

**Business**

# Terms and Conditions.

Keycard.

## These are the conditions of an Agreement between the Bank and you (the Business). In condition 13 we set out special meanings we have given to some words in this Agreement.

### 1 Authorised Users and your obligations

- 1.1 We may issue a Card (and a related PIN) for use by any individual nominated by you as an Authorised User on the Account. You will be liable for all amounts arising from, or incurred by us in connection with, the use of a Card by an Authorised User (including any use in breach of this Agreement which we shall be under no obligation to prevent) which may be debited to the Account.
- 1.2 You must ensure that:
  - (a) each Authorised User signs their Card as soon as it is received;
  - (b) each Authorised User is aware of and complies with the Conditions of Use and any other requirements in the User Guide as applicable to them as a cardholder. In particular Authorised Users must not allow anyone else to use their Card, Card details or PIN and must always keep their Card safe;
  - (c) both you and all Authorised Users follow any instructions we give in connection with the safekeeping of a Card, Card details and PIN; and
  - (d) neither a Card nor the Card details are used for any illegal purpose.
- 1.3 All Cards belong to us. If we ask for a Card back, you must ensure that the Authorised User does not use it again and returns it to us immediately, cut in half across the black stripe. A person acting for us may take or retain the Card on our behalf.
- 1.4 A Card is only valid for the time period printed on it. You must ensure that the Authorised User does not use it outside that period.
- 1.5 We may cancel or suspend the use of a Card at any time if we reasonably suspect fraudulent or other misuse of the Card or that any security requirements relating to the use of the Card, Card details or PIN have been compromised. If we do cancel or suspend the use of a Card, we will tell you as soon as possible unless the law prevents us from doing so or we reasonably believe it would undermine our security measures. Once a Card has been cancelled you should ensure that the Authorised User stops using the Card and that it is destroyed by cutting it in half across the black stripe.
- 1.6 When a Card expires, or is lost or stolen, we may provide the Authorised User with a new Card.
- 1.7 You may from time to time apply for Cards to be issued to new Authorised Users on forms provided by us for this purpose. You may also terminate the authority of an Authorised User to use a Card. If you terminate the authority of an Authorised User to use a Card, you must destroy the Authorised User's Card by cutting it in half across the black stripe.

### 2 PINs

- 2.1 On receipt of the PIN, you must ensure that the Authorised User memorises the number and then destroys the slip or letter on which the PIN is printed.
- 2.2 You must ensure that an Authorised User keeps their PIN secret and that they do not let anyone else know it, or use it.
- 2.3 You must ensure that an Authorised User never writes the PIN on their Card or on anything which is ever kept with the Card.
- 2.4 The PIN will be sent to the Authorised User separately from any new Card.
- 2.5 When an Authorised User receives a PIN it can be changed to one of the Authorised User's own choice and can be selected at any Halifax or Bank of Scotland cash machine by following the on-screen instructions from the initial "which service would you like" screen which appears upon entering the current PIN. If this screen does not appear on entering the PIN the Authorised User will need to select "Other services". This option is not available for approximately 30 days before a renewal Card is issued. As a fraud prevention measure we restrict use of some numbers which are easily guessed.

### 3 Card Transactions

- 3.1 Authorised Users can use their Card and PIN to make withdrawals from your Account by means of the various facilities we make available.
- 3.2 Where the service is available, it may also be possible to use the Card, Card number and PIN to make deposits into your Account.
- 3.3 When using a Card for a Card Transaction, the Card Transaction will be properly authorised:
  - (a) by the Authorised User using the Card together with the PIN and where appropriate using any "Proceed", "Enter" or similar key. Once the "Proceed", "Enter" or similar key has been used authorisation cannot be withdrawn; or
  - (b) by the Authorised User signing a receipt for the Card Transaction. If the Authorised User has signed a receipt for the Card Transaction authorisation cannot be withdrawn once the signed voucher has been accepted.
- 3.4 Card Transactions will be shown on the statement we provide or make available for your Account. We recommend that you check your statement regularly. If there is an entry which seems to be wrong you should tell us as soon as possible so that we can sort it out. Delay in notification may make correcting any error difficult. If we need to investigate a Card Transaction on your Account you and any Authorised User should co-operate with us and the police, if we need to involve them. In some cases, we will need you or an Authorised User to give us confirmation or evidence that a Card Transaction has not been authorised. In addition to checking statements, you should notify us as soon as possible by telephoning us on 0845 604 5494 if you or an Authorised User becomes aware of a Card Transaction which has not been authorised by an Authorised User.
- 3.5 If we incorrectly apply, or omit to apply, a Card Transaction to your Account, we will correct our act or omission and refund to you any interest and charges directly incurred by you on your Account that would not have been incurred had we applied the Card Transaction correctly. If you are not a Micro-enterprise, then we shall have no further liability to you.

You must notify us as soon as possible after you become aware of any incorrect Card Transaction on your Account.
- 3.6 Where a Card Transaction is made in a foreign currency (where this service is available on a Card), we will convert it into £ sterling on the day we debit the payment (in £ sterling) to your Account using the VISA Exchange Rate. We add a 2.75% foreign exchange administration fee to the VISA Exchange Rate and this fee is included in the exchange rate for the Card Transaction shown on the statement for your Account. The day the currency conversion is carried out may be after the day the Card Transaction was carried out. You can find out the VISA Exchange Rate by calling us on 0845 300 0268.

The VISA Exchange Rate changes on a daily basis; is applied immediately and without giving you any prior notice.

Cash withdrawals abroad are subject to a charge of 1.5% of the transaction amount (minimum £1.50) plus the 2.75% foreign exchange fee.

For more information as to when Cards can be used to make Card Transactions in a foreign currency, please refer to the User Guide.
- 3.7 Authorised Users may use their Cards to withdraw cash of up to £500 per day, (provided funds are available) from ATMs in the UK as well as banks and bureaux de change showing the VISA sign abroad (where this service is available on a Card). If a Card is used to draw cash from a machine operated by another bank, there may be a handling charge.
- 3.8 A Card and PIN can be used in some cash machines to get information about your Account. By signing this Agreement you give us your consent to disclose this information to an Authorised User.
- 3.9 When a Card is used to withdraw cash from a cash machine, we will debit that amount, plus any handling charge, from your Account. This applies whether or not the Account is already overdrawn or becomes overdrawn as a result.

- 3.10 When a Card is issued to withdraw money from a cash machine, we may be contacted for confirmation – or ‘authorisation’ – that we will pay the Card Transaction. We have the right to refuse authorisation for any particular Card Transaction if reasonable, for example if the Transaction results in the Account becoming overdrawn or exceeding a limit, you are in breach of this Agreement, or we (or the systems we use) reasonably suspect the Card Transaction is fraudulent. If authorisation is given, that Card Transaction will immediately reduce the total amount that can be drawn from your Account, even though the payment has not actually been deducted from the Account by then. If any Card Transaction is declined you may contact us on 0845 300 0268 or in writing at Bank of Scotland, Commercial Banking, BX2 1LB. If we have declined the Card Transaction we will, where reasonably possible, tell you why the Card Transaction was declined. If the reason for our declining the Card Transaction was based on incorrect information, we will agree with you what needs to be done to correct that information.
- 3.11 We are not liable if any bank, cash terminal or other machine refuses a Card.

## 4 Your Account

- 4.1 We provide Authorised Users with a Card so that you can operate your Account more conveniently. A Card itself does not give you an automatic overdraft or any other form of credit. If you would like to have, or increase an overdraft on the Account, you must apply to us in the usual way. Once we have agreed to an overdraft, it can be drawn on by the use of a Card but you must ensure that Authorised Users never go over your overdraft limit when they use their Card.
- 4.2 If use of a Card creates an overdraft we have not agreed or exceeds an agreed overdraft limit, you will have broken the terms of the Account and you must repay the unagreed amount immediately. We will be entitled, under the terms of the Account, in our sole discretion and without contacting you to allow the Account to become overdrawn or the agreed overdraft limit to be exceeded. In these circumstances the new or excess overdraft is an unauthorised overdraft and we will be entitled to charge interest at our standard rate for unauthorised overdrafts and to debit that interest and any resulting bank charges from your Account.
- 4.3 We may at any time:
- demand repayment of any borrowing on your Account (plus interest and charges), or require you to close the Account;
  - refuse to allow any further borrowing on an overdraft without giving you advance notice, although we will send you written confirmation.
- 4.4 We will debit the amount of each Card Transaction to your Account when we receive it. You will be liable to pay us all amounts so debited. A Card Transaction is received by us when we receive the instruction from VISA or LINK.
- 4.5 You are liable to pay all charges debited to your Account. Charges relating to Card Transactions abroad (where this service is available on a Card) will be shown on your Account statements. Other than the foreign exchange administration fee which is taken as set out in condition 3.6, our Charges brochures set out how, when and what we charge. For non-standard charges, (details of which are set out in our Charges brochures) we will notify you of these charges before the service is provided either verbally or in writing.

## 5 Charges

- 5.1 Full information on our charging and interest rates is set out in our Charges brochures and on our website at [www.bankofscotlandbusiness.co.uk](http://www.bankofscotlandbusiness.co.uk).

Alternatively please contact your relationship manager. We are entitled to alter our charges at any time by giving you notice in accordance with condition 8.

## 6 Lost or stolen Cards or confidential information and unauthorised transactions

- 6.1 If any Card is lost, stolen, misused or likely to be misused for any reason at all, or if someone else discovers the PIN, you must ensure that the Authorised User concerned or you immediately:
- telephone 08457 20 30 99 if in the UK or, if abroad +44 8457 20 30 99 (24 hours). We may ask you to send us written confirmation within seven days; or
  - write to Bank of Scotland plc, The Mound, Edinburgh, Scotland EH1 1YZ.

## Liability for losses

- 6.2 The provisions of this condition 6.2 shall apply if you are a Micro-enterprise:
- Unless we can show that you or an Authorised User have acted fraudulently or have not taken all reasonable care in keeping a Card or Card details safe and in accordance with our security requirements, you will not have to pay anything in respect of the use of a Card or Card details that:
    - are used before the Card or Card details are received; or
    - are lost or stolen, provided you tell us as soon as you become aware of such loss or theft.
  - Unless we can show that you or an Authorised User have acted fraudulently you will not have to pay anything in respect of the unauthorised use of a Card or the Card details where the cardholder does not need to be present.
  - Unless we can show that you or an Authorised User have acted fraudulently or have not taken all reasonable care in keeping a Card or the Card details safe and in accordance with our security requirements, we will refund the amount of any unauthorised Card Transaction to the Account. We will also refund any interest charged in respect of that Card Transaction together with any charges directly incurred on the Account which would not otherwise have been incurred.

**Warning:** If you or any Authorised User have acted fraudulently in connection with the use of a Card or the Card details or have not taken all reasonable care in keeping a Card or Card details safe and in accordance with our security requirements, you will be responsible for all losses arising out of or in connection with unauthorised Card Transactions.

- 6.3 Condition 6.2 shall not apply if you are not a Micro-enterprise. Instead this condition 6.3 shall apply, and the Payment Service Regulations 2009 (as replaced or amended from time to time) shall apply only insofar as they are provided for herein:
- We will only be liable to you for unauthorised Card Transactions after you have notified us of the loss, theft or misuse of the Card or Card details. If we are reasonably satisfied that the Card Transaction was unauthorised, we will refund the amount of the Card Transaction to your Account. We will also refund you any interest and charges directly incurred by you on the Account as a result of the Card Transaction but will not have any further liability to you.

**Warning:** If you or any Authorised User have acted fraudulently or have not taken all reasonable care in keeping a Card or Card details safe and in accordance with our security requirements, you will be liable for all losses in respect of any unauthorised Card Transactions.

- 6.4 Both you and the relevant Authorised User must co-operate fully with us in investigating any loss, theft or possible misuse of a Card, Card details or disclosure of the PIN and in recovering a missing Card. If we suspect that a Card has been lost or stolen or is liable to misuse, we may take whatever steps we think necessary to deal with the risks. We may also pass on any information we think appropriate to other banks, to VISA outlets or anyone else who accepts the Card as a means of payment or withdrawal, or to the police or other authorities or any other relevant third party.
- 6.5 If a Card is found after we have been told it is missing, you must ensure that it is not used by the Authorised User concerned. You must ensure that the Card is returned immediately to the branch which holds your Account, cut in half across the black stripe.

## 7 Ending this Agreement

- 7.1 This Agreement shall continue until terminated in accordance with the provisions of this condition 7.
- 7.2 You may end this Agreement at any time by writing to us and enclosing all Cards issued on the Account, cut in half across the black stripe.
- 7.3 Subject to condition 7.4, we may end this Agreement at any time by giving you two months' prior written notice.
- 7.4 We may, at any time, end this Agreement immediately by giving you written notice if any of the following occurs:
- any information you have given or give us in future (in connection with this Agreement or not) is inaccurate or changes materially before we sign this Agreement;

- (b) unless you have informed us in writing before we sign this Agreement, if any material litigation is, or material administrative, criminal or judicial proceedings are, being taken against you at the time this Agreement is signed; ("material" means likely, if successful, to have any damaging effect on your business);
  - (c) without our consent, you create or permit any new charge, mortgage or security interest over your business or any part of it, or its property, assets or income;
  - (d) without our consent, you sell or lease or dispose of your business or any part of it, or, other than in the normal course of business, its property, assets or income (or attempt to do so);
  - (e) you change the nature of your business as it is now conducted;
  - (f) you do not have the insurance over your business and its assets that is normal for a business of your type (and you must show us evidence of this insurance if we ask for it);
  - (g) you factor or assign any debts owed to your business without our consent;
  - (h) you die, become of unsound mind, become insolvent (or in Scotland, apparently insolvent), a bankruptcy petition (or in Scotland a petition for sequestration) is presented against you, or steps are taken to appoint an administrator, judicial factor or similar officer to you or you apply to the court for a moratorium or make a proposal to creditors for a voluntary arrangement or you grant a trust deed for creditors or take any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of your indebtedness;
  - (i) if you are a limited company or limited liability partnership, you have a petition presented or resolution passed for winding up or an administration application is presented or made for the making of an administration order or a notice of intention to appoint an administrator is issued or notice of appointment of an administrator is filed with the court or you have a receiver appointed over all or part of your assets or you cease to trade, or you are deemed by law unable to pay your debts, or you make an application in connection with a moratorium or a proposal to creditors for a voluntary arrangement or take any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of your indebtedness including in Scotland granting a trust deed for creditors;
  - (j) if you are a partnership (including limited liability partnership) or unincorporated association, you dissolve or a petition is presented for an order to be made for the winding up of the partnership or an application or a petition is presented or made for an administration order against the partnership;
  - (k) if you are a limited liability partnership, any member ceases without our written consent to be a member, or you cease for any reason to be a limited liability partnership;
  - (l) your Account is closed for whatever reason; or
  - (m) you commit any other material breach of this Agreement which, if capable of remedy, is not remedied within 14 days of receipt from us of a notice setting out full particulars of the breach and requiring it to be remedied.
- 7.5 After this Agreement comes to an end:
- (a) we can go on deducting the amount of any Card Transactions from your Account;
  - (b) you will still be liable to repay any borrowing on the Account, and interest and charges will continue until repayment in full.

## 8 Variation

- 8.1 Subject to condition 8.2, we will notify you in writing at least two months before we make any change to these conditions or the Conditions of Use. You will be deemed to have accepted any such change if you do not notify us to the contrary before the date any such change comes into effect. However if you do not accept any change:
- (a) you can end this Agreement at any time before the change comes into effect; or
  - (b) our notice of the change will be deemed to be notice of termination given under condition 7.3 and this Agreement will terminate the day before any change comes into effect.

- 8.2 We may change these conditions or the Conditions of Use at any time to reflect changes in law, regulation or codes of practice which apply to us or the way we are regulated. We will always endeavour to give you at least two months' notice of such changes in accordance with condition 8.1 wherever possible. Where this is not possible we will give you as much prior notice as reasonably practicable.

## 9 Changing Card Type

- 9.1 We may issue a different card from the one you applied for to be used instead of existing Cards under the VISA, MasterCard, or any other card acceptance scheme.

## 10 Notices and communication

- 10.1 Any notice to be given by either party under this Agreement shall, unless provided otherwise in this Agreement, be written, sent by post or delivered by hand to the other party (and deemed received at time of receipt). The address for any such notice for us will be Bank of Scotland plc, The Mound, Edinburgh, Scotland EH1 1YZ until further notice. The address for any such notice for you will be the correspondence address given on the application form for the Account. Either party may change their address for communication by giving seven days' notice in writing to the other party.
- 10.2 If there is any change in your name or address, you must immediately inform the Bank which holds your Account. The correspondence address can be found on your Account statement.
- 10.3 The language of this Agreement shall be English and communications and notices between us shall be in English.

## 11 General

- 11.1 This Agreement replaces any previous or existing agreement for the supply of a Card on your Account. Any such agreement still in existence will be cancelled automatically by this Agreement.
- 11.2 We will do our best to give you a complete service at all times, but notwithstanding anything to the contrary in this Agreement, if we are prevented, hindered, or delayed from or in performing any of our obligations under this Agreement due to abnormal and unforeseeable circumstances beyond our control (including any strike, lock-out, labour dispute, act of God, war, riot, civil commotion, malicious damage, compliance with a law or governmental order, rule, regulation or direction, accident, breakdown or other failure of equipment, software or communications network, fire, flood, or other circumstances affecting the supply of goods or services), then we shall not be liable to you or be obliged to perform our obligations under this Agreement to the extent that we are prevented, hindered or delayed in our performance by the abnormal and unforeseeable circumstances beyond our control.
- 11.3 We will not be liable to you:
- (a) for any losses not directly associated with the incident that may cause you to make a claim against us whether or not such losses were reasonably foreseeable; nor
  - (b) for any loss of profits, loss of business, loss of goodwill or any form of special damages.
- 11.4 If we relax any term of this Agreement for you, this may be just a temporary measure or a special case. We may enforce it strictly again at any time.
- 11.5 You may not transfer your legal rights under this Agreement to anyone else.

## 12 Governing law

- 12.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with either the laws of England and Wales if your Account is held in England and Wales or the laws of Scotland if your Account is held in Scotland.

The courts of either England and Wales or Scotland (depending on where your Account is held) shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising out of or in connection with this Agreement).

## 13 Definitions

**"Account"**: an account in your name(s) identified by the number given on your Card application form (or, if this account is transferred to another branch, the account number at your new branch).

**"ATM"**: Automated Teller Machines from which cash may be withdrawn.

**"Authorised User"**: you or one of your employees to whom a Card is issued and who is authorised by you to use it.

**"Business":** any body corporate or unincorporated, sole trader or partnership in whose name an Account is maintained by us and named in the application form for the Account and where the Business (not being a body corporate) consists of two or more persons, then this definition means all or any of them and the liability of such persons will be joint and several.

**"Business Day":** means 9am to 5pm Monday to Friday other than public and bank holidays in England and Wales, or Scotland (if in Scotland) unless transacting through one of our branches which opens for shorter hours or we notify you of different times for the processing of payments to and from your Account.

**"Card":** means the Keycard including any renewal or replacement Card issued by us under this Agreement for use with your Account.

**"Card Transaction":** use of the Card, Card number or PIN in cash machines which accept the Card, when they are operating, to obtain cash or any other service through which cash can be obtained using the Card, Card number or PIN, and any other service we may offer in connection with the Card from time to time.

**"Card Type":** any card we issue under the VISA, MasterCard, or any other card acceptance scheme.

**"Charges Brochure":** means any brochure or leaflet of ours that sets out the charges, including where appropriate, international as well as UK charges that apply to your account.

**"Micro-enterprise":** any enterprise, or group of enterprises of which it forms part which, at the time you enter into this Agreement employs fewer than 10 persons and whose annual turnover and/or balance sheet total does not exceed EUR 2million (or its equivalent).

**"PIN":** the Personal Identification Number we give Authorised Users to use with the Card.

**"Security Code":** the last three digits on the signature strip on the reverse of the Card.

**"VISA Exchange Rate":** the foreign exchange wholesale rate set by VISA and applied to any Card Transactions carried out in foreign currencies to convert them to sterling.

**"we"/"us"/"our"/"Bank":** means Bank of Scotland plc, registered in Scotland number SC327000. Registered and Head office: The Mound, Edinburgh EH1 1YZ and its successors and assigns.

**"you"/"your":** the Business named in the application for the Keycard.

## Conditions of Use

- 1 Each Authorised User must sign their Card as soon as they receive it.
- 2 The Authorised User must not allow any other person to use the Card, Card number, Security Code or PIN and must always keep them safe. The Authorised User must always follow any instructions we give in connection with the use and safe-keeping of the Card, Card number and PIN.
- 3 The Authorised User must memorise the PIN and then destroy the slip on which it is printed. The PIN must be kept secret. Do not let anyone else know it or use it.
- 4 The Authorised User should not write the PIN on the Card or on anything which is kept at any time with the Card.
- 5 In the event of any loss, theft, or possible misuse of the Card, the Authorised User must give us or our agents any information or help we ask for, and assist us to recover the Card where relevant. We may pass the information provided to the police or any other relevant third party.
- 6 If a Card is found after the Authorised User or the Business has told us it has been lost or stolen, it must not be used. The Authorised User must ensure that it is destroyed immediately by cutting it in half across the black stripe.
- 7 If either we or the Business asks the Authorised User to return the Card to us, the Authorised User must do so immediately, cut in half across the black stripe.
- 8 The Card may only be used for the purposes of the Business and may not be used for any other purposes, including personal, family or household purposes. The Authorised User shall be liable to the Business for payment of any Card Transactions made by him/her which are not authorised by the Business. The Business will be liable to us for all Card Transactions and any charges.

- 9 The Business shall be liable for payment of all reasonable costs and expenses incurred by us:
  - 9.1 as a result of any breach by the Authorised User of these Conditions of Use, as amended from time to time; and
  - 9.2 in recovering any Cards which should have been returned to us.
- 10 All expenses, costs and charges referred to in these Conditions of Use, as amended from time to time, shall be debited to the Account.
- 11 The Card, Card number, Security Code or PIN must not be used for any illegal purpose or outside the period shown on the Card or if we have cancelled or suspended it.

## Help and information

If you require a copy of this Agreement or any document referred to in it please consult our website at [www.bankofscotlandbusiness.co.uk](http://www.bankofscotlandbusiness.co.uk) in the first instance.

If you have any queries about your account or need further information please contact your relationship team.

Information is available in large print, audio and Braille on request.

[www.bankofscotlandbusiness.co.uk](http://www.bankofscotlandbusiness.co.uk)

We accept calls made through RNID Typetalk.

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

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(Please note that due to the schemes' eligibility criteria not all Bank of Scotland business customers will be covered by these schemes.)

The Lloyds Banking Group includes Bank of Scotland plc and a number of other companies using brands including Lloyds TSB, Halifax and Bank of Scotland, and their associated companies.

Information correct as at: December 2011.