

Guide to Changes

Changes to overdrafts
and credit interest

For use from 24 January 2020



From **6 April 2020**, we're making some important changes to our bank accounts. Please take time to read this booklet to understand what's going to change and consider how it might affect you. If you are an Under 19s Account customer, the only change to your account is about how we calculate interest on the money in your account on page 4.

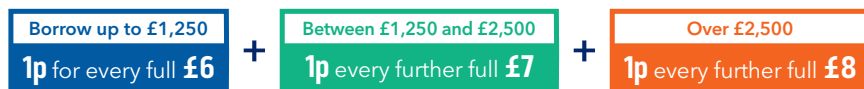
Arranged overdrafts are changing

From **6 April 2020**, we're making changes to the way we charge for using an arranged overdraft. This is because new regulations mean all banks will charge a single interest rate so it's easier for you to compare overdraft costs.

One interest rate for everything you borrow using an arranged overdraft

At the moment, the daily arranged overdraft fee you pay can be made up of different amounts added together, depending on the amount of the arranged overdraft you use. From **6 April 2020**, this will be replaced with a single interest rate. Your interest rate may change based on how you manage your account and on the credit information we hold about you.

How we currently calculate your daily fee



New arranged overdraft customers

If you are applying for a new arranged overdraft on your account or you are applying for a new account with an arranged overdraft, your interest rate will be 0.093% per day (39.9% EAR) variable.

Existing arranged overdraft customers

If you already have an arranged overdraft and are changing your limit or moving to a new product with an overdraft, then there is no immediate change to the daily arranged overdraft fee you are paying now. We have written to you to tell you the interest rate that will apply from **6 April 2020**.

Interest free amounts are reducing

From **6 April 2020**, we're reducing the amount you can borrow interest free, using an arranged overdraft on the accounts shown below. This means you'll pay more for using your arranged overdraft.

Account	Existing fee-free amount	New interest free amount
Ultimate Reward Current Account (URCA)	£300	£50
Gold Vantage / Gold	£150	£50
Platinum Vantage / Platinum	£300	£50
Premier Vantage / Premier	£500	£250

More about EAR

Your new rate is calculated using an Equivalent Annual Rate (EAR). This is the actual annual interest rate of an overdraft. This means you are charged over the year based on how often and how much you are overdrawn by, and the effect of compounding it – charging interest on interest already charged. This interest rate does not include any other fees and charges.

There is a useful calculator at www.bankofscotland.co.uk/overdrafts so you can see how much your daily interest charge will be based on how much of your arranged overdraft you have used.

We will add the daily interest charge to your balance at the end of each day.

If you are in a fee free period or on a repayment plan it will stay the same

The changes to arranged overdrafts will happen on **6 April 2020**, but if you're not currently being charged for using your overdraft, because you're in a fee free period or you're on a repayment plan, the new interest charges above won't apply until your arrangement comes to an end.

Changes to the way we calculate interest on the money in your account

From **6 April 2020**, we'll calculate interest you earn on money in your account at the end of each day. Currently, we only take into account your balance on working days to work out how much interest to pay you and if it changes over a weekend or on another non-working day, we don't treat it as having changed until the next working day. When the new way to calculate your interest takes effect, the interest on your balance will be worked out at the end of every day.

Make sure your account is still right for you

We'll update your arranged overdraft agreement and Bank Account Conditions and Banking Charges to reflect these changes and also change references to daily arranged overdraft fees and fee-free amounts to interest and interest-free amounts. A copy of the updated Bank Account Conditions and Banking Charges reflecting the changes will be available in branch and online at bankofscotland.co.uk/bankaccounts from **6 April 2020**.

If you think these changes mean your account no longer meets your needs, you can choose to close it. If you decide to do this, you'll need to repay your overdraft balance if you have one. There's no charge for closing it and you can do so at any time before the changes take effect. If we don't hear from you by then, we'll take it to mean you accept the changes.

About the Current Account Switch Service

You can use the Current Account Switch Service to switch your current account from one bank or building society to another in 7 days in a simple, secure and stress-free way.

For more information please read the Switching Current Account guide which can be found at bankofscotland.co.uk/switch and FAQs at www.currentaccountswitch.co.uk



If you'd like this in another format such as large print, Braille or audio CD please contact us.

If you have a hearing or speech impairment you can contact us using the Relay UK Service (available 24 hours a day, 7 days a week) or via Textphone on **0345 600 9644** (lines are open 9am–5.30pm, 7 days a week). If you're Deaf and a BSL user, you can use the SignVideo service available at **bankofscotland.co.uk/accessibility/signvideo**

Overdrafts are subject to application and approval and repayable on demand.

We adhere to The Standards of Lending Practice which are monitored and enforced by the LSB: www.lendingstandardsboard.org.uk

Our promise is to do our best to resolve any problems you have. If you wish to complain visit your local branch or call 0800 072 8668 or 0131 278 3729. (Textphone 0800 389 1286 or 0131 278 3690, if you have a hearing impairment). For more information visit bankofscotland.co.uk/contactus/complain

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Not all telephone banking services are available 24 hours a day, 7 days a week. Please speak to an adviser for more information.

Eligible deposits with us are protected by the Financial Services Compensation Scheme. We are covered by the Financial Ombudsman Service.

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This information is correct as of January 2020 and is relevant to Bank of Scotland products and services only.