

Personal and Private Banking

Keeping You Informed

Make it happen

 **RBS**
The Royal Bank of Scotland

28 February 2009

Important information:

We are making some important changes which will allow us to always notify you in advance of fees and charges in relation to unarranged borrowing or unpaid items which may be payable by you.

We are not changing the amount of our fees and charges or the way in which these can be incurred.

The key changes are explained in more detail below. Full details of the changes are set out in the 'Keeping You Informed' section of this notice.

Pre-notification of Fees and Charges

Maintenance Charges and debit interest are currently notified to you in advance of being debited from your account. From **1 May 2009**, any Paid Referral Fees, Guaranteed Card Payment Fees and Unpaid Item Fees payable by you will also be notified to you in advance. In order to make sure that we can notify you before we debit such fees and charges from your account we are changing the dates on which we debit Paid Referral Fees, Guaranteed Card Payment Fees and Unpaid Item Fees from your account.

If we are going to debit any such fees, charges or interest, we will give you not less than 14 days' notice of how much we are going to debit and when.

In giving you advance notice before we debit such fees charges and interest from your account, we are giving you the opportunity to manage your account more effectively by, for example, giving you time to pay sufficient money into your account to avoid an unarranged overdraft arising from any charges that may be debited from your account.

Want to get less paper?

If you'd like to receive less paper and help the environment you can opt out of receiving paper statements. All online banking customers can view their statements online – you can even view statements up to 7 years old. Your online statements will include any advance notice we have to give you because we are going to debit fees, charges or interest from your account. If you're not already registered for digital banking, just go to **www.rbs.co.uk/digitalbanking** and follow the on-screen instructions. If you're already registered, just log in and click on "statements" then select "start or stop receiving bank statements by post."

Where do I get more information?

The rest of this notice has more detailed information on these changes and others being made to our fees leaflets, '*Personal Banking – Charges and Rates of Interest*' and '*Private Banking – Charges and Rates of Interest*' and our user guide, '*How to make the most of your bank account*'. The updated versions of these leaflets will be available on request in your local branch or on our website **rbs.co.uk** from **1 May 2009** when these changes will have taken effect.

If you have any queries about any of these changes, please contact your Relationship Manager or call into your local branch.

Keeping you informed:

Part 1: Changes to our Fees Leaflets and User Guide for Personal and Private Banking

We are making some changes to our leaflets, '*Personal Banking – Charges and Rates of Interest*' and '*Private Banking – Charges and Rates of Interest*' (our **Fees Leaflets**). These changes allow us to notify you in advance of fees and charges in relation to unarranged borrowing or unpaid items which may be payable by you. We are also inserting details of our safe custody services.

These changes alter the terms of the contract between us.

The changes to our Fees Leaflets are shown in full in Part 2 of this notice. All changes come into effect on **1 May 2009**.

We are also making some changes to our leaflet, '*How to make the most of your account*' (our **User Guide**), which does not form part of the contract between us, but contains important information on how to use your account. These changes take effect from **1 May 2009**.

Part 3 of this notice sets out the changes we are making to our User Guide. These changes amend the examples which show how our fees, charges and interest in relation to unarranged overdrafts and unpaid items work.

Please read the information in this notice carefully and keep it for future reference.

Part 2: Full details of changes to our Fees Leaflets

Section 6: Interest due on overdrawn balances

The paragraph which appears under the heading 'Calculation and application of interest' in Section 6 of our Fees Leaflets has been replaced with the following:

"Interest on arranged and unarranged overdrafts is calculated on a daily basis and charged monthly. The interest we charge in each charging period will be debited from your account 16 days after the end of that charging period (or on the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

If we are going to debit interest from your account, we will give you not less than 14 days' notice of how much we are going to debit and when."

Section 7: Arranged Overdrafts, Unarranged Overdrafts and Unpaid Items – Charges

The text set out immediately below the heading ‘Unarranged overdrafts and unpaid items – charges’ in Section 7 of our Fees Leaflets ending with the paragraph in bold which reads “Making an informal request for an overdraft...” and ends with “...our leaflet *How to make the most of your account*” has been replaced with the following: “If we are going to debit a Maintenance Charge, a Paid Referral Fee, a Guaranteed Card Payment Fee and/or an Unpaid Item Fee from your account, we will give you not less than 14 days’ notice of how much we are going to debit and when.

Maintenance Charge

If your account becomes overdrawn without prior arrangement or any arranged overdraft limit is exceeded, you will be liable for a monthly Maintenance Charge.

The Maintenance Charge will be applied if you have an unarranged overdraft at any time during a monthly charging period.

When charged

16 days after the end of the charging period (or the next business day if this is a Saturday, Sunday, or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

Fee amount

£28 (£10 for R21 Account**, Student Royalties, and Graduate Royalties).

Paid Referral Fee

A Paid Referral Fee will be payable if:

- you informally request an overdraft by issuing instructions for a withdrawal or other payment on your account; and
- the payment cannot be met from the funds in your account or any unused arranged overdraft facility; and
- an unarranged overdraft is created or increased because we decide we are willing to accept your request.

When charged

16 days after the end of the charging period in which the transaction was paid or taken from your account (or the next business day if this is a Saturday, Sunday, or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

Fee amount

£30 for each day on which a Paid Referral occurs (subject to a maximum of £90 in any charging period).

Guaranteed Card Payment Fee

A Guaranteed Card Payment will be payable if:

- you informally request an overdraft by issuing instructions for a withdrawal or other payment on your account; and
- the payment cannot be met from the funds in your account or any unused arranged overdraft facility; and
- we decide we are not willing to accept your request but nonetheless accept it because we find that you have guaranteed payment by the use of a cheque guarantee card or debit card.

When charged

16 days after the end of the charging period in which the transaction was paid or taken from your account (or the next business day if this is a Saturday, Sunday, or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

Fee amount

£35 for each transaction.

Unpaid Item Fee

An Unpaid Item Fee will be payable if:

- you informally request an overdraft by issuing instructions for a withdrawal or other payment; and
- the payment cannot be met from the funds in your account or any unused arranged overdraft facility; and
- we decide in our discretion not to make the payment.

When charged

16 days after the end of the charging period in which we decide not to make the payment (or the next business day if this is a Saturday, Sunday, or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.

Fee amount

£38 for each item (subject to a maximum of £114 per day).

Making an informal request for an overdraft means you will have to pay a Paid Referral Fee, a Guaranteed Card Payment Fee or an Unpaid Item Fee. If an unarranged overdraft arises, you will also have to pay the Maintenance Charge and interest on the amount overdrawn (except so far as it represents fees, charges or costs of the kind described in Section 6 under the heading *Sums which do not bear interest*).

For examples showing how our charges work, please see the section headed Unarranged Overdrafts and Unpaid Items in our leaflet *How to make the most of your account.*"

Section 9: Additional Services and Travel Money

The table and text set out below has been inserted above the table headed "Travel Money".

Safe Custody	
Annual Holding Charges (payable annually in arrears)	
Sealed envelopes	£24.47
Small boxes/parcels	£44.04
Large boxes/parcels	£63.62
Initial and subsequent re-deposit(s)	£9.79

Annual Holding Charges are applied in arrears so any withdrawal made prior to the anniversary of the deposit will incur a pro-rated amount of the annual charge. In addition, a £9.79 fee will be charged for initial deposits and any re-deposits following item inspection or temporary release.

The charges detailed above are inclusive of VAT".

Part 3: Changes to your User Guide

Example 4 in the section headed 'Unarranged Overdrafts and Unpaid Items' has been amended to reflect the changes to our Fees Leaflets and now reads as follows:

"We decide not to pay a Direct Debit which, if paid, would have created an unarranged overdraft. As a result, an Unpaid Item Fee is debited to your account in the following monthly charging period. At the time when this fee is debited, there is not enough money in your account (including any unused arranged overdraft facility) to pay it. As a result, an unarranged overdraft is created. You then repay your unarranged overdraft within the same charging period. We apply the following fees, charges and interest:

- We charge the Unpaid Item Fee in the charging period following our decision not to pay the Direct Debit.
- We do not charge the Paid Referral Fee (this is because we do not charge this fee where an unarranged overdraft arises through the debiting of other fees to your account).
- We charge you a Maintenance Charge for the monthly charging period in which the unarranged overdraft is created.
- We do not charge interest on the unarranged overdraft (this is because the whole of the overdrawn balance represents an Unpaid Item Fee, on which we do not charge interest).*

Our updated User Guide will be available at your branch or on our website rbs.co.uk from **1 May 2009**.

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Registered in Scotland No. 90312.
VAT Registration No. 243852752. Website www.rbs.co.uk
Authorised and regulated by the Financial Services Authority No. 121882.

RMT09015Feb09