** covers the Bank's costs of reviewing eligibility for the renewal of an overdraft and the cost of making the funds available.

Bank of Scotland subscribes to the Business Banking Code and the Statement of Principles; copies of which are available on request.

Finance is provided, for business use only and subject to satisfactory credit assessment, by Bank of Scotland or companies within the same Group as Bank of Scotland.

[†] Telephone calls may be recorded for security purposes and monitored under our quality control procedures.

You may contact us using Type Talk. Information is available in large print, audio and Braille on request; please call for details.

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 **BANK OF SCOTLAND**
CORPORATE

Part of the HBOS Group

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