

## Overdraft Pre-Contractual Information and Terms

We, The Co-operative Bank p.l.c. of P.O. Box 101, 1 Balloon Street, Manchester, M60 4EP are offering you a variable rate formal overdraft, repayable on demand on the above account. This overdraft is available to you from the Effective Date set out in this document. The terms applicable to the overdraft are binding on you from the Effective Date until it is repaid, cancelled or it expires.

### Effective Date

The date on which we approve your application for this overdraft and your account is opened.

### Overdraft Limit

£300

### Term and review

This overdraft is available to you while you hold the Privilege Premier current account unless you wish to cancel it, we ask for immediate repayment or it is replaced by another overdraft arrangement.

The overdraft will continue to apply until it is terminated by us or you. You agree to repay all amounts owed to us by your use of this overdraft immediately on our written demand. Any written demand will be sent by post to the address last notified to us and will be treated as having been received by you 48 hours after posting. We will normally give you warning that your formal overdraft must be repaid or its limit reduced, but we may ask for repayment without notice.

### Interest and charges

#### Debit interest

You will not be charged any interest on your overdraft at the current limit. If we later agree to increase your overdraft limit to over £300, interest will apply to the overdrawn amount in excess of £300 at the rate of 0.79% per month; 9.9% EAR\*.

Until repayment, if applicable, you will continue to pay interest and charges both before and after any court order in our favour.

#### Formal overdraft service charge

When we agree or renew a formal limit with you above £300 – £20.

#### Informal overdraft service charge

When you overdraw or exceed your overdraft limit without having agreed it with us in advance, interest will apply to any excess at the rate of 1.24% per month; 15.9% EAR\*. When you have overdrawn or exceeded an overdraft limit without permission a monthly charge of £20 will apply. Each subsequent day that your informal overdraft increases you will incur a daily charge of £20. An unpaid items fee of £15 may be applied if cheques, direct debits or standing orders cannot be paid due to lack of funds.

We will not charge you any informal overdraft service charges or unpaid item charges for informal overdrafts that last six consecutive working days or less (or for any informal overdraft requests that we do not agree) provided that you had not requested an informal overdraft in the previous 366 days. We will not charge you more than £150 of informal overdraft service charges and unpaid item charges per quarter. If we agree to refund any previously charged informal overdraft service charges or unpaid item charges during any quarter then the £150 limit will increase by the amount of those refunded charges.

If applicable, interest on your overdraft is calculated on the cleared balance each day and deducted on the 21st of each month or the nearest business day after.

## Changes to Interest Rates

We may change any interest rates applicable to your overdraft provided there is a valid reason for doing so. Changes may be made to interest rates for the following reasons:

- to respond to a change or changes in the bank rate that is the rate set by the Bank of England
- to respond to a change in LIBOR (that is the London Inter Bank Offered Rate) or equivalent money market rate which impacts on the costs we incur in acquiring funding
- to respond to changes in the rates of interest which banks or other organisations offering similar services charge to customers with similar products
- to respond to changes in our credit assessment of you.

We will inform you of any change to your interest rate applicable to your overdraft by personal notice at least 30 days before we make the change. The new rates will apply to your account automatically. However, if you do not agree to such change you can, at any time up to 30 days from the date we tell you of the change, switch your account or close it immediately without paying extra charges or interest. If you do not switch or close your account you will be deemed to have accepted the change. Remember you can close your account at any time if you want to (see condition 19 of our Privilege and Privilege Premier current accounts Terms and Conditions).

We will inform you of changes to our charges applicable to your overdraft by personal notice at least 30 days before we make the change. The change will apply to your account automatically. However, if you do not agree to such a change you can, at any time up to 30 days from the date we tell you of the change, switch your account or close it without paying any extra charges or interest. If you do not switch or close your account you will be deemed to have accepted the change. In addition to the changes set out below for when we can change these terms and conditions, we can also change your charges:

- to respond to reasonable cost increases or reductions associated with providing the particular services to you
- to respond to changes made in the charges applied by our competitors in the retail financial services market offering similar services to customers with similar products.

## Total charge for credit

An indication of the total charge for credit for this formal overdraft is £0.00. The total charge for credit is based on the assumptions that you draw down the entire overdraft only once at the start of the facility and repay it in one amount after 90 days with no use of the account affecting the calculation.

The total amount payable by you for your overdraft will be any amount by which your account goes overdrawn together with applicable interest and charges. Other taxes and costs may exist which are not paid via, or applied by, us.

### **Changes to these terms and conditions**

We may change these overdraft terms (including your Overdraft Limit). Where we change these terms we will give you personal notice before the change is made. Where the change is to your disadvantage we will give you at least 30 days' notice of the change. At any time during the 60 days from the date of notification you may choose to close or switch your account; where the change is not to your disadvantage it can be made immediately.

Any change to these terms and conditions will be made for the following reasons:

- to make these conditions easier to understand or fairer to you
- to correct mistakes, ambiguities, inaccuracies or omissions where it is reasonable to do so or as a result of customer feedback
- to make improvements to the services we provide which are of benefit to you
- to reflect changes in security, design or technology at no increased cost to you
- to respond to changes in the law, codes of practice, industry-wide fraud prevention practices, court or ombudsman decisions or new regulatory requirements or practices
- to take account of any change in our ownership or to reflect a reorganisation of our business as a result of it being acquired or merging with another bank or organisation to make sure that our customers and the customers of the other organisation are treated in a similar way if they have a similar product
- if we believe the change is necessary in the interest of our business as a whole, for example to protect our financial strength.

Any changes to your overdraft limit will be made for the following reasons:

- to respond to changes in your credit assessment
- as a result of an enquiry by you.

## Withdrawal

You do not have a right to cancel this overdraft under the Financial Services (Distance Marketing) Regulations 2004. However, you do have a right to withdraw from the overdraft under the Consumer Credit Act 1974 until 14 days from the day after the day you receive the terms in the post. If you withdraw from the overdraft and interest is payable on all or part of the overdraft, you will need to pay all interest which has been incurred during the period before you withdraw. If you withdraw from the overdraft the associated current account will also be closed.

You can exercise this right by sending written notice to The Co-operative Bank p.l.c., Delf House, Skelmersdale, WN8 6GH or telephoning us on 08457 212 212. After the expiry of this period, you can still end the agreement at any time by repaying all amounts owed to us.

## Consultation with a Credit Reference Agency

If we reject any application by you for an overdraft on the basis of information obtained from a credit reference agency, when we inform you of that decision, we will also inform you (without charge) that our decision is based on information obtained from a credit reference agency.

## If you have a complaint

If you have a complaint regarding this agreement, please telephone us on 08457 212 212 or write to The Co-operative Bank, Customer Feedback, 4th Floor, Miller Street, Manchester, M60 0AL.

## Terms and conditions

Our Privilege and Privilege Premier current accounts Terms and Conditions apply to your account, if you do not have a copy please contact us. Where the terms in this document are different to the Privilege and Privilege Premier current accounts Terms and Conditions, the terms in this document will apply.

Part of The **co-operative** financial services

**Please call 08457 212 212 if you would like to receive this information in an alternative format such as large print, audio or Braille.**

<sup>†</sup>EAR = Equivalent Annual Rate

The Co-operative Bank is authorised and regulated by the Financial Services Authority (No. 121885), subscribes to the Lending Code, is a member of the Financial Ombudsman Service and is licensed by the Office of Fair Trading (No. 006110).

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