

Keeping You Informed

Personal and Private Banking

Make it happen



17 July 2008

1. Changes to our Terms and Conditions and Fees Leaflets for Personal and Private Banking

We are making some changes to our 'Personal and Private Banking Terms and Conditions'. We are also 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 take effect from 11 September 2008 except for new General Conditions 6.6.5 and 6.6.6 and the changes to our fees leaflets, which take effect from 1 October 2008. Please read the following information in this leaflet carefully and keep it for future reference.

The changes apply to all Personal and Private Banking current and savings accounts.

Condition numbers have been amended where necessary to accommodate these changes. Certain grammatical changes have also been made.

The key changes are summarised in the tables below. Full details of the changes are set out following the tables.

CONDITION	SUMMARY OF CHANGE
GENERAL CONDITION 6.3.7	We may cancel a Standing Order or Direct Debit on your account if it is unpaid on more than one occasion.
GENERAL CONDITION 6.6.5	We will not charge interest on any part of an overdrawn balance which represents (a) a Default Notice Fee or other sum which is payable by you as a result of a breach of your obligations under your agreement; or

CONDITION	SUMMARY OF CHANGE
GENERAL CONDITION 6.6.5	(b) a Maintenance Charge, Paid Referral Fee, Guaranteed Card Payment Fee or Unpaid Item Fee.
GENERAL CONDITION 6.6.6	If your account is overdrawn, any money paid into your account will first be used to repay or reduce any part of the overdraft which represents a sum mentioned in General Condition 6.6.5 and then to repay or reduce the rest of the overdraft.
GENERAL CONDITION 10.3.6	When we change the interest rates we pay on credit balances, we may now notify you either before we make the change or at the earliest opportunity afterwards.
GENERAL CONDITION 12.5.1	Following the introduction of the Faster Payments Service, we have removed the 6.30pm cut off time for payments to be processed that day. Telephone and online banking transactions will now normally be processed on the same day. Where this is not possible, you will be advised at the time you send the instruction.
GENERAL CONDITION 13.3.13	You may use your card and PIN to authenticate transactions at a branch or in a retail outlet.
ACCOUNT SPECIFIC CONDITION 5.2	Account Specific Condition 5.2 has been deleted as it is covered in General Condition 6.3.7.

CONDITION	SUMMARY OF CHANGE
ACCOUNT SPECIFIC CONDITIONS 19.1 and 19.2	<p>Customers will be informed of the number of Fixed Rate Bonds they may hold per issue in the information sheet to that issue.</p> <p>Customers will be informed of the maximum and minimum deposit permitted in the information sheet to that issue.</p>

OUR FEES LEAFLETS	SUMMARY OF CHANGE
SECTIONS 6 AND 7	We have made some changes to these sections of our fees leaflets to reflect new General Condition 6.6.5 (summarised in the above table).

2. Full details of changes to Terms and Conditions for Personal and Private Banking

General Conditions

Unarranged overdrafts and unpaid items

A new General Condition 6.3.7 has been inserted as follows:

“We may cancel any Standing Order or Direct Debit on your account if it is unpaid on more than one occasion and we reasonably think that the cleared balance (plus any unused arranged overdraft facility) on your account is unlikely to be sufficient to meet future payments under the Standing Order or Direct Debit.”

Interest, fees, charges and other costs

A new General Condition 6.6.5 has been inserted as follows:

“We will not charge interest under General Condition 6.3.4(b) or 6.6.2 on any part of an overdrawn balance which represents:

- (a) a Default Notice Fee or other sum (apart from interest) which is payable by you in connection with a breach of your obligations under your agreement with us; or
- (b) a Maintenance Charge, Paid Referral Fee, Guaranteed Card Payment Fee or Unpaid Item Fee.”

A new General Condition 6.6.6 has been inserted as follows:

“If your account is overdrawn, any money credited to it will be applied in the following order:

- (a) in repaying or reducing any part of the overdraft which represents a sum mentioned in General Condition 6.6.5;
- (b) in repaying or reducing the rest of the overdraft.”

Changes to interest rates

General Condition 10.3.6 has been amended and now reads as follows:

“We will give you notice of any change we make under General Conditions 10.3.1 or 10.3.2 as follows:

- (a) if we are changing the interest rates we pay on credit balances, we will give you notice of the change either before the change comes into effect or at the earliest opportunity afterwards; and
- (b) if we are changing the interest rates we charge on overdrafts, we will give you notice of the change before the change comes into effect.”

Remote Banking Conditions – Transactions

General Condition 12.5.1 has been amended and now reads as follows:

“Banking instructions received through the Service for your current and savings accounts on any business day will normally be processed that day. (You will be advised at the time you send the instruction if the instruction cannot be processed that day but will be processed the next business day.)”

Using your card

A new General Condition 13.3.13 has been inserted as follows:

“By inserting your card in the card reader device provided and keying in your PIN, you may use your card and PIN to authenticate transactions for which you have given instructions in a branch or at a retail outlet.”

Account Specific Conditions

KEY ACCOUNT

Account Specific Condition 5.2 has been deleted and the remaining conditions have been re-numbered accordingly.

FIXED RATE BOND

Account Specific Condition 19.1 has been amended and reads as follows:

“Fixed Rate Bonds are available only to individuals aged 18 years or over. The number of Fixed Rate Bonds permitted per customer per issue will be set out in the information sheet for that issue.”

Account Specific Condition 19.2 has been deleted and replaced with the following:

“The minimum and maximum permitted deposit will vary according to the specific issue and will be set out in the information sheet for that issue.”

3. Full details of changes to our fees leaflets, ‘Personal Banking – Charges and Rates of Interest’ and ‘Private Banking – Charges and Rates of Interest’

Section 6: Interest due on overdrawn balances

(a) The first paragraph under the heading “Arranged Overdrafts – Royalties Premier, Royalties Gold, Interest Paying Current Account and R21 Account” in our leaflet ‘Personal Banking – Charges and Rates of Interest’, and the first paragraph under the heading “Arranged Overdrafts – Royalties Private and Private Bank Account” in our leaflet

'Private Banking – Charges and Rates of Interest' will both be amended to read as follows:

"If you have arranged an overdraft facility with us in advance and you use this facility within the thresholds shown below, you will not pay any interest. If the amount you overdraw under an arranged overdraft facility exceeds these thresholds, you will pay interest at the rates shown in the tables below on the overdrawn balance – please note that this includes the part of the balance which is within any interest free threshold that applies to your account. However, we will not charge interest on any part of the overdrawn balance which represents fees, charges or costs of the kind described below under the heading *Sums which do not bear interest.*"

(b) The second paragraph under the heading "Graduate Royalties" in our leaflet 'Personal Banking – Charges and Rates of Interest' will be amended to read as follows:

"Graduate Royalties arranged overdrafts are interest free if the overdraft limit does not exceed the thresholds set out below. If an overdraft is arranged with a limit which exceeds those thresholds, you will pay interest on the amount of the overdrawn balance that exceeds the relevant threshold at a rate of 0.79% per month, which is equivalent to **9.9% EAR Typical (variable)**. However, we will not charge interest on any part of the overdrawn balance which represents fees, charges or costs of the kind described below under the heading *Sums which do not bear interest.*"

(c) The first paragraph under the heading "Unarranged Overdrafts – Royalties Premier, Royalties Gold, Royalties, Interest Paying Current Account and R21 Account" in our leaflet 'Personal Banking – Charges and Rates of Interest' and the first paragraph under the heading "Unarranged Overdrafts – Royalties Private and Private Bank Account" in

our leaflet 'Private Banking – Charges and Rates of Interest' will both be amended to read as follows:

“Any amount overdrawn without an arranged overdraft or in excess of an arranged overdraft limit will be charged at a rate of 2.20% per month which is equivalent to **29.84% EAR Typical (variable)**. However, we will not charge interest on any part of the overdrawn balance which represents fees, charges or costs of the kind described below under the heading *Sums which do not bear interest.*”

(d) In each of our fees leaflets, the following new paragraph will be inserted immediately after the paragraph headed “Calculation and application of interest”:

“Sums which do not bear interest

We do not charge interest on any part of an overdraft (whether arranged or unarranged) which represents:

- a Default Notice Fee or other sum (apart from interest) you must pay us in connection with a breach of your obligations under your agreement with us; or
- a Maintenance Charge, Paid Referral Fee, Guaranteed Card Payment Fee or Unpaid Item Fee (see section 7 for details of these charges).”

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

In each of our fees leaflets, the bold text at the end of the sub section headed “Unpaid Item Fee” will be amended to read as follows:

“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.*”

Copies of our current ‘Personal Banking – Charges and Rates of Interest’ and ‘Private Banking – Charges and Rates of Interest’ leaflets are available at your branch or on our website www.rbs.co.uk

4. Change to the ‘How to make the most of your account’ leaflet

Example 4 in the section headed ‘Unarranged Overdrafts and Unpaid Items’ will be amended with effect from 1 October 2008 to reflect the above changes to our fees leaflets ‘Personal Banking – Charges and Rates of Interest’ and ‘Private Banking – Charges and Rates of Interest’.

The updated ‘How to make the most of your account’ leaflet will be available at your branch or on our website at www.rbs.co.uk from 1 October 2008.

5. Other Important Information

Customers will shortly be able to view seven years of statement information through online banking. This means that if a customer has a sole account which they change to a joint account then the additional party or parties will also be able to view seven years of statement information. Customers who would prefer that their past transaction history is not made available in this way should open a new account in joint names rather than amend an existing account.

The Royal Bank of Scotland plc. Registered Office: 36 St. Andrew Square, Edinburgh EH2 2YB.
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