

# Personal and Private Banking

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Keeping You Informed

Make it happen

 **RBS**  
*The Royal Bank of Scotland*

28 November 2008

Keeping you informed:

## 1. Changes to Terms and Conditions, Fees Leaflets and User Guide for Personal and Private Banking

We are making some changes to our 'Personal and Private Banking Terms and Conditions' (our '**Terms and Conditions**') and to the terms about interest rates and charges in our leaflets, 'Personal Banking – Charges and Rates of Interest' and 'Private Banking – Charges and Rates of Interest' (our '**Fees Leaflets**'). These changes are intended to provide greater clarity on how we charge for our services, the circumstances in which we may restrict the use of certain services and the importance of maintaining accurate address details, including email address, for the purpose of keeping you informed of the status of your account. These changes alter the terms of the contract between you and us, and they take effect from 15 January 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 you and us, but contains important information on how to use your account.

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

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

The key changes to our Terms and Conditions and our Fees Leaflet are summarised overleaf.

Full details of the changes to our Terms and Conditions are set out in section 2 of this leaflet.

Section 3 of this leaflet explains the changes we are making to our Fees Leaflets. The changes are shown in full in the Schedule to this leaflet.

Section 4 of this leaflet sets out the changes we are making to the examples in our User Guide which illustrate the operation of our charges relating to unarranged overdrafts and unpaid items.

Section 5 of this leaflet (headed '**Other important information**') gives you some tips on how to avoid the payment of unarranged overdraft charges and unpaid item charges.

Main terms being changed in our Terms and Conditions	Summary of change
Introduction	<p>A new paragraph (ix) has been inserted to make it clear that:</p> <ul style="list-style-type: none"> <li>● references in our Terms and Conditions to our Fees Leaflets and our leaflet 'Savings Interest Rates' are references to those leaflets as amended from time to time; and</li> <li>● the terms about interest rates and charges which are set out in those leaflets may be changed by us under General Condition 10.</li> </ul>
General Conditions 6.1.1 and 6.1.2	<p>We will give you at least 30 days' notice if we reduce your overdraft limit, unless we reasonably believe that you may have difficulty meeting your commitments.</p>
General Conditions 6.3.2, 6.3.3 and 6.3.4	<p>These terms clarify when a Paid Referral Fee is payable, when a Guaranteed Card Payment Fee is payable and when an Unpaid Item Fee is payable.</p> <p>General Condition 6.3.2 provides that a Paid Referral Fee is payable in any case in which we are willing to accept an informal request from you for an unarranged overdraft (including cases in which you have used a card to guarantee payment).</p> <p>General Condition 6.3.3 provides that a Guaranteed Card Payment Fee is payable in cases where we are not willing to accept an informal request from you for</p>

	<p>an unarranged overdraft, but nonetheless accept the request because you have guaranteed the payment by using your cheque guarantee card or debit card.</p> <p>General Condition 6.3.4 provides that an Unpaid Item Fee is payable if we reject an informal request from you for an unarranged overdraft.</p>
General Condition 6.5.2	<p>We will only withdraw an arranged overdraft facility, or demand repayment of an arranged overdraft, if we have a valid reason for doing so and we give you personal notice. We will normally give you at least 30 days' notice, but our notice may take effect immediately in certain cases.</p>
General Condition 9.2.3	<p>You must tell us if you change your name, address, telephone number or email address.</p>
General Condition 13.3.3	<p>Using your card to pay a retailer or supplier of services will guarantee the payment. This means that we will be obliged to pay the sum due to the retailer or supplier.</p>
General Condition 13.3.4	<p>This term (which applies where you use a card to make an informal request for an unarranged overdraft) has been shortened and simplified.</p>

General Conditions 13.3.10, 13.3.11 and 13.3.12	The current General Conditions 13.2.3, 13.2.4 and 13.3.10 have been deleted and replaced with new General Conditions 13.3.10, 13.3.11 and 13.3.12, which explain: <ul style="list-style-type: none"> <li>(a) when you must not use your card;</li> <li>(b) when we may suspend, withdraw or restrict the use of your card; and</li> <li>(c) when we may demand that you return your card to us.</li> </ul>
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Terms being changed in our Fees Leaflets	Summary of change
Section 7	We have made some changes to this section to reflect the updated General Conditions 6.3.2, 6.3.3 and 6.3.4 (summarised in the above table).

## 2. Full details of changes to our Terms and Conditions

### General Conditions

#### Introduction

**A new paragraph (ix) has been inserted and reads as follows:**

- (ix) References in these Conditions to our leaflets *Personal Banking – Charges and Rates of Interest*, *Private Banking – Charges and Rates of Interest* and *Savings Interest Rates* are references to those leaflets as amended from time to time. We may change the terms about interest rates and charges in those leaflets by exercising our powers under General Condition 10.

#### Overdrafts and unpaid items

**General Condition 6.1.1 has been shortened by the deletion of the second sentence and a new General Condition 6.1.2 has been inserted as follows:**

- 6.1.1 Unless indicated otherwise in the Account Specific Conditions for your account, arranged overdrafts are available on request if you are aged 18 or over and you satisfy our criteria.

- 6.1.2 We may change your overdraft limit by giving you personal notice of the new limit. If we are reducing the limit:
- (a) we will normally give you not less than 30 days' notice of the reduction; but
  - (b) our notice may provide for the reduction to come into effect immediately if, as a result of the way you operate your account or of your financial circumstances, we have reasonable grounds to believe that you may have difficulty in meeting your commitments.

**General Condition 6.3.1 now reads:**

- 6.3.1 If you issue instructions for a withdrawal or other payment which would result in:
- (a) your account becoming overdrawn, or further overdrawn, without prior arrangement; or
  - (b) your overdraft limit being exceeded,
- we will treat your instructions as an informal request for an unarranged overdraft. General Conditions 6.3.2 to 6.3.4 describe how we process your request and the charges we make when we do so.

**General Conditions 6.3.2 and 6.3.3 have been replaced with the following:**

- 6.3.2 If we decide we are willing to accept your request, we will make a charge known as a Paid Referral Fee.
- 6.3.3 If 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, we will make a charge known as a Guaranteed Card Payment Fee.
- 6.3.4 If we reject your request, we will make a charge known as an Unpaid Item Fee.

**General Condition 6.3.4 has been re-numbered as General Condition 6.3.5 and has been amended by the substitution of the words "General Conditions 6.3.2 to 6.3.4" for the words "General Conditions 6.3.2 and 6.3.3". General Conditions 6.3.5, 6.3.6 and 6.3.7 have been re-numbered as General Conditions 6.3.6, 6.3.7 and 6.3.8 respectively.**

**General Condition 6.5.2 has been amended to read:**

- 6.5.2 If we have a valid reason for doing so, we may give you personal notice withdrawing your right to overdraw your account, or demanding repayment of your overdraft, or both. Our notice will normally take effect after a period of not less than 30 days, but it may take effect immediately if:
- (a) you have broken any term of the contract between you and us; or
  - (b) we have reasonable grounds to suspect fraudulent activity; or

(c) as a result of the way you operate your account or of your financial circumstances, we have reasonable grounds to believe that you may have difficulty in meeting your commitments.

If we demand repayment of your overdraft, you must immediately stop making withdrawals or payments of any kind on your account and must repay the full amount of your overdraft as soon as our notice takes effect.

**As a result of the changes to General Condition 6.3, General Condition 6.6.4 has been amended to read:**

6.6.4 We may debit your account with any interest, fees, charges or other costs, even if this results in or increases an unarranged overdraft. If an unarranged overdraft arises in this way, we will not charge a Paid Referral Fee under General Condition 6.3.2 but we may apply charges and interest under General Condition 6.3.5.

**General Condition 6.6.5 has been amended by substituting the words “General Condition 6.3.5 (b)” for the words “General Condition 6.3.4 (b)”**

## Other communications

**A new General Condition 9.2.3 has been inserted and reads as follows:**

9.2.3 If your name, address, telephone number or email address changes, you must notify us. If you notify us by telephone, we may ask you to confirm the change in writing.

## Section C: Highline, Cashline and Cashline Plus Card Conditions

**General Conditions 13.2.3, 13.2.4 and 13.3.10 have been deleted.**

**General Condition 13.3.3 has been amended and now reads as follows:**

13.3.3 You can use your Highline or Cashline Plus card to make purchases from retailers or suppliers of services who display the logo (Maestro or Solo) shown on the card or any other logo which we notify to you. If a retailer or supplier of services accepts payment by your Highline or Cashline Plus card, the use of your card will have the effect of guaranteeing the payment and we will be obliged to pay the sum due to the retailer or supplier.

**General Condition 13.3.4 has been amended and now reads as follows:**

13.3.4 If by using your card you (or any additional cardholder(s)) instruct us to debit your account where there are insufficient funds available to cover the debit, or the requested debit would cause an arranged overdraft limit to be exceeded, we will treat your instruction as an informal request for an unarranged overdraft, and the provisions set out in General Condition 6 will apply.

**New General Conditions 13.3.10, 13.3.11 and 13.3.12 have been inserted and read as follows:**

- 13.3.10 You must not use your card:
- (a) before or after the period for which your card is valid; or
  - (b) after we have notified you that we have suspended, withdrawn or restricted the use of your card under General Condition 13.3.11; or
  - (c) after we have demanded that you return your card to us, or we (or someone acting for us) have kept your card, under General Condition 13.3.12; or
  - (d) if we receive notice of the loss, theft or possible misuse of your card under General Condition 13.3.13; or
  - (e) if your right to use your card is ended under General Condition 13.9.1.
- 13.3.11 We may suspend, withdraw or restrict the use of your card for any of the following reasons:
- (a) you have broken any term of the contract between you and us; or
  - (b) we have reasonable grounds to suspect fraudulent activity; or
  - (c) as a result of a change in the way you operate your account or in your financial circumstances, we have reasonable grounds to believe that you may have difficulty in meeting your commitments; or
  - (d) we have sent you a replacement card.

We will notify you personally before we take this action, or as soon as possible afterwards.

- 13.3.12 Your card remains our property. At any time when General Condition 13.3.11 allows us to suspend, withdraw or restrict the use of your card, we may instead give you personal notice demanding that you return your card to us. If we do this, then:
- (a) you must return your card to us immediately, cut once through the magnetic strip and once through the chip; and
  - (b) we, or anyone acting for us, may keep your card if you try to use it.

**The current General Conditions 13.3.11, 13.3.12 and 13.3.13 have been renumbered as 13.3.13, 13.3.14 and 13.3.15 respectively.**

### **3. Full details of changes to our Fees Leaflets**

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

The text under the headings “Maintenance Charge”, “Paid Referral Fee”, “Guaranteed Card Payment Fee” and “Unpaid Item Fee” has been replaced with the text set out in the Schedule to this leaflet,

which reflects the changed wording of General Conditions 6.3.1 to 6.3.3 of our Terms and Conditions. Please see the Schedule to this leaflet for details of the amended wording relating to the Paid Referral Fee and the Guaranteed Card Payment Fee.

## 4. Changes to our User Guide

### Section headed ‘Unarranged Overdrafts and Unpaid Items’

A footnote reference\* has been inserted at the end of the last sentence of Examples 1 and 2 (and also appears at the end of the last sentence of Examples 3, 4 and 6 below). The footnote reference is to the following footnote, which appears directly below Example 6:

\*Please note that we do not charge you interest on any part of an unarranged overdraft which represents a Maintenance Charge, Paid Referral Fee, Guaranteed Card Payment Fee or Unpaid Item Fee. There are certain other kinds of fees, charges and costs on which we do not charge interest. For full details, please see General Condition 6.6.5 of ‘Personal and Private Banking – Terms and Conditions’.

Example 3 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:

#### Example 3

You write a cheque which, if paid, will result in an unarranged overdraft. You use your Highline card to guarantee this cheque. Because your cheque is guaranteed, we are obliged to pay it. We pay the cheque in accordance with our obligations and an unarranged overdraft is created. You repay the unarranged overdraft within fifteen days, but in the meantime one monthly charging period ends and another monthly charging period begins. We apply the following fees, charges and interest:

- When the 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 Highline card to guarantee the 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.
- We charge you a Maintenance Charge for the monthly charging period in which the unarranged overdraft is created.
- We charge you a further Maintenance Charge for the following monthly charging period (this is because your unarranged overdraft remains owing for part of that period).
- While your unarranged overdraft remains owing, we charge interest on it at the higher rate which applies to unarranged overdrafts.\*

Example 4 in the section headed 'Unarranged Overdrafts and Unpaid Items' has also been amended by the addition of a further bullet point at the end. It now reads as follows:

#### **Example 4**

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 payable. There is not enough money in your account (including any unused arranged overdraft facility) to pay this charge without creating an unarranged overdraft. We apply the Unpaid Item Fee to your account and an unarranged overdraft is created. 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 the Unpaid Item Fee when we decide 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).\*

The following additional examples have been inserted in the section headed 'Unarranged Overdrafts and Unpaid Items' to reflect the above changes to General Condition 13.3.3 of our Terms and Conditions and our Fees Leaflets.

#### **Example 5**

You use your Cashline Plus card to make a purchase. We are asked to authorise the purchase at the same time as the retailer processes the transaction. We refuse authorisation because the payment would create or increase an unarranged overdraft. We will not apply any fees or charges as a result of our refusal of authorisation.

#### **Example 6**

You use your Cashline Plus card to make a purchase. We are asked to authorise the purchase at the same time as the retailer processes the transaction. We grant authorisation because, at that time, there is enough money in your account to make the payment. However, the retailer only presents the transaction to us for payment on the following day. On that day, there is no longer enough money in your account to cover the payment and an unarranged overdraft is created. You then repay your unarranged overdraft within the monthly charging period in which it was created. We apply the following fees, charges and interest:

- When the retailer presents the transaction for payment, we first decide whether we are willing to make the payment without at this stage considering whether you used your Cashline Plus card. 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 Cashline Plus card to make the purchase. Because we find that you did use your card, we make the payment, which we treat as guaranteed. In these circumstances, we charge you a Guaranteed Card Payment Fee instead of a Paid Referral Fee.
- 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 higher rate which applies to unarranged overdrafts.\*

The above examples are intended to help you understand how our charges work, but they do not form part of the contract between you and us.

Our updated User Guide will be available at your branch or on our website [www.rbs.co.uk](http://www.rbs.co.uk) from 17 November 2008.

## 5. Other important information

### How to avoid paying fees and charges

#### Avoid Fees and Charges on your account

You will pay unarranged overdraft charges and/or unpaid item charges on your account if you:

- become overdrawn, or further overdrawn, without an arranged overdraft
- exceed your arranged overdraft limit
- ask us to make a payment which we decide not to pay due to insufficient funds in your account.

Details of these charges appear in the table in the Schedule to this leaflet. The charges are one of the main elements in the pricing structure we use for our current accounts. This pricing structure means that, as long as you stay in credit, you can enjoy many services relating to your account without separate charge. However, we want to help you save money by avoiding the payment of unarranged overdraft charges and unpaid item charges wherever possible. The following tips will help you to do this.

#### Tips on managing your money

- **Keep track of your balance** – check your balance regularly to avoid overdrawing your account by mistake.
- **Arrange your overdraft limit in advance** – why not consider setting up (or extending) your overdraft facility? By arranging an overdraft limit with us in advance, you'll give yourself more room to manage your finances. No fee is payable to set up an arranged overdraft (at our standard interest rate) for overdrafts of less than £15,000. (Please note: you'll pay interest on any amounts that are overdrawn within the agreed limit.)

- **Organise your outgoings** – set up standing orders and direct debits to leave your account at the same time every month, ideally just after your salary has been paid. This makes it easier to know how much money you have left for the rest of the month. There are no charges for setting up or amending standing orders or direct debits.
- **Consider opening a second account** – have all your direct debits and standing orders in one account, use the other for everyday spending. It can make it easier to keep tabs on your spending overall.

## Simple ways to stay in control

### Digital Banking

RBS Digital Banking is a free, fast and secure way to take control of your finances – 24 hours a day, 365 days a year. To register, just visit [rbs.co.uk/digital](https://rbs.co.uk/digital)

### Mobile phone banking

Sign-up for mobile phone banking and get text alerts with balance updates and receive a warning when you are about to reach your overdraft limit. For details on fees for this service and to register, go to [rbs.co.uk/mpb](https://rbs.co.uk/mpb)

### Telephone banking

Our UK-based 24-hour telephone banking service means you can check your finances any time of the day or night by talking to a customer adviser or using our touchtone service. To find out more, please call **0845 722 2345** or visit [rbs.co.uk](https://rbs.co.uk)

### Cash machines

You can use our cash machines across the UK to get a mini statement or check your balance.

### Monthly Management Fee option

Our Monthly Management Fee option may save you money if you regularly pay unarranged overdraft charges or unpaid item charges.

Under this option you pay a Monthly Management Fee of £10 whether your account is overdrawn or not. In return, any Maintenance Charges, Unpaid Item Fees, Paid Referral Fees and Guaranteed Card Payment Fees you incur (as detailed in the Schedule to this leaflet) will be reduced to £17 each. The Paid Referral Fee will be subject to a maximum of £51 in any calendar month and the Unpaid Item Fee will be subject to a maximum of £51 per day.

The Monthly Management Fee of £10 will be applied to your account 16 days after the end of the 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 we send your statement to you. The Monthly Management Fee will appear on your account as CHG. If you have an account from the Royalties range, the Monthly Management Fee and the monthly membership fee for your Royalties range account will be added together and will appear on your account statement as a single item described as CHG.

To apply please speak to an adviser at your local RBS branch. This option is not available on all our accounts.

### **Cash Account**

Our Cash Account is a personal current account offering simple day-to-day banking without standing orders, direct debits or overdraft facilities. This means that you cannot incur any unarranged overdraft charges or unpaid item charges. For more details visit your branch or our website [rbs.co.uk](http://rbs.co.uk).

### **Speak to an adviser**

You may feel you could benefit from talking to one of our advisers at your local branch. We'll take the time to assess your borrowing needs and identify ways to help you manage your money better. To book an appointment, please contact your local RBS branch.

### **RBS MoneySense**

MoneySense is a free, impartial service offering ideas, information and guidance to help you stay on top of your money. Please see [rbs.co.uk/moneysense](http://rbs.co.uk/moneysense) for more details.

### **Financial difficulties**

If you have financial problems, come and talk to us, and we will try to help you solve them. Depending on your circumstances, we could set regular or fixed repayments for debts, or we could reduce or suspend your repayments for a certain period.

If you have a more serious debt problem, we will work with you and put you in touch with organisations that offer independent financial advice. In certain circumstances, we may ask you to return your cheque book, debit card, credit or charge cards, or in some cases all of them. We do this to help make sure that any problems do not get worse. As long as there is money in your account, we will usually be happy to allow you to use a Cashline card to withdraw the money from cash machines. The sooner you come to us, the more likely it is that we will be able to help.

### **Find out more**

For more information please see the following leaflets which can be obtained from your local branch or on our website, [rbs.co.uk](http://rbs.co.uk)

- **our User Guide ('How to make the most of your account')**
- **our Terms and Conditions ('Personal and Private Banking – Terms and Conditions')**
- **the Fees Leaflet that applies to your account (either – 'Personal Banking – Charges and Rates of Interest' or 'Private Banking – Charges and Rates of Interest').**

### **Royalties account statement detail**

As of 1 October 2008, the monthly membership fee and Maintenance Charge (if incurred) will appear separately on statements. They will both be described as CHG. This applies to all Royalties account customers including Royalties Gold, Royalties Premier and Royalties Private customers.

## SCHEDULE

As a result of the amendments referred to in Section 3 of this leaflet, the text set out below has been substituted for the text under the headings “Maintenance Charge”, “Paid Referral Fee”, “Guaranteed Card Payment Fee” and “Unpaid Item Fee” in section 7 of our Fees Leaflets.

### 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. The charging period normally ends on the date that we send your statement to you.

#### 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).

#### 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

On the sixth business day of the calendar month after the calendar month in which the transaction(s) took place.

#### Fee amount

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

## 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

At the time the transaction is paid or taken from your account.

### 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

At the time we decide not to make the payment.

### 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*.**

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