

Changes to your Terms and Conditions

Important Information

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November 2009

Changes to Terms and Conditions for Personal and Private Banking

We have made some changes to the following:

- Our leaflets, '*Personal Banking – Charges and Rates of Interest*' and '*Private Banking – Charges and Rates of Interest*' (our '**Fees Leaflets**'); and
- Our '*Personal and Private Banking – Terms and Conditions*' (our '**Terms and Conditions**'); and
- Our user guide, '*How to make the most of your account*' (our '**User Guide**').

We have reduced the amount of our fees and charges in relation to unarranged borrowing and unpaid items. We have made some changes to our Fees Leaflets which reflect these reductions.

We have also reduced the maximum amounts of some of the fees for unarranged borrowing and unpaid items that you can incur in any charging period.

Full details of the fees and charges payable for unarranged borrowing and unpaid items are detailed in section 7: '**Arranged Overdrafts, Unarranged Overdrafts, Unpaid Items and Enforcement Charges**' of our Fees Leaflets.

Please note in particular it is possible for you to incur more than one fee on any day. For example, if an instruction you give results in a Paid Referral Fee and you subsequently give another instruction which results in an Unpaid Item Fee, we will charge you both fees that same day. However, where you incur a Guaranteed Card Payment Fee and a Paid Referral Fee on the same day, we will not charge you the Paid Referral Fee. You will always receive at least 14 days' notice before any unarranged borrowing or unpaid item fees are taken from your account.

We will only charge you a Paid Referral Fee where the level of unarranged borrowing on that day is £15 or more.

For examples of how our charges work, please see the section headed '**Unarranged Overdrafts and Unpaid Items**' in our User Guide.

These changes alter the terms of the contract between you and us, and came into effect on the first day of your charging period following **1 October 2009** (the first day of your charging period is normally the day after we issue your statement to you). The changes apply to all our Personal and Private Banking current and chargeable savings accounts unless otherwise stated.

The changes also apply to the corresponding provisions of our Bank of China Student Royalties Account, in so far as these changes apply to the following:

- Our leaflets, '*Charges and Rates of Interest Student Royalties*' and '*Personal Banking Additional Services and Charges*' (our '**Fees Leaflets**'); and
- Our '*Student Royalties Account Terms and Conditions*' (our '**Terms and Conditions**').

We have also made some changes to clarify the charges that apply to foreign currency and debit card transactions which apply abroad and in the UK. These changes will take effect from **20 February 2010**.

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

- Section 1 of this leaflet summarises the main changes to our Fees Leaflets, Terms and Conditions and User Guide.
- Section 2 of this leaflet provides full details of the changes to our Fees Leaflets and Terms and Conditions.
- Section 3 of this leaflet explains the changes to our User Guide.

If you have any questions on how these changes affect you please contact your local branch.

The updated versions of these leaflets are available on request in your local branch or on our website **www.rbs.co.uk**

Section 1: Summary of Changes

Main terms being changed in our Fees Leaflets	Summary of change
Section 3 (Services you can receive without separate charge)	This section has been amended to advise you that there are some cash machines (ATMs) in the UK and abroad where the owner of the cash machine may charge a fee for transactions using your debit card.
Section 7 (Arranged Overdrafts, Unarranged Overdrafts, Unpaid Items and Enforcement Charges)	The Maintenance Charge has been reduced from £28 to £20.
Section 7 (Arranged Overdrafts, Unarranged Overdrafts, Unpaid Items and Enforcement Charges)	A Paid Referral Fee will only be payable if the level of the unarranged borrowing on a particular day is £15 or more.
Section 7 (Arranged Overdrafts, Unarranged Overdrafts, Unpaid Items and Enforcement Charges)	The Paid Referral Fee has been reduced from £30 to £15.
Section 7 (Arranged Overdrafts, Unarranged Overdrafts, Unpaid Items and Enforcement Charges)	The Guaranteed Card Payment Fee has been reduced from £35 to £15. The maximum amount of this fee we will charge has been reduced from £105 per day to £90 in any charging period.
Section 7 (Arranged Overdrafts, Unarranged Overdrafts, Unpaid Items and Enforcement Charges)	The Unpaid Item Fee has been reduced from £38 to £5. The maximum amount of this fee we will charge has been reduced from £114 per day to £50 in any charging period.

continued overleaf

Main terms being changed in our Fees Leaflets	Summary of change
Section 8 (Foreign transaction charges and transaction withdrawal limit)	This section has been renamed “8. Foreign Transaction and Debit Card charges” and now includes details of our debit card charges. This allows you to clearly see what charges you will incur for foreign currency and debit card transactions on your account. Accordingly, the debit card charges detailed in section 9 have been removed.

Main terms being changed in our Terms and Conditions	Summary of change
General Conditions 14.1.3 and 14.3.5 Section C: (Card Conditions)	Condition 14.3.5 and any cross-references to it have been deleted.

Changes to our User Guide	Summary of change
Managing your money, some points to note.	Example 2 has been amended and we have added two new examples to this section, Example 7 and Example 8, to reflect the above changes.

Section 2: Detailed changes to our Fees Leaflets and Terms and Conditions

A. Changes to our Fees Leaflets

Section 3: Services you can receive without separate charge

The second bullet point under the heading ‘**Services you can receive without separate charge**’ has been amended to read:

- “• Transactions using your debit card or ATM card in Royal Bank of Scotland or NatWest cash machines, or almost all other UK cash machines. There are some cash machines in the UK and abroad where the owner of the machine may charge a fee. You will be advised on the screen about any charges before you withdraw cash. You can stop the transaction if you do not want to be charged;”

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

1. Unarranged overdrafts and unpaid items – charges

The text set out immediately below the subheading ‘**Unarranged overdrafts and unpaid items – charges**’ in section 7 of our Fees Leaflets 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

£20 (£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; and
- the level of the unarranged overdraft is £15 or more.

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

£15 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 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
- 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

£15 for each transaction (subject to a maximum of £90 in any charging period).

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

£5 for each item (subject to a maximum of £50 in any charging period).

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'*."

2. Monthly Management Fee Option

Under the heading '**Monthly Management Fee Option**' in Section 7 of our Fees Leaflets the second and third bullet points have been amended and now read:

- any Maintenance Charge, Unpaid Item Fee, Paid Referral Fee or Guaranteed Card Payment Fee which you have to pay will be reduced to £5;
- the Paid Referral Fee will be subject to a maximum of £30 in any charging period, the Unpaid Item Fee will be subject to a maximum of £50 in any charging period and the Guaranteed Card Payment Fee will be subject to a maximum of £30 in any charging period."

Please note that the change to the third bullet point supersedes the earlier amendment in the '**Changes to Terms and Conditions for Personal and Private Banking**' issued in August 2009 which were to take effect from 1 November 2009.

Section 8: Foreign transaction charges and transaction withdrawal limit

The heading '**Foreign transaction charges and transaction withdrawal limit**' has been amended and now reads '**Foreign transaction and Debit Card charges**'.

The entire section under the heading has been replaced with the following:

Exchange Rate Transaction Fee

Any transaction in a foreign currency is converted into sterling at our prevailing exchange rate and a transaction fee of 2.75% is subsequently applied for debit card transactions. This fee is known as the Exchange Rate Transaction Fee (ERTF).

Debit Card Charges (foreign currency or sterling)

Transaction type	Charges
Transactions in the UK (this includes the Channel Islands, Isle of Man and Gibraltar)	
Cash withdrawals in sterling: <ul style="list-style-type: none"> at a UK cash machine (ATM) in any Royal Bank of Scotland branch using your Visa Debit card in any other bank, travel agent, bureau de change or other outlets displaying the Visa logo 	No charge* No charge 1.5% (minimum £2, maximum £4.50)
Purchase of foreign currency or travellers' cheques using a Visa Debit card:** <ul style="list-style-type: none"> in any Royal Bank of Scotland branch in any other bank, travel agent, bureau de change or other outlets displaying the Visa logo 	No charge 1.5% (minimum £2, maximum £4.50)
Foreign currency withdrawal from cash machines	2% (minimum £2, maximum £5)
Transactions abroad	
Cash withdrawals	2% (minimum £2, maximum £5)
Purchase of currency or travellers' cheques using a Visa Debit card	2% (minimum £2, maximum £5)
Point of sale transactions	£1.25 per transaction

Where a charge in the table above is stated as a percentage, this is a percentage of the sterling transaction amount.

*We will not charge you for using your card at an ATM in the UK but other companies may charge a fee. You will be advised on screen about any charges before you withdraw cash.

**Standard commission rates apply.

Transaction withdrawal limit

In most cases, you can withdraw funds up to your ATM daily withdrawal limit, provided there are sufficient funds in your account. Within Europe, some cash dispenser networks have imposed a maximum value per transaction equivalent to around £135 sterling. To withdraw more than this you will have to carry out more than one transaction.

There is a daily limit for cash withdrawals using a Visa Debit card in any other bank, travel agent, bureau de change or other outlets displaying the Visa logo. Details of the limit are available on request from your branch.”

Section 9: Additional Services and Travel Money

Under the heading ‘**Additional Services and Travel Money**’, we have deleted the section relating to the Visa Debit cash withdrawal service. The wording that has been deleted is from “The following charges apply where you use a Visa Debit card...” to “...An additional exchange rate transaction fee applies, see Section 8.”

B. Changes to our Terms and Conditions

General Condition 6.3.5 has been amended and now reads:

6.3.5 Where you have an unarranged overdraft, in addition to any charge imposed under General Condition 6.3.2 to 6.3.4, we will:

- (a) apply a monthly charge known as a Maintenance Charge; and
- (b) charge interest (known as debit interest) on the unarranged overdraft at the rate which applies to unarranged overdrafts.

General Condition 14.3.5 and any cross-references to it have been deleted.

Section 3: Detailed changes to our User Guide

The section in your User Guide headed '**Unarranged Overdrafts and Unpaid Items**' has been amended to reflect the changes to our Fees Leaflets.

Example 2 has been changed and now reads as follows:

“Example 2:

You write a cheque in circumstances where, if we pay the cheque, an unarranged overdraft will be created. We decide to pay the cheque and an unarranged overdraft is created. On each of the following seven days in that calendar month a Standing Order falls due, each of which, if paid, will further extend your unarranged overdraft. We decide to pay each of the first six Standing Order payments, further extending your unarranged overdraft. We decide not to pay the seventh Standing Order payment. You then repay your unarranged overdraft within the monthly charging period in which it was created. We apply the following fees, charges and interest:

- We charge you a Paid Referral Fee following our decision to pay the cheque.
- We charge you five further Paid Referral Fees following our decision to pay each of the first five Standing Order payments.
- We do not charge you a Paid Referral Fee in relation to the sixth Standing Order payment (this is because we do not charge more than six of these fees in any charging period).
- We charge you an Unpaid Item Fee in relation to the seventh Standing Order payment, which we decided not to pay.
- We charge you a Maintenance Charge for the monthly charging period in which the unarranged overdraft is created.
- While your unarranged overdraft remains owing, we charge interest on it at the rate which applies to unarranged overdrafts.*”

We have also added two new examples to this section as follows:

“Example 7

You have a Standing Order that falls due which, if paid, will create an unarranged overdraft. We decide to pay this Standing Order and an unarranged overdraft is created. On the same day a Direct Debit falls due which, if paid, would further extend your unarranged overdraft. We decide not to pay this Direct Debit and as a result an Unpaid Item Fee is debited to your account. You then repay your unarranged overdraft within the monthly charging period in which it was created. We apply the following fees, charges and interest:

- We charge you a Paid Referral Fee following our decision to pay the Standing Order.

- We charge you an Unpaid Item Fee following our decision not to pay the Direct Debit.
- We charge you a Maintenance Charge for the monthly charging period in which the unarranged overdraft is created.
- While your unarranged overdraft remains owing, we charge interest on it at the rate which applies to unarranged overdrafts.*

Example 8

You write two cheques, either of which, if paid, will result in an unarranged overdraft. You use your debit card to guarantee the first cheque, but not the second. Both cheques are presented to us for payment on the same day. Because your first cheque is guaranteed, we are obliged to pay it. We pay the first cheque in accordance with our obligations and an unarranged overdraft is created. We decide to pay your second cheque and your unarranged overdraft is extended. You then repay your unarranged overdraft within the same monthly charging period. We apply the following fees, charges and interest:

- *First Cheque:* when the first cheque is presented to us for payment, we first decide whether we are willing to make the payment without at this stage considering whether we are obliged to make it. If we decide that we are willing to make the payment, we charge you a Paid Referral Fee.
- If we decide that we are not willing to make the payment, we then check to see whether you used your debit card to guarantee the first cheque. When we do so, we find that you did use your card and that we are therefore obliged to make the payment. In these circumstances, we charge a Guaranteed Card Payment Fee instead of a Paid Referral Fee.
- *Second Cheque:* following our decision to pay the second cheque, we would normally charge you a Paid Referral Fee. However, in circumstances where you have been charged a Guaranteed Card Payment Fee on a particular day, we do not charge you a Paid Referral Fee on the same day.
- We charge you a Maintenance Charge for the monthly charging period in which the unarranged overdraft is created.
- While your unarranged overdraft remains owing, we charge interest on it at the rate which applies to unarranged overdrafts.*

We have also removed the word **'higher'** from the last bullet point of examples 1, 3 and 6 to read as follows:

- “• While your unarranged overdraft remains owing, we charge interest on it at the rate which applies to unarranged overdrafts.*”

Useful Information

Our unarranged overdraft interest rates have been reduced, with effect from **1 October**, as follows:

Type of account	Old Nominal monthly rate %	Old Nominal annual rate %	Old EAR % typical variable	New Nominal monthly rate %	New Nominal annual rate %	New EAR % typical variable
Royalties Private						
All amounts	2.20	26.40	29.84	0.97	11.61	12.25
Private Bank Account						
All amounts	2.20	26.40	29.84	1.42	17.09	18.49
Royalties Gold						
All amounts	2.20	26.40	29.84	1.32	15.80	17.00
Royalties						
All amounts	2.20	26.40	29.84	1.40	16.84	18.20
Interest Paying Current Account						
All amounts	2.20	26.40	29.84	1.48	17.73	19.24
Student Royalties						
All amounts	2.20	26.40	29.84	1.38	16.50	17.81
Graduate Royalties						
All amounts	2.20	26.40	29.84	1.38	16.50	17.81
Accounts which are no longer on sale						
Royalties Premier						
All amounts	2.20	26.40	29.84	1.06	12.73	13.50
R21 Account						
All amounts	2.20	26.40	29.84	1.25	14.93	16.00
Gold Cheque						
All amounts	2.20	26.40	29.84	1.48	17.73	19.24
Revolving Budget						
All amounts	2.25	27.00	30.60	1.48	17.73	19.24
Private Banking Current						
All amounts	2.20	26.40	29.84	1.42	17.09	18.49
Personal Current						
All amounts	2.20	26.40	29.84	1.48	17.73	19.24

The Nominal Annual Rate is the simple annual cost of an overdraft not taking into account how often interest is charged over the year. The Nominal Monthly Rate is the simple monthly cost of an overdraft not taking into account how often interest is charged over the month. The Effective Annual Rate of Interest (EAR) is the real annual cost of an overdraft stated as an annual rate, which takes into account how often interest is charged to the account. All other charges, for example, arrangement fees, are shown separately from the EAR.

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