

Business Telephone Banking

Terms and Conditions
Effective from 1 November 2009



The world's local bank

Contents

Section 1	2
Definitions	2
Section 2	3
Registration	3
Your Instructions	3
Our Liability	4
Events Beyond Our Control	5
Termination Variation and Fees	5
Confidentiality	5
Money Laundering and other matters	5
Miscellaneous	6
Section 3: A Guide to Business Telephone Banking – Who Can Do What	7
Section 4: Important Security Duties	7
About us	8

Business Telephone Banking – Agreement Terms and Conditions

By signing the application form relating to Business Telephone Banking (BTB) you agree that these terms apply to our BTB service, and not to any arrangement that you may make separately with your branch or commercial centre concerning telephone banking. These terms apply in addition to our Business Banking Terms and Conditions, which can be found at www.hsbc.co.uk. Where these terms differ from the Business Banking Terms and Conditions, these terms apply. Where we refer to an account/service in these terms, it also refers to any account/service which may replace it in future.

Section 1

Definitions

Defined terms used in this Agreement are set out below:

Additional User: Any Registered person other than a Primary User.

Agreement: This agreement as modified from time to time including any supplementary terms for the provision of the Service and Customer guides and other documentation relating to the Service.

Bank, we, us and our: HSBC Bank plc.

Business Banking Terms and Conditions: Our general business banking terms and conditions which can be found at www.hsbc.co.uk under Legal Information or such other location as the Bank may advise you of from time to time.

Customer, you and your: the person(s) or party named on the application form mentioned above.

HSBC Group: HSBC Holdings plc and its subsidiary and associate undertakings, or any of their branches.

Instructions: Any telephoned instruction, request or other communication given or purporting to be given to us by you or any Registered person on your behalf.

Primary User: A Registered person who is a Signatory and is authorised to appoint Additional Users.

Registered person: Any person (including any Primary or Additional User) who has been registered to use some or all of the elements of the Service on your behalf having followed our registration procedures.

Regulations: The Payment Services Regulations 2009 as amended, restated and re-enacted from time to time.

Security Number: The code, password, pass number or other identification of any kind issued to or adopted by a Registered person with our agreement for accessing the Service on your behalf.

Service: The business telephone banking service provided by our Customer Contact Centre(s) or such other location(s) as we may use from time to time.

Signatory: Any person who is a signatory on at least one bank mandate held on your business account(s).

Table: The table in Section 3 of these terms.

Working Day: Monday to Friday except public holidays.

Section 2

Registration

1. When registering for the Service, you must nominate a Primary User who must be a Signatory and a Registered person. The nominated Primary User will have the powers specified in the Table, including the authority (in addition to you) to appoint persons as Additional Users. The Table also sets out the powers of Registered persons who are Signatories and Registered persons who are not Signatories.

2. Where you tell us that a Registered person ceases to be a Signatory, we will remove all that individual's powers (as set out in the Table). You will remain bound in respect of Instructions given or purporting to be given by that individual party until we have removed the individual.

3. If a Registered person who is not a Signatory subsequently becomes a Signatory, such party shall be given automatically (and without notice to you or any Primary User) the powers as described in the Table.

4. Your consent to Instructions will be given over the telephone through the Service. When you telephone the Customer Contact Centre (or other relevant location), we will take you through our security procedures in order to identify you as a Registered person. Our security procedures may not always involve the use of Security Numbers. For example the caller may be asked to answer questions about your relationship with us which will enable us to identify the caller as a Registered person. If we cannot identify the caller as a Registered person, we may not be able to assist the caller. In this case, you may need to complete a further registration form.

5. You and all Registered persons must comply with all reasonable instructions we issue regarding security, including those set out in Section 4.

6. You, and any relevant Registered person, agree to help us and the police in trying to recover any losses.

Your Instructions

7. Once we have gone successfully through our security procedures with a caller, we can act on any Instructions given or purporting to be given on your behalf, including deducting money from any of your accounts whenever opened whether in debit or credit. We may do this even if these Instructions were not given or authorised by you or a Registered person on your behalf, and even if they conflict with any other mandate given at any time concerning your accounts. However, your liability for Instructions which have not been given or authorised by you or any Registered person will be limited as set out in Clauses 8, 9 and 10.

8. Unless you are liable to us under Clauses 9 or 10, you will not be liable for any losses if Instructions are not actually given or authorised by you or any Registered person.

9.1 Subject to Clauses 9.2 and 10, you shall be liable up to a maximum of £50 for any losses incurred in respect of any unauthorised Instruction arising from the use of a lost or stolen Security Number or where you or any Registered person or other party acting on your behalf has failed to keep the personalised security features of the Security Number safe from misappropriation of the Security Number.

9.2 You will be liable for all losses in respect of unauthorised Instructions where you or any Registered person or other party acting on your behalf has acted fraudulently or has with intent or gross negligence failed to comply with any of your or their obligations under this Agreement relating to:

- a the issue and use of Security Numbers and the procedures relating to such matters and the keeping of such matters safe; or
- b the notification to the Bank by the Customer without undue delay on becoming aware of the breach of, loss, theft, misappropriation or unauthorised use of any Security Number or the procedures relating to such matters.

10.1 All notifications in respect of the matters referred to in Clause 9.2(b) (including Section 4.1(vii)) must be given by the Customer to the Bank without undue delay and in any event no later than 13 months after the debit date, on becoming aware of any unauthorised or incorrectly executed Instruction.

10.2 Subject to Clauses 7 to 10.1, where an Instruction involving a payment transaction is not authorised by the Customer, the Bank will refund the amount of the payment transaction and where applicable will restore the account debited with the payment transaction to the state it would have been in had the unauthorised payment transaction not taken place. We will have no further liability to you.

11.1 We may suspend the Service or any part of it and we may not agree to carry out or delay carrying out any Instructions if they involve a transaction exceeding a particular value and/or frequency or otherwise breaching any limitation in place from time to time in respect of transactions which can be carried out using the Service or if we feel there is reason to do so, such as a suspected breach of security.

11.2 We may also not agree to carry out or delay carrying out any Instruction if it is an informal overdraft request, namely a request or Instruction which, if agreed to by us, would cause your account to go overdrawn or over an existing overdraft limit.

11.3 Where it is not unlawful to do so, we shall where possible give you notice of any such suspension or refusal before doing so, or if not possible, immediately afterwards. Any such notifications shall be made through the Service.

11.4 If you wish to withdraw your consent to an Instruction, telephone the Customer Contact Centre (or other relevant location). If you request us to cancel or modify any Instruction, we will make reasonable efforts to comply with your request. However, we are not liable for any failure to cancel or modify the Instruction if such a request is received at a time or under circumstances that render us unable to comply with your request.

12. In order for an Instruction to be properly executed, the Customer must provide the Bank with the payee's bank sort code and account number or, where applicable, the bank identification code (BIC) or other relevant identification of the payee's bank and the payee's international bank account number (IBAN) or other relevant account number, and/or such other information if any as the Bank may advise the Customer of from time to time.

13. For details of cut-off and maximum execution times for Instructions involving payments please refer to our Business Banking Terms and Conditions or other source of such details referred to there.

14. The Customer and the Bank may agree financial limit(s) upon the amount(s) which can be the subject to Instructions. In the absence

of such an agreement a Registered person who is a Signatory will have power to make payments to third parties (maximum number of payments per call to be specified by us during the call). Payments from any given account must not exceed in the aggregate GBP 10,000 per beneficiary in any given day although we may in our sole discretion permit payment(s) over such limit, but doing so on one or more occasions does not mean that we are bound to do so on any other occasion.

Our Liability

15. We are not responsible if any party intercepts or overhears any telephone conversation between you and us.

16. Where a conversation is conducted between you and us using a text telephone, you are responsible for deleting the information held on your telephone at the end of each conversation.

17. To ensure that the Bank carries out your Instructions accurately, to help us to continually improve our service and in the interests of security, we may monitor and/or record your telephone calls with the Bank. All recordings are our sole property.

18. Any transaction requested by an Instruction shall be subject to our terms and conditions (where applicable).

19. Subject to Clauses 20 to 24 (inclusive), we shall only be liable for any loss, damage or delay which you suffer or incur as a direct result of our gross negligence or wilful misconduct and shall not be liable for any other loss or damage of any kind.

20. We shall not, in any event, be liable to you for any loss of business or profits or data, or indirect, consequential or special loss or damage arising out of your use of or in connection with, BTB or the Service, whether or not we have been advised of the possibility of such loss or damage and whether or not arising out of negligence, breach of this Agreement or otherwise.

21. Neither party purports to exclude or limit liability in relation to fraud, personal injury or death.

22. Subject to Clause 23, the liability of us to you due to, under and/or arising out of or in connection with this Agreement shall, in aggregate in any calendar year, not exceed £500,000.

23. Notwithstanding the limit set out in Clause 22, to the extent of a successful claim against us (for direct loss arising as a result of our gross negligence or wilful misconduct only) relates to all or part of the principal amount payable under an Instruction (such amount the **Lost Principal**) we shall be liable for

a. the Lost Principal, and

b. any interest which might reasonably have been earned in relation to the Lost Principal, provided that any interest payment shall be reduced accordingly if

i. any interest or other charges which would have been payable by you were not charged as a result of the loss; or

ii. any interest was earned by you which would have not otherwise have been earned.

24. You are responsible for obtaining, if you consider it appropriate, insurance cover at your cost for any loss exceeding the limit set out in Clause 22 or for any loss for which we are not liable to you.

Events Beyond Our Control

25. We will not be liable to you or your business for delay in performing or failure to perform any of your Instructions due to any cause beyond our reasonable control, including, without limitation, the failure, malfunction, interruption or unavailability of telecommunications, data communications or computer systems or other services, or strikes, lock-outs or other industrial action (whether involving our employees or those of a third party).

Termination Variation and Fees

26. The Customer may terminate this Agreement with at least one month's written notice to the Bank and the Bank may terminate this Agreement with at least two months' written notice to the Customer.

27. Either party may also terminate this Agreement immediately by written notice to the other, if the other party:

- a.** commits a material breach of this Agreement; or
- b.** becomes insolvent under the laws of any applicable jurisdiction.

Termination will not affect the rights and remedies of either party accrued to the date of termination, nor will it affect any provision of this Agreement, (including without limitation Clauses 19 to 24, 38 and 45) which is intended to apply after termination.

28. You agree to pay our scale of charges (if any) for providing the Service as we advise you of from time to time. We may vary our charges and frequency and dates of payment by notice sent to you by post (which can include statement messages). These charges are in addition to any charges for particular banking or other services we might provide in response to your Instructions through the Service.

29. We may, at our discretion, change these terms and conditions. We may also vary, amend

or add to the Service. We will tell you about changes by notice sent to you by post (which can include statement messages).

30. We shall give to you not less than two months' prior notice of the changes referred to in Clauses 28 and 29 or, exceptionally, such shorter period (other than in the case of any variations to our charges) as is necessary for the effective operation of the Service. At any time up to two months from the date of the notice, you may, without notice, terminate the Service without having to pay any extra charges for doing so.

31. When notice is given by post the notice will be taken to have been received five days after posting to the postal address most recently notified by you.

Confidentiality

32. Please note that our Business Banking Terms and Conditions, issued to you and other business customers generally, set out your agreement with us concerning our use and sharing with other parties of information about you and your affairs (**Your Information**). Without limiting these Business Banking Terms and Conditions you agree that we may exchange Your Information with members of the HSBC Group and others to provide you with the Service and to give effect to any Instruction. You also agree that we may use other members of the HSBC Group and/or third parties (in jurisdictions inside or outside the European Economic Area where there may be less stringent data protection laws) to store and process Your Information on our behalf.

Money Laundering and other matters

33. We may take whatever action we consider appropriate to meet any obligations, either in the United Kingdom or elsewhere in the world, relating to the prevention of fraud, money laundering or terrorist activity and the provision of financial and other services to persons who may be subject to sanctions.

34. These actions include, but are not limited to, investigating and intercepting payments into and out of your accounts (particularly in the case of international transfers of funds) and investigating the source of or intended recipient of funds. It may also include making enquiries to establish whether a person is subject to sanctions.

35. We shall not be liable for any loss, liability, delay or cost incurred by you as a result of us taking such actions; and we do not warrant that any information on our systems relating to any payment messages and communications will be accurate or complete to the extent that it relates to any Instruction which is subject to such an action when such information is provided.

Miscellaneous

36. This Agreement is the entire agreement between the parties concerning the use of BTB and the Service and supersedes all previous agreements, communications, representations or discussions between you and us relating to it. Any other agreements between us and you and/or mandates relating to the conduct of your accounts shall remain unaffected.

37. Where the Customer is a partnership, this Agreement will continue in force unless revoked by notice given by any one partner, notwithstanding any change of name of the partnership, admission of new partner(s) or any partner ceasing to be a member of the partnership by reason of death or otherwise.

38. We and you both agree to comply with all applicable data protection and other laws to the same or similar purpose in all relevant jurisdictions. You confirm that all employees and other persons whose personal or other data is transmitted, processed or otherwise handled have consented to such transmission, processing or other handling under this Agreement in accordance with these laws, or will do so prior to any such transmission, processing or other handling.

39. Each of the terms of this Agreement is severable from the others and if one or more of them becomes void, illegal or unenforceable, the remainder will not be affected in any way. References in this Agreement to clauses or sections are references to clauses and sections of this Agreement unless expressly stated otherwise.

40. Subject to the applicable laws of evidence, each party agrees not to object to the admission of the records (including computer records and recordings of calls) of the other as evidence in legal proceedings.

41. All notifications and communications under this Agreement (which shall be in English unless otherwise agreed and shall continue until terminated in accordance with its terms) shall be made in the manner and as described in this Agreement; and if not so described shall be given through the Service or by notice in writing, notice by post being subject to Clause 31.

42. Information relevant to this Agreement under the Regulations will be provided as and when changes are made and will be made available through the Service or by notice in writing, notice by post being subject to Clause 31. You may obtain a copy of this Agreement, our Business Banking Terms and Conditions and/or any other terms and conditions relating to the payment services which we provide to you by making a request through the Service.

43. We may appoint other parties to provide some or all of the Service under this Agreement. You agree that such parties shall have the benefit of any provisions of this Agreement which limit our liability.

44. Save as provided in Clause 43 no person other than the Bank, other members of the HSBC Group and the Customer shall have any rights under the Contracts (Rights of Third Parties) Act 1999 (as amended, re-stated and re-enacted from time to time) to enforce any term (express or implied) of this Agreement but this is without prejudice to any right or remedy of a third party which may exist or be available apart from that Act.

45. For account(s) held in the United Kingdom this Agreement and any dispute, claim or issue arising out of or in connection with it (whether of a contractual or non-contractual nature, such as claims in tort, for breach of statute or regulation or otherwise) shall be governed by the laws of England and Wales. For account(s) held in Jersey, Guernsey and the Isle of Man the local law of the island where your account(s) is held will apply in respect of the above matters. Both parties irrevocably submit to the non-exclusive jurisdiction of the courts of England and Wales or Jersey, Guernsey, or the Isle of Man as appropriate.

Section 3: A Guide to Business Telephone Banking – Who Can Do What?

This section forms part of this Agreement.

What you can do if you are:	Registered person but not a Signatory	Registered person and a Signatory	Primary User
Find out balances	✓	✓	✓
Transfers between certain sterling accounts	✓	✓	✓
Get transaction information	✓	✓	✓
Send messages to your Relationship Manager	✓	✓	✓
Get foreign exchange and interest rate information	✓	✓	✓
Cancel standing orders and Direct Debits	✓	✓	✓
Get information on business and personal products	✓	✓	✓
Start applications on your behalf for banking products, or services of any kind	✓	✓	✓
Make payments to third parties (subject to limits)	✗	✓	✓
Set up and amend standing orders	✗	✓	✓
Re-instate Direct Debits	✗	✓	✓
Remove Registered persons (including Primary User)	✗	✓	✓
Appoint Additional users	✗	✗	✓

- The Service (including our automated service) lets you manage your accounts by obtaining information and giving us Instructions.
- The maximum number of payments per call will be specified by us during the call.
- To use our automated service you will need a touch tone telephone and a Security Number. If you have a password with us, you will need to contact us to convert your password to a Security Number. Please take the necessary precautions – refer to Section 4: Important Security Duties.
- If any of your business accounts has more than one Signatory, we will act on any Instructions given, or purporting to be given, by any one of such Signatories who is also a Registered person.
- We will notify you of any limitations on transactions we put in place on the Service. We may in our sole discretion permit transaction(s) over such limit(s) but if we do so on one or more occasions it does not mean we are bound to do so on any other occasions.
- Once a payment to a third party has been actioned, you cannot cancel such Instruction.

Section 4: Important Security Duties

This section forms part of this Agreement

- If you register a Security Number with us, you and all Registered persons must take all reasonable steps to keep it safe and must comply with all reasonable instructions we issue regarding security. These include, but are not limited to, the following measures:
 - Do not choose Security Numbers that may be easy to guess, eg, 123456, your name or your date of birth.
 - Do not disclose any Security Number to anyone else.
 - Do not disclose more than two digits from any Security Number to our staff when calling us.
 - Do not tell anyone else that personal security details are used for the Service.
 - Take care not to be overheard when confirming security details to us.
 - Do not make a record of any Security Number and/or other personal security details in a way that can be easily understood by someone else.

vii. Tell us immediately by calling the Service if you (or any Registered person) know or suspect that an unauthorised call has been made to the Service, or that someone else knows any Security Number or that personal security details are used for the Service.

viii. Remember – when we call you, we will never ask for details of your Security Number or password. We will ask you questions based on information known to us about you and transactions on your account, which will enable us to identify you as our customer.

ix. Do not use a cordless telephone or mobile telephone operating on an analogue network to telephone us.

2. You acknowledge that any failure by you or any Registered person to comply with any of the provisions of this Section 4 shall for the purposes of this Agreement constitute gross negligence on your part.

About us

HSBC Bank plc is a company registered and established in England and Wales under registration number 14259. Our registered office is at 8, Canada Square, London, E14 5HQ. Our VAT registration number is GB365684514. HSBC Bank plc is regulated by the Financial Services Authority being entered in their Register (114216). HSBC Bank plc is a member of the Financial Ombudsman Scheme.

hsbc.co.uk

Issued by HSBC Bank plc.

We are a principal member of the HSBC Group, one of the world's largest banking and financial services organisations with around 8,500 offices in 86 countries and territories.

HSBC Bank plc, Customer Information:
PO Box 757, Hemel Hempstead, Hertfordshire, HP2 4SS

