

Saga General Investment Conditions

Effective from
1 November 2009

SAGA

Personal finance done properly

Introduction

We are making a number of changes to our General Investment conditions as a result of a new law that takes effect on 1 November 2009, concerning payment services. These changes affect the whole European banking industry. They mean we must give you certain information when you make a payment transaction, and that you can also ask us for information about the transactions you make on your savings account. In addition they alter how and when we tell you about changes to your account.

Currently we subscribe to the Banking Code, which is a code of practice banks and building societies follow in dealing with their personal customers. On 1 November 2009, the Banking Code will be replaced by a new set of regulations and industry guidance that will govern the way we do business with you. As far as possible we have taken account of those in these new conditions. However at the date of sending this booklet to print, the full detail has not been finalised. Please be assured that in looking after your account, we will follow the principles in the Financial Services Authority's Banking Conduct of Business Sourcebook and the industry guidance on that, which is currently being prepared for banks and building societies.

Your account

The features of your account will not be affected by these changes, and there is therefore no need for you to do anything differently. The only changes to the special conditions which apply to your account are to list the sorts of transactions that are available and to explain whether we will treat it as a payment account or not. (We explain what a payment account is in condition 1 of the General Investment conditions.)

We will treat the following accounts covered by this booklet as payment accounts:

- Saga Online Top 5 Tracker Account
- Saga Online Base Rate Tracker Account
- Saga Secure Savings Account
- Saga Telephone Base Rate Tracker Account
- Saga Telephone Savings Account

We will treat the following accounts covered by this booklet as not being payment accounts:

- Saga Fixed Rate Savings Account
- Saga Fixed Rate ISA
- Saga Guaranteed Equity Bond
- Saga Guaranteed Equity ISA
- Saga Market Linked Deposit Account
- Postal Saga Secure Savings Maturity Account
- Saga Postal Tracker ISA
- Saga Secure ISA

You will see from conditions 18 and 19 that we will treat payment accounts and non payment accounts differently if we make any changes to your conditions or interest rate.

The following payment transactions are available on the accounts covered by this booklet:

- Telephone and Online accounts: by Direct Debit via your linked account.
- Postal accounts: by cheque.

Summary of key changes to your General Investment conditions

This booklet contains the new General Investment conditions that will apply to your account from 1 November 2009. However the key changes are set out below. If you use our online service, then we have added the conditions that apply to those into our General Investment conditions instead of covering them separately. Various wording and grammatical changes have been made throughout, including changing the order and format of the conditions, and condition numbers have also been amended.

Condition number	Brief details of change
Condition 1	New condition explaining the words which have special meanings within the conditions.
Condition 2.1	Clarification of the documents that make up our agreement for your account.
Condition 3.11	Explanation of the transactions available to our savings customers.
Conditions 4.4 and 4.5	Explanation of when you can withdraw the money you pay into your account through a Direct Debit from a Linked Account or by the Faster Payment Service, and to confirm that the timings in our General Investment conditions apply where the payment is in sterling. We only accept payments into your account in sterling.
Condition 5	Extended explanation of when we pay interest on money you pay into your account.

Condition number	Brief details of change
Conditions 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 and 6.8	Additional information about how you can authorise transactions on your account, the cut off times which apply and when money you send from your account by automated payment will be available to the person you sent it to.
Condition 6.10	Explanation of when we can refuse to carry out a transaction on your account.
Condition 8	New condition on paying cheques into your account.
Condition 10	New condition covering our telephone and online services to explain how the services work.
Condition 11	Additional clauses to the security details for our telephone and online services. These explain the steps you should take to protect your security details.
Condition 12	Additional clauses to cover security details for our telephone and online services. These explain when you might be responsible if your security details are lost, stolen or used by someone else.
Condition 13	New condition explaining when you can claim a refund for certain payments out of your account if the payment has not been properly authorised by you, or has been carried out incorrectly.
Condition 17	New clauses covering the closure of your account and how much notice we will give if we close your account, and also to cover what happens if we transfer the money in your account to the reclaim fund under the Dormant Bank and Building Societies Act 2008.
Condition 18	Additional clauses to explain how we will treat payment and non payment accounts if we change the conditions, interest rates and charges for your account, and explaining when we can change whether we treat an account as a payment account or not. We have also updated our lists of valid reasons for changing the conditions and interest rates that apply to your account.
Condition 19	Additional clauses to explain how we will treat payment and non payment account customers when we give notice of any changes to the conditions and interest rates that apply to your account.
Condition 23	New clause explaining when and how you can ask us for information about the transactions on your account.

General Investment Conditions

Birmingham Midshires is the deposit taker for the Saga Savings Accounts. These General Investment conditions apply to Saga accounts provided by Birmingham Midshires with effect from 1 November 2009.

There are also some conditions which apply under general law (including legislation and regulations made under legislation). Those are not set out in this booklet.

1 Words with special meanings

In these conditions 'we' 'us' and 'our' means Bank of Scotland plc. Birmingham Midshires is a division of Bank of Scotland. Your 'account' is your savings account with us. In addition, we have put the following words in bold type because they have a special meaning throughout these conditions.

- **authorisation, authorise and authorising** is the process set out in these conditions by which you authorise us to carry out **transactions** on your account
- **automated payments** include automated payments to and from your account and include **CHAPS**, internal payments between your accounts with us, payments made using the Faster Payment Service and payments made through our **telephone service** or our **online service**. (Not all **automated payments** are available on all accounts.) If you have a telephone or an internet account then your **automated payments** will normally just be to and from your **linked account**.
- a **bank working day** is any day between 9am and 3pm which is not a Saturday, Sunday or English bank or public holiday
- **certificate** is any certificate, passbook, welcome letter or other document that we give or send you to show that you are the holder of your account. It may also show transactions on your account. A statement of your account is not a **certificate**
- **counter cheque** is a banker's draft, which is a type of payment similar to a cheque issued from our own account which we provide for you. We will take the amount of the **counter cheque** out of your account at the same time as we write or print the **counter cheque**
- **CHAPS** stands for the Clearing House Automated Payment System and is an electronic process for bank to bank same day payments made within the United Kingdom
- **linked account** is an account that you nominate to make and receive transfers by **automated payment** to and from your Saga Savings internet or telephone account. It

must be an account in your name(s) held with a bank or building society which is part of the United Kingdom clearing system

- **online service** is our service which allows customers who have internet accounts with us to access information and services and make payments on their account over the internet
- **payment account** means a payment account as defined in The Payment Services Regulations 2009 and the regulatory guidance that applies to those Regulations. We will tell you if we treat your account as a **payment account** in the **special conditions** for your account
- **reference rate** means any rate which is linked or set against an externally set interest rate such as Bank of England Bank Rate
- **security details** are the security details we give you, or which you choose, which allow you to access information; obtain services and facilities; and undertake **transactions** on your account and include:
 - the passwords and/or username used to confirm your identity when using the **telephone service** or the **online service**
 - the additional security details you set for use with the **online service**
 - the personal security password and number, which is the secret number and word which we may ask you to give to confirm your identity when using the **telephone service**
- any **special conditions** for your account are included in the main leaflet for your account, your **certificate** or a letter from us
- **telephone service** is our banking service which allows some customers with telephone accounts with us to access certain information and services and make payments by telephone
- **transaction and transactions** are payments of money into and out of your account. The means by which **transactions** can be made are set out in the **special conditions** for your account
- a **withdrawal** is made when we have taken all the necessary steps to carry out your instructions to pay money out of your account (for example when, at your request, we have transferred money from your account to another account).

2 The conditions for your account

2.1 Our agreement with you for your account is made up of these conditions, any **special conditions** applying to your account, the other provisions within this booklet, the leaflet for your account and your application form, and includes any changes to those documents made in accordance with these conditions.

2.2 Where a **special condition** is not consistent with these conditions, the **special condition** will apply.

3 How do you use your account?

3.1 You must be resident in the United Kingdom to open an account. You can only use your account as a personal account. Unless we tell you otherwise when you open your account, you cannot use your account as a club, charity, trust, company, partnership or other kind of business account.

3.2 If you have an account and you move abroad, we may allow you to keep your account. However you must check that the laws of the country in which you are living allow you to have an account with us, and (if your account is a telephone or internet account) your **linked account** must continue to be with a bank or building society that is part of the United Kingdom clearing system.

3.3 If you are under seven years old and you hold an account with us (rather than being named as the beneficiary on an account held in trust for you), withdrawals will only be allowed at our discretion and on the authorisation of the adult who signed the application form for your account. If you are between seven and eighteen years old, withdrawals will only be allowed at our discretion and on your authorisation.

3.4 We do not have to accept that anyone, apart from you, has any right to or interest in the money in your account (for example, if you are keeping some or all of the money in your account for someone else).

3.5 We will only accept **authorisation**, or any other instructions on your account, from:

- you;
- anyone who has a legal right to give us instructions (for example, your trustee if you are made bankrupt);
- anyone who you have authorised in writing (for example, someone who has a power of attorney for you) as long as we have accepted that written authority; or
- where the account is in the name of an organisation, for example companies, partnerships, clubs or similar organisations,

anyone who is authorised (in writing) to give instructions on behalf of the organisation.

3.6 You should not post cash to us.

3.7 We may limit the amount you or someone else can pay into your account if we think this is necessary to comply with our legal or regulatory obligations or due to the way our computer system works.

3.8 We may limit the amount you can take out of your account in any month if we think this is necessary to comply with our legal or regulatory obligations, or where we reasonably consider this is necessary to protect our business in extreme circumstances. In the latter case we will respond proportionately to the circumstances in question and will take reasonable steps to ensure that the restrictions are lifted as soon as possible to minimise the inconvenience to you.

3.9 If we receive a payment from you that we cannot process (for example because the number of the account it is for is not provided), we will hold the payment in a suspense account in case we become able to process it (for example because the missing information is later provided). If we continue not to be able to process the payment it will be returned within 1 **bank working day** to the bank sort code and account number it was sent from if we have this information. If we receive a direct debit payment from your **linked account** and your account with us is closed at the time we receive the payment, we will not be able to return it to your **linked account**. In those circumstances you should contact us so that we can arrange to repay the funds to you.

3.10 You can change your **linked account** by giving us instructions over the telephone, online or by post. It will take ten **bank working days** from us processing your instructions to complete the change so that you can transfer funds to and from your **linked account**.

3.11 Subject to any restrictions in the **special conditions** for your account and these conditions, the following type of **transactions** are available to our customers: passbook transactions (for certain existing customers who already have passbooks with us); **counter cheques**; cheque payments in; and **automated payments** (including payments in through the Faster Payment Service). Please refer to the **special conditions** for the details of the **transactions** available on your account. Please note that we will only make **CHAPS** payments out of your account on an exceptional basis, and a charge applies (see the Important information section of this booklet).

4 If money is paid into your account, how long do you have to wait before you can take it out?

4.1 The following table sets out the details of when you can withdraw funds paid into your account

Type of payment	Where paid in	When you can withdraw funds
1. Cheques	<p>By post received before 3pm on a bank working day</p> <p>If we receive a cheque from you by post on the morning of a bank working day it will normally be credited to your account within four bank working days</p>	<p>Six bank working days after the day the cheque is credited to your account e.g. credit to account Monday withdraw Tuesday of the following week</p> <p>(If we receive a cheque from you by post after 3pm, or on a non bank working day, the four bank working day period for crediting and the following six bank working day period will start to run on the next bank working day.)</p>
2. CHAPS payment	<p>Automatically through the UK banking system (These payments can only be made and received on a bank working day.)</p>	<p>As soon as the funds are received by us</p>
3. Direct debit from your linked account (This is used when you ask us to request the payment from the bank or building society at which your linked account is held.)	<p>Automatically through the UK banking system that applies to direct debit payments</p>	<p>Six bank working days after the day we request the direct debit payment from the bank at which your linked account is held</p>

4.2 If you pay a cheque into your account and we let you take some or all of the amount of the cheque out of your account, that does not mean that the cheque has been paid by the paying bank. If the cheque is returned to us without it being paid we may take the amount of the cheque out of your account, unless more than six **bank working days** have passed since the day we credited the cheque to your account. After six **bank working days** have passed from the day we credited the cheque to your account we cannot take the amount of the cheque out of your account unless you have been a knowing party to fraud.

4.3 If you ask us to pay money into your account by transfer from your **linked account** we will make a direct debit request to the bank or building society at which your **linked account** is held. Three **bank working days** after that you will see the amount of your payment taken out of your **linked account** and credited to your account (and we will pay interest on it from that day). However, we will not have received cleared funds at that point. You will only be able to withdraw the funds after a further three bank working days when we have confirmation that the payment to your account has cleared. (If the payment to your account does not clear we will correct your account record and recalculate the interest accordingly.).

4.4 You will be able to receive payments made to your account using the Faster Payment Service if the payment is being made from an account held at a bank which offers this service. Under the Faster Payment Service, payments will normally be credited to your account within 2 hours, but could take up to 3 **bank working days**. Customers sending Faster Payments will be advised of timescales at the time of sending. Funds paid into your account using the Faster Payment Service can be withdrawn as soon as they arrive in your account.

4.5 The timings in this condition 4 apply where the currency of the payment is sterling. We only accept payments into your account in sterling.

5 Paying interest

5.1 If the money in your account is at least the minimum amount we set for paying interest, we will pay interest on your balance at the rate or rates we set out in the documentation for your account. We may fix a new or changed minimum amount under condition 18. We may pay different rates of interest to different categories of customer (for example, business customers and personal customers). You can get details of the current minimum amount and interest rates for your account on our website at saga.co.uk/savings or by phoning us. Any change to the interest rate on your account must be made in accordance with condition 18.

5.2 The following table shows when interest will be paid on any payments into your account.

Type of payment	Where paid in	Interest will be paid on the amount of a payment into your account from
1. Cheques	By post received before 3pm on a bank working day If we receive a cheque from you by post on the morning of a bank working day it will normally be credited to your account within four bank working days	Two bank working days after the cheque is credited to your account e.g. credit to account Monday interest paid from Wednesday (If we receive a cheque from you by post after 3pm, or on a non bank working day, the two bank working day period will start to run on the next bank working day .)
2. CHAPS payment	Automatically through the UK banking system (These payments can only be made and received on a bank working day .)	The bank working day we receive your payment
3. Direct debit from your linked account (This is used when you ask us to request the payment from the bank or building society at which your linked account is held.)	Automatically through the UK banking system that applies to direct debit payments	Three bank working days after we request the payment from the bank or building society at which your linked account is held

5.3 The timings in this condition 5 apply where the currency of the payment is sterling. We only accept payments into your account in sterling

5.4 We work out the interest daily and pay it into your account on the last day of each interest period. The interest periods are set out in the **special conditions**.

5.5 We will stop paying interest on the amount of a **withdrawal** the day it is made.

5.6 If you or we close your account in accordance with condition 17 we will follow the steps in condition 5.4 to work out the interest we have to pay you on the day your account is closed, unless we have allowed you to transfer the total balance of your account to another account with us.

5.7 Subject to the **special conditions**, you can ask us to send the interest we pay on your account to an account you have with another bank or building society immediately we have paid it into your account under condition 5.4. If you do this, and the date we pay interest on your account is not a **bank working day**, we will deduct the interest from your account that day but we will not be able to send it to your other account until the next **bank working day**. It will take up to three **bank working days** to reach your other account and we will not pay interest in the meantime.

6 When can we take money out of your account and how long does it take?

6.1 We can take money out of your account to cover:

- each **withdrawal**;
- each cheque and any other item which is paid into your account but is later returned to us unpaid (including a payment into your account by direct debit from your **linked account** which is not later cleared);
- any charge which you owe us on your account; and
- any loss or expense we suffer in connection with your account unless conditions 12.1, 12.2 or 12.8 apply (these conditions set out when you may not be fully liable for the loss or misuse of your account).

We may do any of these if your account is in credit or overdrawn or if it goes overdrawn because of the amount that we take out of your account. We can also take money out of your account under conditions 6.12 or 6.13 (these conditions explain our right to set off amounts in your account against other amounts you owe us).

6.2 For all **transactions** communicated directly to us, your instructions to carry out the **transaction** will be received by us at the time you ask us to complete the **transaction** provided the **transaction** is appropriately **authorised** by you in accordance with condition 6.3.

6.3 Before we carry out any **transactions** these must be **authorised** by you in one of the following ways:

- orally or in writing by providing your account details requesting a **withdrawal** or to transfer money from your account; or
- providing your account details to arrange an **automated payment** from the account. (Not all **automated payments** are available on all accounts).

The **authorisation** for a **transaction** can include a single **transaction** or a series of recurring **transactions**.

6.4 In the event that a **transaction** is not **authorised** in accordance with condition 6.3, you may **authorise** a **transaction** after it has been made by providing consent to the **transaction** orally or in writing to us.

6.5 Where we receive your instructions to carry out a **transaction** in accordance with condition 6.2 and your instructions are received before 3 pm on a **bank working day** (or midday if you want to make a **CHAPS** payment), we will treat your instructions as having been received that day. For any instructions received after 3 pm (or midday for a **CHAPS** payment) on a **bank working day**, or received by us on a non **bank working day**, your instructions will be treated as having been received by us on the next **bank working day**. For example, if we receive your instructions to make an **automated payment** at 4.30 pm on Tuesday, we will treat those instructions as having been received on Wednesday for the purposes of determining when the money is transmitted (provided both Tuesday and Wednesday are **bank working days**).

6.6 Where you instruct us to undertake a **transaction** which is an **automated payment** (other than a **CHAPS** payment), the money will be with the bank or building society you have asked us to send it to:

- (unless the **transaction** is initiated by a paper-based authorisation process) within 3 **bank working days** after the day we receive your instructions under condition 6.2;
- where the **transaction** is initiated by a paper-based authorisation process, within 4 **bank working days** after the day we receive your instructions under condition 6.2.

Subject in each case to the provisions of condition 6.5 where your instructions are received after 3pm (or midday for a **CHAPS** payment) or on a non **bank working day**. We do not accept instructions to transfer funds outside the United Kingdom.

6.7 Where you wrongly identify the person or account (including account number and sort code) to which a payment should be made, we will make reasonable efforts to recover the payment made, but we will not be liable for any losses which may be incurred by you. We may ask you to pay a fee to cover our costs of tracing the payment.

6.8 **Authorisation** to a **transaction** may not be withdrawn (or revoked) by you after the time your **authorisation** has been received. However, the following **transactions** may be withdrawn if you give us notice:

- any **transaction** which is agreed to take place on a date later than the date it was **authorised** provided the notification of cancellation is received by us no later than 3pm on the bank working day before the date set for execution; or
- any recurring **transactions** if they occur after the date of the withdrawal of consent.

6.9 **Important:** You cannot stop or cancel a **counter cheque**.

6.10 We can refuse to carry out a **transaction** if we reasonably think that:

- we are required to do so by law;
- your account is being used for illegal purposes;
- you are not keeping to these conditions or the **special conditions**;
- you enter into a voluntary arrangement with anyone you owe money to (or you are going to do so);
- you apply to a court for an interim order (that is, a court order which gives you temporary protection from claims made by somebody you owe money to);
- a bankruptcy order is made against you or we think that one is likely to be made;
- an administration order has been made under the appropriate legislation, which covers how you are to repay money which you owe;
- the relationship between you and us has irretrievably broken down (for example if you have been threatening or abusive to our staff);
- there is a dispute (which we reasonably believe may be genuine) about the ownership of, or entitlement to, the money held in your account (including a disagreement between the account holders on a joint account);
- the terms of another account you have prevent completion of the **transaction**;
- action is taken by a third party which prevents us from executing the **transaction**;
- there are technical issues which prevent us from executing the **transaction**;
- your **certificate** or **security details** (or any other mechanism we provide to you for accessing your account) have been lost, stolen or are being used by someone else or your account is being used illegally or fraudulently;
- the **transaction** is not properly **authorised**;
- we need to check that the **transaction** is **authorised** (for example, for your security, because it is a large amount);
- there are insufficient funds in your account to cover the **transaction**;
- circumstances beyond our reasonable control prevent us from offering a normal service (such as an act or threat of terrorism, computer failure or industrial action).

In the case of the last bullet above, we will respond proportionately to the circumstances in question, will take reasonable steps to ensure that the restrictions are lifted as soon as practicable to minimise the inconvenience to you and will, if practicable, give advance notice. In all other cases, we will notify you either verbally or in writing when we have done this at the earliest opportunity, and in any event no later than the end of the next **bank working day** following the time of receipt of your instructions (unless it is unlawful for us to do so or would compromise our reasonable security measures). Following receipt of this notification you can contact us on the telephone for details of how to rectify any errors.

6.11 We can also refuse to carry out a **transaction** if you tell us that you want to change the account that is your **linked account** until we have had time to verify the details of your new **linked account** (see condition 3.10).

6.12 If your account is held in your sole name and any money is overdue for payment on any other account you have with us (whether it is in your sole name or jointly with someone else) we may take the money you owe us out of your account. If we think this would be fairer to you, then, rather than taking the money you owe immediately, we may keep enough of any money you ask to withdraw during a fixed or special offer term, or which is in the account at the end of the fixed or special offer term, to cover the amount you owe at that time. We can do this without giving you notice.

6.13 If your account is held jointly and any money is overdue for payment on any other joint account you both have with us, we may take the money you owe us out of your account. If we think this would be fairer to you, then, rather than taking the money you owe immediately, we may keep enough of any money you ask to withdraw during a fixed or special offer term, or which is in the account at the end of the fixed or special offer term, to cover the amount you owe at that time. We can do this without giving you notice.

We will not take the money from an account which, according to our records, you are holding on behalf of someone else (for example, as trustee or executor).

7 International payments into and out of your account

You cannot make international payments into or out of your account.

8 Paying a cheque into your account

8.1 If you want to pay a cheque into your account it must be made out to you. We will not pay a cheque into your account unless you are named on the cheque as payee.

8.2 If you want to pay a cheque into your account:

- more than six months after the date on the cheque; or
- after the expiry date (if there is one shown on the cheque);

You will have to ask the person who made it out to you to write a new cheque or re-date the old cheque and put their initials next to the change. If you send us an out-of-date cheque, we may return it to you.

9 About your certificate

9.1 Any **certificate** issued on your account belongs to us. We may send you a replacement or new **certificate**.

9.2 You must:

- take care to keep your **certificate** safe, and to prevent it from being lost, stolen or used by anyone else;
- take every care to stop anyone else using your **certificate**;
- only tell or show someone the account information on your **certificate** if you need to do so to give us instructions about your account.

10 Telephone and online services

10.1 If you use the **telephone service** or the **online service**, we will let you know what you can use the service for.

10.2 When you phone the **telephone service**, we may ask you:

- to tell us (or key into your phone) numbers to identify you and your account; and
- to tell us (or key into your phone) a selection of characters from your password.

10.3 Once you have registered with our **online service** you must provide us with your username and access token before we will allow you to use the **online service** for the first time. We will send you your username by post and your initial access token by email. Every time you use our **online service** you must give us your username and password and the answer to an additional security question.

10.4 Except when you need to tell us your **security details** to use the **telephone service** or the **online service** you must take all reasonable steps to keep secret your **security details**.

10.5 You must not write down, store (whether encrypted or otherwise) on your computer or mobile phone handset your **security details** on anything we give or send you about the **telephone service**, **online service** or your account (including your **certificate**) or anything usually kept with them. If you do write your **security details** down anywhere, you must disguise it so that no one will know that it is your **security details**.

10.6 We may stop the use of the **telephone service** or the **online service**. For example we may do this if condition 20 applies, if we believe that your **security details** are being used by someone else, or we are otherwise concerned about the security of your account, or we suspect the account is being used in breach of these conditions or the **special conditions** in an unauthorised or fraudulent manner.

Where we stop the use of the **telephone service** or **online service** under this condition 10.6 we will, if practical, notify you immediately before, or where

we cannot notify you immediately before, after stopping the use of the **telephone service** or **online service** and inform you of our reasons for doing so unless it is unlawful for us to do so or it would compromise our reasonable security measures.

- 10.7 You can change your password online. We will give you the necessary instructions. For administrative or security reasons, we can require you to change your password before you use (or carry on using) our **online service**.
- 10.8 Our **online service** is only available to customers who are resident in the United Kingdom. If you live outside the United Kingdom you can only use our **online service** to view information but not to open an account or carry out any **transactions** on your account. If you want to use our **online service** from outside the United Kingdom you must check that the laws of the country where you are allow you to do this.
- 10.9 By registering to use our **online service** you agree that we may communicate with you by email or through our website. You must have a valid and current email address to enable you to open and operate your account.
- 10.10 When you use our **online service** you must follow any instructions we give you. You are responsible for making sure that your computer, software and other equipment is capable of being used with our **online service**.

11 Protecting your account

- 11.1 **Certificate** - If your **certificate** is lost, stolen, or might be used by someone else (for example by using the account information shown on it), you must tell us without delay by phoning us on **0845 850 0664**. You must give us any help we think is necessary to try to get your **certificate** back or to find out who might have used it.
- 11.2 **Counter cheques** - If a **counter cheque** is lost, stolen, or might be used by someone who should not use it, you must tell us without delay by phoning us on **0845 850 0664**. We will then do what we reasonably can to stop the **counter cheque**.
- 11.3 **Telephone service** - If you think that someone else knows any of your **security details**, you must tell us as soon as you can by phoning us on **0845 850 0664**. You must give us any help we think is necessary to try to find out who might have used your **security details**.
- 11.4 **Online service** - If you think that someone else knows your **security details** or has used any of them to use our **online service**, you must do the following:
- For your password, change it online as soon as possible. If you have difficulty changing your password, you must phone us immediately on **0845 850 0664**. You can give the Internet Savings Team your username if you phone them to change your password.
 - For your additional **security details**, you will need to phone us immediately on **0845 850 0664**. We will then send you a new access token.

11.5 Online service – Our **online services** are secure.

Disconnecting from the internet or leaving our website will not automatically sign you off. You must always use the sign off facility when you are finished and never leave your machine unattended while you are signed in. As a security measure, if you have not used the site for more than a specified period of time we will ask you to sign in again.

- 11.6 You must make sure that any email address you give us is safe and secure and cannot be accessed or used by anyone else.
- 11.7 We may give the police or any prosecuting authority (for example, the Crown Prosecution Service) any information we reasonably think relevant about the loss, theft or misuse of your **certificate, security details** or a **counter cheque**.
- 11.8 You must not use your **security details** if they have been reported as lost, stolen, or likely to be used by someone else (although you can give us your **security details** if that is necessary for us to change them). If you use them to make a **withdrawal**, we may still take the amount of the **withdrawal** out of your account.
- 11.9 If you become aware that someone else has unauthorised knowledge of any of your other bank or building society account details, or may have unauthorised access to any of your bank or building society accounts you must tell us immediately by phoning us on **0845 850 0664** as the details of your account(s) with us may also be compromised.

12 When are you responsible if you lose your certificate or security details or they are stolen or are used by someone else?

- 12.1 You will not be responsible for a **certificate** or **security details** being used:
- after you have reported that it is lost, stolen or might be used by someone else (unless it is used by you or on your behalf);
 - where we have failed to provide a notification process to you for reporting the loss or theft (we provide this process through the telephone numbers provided in conditions 11.1, 11.3 and 11.4), unless this failure was due to our failure to provide the service because of strikes, power cuts, equipment not working or other causes beyond our reasonable control.
- 12.2 Unless condition 12.1 applies, if you think that someone else knows your **security details**, the most you will have to pay us for any loss we suffer because of the use of your **security details** will be £50. The £50 limit applies for the period until you or someone acting for you has given us notice under conditions 11.3 or 11.4. This condition does not apply if condition 12.3 applies.
- 12.3 You may have to pay more than £50 if you have been fraudulent or grossly negligent in connection with the loss or theft of your **security details** or in allowing someone else to have your **security details**.

For example, if you have not followed the instructions in condition 9.2, 10.4, 10.5 or 11.5 (these conditions set out what steps you should follow to protect your **security details** from misuse).

- 12.4 If you report that your **certificate** has been lost, stolen or might be used by someone else, you will still be responsible for the use of your **certificate** (for example through use of some of the account information on it) if you have been fraudulent or grossly negligent in connection with the loss or theft of your **certificate** or in allowing someone else to use it.
- 12.5 If there is a disagreement between us and you about the loss, theft or use of your **security details** we will only be able to get back any loss of more than £50 if we prove the necessary facts.
- 12.6 If you never get your **security details** from us (for example, if they are lost in the post) we will be responsible for paying the amount of any **withdrawal** made using them.
- 12.7 We will not be liable if you use an email address which you are not entitled to use for the purposes of opening or operating an account (for example your employer's email address).
- 12.8 In addition in relation to our **online service**:
- If you are a victim of fraud through our **online service** we guarantee that you will not lose any money on your accounts and will always be reimbursed in full.
 - Unless you are a victim of fraud or the payment **transaction** is incorrectly executed, you are responsible for all instructions and other information sent using your **security details**.
 - You will not be held responsible for any instructions or information sent after you have told us that someone knows your **security details** or has used any of them to access our **online service**.
 - We do not accept responsibility for any loss you or anybody else may suffer because any instructions or information you send us are sent in error, fail to reach us or are distorted unless you have been the victim of fraud.

13 Refunds

- 13.1 If you become aware of a **transaction** undertaken by **automated payment** which has not been properly **authorised** or has been incorrectly executed on your account you must notify us by phoning us on **0845 850 0664**. This notification must be provided as soon as you become aware of the error and in any event within 13 months of the date of the **transaction**. If you do not notify us, you will not be entitled to a refund under this condition 13.
- 13.2 You may be entitled to claim a refund in relation to **transactions** undertaken by **automated payment** where:
- the **transaction** was not authorised; or
 - we are responsible for a **transaction** which was incorrectly executed and you notified us in accordance with condition 13.1.

We will not be liable where we can prove that the bank or building society at which your external account is held is at fault.

- 13.3 In the case of disputed **transactions** out of your account under this condition the burden of proving fraud or gross negligence will lie with us.

- 13.4 If you are eligible for a refund under this condition 13 we will reimburse you for any charges you have incurred from us as a result of the incorrect execution.

14 Overdrawn accounts

You must not allow your account to go overdrawn. If we carry out a **withdrawal** or other **transaction** or apply a charge and this makes your account go overdrawn, this does not mean we have agreed to allow you to have an overdraft.

15 Charges

We can make charges on your account, and for the services or facilities we make available to you, as set out in the Important information section of this brochure, as varied in accordance with condition 18, and for services or facilities we make available to you.

16 Joint accounts

- 16.1 Conditions 16.2 to 16.5 apply to joint accounts. Not all our accounts can be opened jointly.

- 16.2 These conditions and the **special conditions** apply to all of you together and to any of you separately. For example, if you owe us any money on your account, we can claim it back from any of you or all of you. Up to four people can apply to invest in a joint account.

- 16.3 Unless we agree otherwise, we will accept the instructions or signature of either, or any one, of you (for example, to make a **withdrawal** or to close your account). On some accounts, if you ask us to, we can agree that we will only accept the instructions or signatures of both or all of you.

- 16.4 We may send all written notices, and other information about your account, to the address of the customer whose name appears first in our records of your account.

- 16.5 If one of the account holders dies, we will only accept instructions from the other account holder(s), and the other account holder(s) can close the account without losing any interest for early closure (see condition 17.3).

17 Closing your account

- 17.1 Your account will remain open until it is closed by either you or us in accordance with this condition 17.

- 17.2 We may terminate this agreement with you and close your account. To do so we must give you at least two months' notice in accordance with condition 19. (We will give you more than two months notice if that is required by a code of practice that applies to us, our regulator or another similar body).

- 17.3 You may terminate this agreement at any time giving us any advance notice required by the **special conditions** in accordance with condition 19. The **special conditions** may also say that if you close your account without giving us the

minimum amount of notice, or before the end of the term (if your account is for a fixed term but can be closed before the end of the term) we may take off the interest you would have earned if you had given us the minimum amount of notice, or a sum set out in the **special conditions**, from the interest we owe you on your account which we have not yet paid. If there is not enough interest that we have not yet paid, we will take this amount from your account.

17.4 If we terminate our agreement with you and close your account under condition 17.2, we will return your money to you along with any interest we owe you on your account.

17.5 If your account is for a fixed term which ends on a day which is not a **bank working day**, we may close the account on the next **bank working day**.

17.6 If we believe that we have lost touch with each other, for example if letters addressed to you are returned undelivered, and you have not paid money into or taken money out of your account for at least two years, then we can treat your account as inactive, which means we will stop sending you letters or other information until we hear from you.

17.7 We can close your account and transfer the money to the reclaim fund under The Dormant Bank and Building Society Accounts Act 2008 if:

- (a) we have not been able to find you after making reasonable attempts;
- (b) you have not taken any money out of your account or paid any money into it for the past 15 years.

17.8 If we close your account under condition 17.7 we will re-open the account if:

- (a) you ask us to; or
- (b) we think it is reasonable to re-open it.

If we re-open your account, we will pay back any money which was in the account when we closed it. We will reclaim this money back on your behalf from the reclaim fund under The Dormant Bank and Building Society Accounts Act 2008.

17.9 If we terminate our agreement with you and close your account:

- we can still take money out of your account, under conditions 6.12 and 6.13 (which detail where we can set off the amounts held in this account against other debts you owe us), or to cover any **withdrawal**; and
- you will still have to pay back any overdrawn balance or charges which you owe us on your account.

18 When can we change these conditions, special conditions, charges and interest rates?

18.1 If your account is a **payment account**, we can change these conditions, the **special conditions**, the services or facilities on your account, the conditions which apply to the services or facilities on your account, the charges for the day to day running of your account and the interest rates applicable to your account for the reasons set out

in this condition 18 if we give you at least two months' prior notice of the change. The notice will be given in accordance with condition 19. Where we give you notice of a change under this condition 18.1, the change will automatically take effect and you will be taken to have accepted the change unless you notify us in writing that you do not agree to the change as soon as possible, and in any event before the end of the two month period. If you do not agree to the change you can close your account. If you notify us that you do not accept a change, we will take this as notification that you wish to close your account immediately.

18.2 If your account is a **payment account**, we do not need to give you prior notice in accordance with condition 18.1 of any change to the interest rate payable on your account where the change is to your advantage or where the interest rate is linked to a **reference rate**. Where we make such an advantageous change, or where a change follows a change to a **reference rate**, we may apply it to your account immediately and we will notify you in accordance with condition 19.4.

18.3 If your account is not a **payment account**, we can change these conditions, the **special conditions**, the services or facilities on your account, the conditions which apply to the services or facilities on your account, the charges for the day to day running of your account and the interest rates applicable to your account for the reasons set out in this condition 18 if we give you notice in good time. This will be before the change takes effect if that is required by a code of practice that applies to us, or by our regulator or another similar body. The notice will be given in accordance with condition 19, and we explain in condition 19 how much notice we will give you, and how we will tell you about any changes. However we do not need to give you prior notice of any change to the interest rate payable on your account where this change is to your advantage, or where the interest rate is linked to a **reference rate**. Where we make such an advantageous change it will apply to your account immediately and we will notify you in accordance with condition 19.

18.4 We can change the **special condition** that says whether your account is a **payment account** or not if it is reasonable to make the change:

- (a) to reflect changes to the law or a code of practice that applies to us;
- (b) to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, code of practice that applies to us, regulator or similar body on the application of The Payment Services Regulations; or
- (c) to reflect changes in the way banks and other organisations offering similar services treat the accounts they offer.

18.5 For any valid reason we can make any reasonable changes to these conditions, the **special conditions**, the services or facilities on your account, or the conditions which apply to any services or facilities on your account. We will make any such change in a reasonable and proportionate manner.

18.6 If you have an account which pays interest at a fixed rate, we will not change the interest rate on your account during the term of the fixed rate. If you have an account that pays interest at a variable rate which is not linked to a **reference rate**, we can change interest rates if it is reasonable to make the change:

- (a) to reflect a change or changes in the bank rate (that is the rate set by the Bank of England in connection with its open money market operations);
- (b) to reflect a change in LIBOR (that is the London Inter Bank Offered Rate) or LIBID (that is the London Interbank Bid Rate) or equivalent money market rate we use to determine the rates we can offer our retail savings account customers;
- (c) to reflect changes in the rates of interest which banks and other organisations offering similar services pay to customers with similar products;
- (d) to reflect changes in the costs to us of offering retail savings accounts to our customers;
- (e) to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar body or an undertaking given to the Office of Fair Trading;
- (f) to reflect changes to the law, codes of practice or the way we are regulated;
- (g) to reflect changes to standards published by other bodies which we agree will apply to your account;
- (h) to reflect changes to the way we look after your account or deposit accounts generally (including changes in the technology we use) because of:
 - the reasonable steps we have taken to change our systems for managing those accounts; or
 - reasons outside our control; or
- (i) because:
 - we are going to take over, take control of or acquire the business of another bank or organisation offering similar services;
 - we are going to be taken over or our business is acquired by another bank or organisation offering similar services; or
 - any of those things has happened;and the change will make sure that our customers and the customers of the other bank or organisation are treated in a similar way if they are in similar categories.

Where we refer to "changes" in this condition, we mean changes we know or reasonably believe will happen or changes which have already taken place.

18.7 We can also change interest rates for any valid reason.

18.8 If you have an account which pays interest at a fixed rate we will not change any charges for the day to day running of your account during the term of the fixed rate. For other accounts we can change the amounts we charge you, make new or different charges, and change the way you have to pay charges:

- (a) to reflect changes to the costs of providing the services or facilities available on your account, including any changes caused by inflation;
- (b) we can also change the amounts we charge you, make new or different charges, and change the way you have to pay charges, for any other valid reason.

19 What conditions apply to notices about your account?

19.1 We may send all written notices, statements or letters to the last address known to us (including an electronic address if you ask to receive documents through our **online service** or you and us agree that we may send you information about your account electronically). We will treat them as arriving four days after they were posted (if sent to an address in the United Kingdom) or 10 days after they were posted (if sent abroad). If you receive written information from us online, or you and us agree that we may send you information electronically, we will treat those notices, statements or letters as delivered one day after we send them (or one day after we send the email notifying you that the document is available to view online). If you live abroad, we may ask you to give us an address in the United Kingdom for us to write to you for legal or administration reasons.

19.2 You must let us know straight-away if you change your name or postal or email address. If you do not let us know, you may have to pay our reasonable costs of finding you or your new address. To inform us of a change of email address you must phone our Internet Savings Team on **0845 850 0664**. We will not accept an email sent to us from a new email address as proof of an email address change.

19.3 Unless these conditions say otherwise, any notices or other communications given under them or the **special conditions** will only be valid if they are in writing.

19.4 If your account is a **payment account** and we make a change to the interest rate payable on it which is to your advantage, or which follows a change to a **reference rate**, we will notify you by putting a notice in at least two national daily papers, or by writing to you.

19.5 If your account is not a **payment account** we will tell you about any changes we make under condition 18.6 to the interest rate which we pay on your credit balance, by putting a notice in at least two national daily papers, or by writing to you. If the change to the interest rate is to your disadvantage then, except where permitted by a code of practice that applies to us, or by our regulator or other similar body (for example if the

change is not regarded as material) we will give you notice at least 14 days before the change (or any longer period required by a code of practice that applies to us, or by our regulator or other similar body). We will also write to you if we are required to do so by a code of practice that applies to us, or by our regulator or another similar body.

19.6 If your account is not a **payment account** and we change the interest rate under condition 18.7 (that is to say, we change it for a valid reason not set out in condition 18.6), we will tell you in writing at the earliest opportunity (and at least 14 days before the change, or any longer period required by a code of practice that applies to us, or by our regulator or another similar body). If the **special conditions** say that you must give us a minimum amount of notice to close your account, then for the period of notice on your account you may close your account without notice (and without our taking anything off the balance in your account under condition 17.3). If the **special conditions** for your variable rate fixed term account say that you cannot close your account before the end of a fixed term, or say that if you did close then we would take money off your account under condition 17.3, then for such period (if any) following the date of the notice as a code of practice that applies to us, or our regulator or similar body say, you may close your account without notice and without our taking anything off the balance in your account under condition 17.3).

19.7 If your account is not a **payment account** and we make any change to these conditions, the **special conditions**, the services or facilities on your account or the conditions which apply to any services or facilities on your account, we will tell you in writing in good time before we make the change. This will be at least 30 days before, or any longer period required by a code of practice that applies to us, our regulator or another similar body. (If the change is beneficial we may allow you to take advantage of it before the end of the 30 day period.) If the **special conditions** say that you must give us a minimum amount of notice to close your account, or if you have a fixed term account, then at any time before the change to conditions comes into force, and for a further period after that if a code of practice that applies to us, or our regulator or another similar body requires this, you may close your account without notice (and without our taking anything off the balance in your account under condition 17.3). When we write to you, we will tell you how long you have to close your account without our taking anything off the balance.

19.8 If your account is not a **payment account** and we change the charges for the day to day running of your account (including making new or different charges), or if a code of practice that applies to us, our regulator or another similar body requires, we

will tell you in writing in good time before we make the change. This will be at least 30 days before, or any longer period required by a code of practice that applies to us, our regulator or another similar body. If the **special conditions** say that you must give us a minimum amount of notice to close your account, then at any time before the change to conditions comes into force, and for a further period after that if a code of practice that applies to us, or our regulator or another similar body requires this, you may close your account without notice (and without our taking anything off the balance in your account under condition 17.3). When we write to you, we will tell you how long you have to close your account without our taking anything off the balance.

20 What happens if you cannot look after your finances any longer?

20.1 If we are satisfied that you cannot look after your finances any longer, we will allow your account to be used by anyone who has authority from a court.

20.2 If we allow someone else to use your account under condition 20.1, you may be legally responsible for anything they do.

21 When can we tell someone else about your account?

We may give details of your account or your name and address to anyone else if:

- the law says we must;
- we have a public duty to do so;
- this is necessary to protect our interests; or
- you ask us to give the details to someone else or agree that we can give them to someone else (for example, by signing the application form for your account if it includes an appropriate declaration).

22 What happens if you die?

If you die, and your account is not a joint account, your personal representative can use the account (even if the number of the account changes), and close the account. If your account is a joint account, see condition 16.5.

23 Information on transactions

23.1 Unless you have an internet account, we will send you annual statements for your account. If you have an internet account, you can view your account statements online.

23.2 You should check your statements and let us know as soon as you can if you think they include any information which seems to be wrong.

23.3 You can request and we will provide you with the following information on each **transaction** carried out by an **automated payment**:

- details of the **transaction** into and out of your account including a reference enabling you to identify the **transaction**;
- the amount of the **transaction**;
- any charges applied to your account in relation to the **transaction**;
- the date of receipt of the **transaction** into your account.

To request this information please phone 0845 850 0664.

24 General

- 24.1 All correspondence and communication in relation to your account will be in English.
- 24.2 You will receive a copy of this booklet when you open an account and at any time you ask.
- 24.3 Unless we agree, you must not transfer, charge or give as security to anyone else:
- your account or any part of it; or
 - any of your rights under these conditions or the **special conditions**.
- 24.4 For administration reasons, we can change any address or phone number in these conditions or the **special conditions**, or the name or number of your account, by giving you notice first.
- 24.5 For similar reasons, it is not a change to the terms of this account if we change the name of any service that we may let you use on your account, without giving you notice.
- 24.6 You must give us an example of your signature if we ask you to.
- 24.7 We may monitor and record phone calls to or from us. We may do this to check any instructions you give us over the phone and to help train our staff. We may keep any emails sent to or from us. We will do this to check what was written, and also to help train our staff.
- 24.8 If we choose not to enforce any term which forms part of these conditions or the **special conditions**, this will not affect our right to enforce the rest of those terms.
- 24.9 Each paragraph and subparagraph in these conditions and the **special conditions** is separate from the others. This means that if we cannot enforce any one paragraph or subparagraph in these conditions or the **special conditions**, this will not affect our right to enforce any other paragraph or subparagraph.
- 24.10 These conditions and the **special conditions** are part of the legal agreement between you and us for your account.
- 24.11 This agreement is governed by the law of Scotland if the address you last gave us is in Scotland, or by the law of England and Wales if the last address you gave us is anywhere else.

Important information

General

Bank of Scotland is a member of the Financial Services Compensation Scheme under the Financial Services and Markets Act 2000. Where a customer has made deposits in a savings or bank account, payments under the scheme are limited to 100% of the first £50,000, subject to a maximum payment to any one depositor of £50,000 (or, if this is higher at the time of default, €50,000). Please note that accounts with Bank of Scotland include accounts in its divisions and trading names, for example, Birmingham Midshires, Halifax and Intelligent Finance. Most deposits denominated in sterling and other European Economic Area currencies and euro made with offices of the bank within the European Economic Area are covered. There are different levels of protection for other investments covered by the Financial Services Compensation Scheme. Further details of the scheme are available on request.

Bank of Scotland plc (a bank) is authorised for accepting deposits by the Financial Services Authority. It is entered in the FSA's Register and its Register Number is 169628. Bank of Scotland is licensed under the Consumer Credit Act by the Office of Fair Trading under licence number 0593292. We are members of the British Bankers' Association.

The standard central clearing cycle for cheques is 3 bank working days. The time you have to wait before the money can be taken out of your account is longer than this – please see Condition 4 of the General Investment conditions.

We want to make sure that you, and only you, can withdraw the money in your account. So we may sometimes ask for proof of your identity before a withdrawal can be made from your account.

Complaints

We aim to offer you the best possible service, but there may be occasions when you feel you have cause for complaint. If so we will always try to resolve the problem quickly and to your satisfaction. We would like you to talk to us about your complaint to give us the opportunity to put it right. You can do this by phoning us on **0845 850 0664** with details of your complaint. If you are unhappy with our response, you can take your complaint further through our complaints procedure.

CHAPS fee

If we agree to make a CHAPS payment out of your account we will charge a fee of £35.

All information given is correct at date of printing: August 2009.

Birmingham Midshires is a division of Bank of Scotland plc. Registered in Scotland No SC327000. Registered Office: The Mound, Edinburgh EH1 1YZ.

Lines are open Monday to Saturday between 8.00am and 8.00pm. Calls may be monitored and recorded for security and training purposes.

This information is also available on request in large print, Braille or audio. Customers can also contact us by using Typetalk.

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The deposit taker for Saga Savings Accounts is Birmingham Midshires, a division of Bank of Scotland plc, which is authorised for accepting deposits by the Financial Services Authority. It is entered in the FSA's Register and its Register Number is 169628. Registered office: The Mound, Edinburgh EH1 1YZ. (Registered in Scotland No. SC327000).

Bank of Scotland plc is a member of The British Bankers' Association.