

# Important information

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About your credit card  
agreement

The **co-operative** bank  
for people with **purpose**

It's important that you read the Pre-Contract Credit Information document and the Summary box which is provided in your agreement pack. They contain key details about the credit card agreement that you are considering. You should use the information there and in this document to help you decide whether the card will meet your needs, before you go ahead with the agreement. Where this document has been given to you in person, you can take it away to read in your own time.

## What is a credit card suitable for?

A credit card is most suitable for borrowing on a short-term basis. You can borrow up to your credit limit to make purchases, obtain cash or make cash-related payments (these may be charged at a higher rate of interest and incur charges). The credit can be paid off whenever you want and reused.

Depending on what you want to use the credit for, there may be cheaper ways to borrow – for example, a credit card is normally an expensive form of credit if you intend to borrow a large amount and repay it over a long period.

We don't allow you to build up positive balances on your account, so a credit card is not suitable if that's what you're aiming to do.

This card may not be right for you if you want more certainty about the amount you borrow or repay.

## How is my credit limit set?

We may change the credit limit for any reason set out in these conditions. We may also change it if our assessment of your credit worthiness suggests a different credit limit may be appropriate, or to reduce the risk of fraud.

We may contact you to offer to increase your credit limit however any increases will not be processed until your acceptance has been received. You can ask us to increase it sooner. You can also ask us to consider giving you a higher credit limit.

You can opt out of any future credit limit increases by contacting us. Please also let us know if you would like to reduce your credit limit at any time.

If we reduce your credit limit based on our assessment of affordability or risk or if we have reviewed credit limits generally, we'll tell you personally but not always in advance of the change. We won't reduce your credit limit to an amount below your current balance. However if any transactions have been authorised but not yet charged to your account when we decrease your credit limit, your credit limit could be exceeded when they are charged to your account. We may then charge the relevant fee.

## How much will the credit cost me?

The Pre-Contract Credit Information document and your agreement show the total amount payable. This is an illustrative figure only which assumes a credit limit of £1,200 and that you spend the full amount on purchases on the first day of the agreement and you repay it with interest at the standard rate for purchases in 12 equal monthly payments.

Your monthly statements will show a minimum monthly payment amount and you must make a payment for at least that amount each month on or before the date specified for payment.

The minimum payment will be the highest of:

- (a) 2 % of the total balance on your statement (including interest and charges);
- (b) £5; or
- (c) the sum of (i) interest for the period from your last statement, (ii) any charges and (iii) 1 % of the total balance on your statement (excluding interest and charges).

We round up the minimum payment to the nearest pound. If you owe less than £5, you must pay us the full amount you owe.

### **Important features of the agreement that affect how much you actually pay for the credit**

- Where interest rates are stated as being variable, we can change them and we can also make changes to our charges, including increasing them, but we'll give you at least two months written notice before any change takes effect, if it isn't to your advantage.
- If you don't want to accept a change that is to your disadvantage, such as an interest rate increase, you can close your account at any time up to two months from the date we tell you of the change and pay off the amount you owe without paying any extra charges. The change will still apply until you've repaid everything you owe us. If you don't do this, we'll assume you've accepted the change. If you're a sole trader, an association where at least some members are individuals (such as a club or society) or a partnership of two or three partners and we provide you with credit of £25,000 or less: if the change is an increase to an interest rate, you can repay what you owe us at the unchanged interest rate if you tell us within 60 days of notice of the increase that you don't want to accept the higher rate.
- It will take you longer and cost you more to clear your balance if you only make the minimum payment each month.
- If you only repay part of your credit card balance, we'll apply the amount you do pay to reduce higher interest rate balances before lower interest rate balances. If some amounts are charged at the same interest rate, we apply your payment to the oldest amounts first.
- If you exceed your credit limit (even if we allow it), we'll charge you a fee of £10.50 for doing so.
- We charge an annual fee. On account opening, and then on each anniversary of the account opening, we will charge an annual fee of £24. We will add this to your statement as an additional charge in the same month each year.

### **Which other features of the agreement should I be aware of?**

There are different ways to use the card and different interest rates may apply to these, which we explain in the agreement. For example, withdrawing cash is more expensive than using the card to make purchases. This is because we won't charge interest on purchases if the whole outstanding balance shown on your statement is always paid off by the payment due date shown on that statement. However, we always charge interest on cash withdrawals from the date you use your card to obtain cash. In addition, certain charges may apply to cash transactions – details are set out in the pre-contractual information and the agreement.

### **What happens if I don't keep up with my repayments?**

Failing to pay your minimum payment on or by the relevant due date is a breach of your agreement. We'll charge interest on late payments at your product's interest rate at that time, and you may also incur fees such as a late payment charge of £10.50. Where you fail to pay your minimum payment, the total amount you owe will increase more quickly.

**If you repeatedly fail to make payments on time or go over your credit limit, it could have serious consequences.**

## We may:

- demand that you repay the amount you owe on the account immediately;
- share information about you and the conduct of your account with credit reference agencies (which may make it more difficult for you to borrow in future);
- restrict access to credit on this account or other accounts you have with us (such as an overdraft) if we change our view of your ability to repay us;
- bring legal action to recover what you owe us.

## Can I withdraw from the agreement?

The following only applies if you are a sole trader, an association where at least some members are individuals (such as a club or society) or a partnership of two or three partners and we provide you with credit of £25,000 or less:

You can withdraw from the agreement, without giving a reason, by writing to us at: The Co-operative Bank - Business Lending Services, PO Box 250, Skelmersdale WN8 6WT or calling us on **0345 606 6701\*\***. You can do this within 14 days, starting the day after we confirm that we have signed the agreement.

Within 30 days after telling us you want to withdraw, you must repay anything you have borrowed. You won't be charged interest if you repay everything during this period. You can repay by calling us.

## How do I get more information?

We hope that this document and the other information provided contains everything you need to know about the agreement to allow you to make an informed decision about taking the credit. It's important that you understand your obligations under the agreement. If you have any questions about your agreement or would like to ask us for more information, please contact us on **0345 606 6701\*\***.

**Only sign the agreement when you are satisfied that the product is right for you.**

**Please call 03457 213 213\*\* if you would like to receive this information in an alternative format such as large print, audio or Braille.**

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\*Calls to 03 numbers cost the same as calls to numbers starting with 01 and 02. Calls may be monitored or recorded for security and training purposes. Information correct as at 03/2022.

†Lines open 8am to 6pm, Mon to Fri and 9am to 12pm Saturday.



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