

Business Banking

Terms and Conditions

Effective from 1 November 2009
(1 December 2009 for accounts
held offshore)



The world's local bank

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Customers with disabilities

The Business Banking Terms and Conditions are also available in large print and on audio cassette (please ask any of **our branches** for a copy).

We offer a number of other services for customers who have disabilities. These include Braille and large print statements, templates for cheque books and sign language interpretation. A textphone is available for customers with hearing and/or speech impairments. If you use your own textphone and would like further details of services offered to customers with disabilities call the number below.

To contact us

- Visit one of **our branches**.
- Write to us at HSBC Bank plc, Customer Information, PO Box 757, Hemel Hempstead, Hertfordshire HP2 4SS.
- Call us **by phone** on 08457 40 41 42 if you are calling within the UK, +44 1792 49 6393 if you are calling from overseas, or 1800 108457 125 563 if you are using a text phone. All lines are open 8.00 am to 10.00 pm every day (except for Christmas Day, Boxing Day and New Year's Day).
- For accounts held **offshore**, call us on:
 - the above numbers for Jersey and Guernsey; and
 - 08457 60 60 60 for the Isle of Man or 1800 108457 125 563 if you are using a text phone. Lines are open 8.00 am to 10.00 pm every day (except for Christmas Day, Boxing Day and New Year's Day).
- Visit our website at www.hsbc.co.uk/business.

We may monitor and/or record your telephone calls and other communications with us.

Business Banking Terms and Conditions

The Business Banking Terms and Conditions (as amended from time to time) will apply to all new and existing business customers from 1 November 2009 (1 December 2009 for accounts held **offshore**) until all your business accounts with us in the UK or **offshore** have been closed.

You should read the Business Banking Terms and Conditions carefully and keep them in a safe place together with the terms and conditions which apply to specific accounts and to other services (such as **BTB**, **BIB**, Business Debit Cards and Self Service Cards).

The Business Banking Terms and Conditions are a contract between you and us, which:

- apply to all business accounts (whether current or savings) with us in the UK or **offshore**;
- explain our obligations to you and your obligations to us;
- apply to all our business services provided to you in the UK or **offshore**; and
- may be added to or varied by the terms and conditions for specific accounts or other services, which will prevail over the Business Banking Terms and Conditions if there is any conflict.

In the Business Banking Terms and Conditions, "we", "us" and "our" refer to HSBC Bank plc. Text in **bold** is defined in the Glossary of Terms in section 7.

Any banking terms and conditions implied by law will also apply to our relationship with you except to the extent that the law permits us to vary or amend them by any particular terms and conditions relating to an account or service or by the Business Banking Terms and Conditions.

We may occasionally allow you extra time to comply with your obligations or decide not to exercise some of our rights. However, if we do so, we can still insist on the strict application of the Business Banking Terms and Conditions later on.

No third party has any rights under the Business Banking Terms and Conditions. We may decline to accept money or your application to open an account or renew a deposit or to be provided with a service.

We may change any of the Business Banking Terms and Conditions at any time by giving you at least 2 months' notice of the change by **customer notice** before we make it. If you do not accept the change, see clause 7.4 of the **General Terms and Conditions**. If we do not hear from you before the change comes into effect, then you will be deemed to have accepted it and it will take effect on that date. We may also agree separate terms with you in writing.

The current version of the Business Banking Terms and Conditions (including the payment processing information in section 8) and the current interest rates on our most common business accounts are available for you to access on our website. This information (as well as our prevailing exchange rates, current interest rates on other business accounts and our current Business Banking Price List and International Business Price List) is also available if you contact us (see the contents page).

Section 1 – General Terms and Conditions

These **General Terms and Conditions** apply to all sterling business current accounts, Foreign Currency Accounts and International Business Accounts with us.

These **General Terms and Conditions** also apply (in whole or in part) to your other business accounts with us and/or to other services we provide to you, as stated in the terms and conditions for the relevant account/service.

1. Account Opening and Account Terms

1.1 To help protect you, us and third parties against fraudulent use of the banking system, certain documents need to be completed. You must tell us of any variations to these documents.

1.2 To open an account, we will ask for proof of your identity, address and financial standing. For more information, contact us (see the contents page) and/or see clause 8.

1.3 So that we can process cheques and other payments from your account, we will ask you and any other persons who will sign on the account, to complete a **mandate**.

1.4 If you are a **corporate business**, you agree that the following regulations in the Payment Services Regulations 2009 (as from time to time amended, restated or re-enacted) will not apply to you:

- regulation 40(1) in respect of the information specified in paragraph 3 of Schedule 4;
- regulation 42(1) in respect of changes in our interest rates and charges;
- regulation 48 in respect of our charges for making itemised charges available on request under clause 9.1.8; and
- regulations 60, 62, 63, 64, 75 and 77.

If you are a **micro-enterprise** or **small charity** but cease to be a **micro-enterprise** or **small charity** at a subsequent date, you agree that the above regulations will not apply to you from such subsequent date.

If we have categorised your business as a **micro-enterprise** or **small charity**, you agree to tell us if at any time, the annual turnover of your business is £2 million or more and if you are a charity, the annual income of your charity is £1 million or more. We will review your categorisation and, where appropriate, re-categorise your business as a **corporate business**.

If we have categorised your business as a **corporate business**:

- you agree to tell us if at any time, the annual turnover of your business is less than £2 million

and if you are a charity, the annual income of your charity is less than £1 million;

- if we are told that the annual turnover of your business is less than £2 million or that the annual income of your charity is less than £1 million, we will review your categorisation and, where appropriate, re-categorise your business as a **micro-enterprise** or **small charity**, as appropriate; and
- if you are eligible under applicable law or regulation (including the Payment Services Regulations 2009 and the Banking Conduct of Business) for the benefits to which a micro-enterprise or charity is entitled, our categorisation of your business as a **corporate business** will not affect your eligibility for such benefits and the provisions in the Business Banking Terms and Conditions which apply to a **micro-enterprise** or **small charity** will apply to your business instead of the provisions applying to a **corporate business**.

2. Paying Into Your Account

2.1 Methods of Payment

The following items are acceptable for payment into your account:

- cash, for which you must tell us the number and sort code of your account;
- forms of electronic transfer which we accept, for which you must provide the sender with the **BIC** and **IBAN** for your account;
- standing order payments by a third party sender, for which you must provide the sender with the payment details for your account specified in clause 3.6.2;
- **Standing Order** payments and **internal transfers**, for which your instructions must contain the payment details specified in clause 3.6.2; and
- sterling cheques, **foreign cheques** or other payments into your account which are payable as follows, for which you must tell us the number and sort code of your account:
 - **sole trader** – to you or to your trading name;
 - **partnership** – to any or all partners or to the partnership trading name;
 - company, limited liability partnership or other **incorporated body** – to the **incorporated body** or to its trading name;
 - personal representatives or trustees - to any or all of you in your own name(s) or in your fiduciary capacity or to the name of the deceased or trust (as appropriate); or
 - club, society, association, charity or other **unincorporated body** (except personal representatives and trustees) – to its own name or to its trading name.

2.2 Processing Payments into Your Account

2.2.1 Subject to clauses 2.3, 2.4, 2.5.1 and 9.3; payments into your account will be processed and the **maximum processing time** will begin:

- on the same day – for payments received on a **working day** (on any day for **Faster Payments** and **internal transfers**) by the relevant **cut-off time**;
- on the following **working day** – for payments (other than for **Faster Payments** and **internal transfers**) received after the relevant **cut-off time** or on a day that is not a **working day**; or
- on the following day – for **Faster Payments** and **internal transfers** received after the relevant **cut-off time**.

Other banks will apply their own cut-off times and processing times for payments which they make on your behalf into your HSBC account(s).

2.2.2 The receipt of a payment into your account will be treated as your consent to it being processed and credited to your account. After a payment into your account has been received by us, you cannot stop or withdraw your consent to the processing of the payment.

2.2.3 We can only accept responsibility for payments of cash, sterling cheques and/or **foreign cheques** into your account after we have received and checked them.

2.2.4 If the total amount of payments of cash, sterling cheques and/or **foreign cheques** into your account is added up incorrectly on the paying-in slip, we will correct it and add the right amount to your account. We will tell you we have done this (except for **foreign cheques**, where we will confirm the amount we have added to your account).

2.2.5 Payments into your account in a currency other than the currency of your account (e.g. a **foreign cheque** drawn in US dollars paid into a sterling account) will be converted at our prevailing exchange rate. Our exchange rates are variable exchange rates which are changing constantly throughout the day (e.g. to reflect movements in the foreign exchange markets). The exchange rate to be applied to a particular payment will appear on your statement and is also available on request if you contact us (see the contents page).

2.2.6 A charge may be deducted from your account for foreign currency payments into your account. This includes payments in the currency of a Foreign Currency Account, International Business Account or Currency Client Account. For the terms which apply to charges, see clause 4.

2.3 Cash

2.3.1 You must not send cash to us by post or leave cash in a letter box or deposit box at **our branches** but if we receive cash from you in these ways, we will credit the cash we receive to your account following receipt and you will bear the risk of any loss or discrepancy.

If a payment of cash only is made into your account over the counter at **our branches** or if we receive cash sent by you in the post or left by you in a letter box or deposit box at **our branches**, it will be credited to your account and be available for you to withdraw immediately after processing. It will be treated as cleared for interest calculation purposes on the same day as it is credited to your account. You agree that regulations 70 to 72, except regulation 70(4), of the Payment Services Regulations 2009 will not apply to foreign cash paid into an account you hold in the same currency unless it is a Euro account.

However, see clause 2.5 for the terms which apply to cash paid into your account using a **Business Pay In** packet and clause 2.3.3 for the terms which apply to cash paid into your account through a **self-service machine** (other than a **Business Pay In** machine) that allows payments to be made into your account.

2.3.2 Other banks may allow you to pay cash into your HSBC account(s) through their branches. The cash will clear through the **central clearing cycle** and appear in the balance of your account three **working days** later. The cash is treated as cleared for interest calculation purposes two **working days** after it has been paid in at the other bank.

2.3.3 Business Debit Cards and Self Service Cards can be used to pay in cash with a completed paying-in slip at our **self-service machines** (other than a **Business Pay In** machine which is subject to clause 2.5) that accepts sterling bank notes and (in some cases) sterling coins for payment into your account. Provided they are paid in before the **cut-off time** displayed on the machine, the funds will be credited to your account and be available for you to withdraw immediately after the machine is opened and we receive and check the cash, which will be on the same **working day**. If the **cut-off time** is missed, the cash will be credited to your account the next time the machine is opened, which is usually the next **working day**. Some **self-service machines** count the cash, which will be credited to your account and be available for you to withdraw immediately. Cash paid in at a **self-service machine** will be treated as cleared for interest calculation purposes (if applicable) on the same day as it is credited to your account.

2.4 Cheques

2.4.1 To pay in a sterling cheque, **foreign cheque** or other item that has been made payable to someone else, that person must sign it on the back. We may ask for further details before accepting it.

2.4.2 For sterling cheques, **foreign cheques** or other items marked on the front as “not transferable” or “account payee”, we reserve the

right to only accept them for the account of the person or body to whose name or trading name it is payable.

2.4.3 You may ask us to send a sterling cheque for **special presentation** when you pay it in over the counter at **our branches**. You will need to complete a declaration form and there is a **special presentation** charge, see clause 4 for the terms which apply to our charges. **Special presentation** does not affect when the sterling cheque clears for interest calculation purposes under clause 2.4.7.

2.4.4 Under the **central clearing cycle**, you will normally have to wait three **working days** after the day a sterling cheque has been paid into your account before you can withdraw the money unless we agree otherwise.

If a sterling cheque drawn on the branch at which you hold your account is paid into your account at that branch, you will normally be able to withdraw the money on the next **working day**.

If a sterling cheque has been sent for **special presentation**, we may allow you to withdraw against it earlier than we would normally do, but it may be longer if there are postal delays.

These time periods may also be extended, as necessary if there are credit or fraud prevention reasons to do so.

2.4.5 The amount of a sterling cheque will be included in your account balance before you can withdraw the money unless:

- you ask us to send it for **special presentation**; or
- we agree otherwise, e.g. where we agree to give you an informal overdraft or an increase to an existing formally arranged overdraft limit in accordance with clauses 6.2 and 6.3.

2.4.6 When referring to the day a sterling cheque or **foreign cheque** is paid into your account, we mean the first day that we process it subject to clauses 2.5, 2.6 and 2.7. So, if a sterling cheque or **foreign cheque** is paid into your account through a **self-service machine** (including a **Business Pay In** machine) after the **cut-off time** displayed on the machine, we will not process it until the following **working day**.

2.4.7 We treat sterling cheques as being cleared for interest calculation purposes (if applicable) two **working days** after they have been paid in, e.g. on Wednesday if paid in on a Monday.

If a sterling cheque drawn on the branch at which you hold your account is paid into your account at that branch, the sterling cheque is treated as cleared for interest calculation purposes (if applicable) on the day it is paid in.

2.4.8 Clause 2.7 sets out additional provisions for **foreign cheques**.

2.5 Using Business Pay In

2.5.1 Cash and/or sterling cheques paid in using a **Business Pay In** packet will be processed based solely on the amount stated on the paying-in slip, which will be added to your account balance on the same **working day** as long as we receive the packet before the **cut-off time** displayed in **our branches** for packets handed over the counter and on the machine for packets deposited into a **Business Pay In** machine.

2.5.2 Where the amount of cash and/or sterling cheques stated on a paying-in slip enclosed in a **Business Pay In** packet (and added to your account balance in accordance with clause 2.5.1) differs from the amount of the cash and/or sterling cheques in the packet, we will correct your account balance. This will usually be corrected within 5 **working days** of the packet being received for cash or within 2 **working days** of the packet being received for sterling cheques (except over public holidays, where an extra two **working days** may be required).

2.5.3 We deal with **foreign cheques** paid in using a **Business Pay In** packet as set out in clause 2.7.

2.6 Sterling Cheques Returned Unpaid

2.6.1 If a sterling cheque paid into your account is returned unpaid, the amount shown on it will be deducted from your account. We will tell you that this has been done. Depending on why the sterling cheque was unpaid, we will either ask for payment again from the bank of the person who issued it, or return it to you.

2.6.2 A sterling cheque may be returned unpaid, even if we have let you withdraw the money and/or the amount on the sterling cheque has been included in your available balance. When a sterling cheque is returned unpaid, it will usually happen three or four **working days** after the sterling cheque has been paid into your account, but it could be later (see clauses 2.6.3 and 2.6.4 below).

2.6.3 If a sterling cheque paid in at and drawn on branches of English, Scottish, Welsh or Northern Ireland banks is returned unpaid, we will not make a deduction from your account beyond the sixth **working day** after it was processed by us (if a sterling cheque is paid into your account over the counter at another bank the date we process the sterling cheque will be when your account with us is credited with the amount of the sterling cheque). Because we process overnight, the deduction from your account could appear up to 9.00 am on the seventh **working day**. For example, if a sterling cheque is paid into your account on Monday, no deduction will be made from your account after 9.00 am on Wednesday (Friday for sterling cheques paid in at other bank's counters) the following week.

A sterling cheque may be returned unpaid more than six **working days** after it was processed by us:

- where you are, or we reasonably suspect you are, knowingly involved in a fraud concerning the sterling cheque; or
- if you have given your express consent to the sterling cheque being returned.

2.6.4 Clause 2.6.3 does not apply to sterling cheques paid in at or drawn on branches **offshore**. The amount of such sterling cheques could be deducted from your account later than six **working days** after they have been paid into your account. Because of this, we may require you to wait until we are certain that the sterling cheque has been paid before you are able to withdraw against it.

2.6.5 If you withdraw against a sterling cheque which is later returned unpaid, and the deduction of the amount of the unpaid sterling cheque from your account would either make your account go overdrawn or over an existing formally arranged overdraft limit, we will treat this as an informal request for either an overdraft or an increase to an existing formally arranged overdraft limit. See clauses 6.2 and 6.3 for further details as well as clause 6.4 for charges and **debit interest** that may apply.

2.6.6 Clause 2.7 sets out the different procedures which apply to **foreign cheques**.

2.7 Foreign Cheques

2.7.1 We may agree to **negotiate** or **collect** a **foreign cheque** although we are not obliged to do so. We may appoint an agent or correspondent bank (which may be a member of the **HSBC Group**) to help us.

You must sign the back of any **foreign cheques** paid into your account. Your signature should be in the same form as your name on the front of the **foreign cheque**.

For a **foreign cheque** that we **negotiate**, we will credit your account with the full amount (or with the converted amount at a predetermined forward value if it is credited to an account in a different currency) on the **working day** after the **maximum processing time** begins under clause 2.2.1.

2.7.2 For a **foreign cheque** that we **negotiate**, we will deduct our fees at the time it is paid in. If a **foreign cheque** is returned unpaid, we will also deduct a further fee at the time it is returned.

For the **collection** of a **foreign cheque**, we will deduct a fee from the proceeds at the time we receive them or, if it is not paid, we will charge a fee at the time we receive the unpaid **foreign cheque**.

In addition to our fees, the fees of our agent and/or correspondent banks and/or the bank on which the

foreign cheque is drawn may be payable whether it is paid or not. These will be deducted from your account when we receive notice of them. This may be after your account has been credited with the amount of the **foreign cheque**.

2.7.3 For the **collection** of a **foreign cheque**, we will credit your account with the amount of the **foreign cheque** (subject to clauses 2.7.1 and 2.7.2 above) when we or our agent and/or correspondent banks are satisfied that the funds have been received and can be credited to your account. There may be a delay after receiving funds from the bank upon which the **foreign cheque** was drawn before we credit your account so that we and our agent and/or correspondent banks can be certain that it has cleared and has not been returned.

2.7.4 For details of how we deal with interest following **negotiation** of a **foreign cheque**, contact us (see the contents page).

2.7.5 You should be aware that a **foreign cheque** can be returned unpaid even if we have let you withdraw the money and/or the amount of the **foreign cheque** has been included in your available balance.

If this happens, you and anyone who signed or endorsed the **foreign cheque** will be responsible to us for it being returned unpaid and we reserve the right to deduct from your account either:

- the amount we credited to your account; or
- if we converted the **foreign cheque** into another currency, the amount reconverted at our prevailing exchange rate on the date we make the deduction.

This means that the amount we deduct could be greater than the amount we originally credited.

2.7.6 While we will take reasonable care in choosing our agent and correspondent banks when **negotiating** or **collecting foreign cheques**, we do not accept liability for any loss, damage or delay resulting from any failure to perform or any act or omission of any such agent or correspondent bank which is not directly due to our own negligence. Such agent and correspondent banks will act for your account and at your risk.

If exchange restrictions or some other cause result in us receiving payment in a currency different from that of the **foreign cheque**, neither we nor our agent or correspondent banks will be liable for any loss which arises when we convert the proceeds of the **foreign cheque** into the currency of your account at our prevailing exchange rate.

2.7.7 Because of difficulties that can occur sometimes with **foreign cheques** drawn on overseas banks (e.g. exchange restrictions) we may not always be able to **negotiate** or **collect foreign cheques**.

2.7.8 The Uniform Rules for Collections, as published by the International Chamber of Commerce, also apply to any **negotiation** or **collection of foreign cheques** or other forms of foreign payment. If you would like a copy, contact us (see the contents page).

2.8 Fraudulent or Mistaken Payments into Your Account

If a payment is fraudulently or mistakenly paid into your account, the amount of the payment may subsequently be deducted by us. This may happen even if the funds are included in your account balance, you have used the funds to make a payment or have transferred or withdrawn all or part of them. If the deduction of the payment from your account would either make your account go overdrawn or go over an existing formally arranged overdraft limit, we will treat this as an informal request for an overdraft or an increase to your existing formally arranged overdraft limit (see clause 6.3 for further details).

3. Payments From Your Account

3.1 Methods of Payment

3.1.1 We will make any type of payment set out in this clause 3 from your sterling business current account with us if it has been authorised in any of the ways set out in these **General Terms and Conditions** (or in the Business Debit Card Cardholder Terms for payments made using a Business Debit Card).

We will also make payments from your account if we are authorised to make them (without specific instructions from you) under the terms and conditions which apply to the account or by the terms of a facility letter or other agreement or arrangement between you and us.

3.1.2 The payments which can be made from Foreign Currency Accounts and International Business Accounts are limited to payments by cheque, **cash withdrawals** over the counter of **our branches** (subject to the availability of foreign currency banknotes at the relevant branch, which cannot be relied upon unless it is pre-arranged), **internal transfers**, **Electronic Fund Transfers**, **Worldpay** payments and **Priority Payments**.

3.1.3 Business Debit Cards can be used to make the types of payment set out in the Business Debit Card Cardholder Terms, subject to the Business Debit Card Terms and Conditions and the Business Debit Card Cardholder Terms. Self Service Cards can be used to make **cash withdrawals** from self-service machines and **internal transfers** subject to the Self Service Card Terms and Conditions and the Self Service Card Cardholder Terms.

For **cash withdrawals** over the counter at **our branches**, an item of identification acceptable to

us must be produced together with the cheque book or withdrawal book for the account (if you have been issued with one). To cash a cheque over the counter at **our branches** or at another bank, your cheque book must be produced together with a Business Debit Card and/or such other items of identification as may be requested. Neither Business Debit Cards nor Self Service Cards can be used to make **cash withdrawals** over the counter at **our branches**.

3.1.4 The types of payment which can be made from other business accounts are set out in the additional terms and conditions which apply to the relevant account.

3.2 Processing Payments from Your Account

3.2.1 Subject to clauses 3.3, 3.5.6, 3.6.5 and 9.3 and to Section 8; payments from your account will be processed and the **maximum processing time** will begin:

- on the same day – if the payment is authorised on a **working day** (on any day for **Faster Payments** and **internal transfers**) by the relevant **cut-off time**;
- on the following **working day** – if the payment (other than a **Faster Payment** or **internal transfer**) is authorised after the relevant **cut-off time** or on a day that is not a **working day**; and
- on the following day – if a **Faster Payment** or **internal transfer** is authorised after the relevant **cut-off time**.

3.2.2 We will make a payment from your account if it has been authorised and is covered by:

- cleared funds in your account; or
- an overdraft that we have agreed following a formal or informal request made in one of the ways described in clauses 6.2 and 6.3.

In determining whether a payment is covered, we may consider any other payments we have made or agreed to make from your account or which have already been authorised, such as payments made using a Business Debit Card or Self Service Card, even if such payments have not already been deducted from your account.

We will treat the authorisation of a payment from your account as your consent to it being processed.

3.2.3 Cheques paid from your account are normally subject to the **central clearing cycle**. We will deduct **cash withdrawals** made over the counter at **our branches** from your account on the same day. For Foreign Currency Accounts, International Business Accounts and Currency Client Accounts, this may be the next **working day**. For payments made using a Business Debit Card or Self Service Card, see the relevant Cardholder Terms.

3.2.4 Where section 8 indicates that, subject to the notes at the end of section 8, a certain type of payment can be made from your account by the following instruction methods, it can be authorised as follows:

- **in branch** – when the payment details provided to us are confirmed to be correct;
- by **Express Bank machine** – when the payment details have been entered using the keypad on an **Express Bank machine** and a button on the keypad is pressed to confirm that the payment should be made;
- by post – when we receive a letter containing payment instructions, which will be received when we open it on a **working day**, provided that the conditions below are satisfied; and
- by fax (until 31 May 2010 and only if on 1 November 2009, we already hold a faxed instruction authority and indemnity signed by you in a form acceptable to us) – when we receive a facsimile containing payment instructions, provided that the conditions below are satisfied.

The conditions for payment instructions given by post and by fax are that the payment instructions must (i) contain all the payment details required for the relevant type of payment (see clauses 3.5 and 3.6); and (ii) appear to have been signed in accordance with your **mandate**; and (iii) be confirmed by the signatory or by another person authorised by your **mandate** to sign cheques and/or other payment instructions if we call to verify the authenticity of the payment instructions before processing the payment.

3.2.5 We may decline to make a payment if it does not meet the following conditions:

- the amount of the payment is covered in accordance with clause 3.2.2;
- the payment instructions contain all required payment details and all other conditions for the relevant type of payment are satisfied;
- we are not aware of any inaccuracy in the payment details provided to us;
- we are not aware of any reason to stop the payment in accordance with clause 9.3.3 or for other fraud prevention purposes; and
- we are reasonably satisfied that the payment and the authorisation are lawful.

Unless it is unlawful for us to provide you with such details, if we decline to make a payment:

- if you call us **by phone** or by **BTB** at any time after the payment has been declined, we will tell you that it has been declined, the reasons why (if possible) and the procedure for correcting any factual errors that led to it being declined;
- for **Standing Orders** and **Direct Debits**, we will write to you on the first occasion a payment to a **recipient** is declined (but not for subsequent payments to the same **recipient**); and

- for other payments, you will normally be told when you authorise us to make the payment, unless we suspect fraud (see clause 9.3 for details about our fraud prevention measures and what we do if we suspect fraud).

We may charge for each occasion we notify you that a payment has been declined.

3.2.6 If any payment from your account which has been authorised in accordance with clause 3 would, if processed by us, cause your account to go overdrawn or over an existing formally arranged overdraft limit, we will treat this as an informal request for either an overdraft or an increase to an existing formally arranged overdraft limit (see clause 6.3 for further details).

3.2.7 If you know a payment is to be deducted from your account and you pay in funds to cover it, you should tell us because we will try to ensure that the payment is met by these funds although we cannot guarantee we will be able to do this.

3.2.8 In the event that:

- a resolution is passed for your voluntary winding up; or
- a petition is presented for your compulsory winding up; or
- a petition for a bankruptcy order is presented against you then you agree that we may:
- refuse to act on any instructions from you or any other party unless you have previously obtained an appropriate validation order from the Court; and/or
- set up a separate account or accounts in your name to which any of your future receipts may be credited.

This clause 3.2.8 only applies to accounts held in the UK, local legislation will apply to accounts held **offshore**.

3.3 Cheques Issued on Your Account

3.3.1 The amount of a cheque issued on your account, will normally be deducted two **working days** after the **recipient** pays it into their account, e.g. a cheque paid in on a Monday will normally be deducted from your account that Wednesday. The **maximum processing time** for cheques issued on your account will begin when they are received at our cheque processing centre.

3.3.2 The **maximum processing time** may be longer for a cheque paid into a building society account or any bank outside England, Wales or Scotland, or any account held at a non-clearing bank. However, if a cheque issued on your account is paid in at the counter of your branch, e.g. to pay a bill or is paid in by the **recipient**, the amount will be deducted from your account on the same day.

3.3.3 The amount of a cheque issued on your account which is cashed at **our branches** will be deducted from your account on the same day.

3.3.4 The amount of a cheque issued on your account which is received for **special presentation** will be deducted from your account on the day the cheque is received by us. This is likely to be on the **working day** after the day it was paid in by the **recipient**, but could be on the day it is paid in.

3.3.5 The time taken for the amount of a cheque issued on your Foreign Currency Account or International Business Account to be deducted from your account will depend on when it is paid in, the currency of your account, and the country in which the **recipient's** account is based.

For further details about a particular cheque, contact us (see the contents page).

3.3.6 We do not have to pay any cheques issued on your account which are received for payment when they are more than six months old, but we may do so.

3.3.7 We will keep original cheques paid from your account or copies for at least six years unless we have already returned these to you.

3.3.8 Banking of cheques for payment will at all times be subject to the rules and clearing processes of any cheque clearing system(s) used by us.

3.4 Important Security Information

3.4.1 If your cheques, Business Debit Card(s) or Self Service Card(s) are lost or stolen, or if you think that someone has altered or signed one of your cheques without your permission, you must tell us as soon as you can by calling us on the appropriate number shown on the contents page.

You may be liable for any resulting losses if you have not taken all reasonable steps to prevent anyone from altering or signing your cheques and/or if you have not notified us of one of the above events.

3.4.2 You must only write cheques in the currency of your account.

3.4.3 When writing a cheque:

- you must take all reasonable precautions to prevent anyone else altering it or making a forgery, which includes (but is not limited to) using black ink which cannot be erased, never leaving a gap between words or figures and never signing a cheque before you use it;
- which you then post, you must clearly write the name of the payee and also put extra information about them on the front of the cheque (e.g. HM Revenue & Customs, account J Jones or AAA Bank, account J Jones);
- you must not write a future date on it as it may prevent the payee from paying it into their bank before that date; and
- you must sign all alterations you make.

3.4.4 Further important information about the security of your cheque book and writing cheques is set out inside the front cover of your cheque book. Such information forms part of these **General Terms and Conditions**.

3.4.5 You must read and follow the security information contained in the terms and conditions which apply to your use of Business Debit Cards, Self Service Cards, **BTB**, **BIB** and/or other services. If you do not do so, you may be liable for any resulting losses.

3.5 Electronic Fund Transfers, Worldpay Payments and Priority Payments

3.5.1 Payments from your account can be made immediately (but not on a future date) to a **recipient** in the UK or overseas by **Electronic Fund Transfer**, **Worldpay** payment or **Priority Payment**. These types of payment are authorised when we receive instructions to make them from your account.

3.5.2 Electronic payment charges are applied to these types of payment. Additional expenses may be deducted from your account in respect of **Electronic Fund Transfers**, **Worldpay** payments and **Priority Payments** (e.g. for a confirmation that a **recipient's** bank account has been duly credited).

We will charge for any enquiries we receive in respect of any **Electronic Fund Transfer**, **Worldpay** payment or **Priority Payment** whether made by you or by any other person. The charge applies to each payment instruction. Such enquiries may include but are not limited to refunds, cancellations, amendments, duplicated services, copies of cleared payments and enquiries about whether the funds have cleared.

For further details of **electronic payment charges**, contact us (see the contents page).

3.5.3 Instructions to make these types of payment must include all the following details:

- the correct details of the **recipient's** bank, including the bank's **BIC**, sort code (e.g. 40-41-14) for payments within the UK or national bank code for payments outside the UK;
- the **recipient's** bank account number (or **IBAN** if paying to a bank in the **EEA**);
- the name and address of the **recipient**;
- any **recipient** reference you wish to provide; and
- your own account number, name and address, which is a legal requirement and these details will be passed to the **recipient's** bank.

3.5.4 If you hand your application form in at **our branches**, you will be given a printed confirmation of the payment you wish to make.

3.5.5 Unless the **recipient** of a **Priority Payment** has requested that the payment be sent in a particular currency and the appropriate boxes

on the **Priority Payment** application form have been completed, we will send the payment in the currency of the destination country (where possible).

3.5.6 For **Worldpay** payments, we will convert the amount in sterling into foreign currency at our prevailing exchange rate on the day we receive instructions to make the payment from your account. We will confirm this rate by giving you a copy of the **Worldpay** payment request form. Our charge for a **Worldpay** payment includes any charges made by our agent and/or correspondent banks.

3.5.7 Important payment processing information relating to **Electronic Fund Transfers**, **Worldpay** payments and **Priority Payments** is set out in Section 8.

3.6 Standing Orders, Direct Debits, Bill Payments, Faster Payments and Internal Transfers

3.6.1 Payments from your account can be made to a **recipient** in the UK immediately or on a future date by **Standing Order**, **Bill Payments** or **Faster Payments**. Funds can be transferred from your account to another HSBC account immediately or on a future date by **internal transfer**. These types of payment are authorised when we receive instructions to make them from your account.

3.6.2 Instructions to make these types of payment must include the following payment details:

- for **Standing Orders**, details of the **recipient's** name, the sort code and account number of their account together with the amount, duration, frequency and start date for the payments and any reference you wish to provide for the **recipient**;
- for **Bill Payments**, **Faster Payments** and **internal transfers**, details of the **recipient's** name, the sort code and account number of their account together with the amount of the payment, the date on which you would like it to be paid and any reference you wish to provide for the **recipient** although instructions can be accepted without the **recipient's** sort code and account number where you have made a previous payment to the **recipient** from your account, this information is set up on your account and you agree to us making the payment without confirming this information.

3.6.3 Instructions to make **Bill Payments** will be processed as **Faster Payments** wherever that is possible. **Faster Payments** is available only if the **recipient's** bank is able to accept payments in this way. We will tell you if this service is not available when we receive a **Faster Payments** instruction but we cannot guarantee that it will still be available for future dated payments.

3.6.4 Important payment processing information relating to **Standing Orders**, **Bill Payments**, **Faster Payments** and **internal transfers** is set out in the table in Section 8.

3.6.5 Payments from your account can be made to a **recipient** in the UK by **Direct Debit** if they are authorised as follows:

- the **recipient** will need you to complete a direct debit instruction form (which includes your name, the address of your branch and the sort code and account number of the account from which payments will be made) in writing, by telephone or over the internet;
- the direct debit instruction form will contain the payment details of the **recipient** and will be lodged with us by the **recipient**, normally electronically but occasionally we will receive the original instruction form;
- you authorise us to make each **Direct Debit** payment for which we have received a payment request from the **recipient** containing a reference which matches the reference on the electronic file or the instruction form by our **cut-off time** for **Direct Debits** of 10.30 pm on the third **working day** before the payment is due to be made; and
- provided a satisfactory payment request is received by our **cut-off time** for **Direct Debits**, the **maximum processing time** will be the **working day** the payment is due to be made.

3.7 Payment Details

3.7.1 We will process and be responsible for processing payments solely on the basis of the **BIC**, sort code or national bank code of the **recipient's** bank and the **recipient's** bank account number (or **IBAN**) included in the payment instructions we receive in accordance with clauses 3.5.3, 3.6.2 and 3.6.5, regardless of any additional information provided to us.

3.7.2 If incorrect payment details have been provided, the payment may be delayed or credited to a wrong account and we will not be liable for any loss incurred by anyone and/or for any delay to the payment being made.

3.7.3 If you ask us, we will make reasonable efforts to recover a payment that has been made following incorrect payment details being provided and tell you the outcome. We will tell you the amount of our charge for doing so at the time.

3.8 Currency Conversions

3.8.1 If we receive instructions to make payments in a currency other than the currency of your account, we will convert the amount of the payment into or from the currency of your account (as appropriate) at our prevailing exchange rate.

3.8.2 Our exchange rates are variable exchange rates which are changing constantly throughout the day (e.g. to reflect movements in the foreign exchange markets). For payments involving a currency conversion from your account where we receive instructions by any instruction method other

than by post, we will either tell you the exchange rate or tell you that it is available (depending on the instruction method used) before we make the payment. The exchange rate to be applied to the payment and, where applicable, the fees we charge for the currency conversion will appear on your statement and is also available on request if you contact us (see the contents page). For **cut-off times** and **maximum processing times**, see Section 8.

3.8.3 If a payment involving a currency conversion is returned to us, we will convert the returned payment back to the original currency at our prevailing exchange rate when we receive the returned payment and credit it to your account. This means that the amount we credit could be less than the amount we originally deducted.

3.8.4 If the payment is conditional on the exchange rate for conversion or on the date of conversion, you must inform us of this when giving us payment instructions.

3.9 Stopping A Payment

3.9.1 You cannot stop or withdraw your consent to the processing of a **cash withdrawal** which is to be made immediately or a cheque which has been guaranteed by a Business Debit Card.

After we have processed payment instructions for an immediate **Electronic Fund Transfer, Worldpay** payment, **Priority Payment, Bill Payment, Faster Payment** or **internal transfer** from your account, you cannot stop or withdraw your consent to the processing of the payment.

3.9.2 The following types of payment can be stopped as long as we receive instructions to stop the payment within the relevant time limit:

- for an **Electronic Fund Transfer, Worldpay** payment or **Priority Payment** to be made on a future date – instructions to stop the payment must be received by us by **BTB, BIB, in branch**, by post or by fax by no later than 4.00 pm (12 noon for instructions to stop a payment received by post or by fax) on the **working day** before we are due to make the payment;
- for a **Bill Payment, Faster Payment** or **internal transfer** to be made on a future date – instructions to stop the payment must be received by us:
 - by **BTB** by no later than 10.00 pm on the day before we are due to make the payment;
 - by **BIB** by no later than 11.59 pm on the day before we are due to make the payment; or
 - **in branch** or by post by no later than the **working day** before we are due to make the payment (received by no later than 12 noon if by post);
- for a **Direct Debit** payment – you must have told the **recipient** that you are cancelling the direct debit instruction and instructions to stop the payment must be received by us:

- by **BTB** by no later than 10.00 pm on the day before we are due to make the payment;
- by **BIB** by no later than 11.59 pm on the third **working day** before we are due to make the payment; or
- **in branch** or by post by no later than the **working day** before we are due to make the payment (received by no later than 12 noon if by post);

- for a **Standing Order** payment – instructions to stop the payment must be received by us:
 - by **BTB** by no later than 10.00 pm on the day before we are due to make the payment;
 - by **BIB** by no later than 11.59 pm on the third **working day** before we are due to make the payment; or
 - **in branch** or by post by no later than the **working day** before we are due to make the payment (received by no later than 12 noon if by post); and
- for a cheque which has not been guaranteed by a Business Debit Card – instructions to stop the payment must be received by us **in branch**, by post, by fax, by **BTB** or by **BIB** by no later than 1.30 pm (or 12 noon for instructions to stop a payment received by fax or by post) on the day the cheque is presented for payment.

For the purposes of this clause 3.9.2, by post and by fax mean when we receive a letter or facsimile (as the case may be) containing instructions to stop a payment provided that it contains all the details required for the payment to be identified and is signed in accordance with your **mandate**. Letters will be received when we open them on a **working day** and facsimiles will be treated as being received at 9.00 am on the following **working day** if we receive them on a day which is not a **working day**.

Instructions to stop a payment can only be given by fax until 31 May 2010 and only if on 1 November 2009, we already hold a faxed instruction authority and indemnity signed by you in a form acceptable to us.

3.9.3 Our receipt of instructions to stop a payment in accordance with clause 3.9.2 will be treated as the withdrawal of your consent to it being processed.

3.9.4 After the time limits in clause 3.9.2 have expired, a payment can be stopped only if we specifically agree and for **Direct Debits**, if the **recipient** also agrees.

3.9.5 You cannot stop or withdraw your consent to the processing of a payment made using a Business Debit Card or Self Service Card after it has been authorised. For full details, see the Business Debit Card Terms and Conditions or the Self Service Card Terms and Conditions (as appropriate).

3.10 Refunds

3.10.1 If you are a **micro-enterprise** or **small charity**:

- If you tell us that a payment which has been deducted from your account has not been authorised by you, we will investigate the payment.
 - Subject to clauses 3.11.1, 9.1.2 and 9.4.1, if we are unable to prove that a payment within the **EEA** in an **EEA** currency has been authorised by you we will refund your account with the amount of the payment and, where applicable, we will restore your account to the state it would have been in had the payment not been deducted. However, if we suspect that you may have acted fraudulently or may have deliberately failed or been grossly negligent in failing to comply with clause 3.4 or with the terms and conditions applying to Business Debit Cards, Self Service Cards, **BTB, BIB** or any other service where such card or service has been used to make the payment, then we will investigate the payment and will only refund your account if we are satisfied that you have not acted in this way.
 - Subject to clauses 3.11.1, 9.1.2 and 9.4.1 (and to the terms and conditions applying to Business Debit Cards, Self Service Cards, **BTB, BIB** or any other service where such card or service has been used to make the payment), we will refund your account with the amount of a payment outside the **EEA** or a payment in an **anon-EEA** currency and, where applicable, we will restore your account to the state it would have been in had the payment not been deducted if we are satisfied that (i) you have not acted fraudulently, (ii) you have complied with clause 3.4 and with the terms and conditions applying to Business Debit Cards, Self Service Cards, **BTB, BIB** or any other service where such card or service has been used to make the payment and (iii) you are entitled to a refund under the applicable law or the available evidence proves that the payment has not been authorised by you.
 - You may be entitled to a refund of an authorised **Direct Debit** payment in accordance with the rules of the Direct Debit Guarantee Scheme.
- 3.10.2** If you are a **corporate business** or hold your accounts with us **offshore**:
- If you tell us that a payment which has been deducted from your account has not been authorised by you, we will investigate the payment. Subject to clauses 3.11.2, 9.1.2 and 9.4.1 (and to the terms and conditions applying to Business Debit Cards, Self Service Cards, **BTB, BIB** or any other service where such card or service has been used to make the payment), we will refund your account with the amount of the payment and, where applicable, we will restore your account to the state it would have been in had the payment not been deducted if we are satisfied that (i) you have not acted fraudulently, (ii) you have complied

with clause 3.4 and with the terms and conditions applying to Business Debit Cards, Self Service Cards, **BTB, BIB** or any other service where such card or service has been used to make the payment and (iii) you are entitled to a refund under the applicable law or the available evidence proves that the payment has not been authorised by you.

- You may be entitled to a refund of an authorised **Direct Debit** payment in accordance with the rules of the Direct Debit Guarantee Scheme.

3.10.3 For the purposes of this clause 3.10, references to “beyond our reasonable control” in clause 9.4.1 shall be read as “beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary,”.

3.11 Responsibility and Liability for Payments

3.11.1 If you are a **micro-enterprise** or **small charity**:

- Subject to clauses 3.7, 9.1.2 and 9.4.1, where any of the following types of payment from your account has been authorised:
 - **Electronic Fund Transfer, Worldpay** payment or **Priority Payment** within the **EEA** in an **EEA** currency; or
 - **Standing Order** payment, **Direct Debit** payment, **Bill Payment, Faster Payment** or **internal transfer**
 we will be responsible for making the payment in accordance with the payment instructions we receive unless we can prove that the **recipient's** bank has received the payment within the **maximum processing time** for the relevant type of payment as set out in clause 3.6.5 or in Section 8.

In such circumstances:

- Where we cannot prove this to you in relation to a payment which has not been received by the **recipient** or which has been processed incorrectly, we will without undue delay refund your account with the amount of the payment or overpayment, as applicable. Where applicable, we will also restore your account to the state it would have been in had the payment or overpayment not been made.
- If we can prove the **recipient's** bank has received the payment, they will be responsible to their customer for making the payment available to them and crediting their customer's account where applicable.
- If you ask us to, we will make immediate efforts to trace a payment and will tell you the outcome.
- Subject to clauses 3.7, 9.1.2 and 9.4.1, we will be responsible for losses resulting directly from payments which you tell us that you have not authorised unless:
 - we are not satisfied that a refund is payable under clause 3.10.1;
 - you have acted fraudulently or where you or one of the authorised signatories on the account has

allowed an unauthorised person to give payment instructions; or
 – where a Business Debit Card, Self Service Card, **BTB, BIB** or any other service has been used, you are liable under the terms and conditions for such card or service.

If we are responsible for such losses, we will add back to your account any amount deducted and not already refunded together with any related interest (if applicable) and charges. We will have no further liability to you.

- You are liable without any limit for all losses relating to payments where you have acted fraudulently or deliberately failed or been grossly negligent in failing to comply with clause 3.4 or with the terms and conditions applying to Business Debit Cards, Self Service Cards, **BTB, BIB** or any other service where such card or service has been used to make the payment or where you or one of the authorised signatories on the account has allowed an unauthorised person to give payment instructions or use a Business Debit Card or Self Service Card.

3.11.2 If you are a **corporate business** or hold your accounts with us **offshore**:

- Our responsibility for payments from your account which have been authorised is limited to making the payment. We will have no responsibility for any payment being received by the **recipient's** bank or for any agent or correspondent banks which are involved in the payment reaching the **recipient's** bank. If you ask us, we will make reasonable efforts to trace a payment and will tell you the outcome. We will tell you the amount of our charge for doing so at the time.

- We shall not be liable to you for any payment which has been deducted from your account which you tell us has not been authorised by you if:
 – we are not liable under clauses 3.7 or 9.4.1;
 – you are not entitled to a refund under clause 9.1.2; or
 – we are not satisfied that

- you have not acted fraudulently,
- you have complied with clause 3.4 and with the terms and conditions applying to Business Debit Cards, Self Service Cards, **BTB, BIB** or any other service where such card or service has been used to make the payment and
- you are entitled to a refund under the applicable law or the available evidence proves that the payment has not been authorised by you. Any liability we have to you will be subject to clauses 9.4.3 and 9.4.4. If we are liable to you, we will add back to your account any amount deducted and not already refunded together with any related interest (if applicable) and charges. We will have no further liability to you.

3.11.3 For the purposes of this clause 3.11, references to “beyond our reasonable control” in clause 9.4.1 shall be read as “beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary,”.

3.11.4 In the event of any conflict between the provisions in this clause 3.11 and the provisions in clause 9.4, the provisions in this clause 3.11 shall prevail.

4. Bank Charges

4.1 Our charges for providing account services and other business services to you are set out in your **price list**.

Your **price list** includes our prices for the provision of:

- our standard account services which will either be our **standard account charges** or the individual prices agreed with you if you are a larger organisation;
- our additional payment services – which will be our **additional payment charges**; and
- our other most frequently used business services – which will be our **standard business charges**.

4.2 We may change our **standard account charges** or **additional payment charges** (which includes the introduction of a new **standard account charge** or **additional payment charge**) by giving you at least 2 months’ notice of the change by **customer notice** before we make it.

If you do not accept the change, see clause 7.4. If we do not hear from you before the change comes into effect, then you will be deemed to have accepted it and it will take effect on that date.

4.3 We may change our **standard business charges** and our prices for any other services we provide to you at any time. We will tell you the current price for such services or any new services we introduce before we provide them to you.

4.4 If you receive a summary of your account charges, we will tell you (at least 14 days before they are deducted from your account at the end of each charging period) the amount of our charges for the provision of our standard account services to you together with the amount of any **additional payment charges** and **standard business charges** that have not already been paid for and the amount of any **debit interest**. The 14 days start from the date the charges and **debit interest** are calculated.

4.5 Unless otherwise agreed with you, we will not increase any price unless it is at least 12 months since that price was last increased. This applies to all prices in your **price list**.

4.6 If we receive instructions to make a payment from your account for which we need to use the services of an agent or correspondent bank

overseas, you may have to pay their additional charges. These may not be calculated in the same way as our prices.

5. Interest Rates

5.1 You will receive **credit interest**, if any is payable, and pay **debit interest**, at the rate(s) applicable to your account.

The interest rates which will apply to your account will either be agreed with you or we will tell you what they are before you open your account.

The current interest rates for our most common business accounts are published on our website and in **our branches**. The current interest rates for all business accounts are available if you contact us **by phone** or in writing (see the contents page).

5.2 If we have agreed the interest rates which will apply to your account with you, they will not be changed without being discussed with you.

Where we tell you the interest rates which will apply to your account, we may change those interest rates at any time as follows.

For interest rates based on a publicly available interest rate published by a third party (such as Bank of England Base Rate or LIBOR):

- the interest rate payable will be the published interest rate plus or minus any specified margin (e.g. Bank of England Base Rate minus 2.5%) calculated in accordance with clause 5.4; and
- we may change the interest rate payable to track any change in the published interest rate with immediate effect and without notice to you; and
- you will be notified of any changes to the specified margin or to another published interest rate as set out in the provisions below for changes in our other interest rates.

If you are a **micro-enterprise** or **small charity**, changes in our other interest rates will be notified to you as follows:

- Where a change is more favourable to you, we may make the change with immediate effect and give you notice of the change within 30 days of the change by **customer notice** or by notice **in the national press** or on our Rates and Charges Notices in **our branches**.
 - Where a change is not more favourable to you, we will give you at least 2 months’ notice of the change by **customer notice** or by notice **in the national press** or on our Rates and Charges Notices in **our branches** before we make it.
- If you do not accept the change, see clause 7.4. If we do not hear from you before the change comes into effect, then you will be deemed to have accepted it and it will take effect on that date.

If you are a **corporate business** or hold your accounts with us **offshore**, we may make changes

in our other interest rates with immediate effect and give you notice of the change within 30 days of the change by **customer notice** or by notice **in the national press** or on our Rates and Charges Notices in **our branches**.

So that you can compare rates, our notices will show the old and new interest rates.

5.3 The provisions relating to **debit interest** rates are set out in clauses 6.2.5 and 6.4.

5.4 Interest on sterling accounts, which you pay us or we pay you, will be calculated on a daily basis on the cleared balance on your account, on the basis that there are 365 days in a year. Interest calculated on this basis will be payable in respect of each of the 365 days in a calendar year (366 in leap years).

In the case of most foreign currencies, whilst interest will still be calculated on a daily basis on the cleared balance on your account, by convention, it is both quoted and calculated on the basis that there are 360 days in a year.

Interest calculated on this basis will be payable in respect of each of the 365 days in a calendar year (366 in leap years).

5.5 Interest will be deducted from or credited (as the case may be) to your account either monthly, quarterly or half-yearly, depending upon your charging period. On the dates **debit interest** (or any other charge) is deducted from your account, **debit interest** will accrue on any borrowings created by such deduction.

5.6 We reserve the right to recover our costs by applying a negative **credit interest** rate if the prevailing market credit interest rate for the relevant currency becomes negative.

5.7 We will deduct the basic rate of tax (ESD retention tax for **sole traders** with accounts held **offshore**) from **credit interest** payments unless you are eligible to receive gross **credit interest** and, where appropriate, you have provided us with the necessary documentation to confirm your eligibility.

We will not pay gross **credit interest** to **sole traders** with accounts held **offshore** if our records show that you are or have been resident in an EU member state or its dependency in the current tax year, unless you have provided us with the necessary declaration.

6. Borrowing From Us

6.1 Introduction

6.1.1 If we agree to lend you money, provide advice or some other kind of assistance, this does not mean that we are advising you that your business or proposition will succeed. The decision as to whether you proceed is yours.

6.1.2 We recommend that independent advice is

taken from your accountant, solicitor, valuer and/or other professional adviser before you provide security. You should also consider seeking such advice before you go ahead with any particular borrowing or other proposition.

6.1.3 You can arrange borrowing from us formally or informally as below.

6.2 Formally Arranged Borrowing

6.2.1 Formally arranged borrowing can be either by overdraft on current account, a separate loan or another method which is suitable for the purpose. The form of borrowing will be agreed between us. In some cases, we may need security.

6.2.2 We will tell you what information you will need to provide before we can formally arrange borrowing.

6.2.3 If we do not agree to a formal request for an overdraft from you, or a request for a loan, we will tell you why. If you ask us to do so, we will give this explanation to you in writing.

6.2.4 Subject to clause 6.5.1, overdrafts granted following a formal request will be reviewed after a set period of up to 12 months, at which time you or we may wish to discuss your future requirements.

6.2.5 If we do agree to a formal request for an overdraft from you or a request for a loan, we will normally confirm our agreement in writing in a facility letter or offer document. This document will normally set out:

- the amount we are lending to you;
- the **debit interest** rate being charged;
- how we calculate the **debit interest**;
- any fees we may charge for agreeing, reviewing and/or continuing your overdraft or loan;
- how and when the borrowing must be repaid; and
- any security we require.

6.2.6 Where the loan is repaid early, a “prepayment” fee or an early repayment charge may be due. If this affects your loan, it will be agreed with you at the time your loan is negotiated.

Where we have agreed to make a loan available to you and you do not use it, a “non-utilisation” fee may be due. If this affects your loan, it will be agreed with you at the time your loan is negotiated.

The terms of the agreement will not be altered without it being discussed with you.

6.3 Informally Arranged Overdraft Borrowing

6.3.1 The following circumstances will be treated as an informal request from you for either an overdraft or an increase to an existing formally arranged overdraft limit (an “existing overdraft limit”) on your account by way of informally arranged overdraft borrowing (an “informal overdraft request”):

- if any payment from your account which has been authorised in accordance with clause 3 would, if processed by us, cause your account to go overdrawn or over an existing overdraft limit; and
- you have not agreed with us in advance an overdraft or an increase in an existing overdraft limit on your account to cover such payment.

6.3.2 We will consider an informal overdraft request. If we agree to it, we will provide you with an overdraft or an increase to your existing overdraft limit to cover the relevant payment(s).

This facility will continue until you pay funds into your account to clear the overdraft or bring the account balance back within your existing overdraft limit, or we agree a formal overdraft limit or we make demand.

6.3.3 For informal overdraft requests relating to more than one payment from your account, we may agree to provide you with an overdraft or an increase to your existing overdraft limit to cover some but not all of those payments, as follows:

- for payments where we agree to the informal overdraft request, clause 6.3.2 will apply; and
- for payments where we do not agree to the informal overdraft request, clause 6.3.4 will apply.

6.3.4 If we do not agree to an informal overdraft request relating to any payment from your account, then we will not make that payment. See clause 6.4.1 for details of charges which may be payable.

6.4 Charges and Interest

6.4.1 If we do not agree to an informal overdraft request, we may charge you for assessing your request and for returning any unpaid payments. These charges will be those set out in our Business Banking Price List and/or our International Business Price List.

6.4.2 When we agree to an overdraft or to an increase to an existing overdraft limit on your sterling business current account, following a formal or an informal request from you, overdraft charges may be payable. Unless we have agreed individual overdraft charges with you in writing, your overdraft charges will be our **standard overdraft charges**, which we can change by giving you at least 30 days’ notice of the change by **customer notice** before we make it. Overdraft charges are not payable on Foreign Currency Accounts or International Business Accounts.

6.4.3 In addition to the charges referred to in clauses 6.4.1 and 6.4.2 above, we may also charge you management fees, either instead of, or in addition to those charges, and will tell you the amount of these management fees before we deduct them from your account.

6.4.4 You will have to pay to us all costs and fees incurred or charged by us in connection

with the negotiation, preparation, investigation, administration, supervision or enforcement of your overdraft or loan, the facility letters or any security. These will include expenses, fees (eg, legal, security and valuation fees), stamp duty, taxes and other charges, and registration costs. We will deduct these costs and fees from your account and tell you the amounts before doing so.

6.4.5 We will charge **debit interest** (calculated and deducted in accordance with clauses 5.4 and 5.5 respectively) at the following rates:

- for an overdraft that we agree following a formal request – at the rate we have agreed with you (as referred to in clause 6.2.5 above);
- for an overdraft that we agree following an informal request, where you have no existing overdraft limit – at our Business Standard Debit Interest Rate for sterling business current accounts or at the Currency Standard Debit Interest Rate for the relevant currency as specified in our International Business Price List from time to time for Foreign Currency Accounts and International Business Accounts, for which the current rates are available by contacting us (see the contents page); or
- for an increase to an existing overdraft limit that we agree following an informal request – at the rate we have agreed with you (as referred to in clause 6.2.5 above).

Such **debit interest** is payable in addition to any overdraft charges and any other charges, costs, fees, expenses and/or management fees which are payable under clauses 6.4.1 to 6.4.4 above.

6.4.6 Where we charge **debit interest** at our Business Standard Debit Interest Rate on a sterling account or at our Currency Standard Debit Interest Rate for the relevant currency on a Foreign Currency Account or International Business Account, we will continue to charge this rate until:

- we have written to you agreeing a formal borrowing arrangement;
- there is a cleared credit balance on your account; or
- we agree to do otherwise.

6.5 Repayment

6.5.1 Unless we have agreed other terms with you in writing, we may at any time withdraw or reduce your borrowing limit and/or demand that you immediately pay all the money you owe us. However, we would only do so after serious consideration of the situation. Without limiting our rights at any time to withdraw or reduce your borrowing limit or make demand, the following is a list of some of the more common situations where we might take such steps:

- if you use the facility for purposes for which it was not agreed;
- if you have failed to pay money into your account when we have asked you to do so;
- if you fail to make loan repayments or pay **debit interest** that is due;
- if you fail to keep other conditions relating to your borrowing;
- if you trade or continue to trade at a loss, or there is a worsening of your business viability as measured in other ways;
- if you cease to trade or dispose of a significant business asset;
- if there is a reduction in value, or a restriction, or invalidation of any security we are holding for your borrowing; or
- if insolvency proceedings are commenced against you or a receiver is appointed.

6.5.2 If we make demand for repayment, we may deduct **debit interest** and/or accrued fees and charges from your account on the day demand is made. We may also change the charging date. After demand you will still have to pay **debit interest** until you have repaid us in full, at the same rates as before demand, on the amount demanded and any other sums deducted from your account, unless we agree otherwise with you.

6.5.3 If any accounts you hold with us (whether in sterling or any other currency, on current account or on any term or deposit account and including credit card accounts and charge card accounts but not accounts expressly designated as trust accounts) are in credit, we may use any of them to reduce or repay any amounts you owe on other accounts you hold with us in the same name (including credit card accounts and charge card accounts you hold with us).

If we decide to do so we will tell you why and when it has been done, and in doing so, we may (and you irrevocably authorise us to):

- bring to an end any fixed deposit period applying to any of the accounts you hold with us and adjust any **credit interest** payable by us; and
- convert to sterling at our prevailing exchange rate, which is available to you on request if you contact us (see the contents page), any balance that is in a currency other than sterling and in doing so we will have no liability to you.

Nothing in this clause will prevent us from exercising at any time any other right of set-off or of combination of accounts to reduce or repay any amounts you owe us.

6.5.4 When your account is overdrawn, we will still expect you to make regular payments into your account and to tell us if you are unable to do this.

6.6 Responsibility for Borrowing

6.6.1 If you are a **sole trader**, you are personally responsible for any monies your business owes us.

6.6.2 If you are a **partnership**, personal representative or trustee:

As well as the account holders being jointly liable for monies owed to us, each partner, personal representative or trustee is individually liable for any such monies, even if he or she has subsequently ceased to be a partner, personal representative or trustee, unless we have agreed otherwise in writing. We have the right to demand repayment from all or any account holders and/or all or any such individuals for all or part of such monies.

6.6.3 If you are a company, limited liability partnership or other **incorporated body** or a club, society, association, charity or other **unincorporated body** (except personal representatives and trustees), the signatories are not normally liable for monies owed to us.

7. Closing Your Account

7.1 If we wish to close your account, we will give you at least 2 months' notice in writing unless there are circumstances in which we can justify ending our relationship earlier.

7.2 If you are not happy about your choice of business current account or business savings account (except for a fixed-rate account) within 14 days of making your first payment into your account, we will help you to switch to another of our accounts or we will close your accounts. We will pay you the balance in your account with **credit interest** at the applicable rate(s) to your account. We will ignore any additional charges and any notice period that applies to your account.

7.3 If you wish to close your account you must tell us in writing.

7.4 If you do not accept a change of which notice has been given to you under the provisions set out on page 5 of these Business Banking Terms and Conditions or in clause 4.2 or (if you are a **micro-enterprise** or **small charity**) in clause 5.2; you should tell us before it comes into effect. Telling us that you do not accept the change will be deemed to be your request to close your account immediately and without any additional charge for closing your account.

7.5 We reserve the right not to close your account until you have returned all Business Debit Cards and/or Self Service Cards we have issued to your Cardholders at your request and any unused cheques.

7.6 You must repay any money you owe us (including the amount of any cheques issued and any payments made using a Business Debit Card

or Self Service Card) which have not been taken out of your account at the date of closure, and any charges incurred.

8. Your Information, Credit Reference Agencies, Fraud Prevention Agencies and Third Party Data

In this clause 8:

“you” and “your” in standard text means our customer;

“**you**” and “**your**” in **bold** text has the following meanings:

- for **sole traders** and **partnerships** – the individuals who own the business;
- for personal representatives and trustees – the personal representatives and trustees (collectively and individually) and the deceased or trust (as appropriate); and
- for companies, limited liability partnerships, other **incorporated bodies**, clubs, societies, associations, charities and other **unincorporated bodies** – both our customer and (where applicable), the directors, officers, members, shareholders and other parties responsible for the operation of the business, charity or body.

This clause 8 explains how we will use information about **you** once you have applied for any of our products and services.

8.1 Confidentiality

Information we hold about **you** will not be disclosed to anyone (including other members of the **HSBC Group**), other than where:

- we are legally required to disclose;
- we have a public duty to disclose;
- our interests require disclosure;
- the disclosure is made with your consent; or
- it will be disclosed as set out in the terms below.

8.2 Sole Traders, Partnerships, Personal Representatives and Trustees

8.2.1 We may share information with credit reference agencies to verify **your** identity and suitability for an account using information from the Electoral Register and other public sources. If you apply for a current account or credit we may use details of **your** credit history (together with those of any financial associate with whom **your** financial records have been linked by the credit reference agencies) to assess **your** ability to meet **your** financial commitments.

8.2.2 If your application is for a current account or credit, the credit reference agencies will record details of **your** application which will form part of **your** credit history whether or not **you** proceed. If you make several applications for credit within a short period of time, this may temporarily affect **your** ability to obtain credit.

8.2.3 Where you have agreed in an application, we may share details of how you manage any current accounts or borrowing from us with credit reference agencies.

8.2.4 If we make demand for repayment following any default by you and you fail to repay the sum due in full or make (and adhere to) acceptable proposals for repayment within 28 days, then, in the absence of any genuine dispute about the amount owed, we may register the default with the credit reference agencies. This may affect **your** ability to obtain further credit.

8.3 Incorporated Bodies and Unincorporated Bodies (except Personal Representatives and Trustees)

We may share information with credit reference agencies about **you** in order to verify **your** identity using information from the Electoral Register and other public sources connected with your business, charity or body.

If you apply for a current account or credit, we may use details of **your** credit history to assess **your** suitability for an account and **your** ability to meet **your** financial commitments.

8.4 Crime Prevention and Debt Recovery

To prevent crime, verify **your** identity and to recover debt, we may exchange information (both within the UK and, where appropriate, overseas), with other members of the **HSBC Group**, and, where appropriate, with fraud prevention agencies, law enforcement agencies, debt recovery agencies and other organisations including other lenders.

If **you** give us false or inaccurate information and potential fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering.

8.5 Data Sharing

The **HSBC Group** may use and share relevant information about **you**, **your** transactions and **your** relationships with the **HSBC Group** for credit assessment, customer service, market research, insurance, audit and administrative purposes. This may include information provided by **you**, or someone acting on **your** behalf. Where appropriate, (for example if **you** have relationships with other members of the **HSBC Group** in other countries) this information may be shared with members of the **HSBC Group** outside the UK. In addition, we may share relevant information about **you**, **your** transactions and **your** relationship with the **HSBC Group** with our card processing supplier, HSBC Merchant Services LLP for credit assessment, fraud and risk exposure purposes and to facilitate the provision of banking and card processing services to **you**.

8.6 Data Processing

We may use other members of the **HSBC Group** and/or third parties to process information in accordance with our instructions to provide services on our behalf. Whether it is processed in the UK or overseas, **your** information will be protected, in accordance with data protection legislation, by a strict code of secrecy and security which all members of the **HSBC Group**, their staff and any third parties are subject to.

Information may also be processed for the purpose of complying with applicable laws, including, without limitation, anti-money laundering and anti-terrorism laws and regulations and fighting crime and terrorism. This may require the disclosure of information to a UK or other governmental or regulatory authority or to any other person we reasonably think necessary for these purposes.

8.7 Information about Products and Services

If you agree:

- the **HSBC Group** may use and share relevant information about **you**, **your** transactions and **your** relationships with the **HSBC Group** to give **you** information about products, services (including mortgages) and promotions available from members of the **HSBC Group** and those of selected third parties which may interest **you** by telephone, post, electronic and other means; and
- we may also share relevant information with our card processing supplier, HSBC Merchant Services LLP to enable them to provide **you** with information about their card processing services.

If **you** do not want to be contacted about such products, services and promotions, please let us know.

When you open an account, we will ask you whether you are happy for us to contact **you** about such products, services and promotions. If you change your mind at any time, please let us know.

Members of the **HSBC Group** may also exchange, analyse and use relevant information about **you** in the way described above to ensure that promotional content displayed to **you** on screen when **you** log on to **HSBC Group** websites is more likely to be relevant and of interest. If you do not want us to use what we know about **you** to decide what we display to **you** on our websites, please let us know.

8.8 Miscellaneous

8.8.1 Under data protection legislation, individuals can make a written request for a copy of certain personal records we hold about them. The current fee is £10.

8.8.2 Further details about credit reference agencies and fraud prevention agencies and

how they use information is set out in our leaflet entitled "Credit Scoring, Credit Reference and Fraud Prevention Agencies" which is available by contacting us (see the contents page).

8.8.3 To ensure that we carry out your instructions accurately, to help us to improve our service and in the interests of security, we may monitor and/or record **your** telephone calls and other communications with us. Any recordings remain our sole property.

8.8.4 We will obtain **your** written consent before providing a bankers reference about **you**. However, if we receive a request from another financial services institution to verify **your** identity for money laundering prevention purposes, we will provide this information.

9. Additional Terms and Conditions and Information

9.1 Statements and Account Information

9.1.1 Statements showing the payments into and from your sterling business current account, Foreign Currency Account and International Business Account are provided at least once every three months or (if you ask) every month or at such other frequency as you have asked for and we have agreed. The information on such statements is also available online on **BIB** for sterling business current accounts. For details of the provision of statements and acknowledgements of deposit for business savings accounts and Money Market Accounts, see the terms and conditions for the relevant account.

9.1.2 You must carefully check your statements for all your accounts on receipt or when they are available online. To help us prevent fraud, you must advise us promptly if you do not agree with any entry shown on your statement or if you become aware of an unauthorised payment or a payment which has been incorrectly processed. If you do not advise us without undue delay and at the latest within 13 months of the date a payment has been deducted from your account, you may not be entitled to a refund or to have any such errors corrected.

9.1.3 We will correct any incorrect entry on your account which you tell us about or we identify. If we do this on the day the incorrect entry was made, it may not show on your statement.

9.1.4 If we agree to provide a **bulk payment service** and/or other additional account information to you from time to time, separate terms and conditions may apply and charges may be payable in accordance with your **price list**.

9.1.5 For payments into your account sent by another financial institution through the BACS payment system, **Standing Orders** into and from your account and **Direct Debits** from your account,

we will include a shortened reference identifying the payment on your statement. If you would like to see the full reference on your statement, ask us in any branch or through **BTB**.

9.1.6 For **Faster Payments** into and from your account, we will include a shortened reference identifying the payment on your statement. The full reference is available at any time through **BTB** or in any branch. We will send you a written copy of this information if you ask us to.

9.1.7 For all accounts (other than Business High Interest Deposit Bonds or Money Market Accounts) you will be able to view the following information on **BIB** and **Express Bank machines**:

- payments into your account sent by another financial institution through the BACS payment system; and
- **Standing Order** payments and **Bill Payments** into your account from another account you hold with us; and
- payments by sterling cheque and **foreign cheque** (excluding HSBC cheques) into your account; and
- **Bill Payments** and payments by cheque, **Standing Order** and **Direct Debit** due to be deducted from your account on the **working day** (after 6.00 pm for payments by sterling cheque and **foreign cheque** into your account and payments by cheque due to be deducted from your account) before they are due to show on your statement.

Items that are due to credit your account may be returned or recalled by the person making the payment and so may not be included in your statement. Seeing these items on **BIB** or an **Express Bank machine** is no guarantee that they will be paid into or out of your account on the following **working day** and that they will appear on your statement.

9.1.8 If you receive a summary of your account charges (with a breakdown of the total amount payable for each type of charge, the charge for each item and the number of items that have been charged for) we will not provide you with a list of itemised charges. If you ask for the charge for an individual payment, we will tell you the amount charged. If you are a **corporate business** or hold your accounts with us **offshore**, we may charge you for providing itemised charges.

9.2 Account Balance

The balance on your account may include payments that are still being processed such as cheques that are in the process of being cleared and so may be subject to change if such payments are returned unpaid.

Even if it shows as being in credit, the balance on your account may not represent funds that are

available for you to withdraw if it includes payments into your account that have not been cleared.

If payments from your account are made relying on uncleared payments which are later returned unpaid, **debit interest** and/or charges may be payable if this results in your account going overdrawn.

We may also provide you with details of the available balance on your account. Unless we agree otherwise, this represents funds you are able to withdraw (subject to any restrictions on withdrawal), and includes the amount of any overdraft we have agreed with you.

Your account and the payments into and from your account may be affected by a Court Order such as a Bankruptcy Order, Freezing Order or Injunction Order. If so, the balance may change and payments may not be processed or may be reversed.

9.3 Fraud Prevention

9.3.1 We carry out certain checks on payments in and out of your account as part of our fraud prevention measures. We may contact you by post, telephone (including mobile phone), email, mobile messaging or (if you are registered for **BIB**) secure e-message, to say there may be suspicious activity on your account, or we may leave a message to ask that you call us. If we ask you, you must contact us as soon as possible.

9.3.2 We, or any other member of the **HSBC Group**, may take whatever action it considers appropriate to meet any obligations, either in the UK 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.

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

9.3.3 Exceptionally carrying out the activities in clauses 9.3.1 and 9.3.2 may delay the carrying out of payment instructions or the receipt of cleared funds but, where possible, we will advise you of the reasons for any delay or stop and the likely length of any delay. If we are not satisfied that a payment into or from your account is lawful, we may decline to process it.

9.3.4 Your use of Business Debit Cards, Self Service Cards, **BTB**, **BIB** or any other service may be suspended or terminated in the circumstances and on the terms set out in the terms and conditions for the card or service.

9.4 Our Liability

9.4.1 We shall not be liable to you or any third party for any loss suffered if we, or any of our agent or correspondent banks, are prevented from or delayed in providing you with banking or other services due to complying with our other obligations under applicable law or regulation or due to abnormal or unforeseeable circumstances beyond our reasonable control (which may include but is not limited to the action of any government or government agency, strikes or other industrial action not involving our staff, failure of third party equipment, interruption to third party power supplies and/or disruption to the international banking systems to and/or through which payments are sent).

9.4.2 Neither we nor any other member of the **HSBC Group** shall be responsible to you or any third party for any loss suffered as a result of us or any other member of the **HSBC Group** carrying out the activities set out in clause 9.3 above.

9.4.3 Except as stated in clause 9.4.4, we will not be liable to you in contract, tort (including negligence) or otherwise for any direct loss of profits (if you are a **corporate business** or hold your accounts with us **offshore**) or for any indirect or consequential loss or damage, however arising (including, but not limited to, loss of business, loss of data, indirect loss of profits and third party claims), whether or not that loss or damage was foreseeable by us.

9.4.4 We do not exclude or limit liability for loss of **credit interest** or for **debit interest** incurred as a result of any payment instructions which we have processed or failed to process in breach of our duties to you.

9.5 Transfer of Rights

We may transfer all or any of our rights in relation to your account. We may also transfer any of our obligations but only to a person or entity we consider reasonably capable of performing them. References to us in these **General Terms and Conditions** would then be read as references to the person or entity to whom any relevant right or obligation was transferred.

You may not transfer any of your rights or obligations in relation to your account.

9.6 Banking Service Changes

9.6.1 We may change our banking hours, banking practices, the availability of branches and **self-service machines** and similar matters at our discretion, by giving notice in **our branches** or in **the national press** or sent to you by **customer notice**. The change will apply from the date specified on the notice.

9.6.2 If we plan to close or move your branch, we will tell you at least twelve weeks beforehand. We will tell you how we will continue to provide banking services to you including any interbank agency arrangements if these exist. Information about interbank agency agreements can be found by contacting us (see the contents page).

9.6.3 We may also introduce additional benefits on your account such as enhanced services, preferential terms, preferential interest rates and/ or special promotions. We may limit the period for which such benefits may apply or be available and we may extend such a period. At the end of any such period, the benefit will finish.

9.7 Unclaimed Assets Scheme

9.7.1 We participate in the unclaimed assets scheme set up by the Government which will be setting up a reclaim fund. When the reclaim fund has been set up, we will transfer the balance of business accounts (except for Foreign Currency Accounts, International Business Accounts, Currency Client Accounts and Money Market Accounts) on which there has been no customer activity for at least the last 15 years to the reclaim fund.

9.7.2 We will give you at least 30 days' notice before we transfer any of your money to the reclaim fund. Upon transfer of your money to the reclaim fund, we will close your account in accordance with clause 7. You still have the right to your money and you should contact us (see the contents page) for information about having your money repaid to you.

9.8 Compensation Schemes

9.8.1 HSBC Bank plc is a member of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. In respect of deposits with a UK office, payments under the Financial Services Compensation Scheme are limited to 100% of the first £50,000 of a depositor's total deposits with the bank. Most depositors, including individuals and small firms, are covered. The Financial Services Compensation Scheme covers deposits made with the offices of the bank within the EEA and deposits denominated in all currencies are treated alike. Further details of the Financial Services Compensation Scheme are available by contacting us (see the contents page).

9.8.2 Deposits made with our **offshore** offices are not protected by the rules made under the UK's Financial Services and Markets Act 2000 for the protection of deposits, including the Financial Services Compensation Scheme and the Financial Ombudsman Service.

Deposits made with our offices in the Isle of Man are protected by the Isle of Man Compensation of Depositors Regulations 2008, as amended. HSBC

Bank plc is a participant in the Guernsey Banking Deposit Compensation Scheme established by The Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance 2008. Full details of these compensation schemes are available at **our branches** in the Isle of Man and Guernsey respectively.

9.9 Governing Law, Jurisdiction and Language

9.9.1 For accounts held in the UK, the Business Banking Terms and Conditions are governed by and construed in accordance with English law and all claims and disputes (including non-contractual claims and disputes) arising out of or in connection with the Business Banking Terms and Conditions and/or their subject matter, negotiation or formation will be determined in accordance with English law.

9.9.2 For accounts held **offshore**, the local law of the island where your accounts are held will apply. Alderney and Sark are governed by the laws of the Bailiwick of Guernsey.

9.9.3 You and we submit to the non-exclusive jurisdiction of the courts of England and Wales (or the Isle of Man, Jersey or Guernsey for accounts held **offshore** according to the governing law determined under clause 9.9.2) in relation to all claims, disputes, differences or other matters (including non-contractual claims, disputes, differences or other matters) arising out of or in connection with the Business Banking Terms and Conditions.

9.9.4 The Business Banking Terms and Conditions and all communications with you will be in English.

Section 2 – BMM and CSA Terms and Conditions

These BMM and CSA Terms and Conditions apply to **BMM** and **CSA** only and replace the terms and conditions which previously applied to your existing **BMM** or **CSA**.

The following provisions in the Business Banking Terms and Conditions also apply to **BMM** and **CSA** in addition to these BMM and CSA Terms and Conditions and the clauses in the **General Terms and Conditions** which are specifically mentioned in these BMM and CSA Terms and Conditions:

- the contact details and provisions on pages 2 and 5;
- clauses 1, 2.1 to 2.7, 3.2.8, 3.4.5, 3.7, 3.10, 3.11, 5.7, 6.5.3, 6.6, 8 and 9 of the **General Terms and Conditions**; and
- the provisions relating to **cash withdrawals** over the counter at **our branches**, **internal transfers** and **Electronic Fund Transfers** in clauses 3.2.1, 3.2.3 to 3.2.5, 3.5.3, 3.5.4, 3.6.2 and 3.9 of the

General Terms and Conditions; and

- the payment processing information relating to **internal transfers** and **Electronic Fund Transfers** in section 8.

If these BMM and CSA Terms and Conditions conflict with any other provision in the Business Banking Terms and Conditions, then these BMM and CSA Terms and Conditions shall prevail.

1. Operating Your Account

1.1 BMM and **CSA** must be used solely as a business savings account and must not be used to make payments for business purposes. If we consider that your **BMM** or **CSA** appears to have been used to make payments for business purposes, we reserve the right to close your **BMM** or **CSA** on giving you 30 days' notice.

1.2 Your **BMM** or **CSA** must not go overdrawn but if it does, you must immediately deposit sufficient funds to repay the amount by which your **BMM** or **CSA** is overdrawn. We will charge **debit interest** on the amount by which your **BMM** or **CSA** is overdrawn at our Business Standard Debit Interest Rate, which we may vary at any time, until there is a cleared credit balance on your **BMM** or **CSA**. We will give notice of changes in our Business Standard Debit Interest Rate in accordance with the notice provisions set out in clause 5.2 of the **General Terms and Conditions**. Where a change is to your material disadvantage, we will give you notice by **customer notice**. The current rate is available by contacting us (see the contents page).

1.3 If a payment is fraudulently or mistakenly deposited into your **BMM** or **CSA**, the amount of the deposit may subsequently be deducted by us. This may happen even if the funds are included in your account balance or you have withdrawn all or part of them. If the deduction of the payment from your **BMM** or **CSA** makes it go overdrawn, clause 1.2 above applies.

1.4 Statements are provided at least once every three months or (if you ask) every month or at such other frequency as you have asked for and we have agreed. We may charge you for statements where you have asked us to provide them more frequently than every month.

2. Deposits and Withdrawals

2.1 Deposits into your **BMM** or **CSA** can only be made in the following ways:

- by **internal transfer** from a business current account or business savings account with us in the same name as your **BMM** or **CSA**;
- by **Standing Order** from a business current account with us in the same name as your **BMM** or **CSA**;
- by paying cash, sterling cheques and/or **foreign**

cheques into your **BMM** or **CSA** in accordance with clause 2 of the **General Terms and Conditions**; or

- by a standing order or a form of electronic transfer which we accept from an account you hold with another financial institution.

2.2 Subject to clause 4, funds can only be withdrawn from your **BMM** or **CSA** in the following ways:

- by **internal transfer** to a business current account or business savings account with us in the same name as your **BMM** or **CSA**; or
- by **cash withdrawal** over the counter at **our branches** or by **Electronic Fund Transfer** to an account you hold with another financial institution in the UK in the same name.

Such withdrawals are authorised when we receive instructions to make them from your **BMM** or **CSA** and we will treat such authorisation as your consent to the withdrawals being processed.

2.3 There will be no charges on your **BMM** or **CSA** for making deposits or withdrawals but depending upon your **price list**, you may incur transaction charges on your business current account for **internal transfers** and/or **Standing Orders** and for any payment into or from your business current account.

2.4 The persons who make such **cash withdrawals** or give us instructions for such **internal transfers** and **Electronic Fund Transfers** must be named on your **BMM** or **CSA** application form or in a subsequent **mandate**.

3. Interest

3.1 We will pay you **credit interest** at our prevailing **BMM** or **CSA** interest rate, as appropriate. Our current **BMM** and **CSA** interest rates are available by contacting us (see the contents page).

3.2 BMM and **CSA** have three tiers of interest rate, which are the Instant Access Rate, 30 Day Rate and 60 Day Rate. For each tier, the interest rate you receive may depend on the account balance.

3.3 You will receive **credit interest** on your **BMM** or **CSA** on the following basis:

- You will always receive at least our prevailing Instant Access Rate upon the entire cleared balance of your **BMM** or **CSA**.
- If no withdrawals are made from your **BMM** or **CSA** for a consecutive period of 30 days, then from the following day, you will receive interest from us on the entire cleared balance of your **BMM** or **CSA** at our prevailing 30 Day Rate.
- If no withdrawals are made from your **BMM** or **CSA** for a further consecutive period of 30 days, (i.e. a total consecutive period of 60 days) then from the following day, you will receive interest from us on the entire cleared balance of your **BMM** or **CSA** at our prevailing 60 Day Rate.

- If a withdrawal is made from your **BMM** or **CSA** whilst you are receiving interest at our 30 Day Rate, you will receive interest at our Instant Access Rate from the day after the withdrawal is made on the entire cleared balance of your **BMM** or **CSA**. The qualifying period for our 30 Day Rate will then start again.

- If a withdrawal is made from your **BMM** or **CSA** whilst you are receiving interest at our 60 Day Rate, you will receive interest at our 30 Day Rate on the entire cleared balance of your **BMM** or **CSA** from the day after the withdrawal is made. The qualifying period for our 60 Day Rate (i.e. a further consecutive period of 30 days, provided no withdrawals are made from your **BMM** or **CSA** during that time) will then start again.

3.4 BMM interest will be paid or charged either monthly or quarterly in March, June, September and December according to your instructions. **CSA** interest will be paid or charged monthly.

3.5 BMM or **CSA** interest to be paid or charged will be calculated in accordance with clause 5.4 of the **General Terms and Conditions**.

3.6 We may, at our discretion, vary our Instant Access Rate and/or our 30 Day Rate and/or our 60 Day Rate, all or some of our interest rate tiers, the qualifying period(s) for our 30 Day Rate or 60 Day Rate or the name of any such rate at any time.

Changes in our **BMM** or **CSA** interest rates will be notified to you as follows:

- Where a change is to your advantage, we may make the change with immediate effect and give you notice of the change within 30 days of the change by **customer notice** or by notice **in the national press** or on our Rates and Charges Notices in **our branches**.
- Where a change is to your disadvantage, we will give you at least 30 days' notice of the change before we make it. Notice of the change will be given by **customer notice** if the change is to your material disadvantage or by **customer notice** or by notice **in the national press** or on our Rates and Charges Notices in **our branches** if the change is not to your material disadvantage. If you do not accept the change, you should tell us before it comes into effect. Telling us that you do not accept the change will be deemed to be your request to close your **BMM** or **CSA** immediately and without any additional charge for closing your **BMM** or **CSA**. If we do not hear from you before the change comes into effect, then you will be deemed to have accepted it and it will take effect on that date.

4. Payments Made Using Business Debit Cards

If your **BMM** was converted from a sterling business current account on which debit cards

had been issued, we are allowing your Cardholders to continue to use their Business Debit Card to make payments from your **BMM** as set out in and subject to the Business Debit Card Cardholder Terms until their Business Debit Card expiry date. If that happens, your Cardholders will no longer be able to make payments from your **BMM** using a Business Debit Card. Depending upon your **price list**, you may incur transaction charges on your business current account for any subsequent payments made by your Cardholders using Business Debit Cards issued to them on your business current account.

5. Closing Your Account

The terms and conditions relating to the closure of your **BMM** or **CSA**, including your cancellation rights when you open your **BMM** or **CSA**, are set out in clause 7 of the **General Terms and Conditions**.

6. Changes To Terms

We may, at our discretion, vary these BMM and CSA Terms and Conditions and/or any of the provisions in the Business Banking Terms and Conditions at any time. Details of how we will notify you of any changes and what happens if you do not accept any change are set out on page 5 of the Business Banking Terms and Conditions and in clause 7.4 of the **General Terms and Conditions**.

Section 3 – Money Market Account Terms and Conditions

These Money Market Account Terms and Conditions apply to deposits in your Money Market Accounts with us, which are Business Money Market Call Accounts for Call Deposits, Business Money Market Notice Accounts for Notice Deposits, Business Money Market Fixed Accounts for Sterling Fixed Deposits and International Business Fixed Term Deposit Accounts and/or Foreign Currency Fixed Term Deposit Accounts for Currency Fixed Deposits. These Money Market Account Terms and Conditions replace the terms and conditions which previously applied to your deposits in these accounts.

The following provisions in the Business Banking Terms and Conditions also apply to your Money Market Accounts in addition to these Money Market Account Terms and Conditions and the clauses in the **General Terms and Conditions** which are specifically mentioned in these Money Market Account Terms and Conditions:

- the provisions on pages 5;
- clauses 1, 3.2.8, 3.4.5, 6.5.3, 6.6, 7.6, 8 and 9 of the **General Terms and Conditions**.

If these Money Market Account Terms and Conditions conflict with any other provision in the Business Banking Terms and Conditions, then these Money Market Account Terms and Conditions shall prevail.

1. Opening Your Account

1.1 If you do not already hold a business current account or business savings account in the same currency as your proposed Money Market Account, you will have to open one before a Money Market Account can be opened for you.

Such business current account or business savings account must be kept open for the duration of your Money Market Account and will be subject to normal account opening criteria and to the applicable terms and conditions.

1.2 You can make Sterling Fixed Deposits in sterling and Currency Fixed Deposits in other selected currencies. You can make Call Deposits and Notice Deposits in sterling only. There is no maximum deposit.

1.3 The minimum Sterling Fixed Deposit we will accept is £250,000 for a Sterling Fixed Deposit with a term of less than seven days and £50,000 for a Sterling Fixed Deposit with a term of seven days and over.

For Currency Fixed Deposits, you must maintain a minimum account balance of 10,000 US Dollars (or currency equivalent) for Currency Fixed Deposits in US Dollars, Canadian Dollars, Euros, Japanese Yen or Swiss Franc or a minimum account balance of 15,000 US Dollars (or currency equivalent) for Currency Fixed Deposits in selected other currencies.

For Call Deposits and Notice Deposits, the minimum deposit we will accept is £50,000.

We may accept or maintain deposits for less than the above minimum amounts.

1.4 We will only accept cleared funds (which are available for you to withdraw in accordance with clause 2 of the **General Terms and Conditions**) as a deposit. A sterling cheque or **foreign cheque** used as a deposit must be paid into a business current account or savings account you hold with us in the same currency until it is available for you to withdraw. We will then make the deposit by transferring the cleared funds to your Money Market Account.

1.5 If we open a Money Market Account or accept a deposit into a Money Market Account using funds relating to a sterling cheque or **foreign cheque** that is subsequently returned unpaid, we may cancel the deposit and/or close the Money Market Account and transfer the funds deposited into

the Money Market Account back to the business current account or savings account into which the sterling cheque or **foreign cheque** was paid. If that is a business current account, depending upon your **price list**, you may incur transaction charges on your business current account for the transfer and for any subsequent payment from your business current account. No interest will be paid for the time that the deposit was held in the Money Market Account.

1.6 If funds are fraudulently or mistakenly deposited into your Money Market Account, the amount of the deposit may subsequently be deducted by us. This may happen even if the funds are included in your account balance or you have withdrawn all or part of them. If the account balance on your Money Market Account is not sufficient for the full deduction, we may close your Money Market Account and deduct an amount equal to the shortfall from the business current account or savings account into which the withdrawal proceeds have been paid.

2. Operating Your Account

2.1 We will accept the following types of instruction relating to your Money Market Account:

- instructions to make new deposits by transferring funds from your business current accounts and/or business savings accounts with us to your Money Market Account;
- instructions to repay withdrawn or matured deposits by transferring funds to your business current accounts and/or business savings accounts with us from your Money Market Account;
- instructions to add to your existing Call Deposits and Notice Deposits by transferring additional funds from your business current accounts and/or business savings accounts with us to your Money Market Account; and/or
- instructions to renew Sterling Fixed Deposits and Currency Fixed Deposits by re-investing the maturity proceeds of an existing deposit into a new deposit.

The table below indicates whether we will accept each type of instruction for each type of deposit by each type of instruction method.

Our Direct Dealing Team will accept instructions from someone purporting to be from your business and from a third party authorised by you in writing to give us such instructions, without further enquiry or reference to you.

2.2 We will repay your deposit to the account you hold with us and from which we took the deposit or, if you ask, to any other bank account you hold with us in the same currency and the same name (or names) as your Money Market Account.

Instructions table relating to clause 2.1 above:

Type of deposit	Type of instruction	By post or by phone to our Direct Dealing Team	Through your usual banking contact	By BTB	By BIB (except by secure e-message)
Call Deposit	New deposit	Yes	Yes	Yes	No
	Addition	Yes	Yes	Yes	Yes
	Withdrawal	Yes	Yes	Yes	Yes
Notice Deposit	New deposit	Yes	Yes	Yes	No
	Addition	Yes	Yes	Yes	Yes
	Withdrawal	Yes	Yes	Yes	Yes
Sterling Fixed Deposit	New deposit	Yes	Yes	Yes	No
	Renewal	Yes	Yes	Yes	No
	Repayment	Yes	Yes	Yes	No
Currency Fixed Deposit	New deposit	No	Yes	No	No
	Renewal	No	Yes	No	No
	Repayment	No	Yes	No	No

3. Call Deposits and Notice Deposits

3.1 There are no limits on the amount which can be added to or withdrawn from a Call Deposit or Notice Deposit, but we may ask you to close your Money Market Account if you make a withdrawal and this reduces the balance on your Call Deposit or Notice Deposit to less than £50,000.

3.2 You can give us notice that you want to withdraw all or part of your Notice Deposit at any time after seven days from the date you make a Notice Deposit. This does not apply to Call Deposits as you do not need to give notice to withdraw any of your Call Deposit.

3.3 If all or part of your Notice Deposit is withdrawn without us being given any or enough notice, we will charge you a fee of £60 to cover our administration costs. We can change this fee for new Notice Deposits. Existing Notice Deposits will not be affected by any change in this fee.

3.4 You can make **internal transfers** (including automatic transfers) and **Standing Order** payments from your business current accounts and/or business savings accounts with us to your Money Market Account to add to your Call Deposits and Notice Deposits. You can also make **internal transfers** (including automatic transfers) to your business current accounts and/or business savings accounts with us from your Money Market Account to withdraw funds from your Call Deposits and Notice Deposits. The terms and payment processing information relating to such **internal transfers** and **Standing Order** payments are set out in clause 3 of the **General Terms and Conditions** and in section 8.

3.5 We will send you a statement for each Call Deposit and Notice Deposit at least once a year.

4. Sterling Fixed Deposits and Currency Fixed Deposits

4.1 We will send you an acknowledgement for each Sterling Fixed Deposit and Currency Fixed Deposit you make.

4.2 Before your Sterling Fixed Deposit matures and at least 2 **working days** before your Currency Fixed Deposit matures, we need to have received maturity instructions as to whether you would like your deposit to be repaid or renewed on maturity.

You can give us maturity instructions when you make a Sterling Fixed Deposit or Currency Fixed Deposit or give us maturity instructions nearer the maturity date by the instruction methods set out in the instructions table relating to clause 2.1.

Alternatively, you could set up an automatic rollover so that, until you tell us otherwise, we will renew your Sterling Fixed Deposit or Currency Fixed Deposit for the same term at the prevailing interest rate each time it matures.

If we have not received any maturity instructions (at least 2 **working days** in advance of the maturity date for Currency Fixed Deposits), we will renew your Sterling Fixed Deposit or Currency Fixed Deposit for the same term at the prevailing interest rate when it matures until you tell us otherwise. This does not apply to money on overnight deposit on a Sterling Fixed Deposit, which we will repay.

4.3 You should not make Sterling Fixed Deposits or Currency Fixed Deposits if you need some or all of your money before the end of the fixed term. No partial withdrawals of capital are allowed during the term of a Sterling Fixed Deposit or Currency Fixed Deposit.

4.4 A Sterling Fixed Deposit for £50,000 or more cannot be withdrawn in full before it matures. If you want to withdraw a Sterling Fixed Deposit for less than £50,000 in full before it matures, we will charge you a fee to cover our administration costs and the loss we expect to incur as a result of early withdrawal. The fee will be £100 for Sterling Fixed Deposits entered into on or after 18 June 2005 or £60 for Sterling Fixed Deposits entered into before 18 June 2005.

A Currency Fixed Deposit for the currency equivalent of £50,000 or more cannot be withdrawn in full before it matures. If you want to withdraw a Currency Fixed Deposit for the currency equivalent of less than £50,000 in full before it matures, we will charge you a fee to cover our administration costs and the loss we expect to incur as a result of early withdrawal. The fee will be a minimum of 260 US Dollars or 220 Euros (or the US Dollar currency equivalent for other currencies).

We will tell you the exact fee when you request the withdrawal. We can change these fees for new and renewed Sterling Fixed Deposits and Currency Fixed Deposits from time to time. Existing Sterling Fixed Deposits and Currency Fixed Deposits will not be affected.

5. Interest

5.1 Our interest rates for Call Deposits and Notice Deposits are variable interest rates which can change from day to day (e.g. to reflect movements in the money markets). You can find out our current interest rates for Call Deposits and Notice Deposits by contacting your local branch or phoning our Direct Dealing Team on 08456 073757. If you use your own textphone and would like details of services we offer to customers with disabilities, call 08457 125 563 in the UK or +44 1792 494394 from outside the UK.

5.2 Call Deposits and Notice Deposits can be standard deposits or monthly interest deposits. We work out the **credit interest** each day on the available balance. For standard deposits, we work out the **credit interest** up to the end of each June and December, then add this **credit interest** to your Money Market Account on 1 July and 1 January each year and when we repay the standard deposit to you. For monthly interest deposits, we work out **credit interest** up to the day before the monthly anniversary of you making your deposit and add this **credit interest** to your account on the monthly anniversary and when we repay the monthly interest deposit to you. If you ask us to transfer your **credit interest** to another

account we hold in the same name as your Money Market Account, we will pay it into that account on 1 July and 1 January for standard deposits, and on the monthly anniversary of your deposit for monthly interest deposits.

5.3 The interest rate you receive on a Sterling Fixed Deposit and Currency Fixed Deposit is fixed for the term of the deposit and your **credit interest** is worked out every day. Any interest rate quoted to you for a Sterling Fixed Deposit or Currency Fixed Deposit may be withdrawn and replaced with a new interest rate without giving notice to you at any time before a Sterling Fixed Deposit or Currency Fixed Deposit is opened.

5.4 For Sterling Fixed Deposits with terms of 12 months or less, we will pay you **credit interest** when we repay your Sterling Fixed Deposit. For Sterling Fixed Deposits with terms of more than 12 months, we will pay you **credit interest** on each anniversary of the Sterling Fixed Deposit and when we repay your Sterling Fixed Deposit. For Sterling Fixed Deposits with terms of 6 months or more, we can pay **credit interest** each month on the same day of the month as you made the Sterling Fixed Deposit if you ask us to. We will pay **credit interest** on the day of the anniversary or each month (as applicable) to another account you have specified and which we hold in the same name as your Money Market Account.

For Currency Fixed Deposits, **credit interest** is payable at the end of the fixed term when it will be added to your Currency Fixed Deposit, which can then be repaid or renewed in accordance with clause 2.1.

5.5 We will pay **credit interest** gross on Sterling Fixed Deposits and Currency Fixed Deposits of £50,000 (or currency equivalent) or more held in the UK, irrespective of your tax status. You will be responsible for paying any tax that is due. You cannot add to these deposits and you cannot withdraw your money early. We will also pay **credit interest** gross in the circumstances set out in clause 5.7 of the **General Terms and Conditions**.

6. Closing Your Account

6.1 If you want to close or switch your Money Market Account, you must tell us in writing. If we wish to close your Money Market Account, we will give you at least 30 days' notice in writing (which will end on or after the date any Sterling Fixed Deposits and Currency Fixed Deposits were due to end) unless there are circumstances in which we can justify ending our relationship earlier.

6.2 If you tell us within 14 days of making your first Call Deposit or Notice Deposit that you are not

happy about your choice, we will help you to switch to another of our accounts or we will repay your Call Deposit or Notice Deposit with **credit interest** at the applicable rates. If you applied for your Call Deposit or Notice Deposit by post or by **BTB** or during any other telephone call, this 14-day period will start from the date you receive the Money Market Account Terms and Conditions by post, e-mail or secure e-messaging. We will ignore any notice period and any other charges.

You can tell us you want to cancel your first Call Deposit or Notice Deposit by telling your usual banking contact or by:

- calling our Direct Dealing Team on 08456 073757;
- writing to us at HSBC Bank plc, UK Corporate and Commercial Sales, Global Markets, Level 4, 8 Canada Square, London E14 5HQ;
- telling us **in branch**, by fax or by **BTB**.

After this 14-day period has ended, you can only switch accounts from a Notice Deposit or have a Notice Deposit repaid by following the notice conditions for your Notice Deposit. We will only allow you to withdraw money early if we consider there are exceptional circumstances but this may mean that you have to pay extra costs.

7. Changes To Terms

7.1 We may, at our discretion, change any of these Money Market Account Terms and Conditions and/or any of the provisions in the Business Banking Terms and Conditions at any time by giving you at least 2 months' notice of the change by **customer notice** before we make it.

7.2 If you make or renew any deposit with us on or after a change to these Money Market Account Terms and Conditions or to any of the provisions in the Business Banking Terms and Conditions which apply to Money Market Accounts comes into effect, you will be deemed to have accepted the change.

7.3 Existing Sterling Fixed Deposits and Currency Fixed Deposits will not be affected by any change in these Money Market Account Terms and Conditions or to any of the provisions in the Business Banking Terms and Conditions which apply to Money Market Accounts until they mature or are renewed.

7.4 For Existing Call Deposits and Notice Deposits, if you do not accept a change of which notice has been given to you under clause 7.1, you should tell us before it comes into effect. Telling us that you do not accept the change will be deemed to be your request to close your Money Market Account(s) immediately and without any additional charge for closing your account.

Section 4 – Business High Interest Deposit Bond Terms and Conditions

These Business High Interest Deposit Bond Terms and Conditions apply to **Deposit Bonds** only and replace the terms and conditions which previously applied to your existing **Deposit Bonds**. The terms and conditions for Foreign Currency Fixed Term Deposit Accounts have been updated and are now covered by the Money Market Account Terms and Conditions which apply to Currency Fixed Deposits set out in section 3.

The following provisions in the Business Banking Terms and Conditions also apply to **Deposit Bonds** in addition to these Business High Interest Deposit Bond Terms and Conditions and the clauses in the **General Terms and Conditions** which are specifically mentioned in these Business High Interest Deposit Bond Terms and Conditions:

- the contact details and provisions on pages 2 and 5; and
- clauses 1, 3.2.8, 3.4.5, 6.5.3, 7.6, 8 and 9 of the **General Terms and Conditions**.

If these Business High Interest Deposit Bond Terms and Conditions conflict with any other provision in the Business Banking Terms and Conditions, then these Business High Interest Deposit Bond Terms and Conditions shall prevail.

We may withdraw the availability of our **Deposit Bond** at any time without giving notice. **Deposit Bonds** already opened will continue unaffected.

1. Opening your Deposit Bond

1.1 If you do not already have a business current account or business savings account in the same currency as your proposed **Deposit Bond**, you will have to open one before a **Deposit Bond** can be opened for you.

Such business current account or business savings account must be kept open for the duration of your **Deposit Bond** and will be subject to normal account opening criteria and to the applicable terms and conditions.

1.2 A **Deposit Bond** must be in the same name as the associated business current account or business savings account which is either used for transferring funds to and from the **Deposit Bond** or to which you have nominated interest to be paid.

1.3 The minimum deposit to open a **Deposit Bond** is £5,000. You can only open a **Deposit Bond** in sterling. There is no maximum deposit. The fixed terms available are for 3 months, 6 months, 1 year, 2 years and 3 years.

1.4 We will only accept cleared funds (which are available for you to withdraw in accordance with clause 2 of the **General Terms and Conditions**) as a deposit. A sterling cheque or **foreign cheque** used as a deposit must be paid into a business current account or business savings account you hold with us in the same currency until it is available for you to withdraw. We will then make the deposit by transferring the cleared funds to your **Deposit Bond**.

1.5 We will send you an acknowledgement for each **Deposit Bond** you open.

1.6 If we open a **Deposit Bond** with funds relating to a sterling cheque or **foreign cheque** that is subsequently returned unpaid, we may cancel the **Deposit Bond** and transfer the funds in it back to the business current account or savings account into which the sterling cheque or **foreign cheque** was paid. If that is a business current account, depending upon your **price list**, you may incur transaction charges on your business current account for the transfer and for any subsequent payment from your business current account. No interest will be paid for the time that the **Deposit Bond** was opened.

1.7 If we discover that funds have been fraudulently or mistakenly deposited into your **Deposit Bond** and such **Deposit Bond** has not already been repaid, we may cancel the **Deposit Bond** and transfer the funds back to the business current account or business savings account from which they were deposited.

2. Operating Your Deposit Bond

2.1 We will accept the following types of instruction relating to your **Deposit Bond** if they are given to your usual banking contact or by post, **by phone, in branch** or by **BTB**:

- instructions to make deposits by transferring funds from your business current account or business savings account with us to your **Deposit Bond**;
- instructions to repay withdrawn or matured deposits by transferring funds to your business current account or business savings account with us from your **Deposit Bond**; and/or
- instructions to renew deposits by re-investing the maturity proceeds of an existing **Deposit Bond** into a new **Deposit Bond**.

2.2 The persons who give us instructions relating to your **Deposit Bond** must be named on your **Deposit Bond** application form or in a subsequent **mandate**.

2.3 You cannot add to your initial deposit but you can open more than one **Deposit Bond**.

3. Withdrawals and Maturity Instructions

3.1 You should not open a **Deposit Bond** if you may require access to your funds before it matures. No partial withdrawals of capital are allowed during the term of a **Deposit Bond**.

3.2 A **Deposit Bond** for £50,000 or more cannot be withdrawn in full before it matures. If you want to withdraw a **Deposit Bond** for less than £50,000 in full before it matures, we will charge you a fee to cover our administration costs and the loss we expect to incur as a result of early withdrawal. The fee will be £100 for 3 month, 6 month and 1 year **Deposit Bonds** and £200 for 2 and 3 year **Deposit Bonds**. We reserve the right to change these fees from time to time. We will give you 30 days notice if we increase them or if we introduce a new charge for early withdrawal.

3.3 Before your **Deposit Bond** matures, we need to have received maturity instructions as to what you want to do on maturity.

You can give us maturity instructions when you open your **Deposit Bond** or give us maturity instructions nearer the time your **Deposit Bond** is due to mature through your usual banking contact, **in branch, by BTB, by phone** or by writing to us (see the contents page).

Alternatively, you could set up an automatic rollover so that, until you tell us otherwise, we will renew your **Deposit Bond** for the same term at the prevailing interest rate each time it matures.

If we have not received any maturity instructions, we will transfer the maturity proceeds of your **Deposit Bond** into the business current account or business savings account held with us which you nominated on your application form.

4. Interest

4.1 You will receive the interest rate applicable when your **Deposit Bond** is opened. The interest rate you receive is fixed for the term of the **Deposit Bond** and is calculated daily on the cleared balance. The acknowledgement for each **Deposit Bond** confirms the interest rate you receive.

4.2 **Credit interest** can be paid either monthly or annually for 1, 2 or 3 year **Deposit Bonds**; monthly or at maturity for 6 month **Deposit Bonds** and at maturity for 3 month **Deposit Bonds**.

The amount of **credit interest** to be paid on your **Deposit Bond** is determined on the same day in each month as the day when the **Deposit Bond** was opened if monthly interest is requested, on the anniversary of the **Deposit Bond** opening if annual interest is requested, or at maturity for 3 month **Deposit Bonds**. If the date of determination of the amount of **credit interest** for

Deposit Bonds opened before 20 June 2005 is not a **working day**, then the amount of **credit interest** to be paid is determined on the next **working day**, with the **credit interest** being paid on the following **working day** after that.

Credit interest will be paid to the business current account or business savings account held with us from which your original deposit was taken or as nominated on the application form or otherwise as we may agree with you.

4.3 Credit interest will be paid gross on **Deposit Bonds** of £50,000 or more held in the UK, irrespective of your tax status. You will be responsible for paying any tax that is due. We will also pay **credit interest** gross in the circumstances set out in clause 5.7 of the **General Terms and Conditions**.

4.4 Any **Deposit Bond** interest rate displayed in **our branches**, advertised in any way or quoted to you may be withdrawn by us without giving notice at any time before a **Deposit Bond** is opened.

5. Changes To Terms

5.1 We may, at our discretion, change any of these Business High Interest Deposit Bond Terms and Conditions and/or any of the provisions in the Business Banking Terms and Conditions at any time by giving you at least 2 months' notice of the change by **customer notice** before we make it.

5.2 If you make or renew any **Deposit Bond** on or after a change to these Business High Interest Deposit Bond Terms and Conditions or to any of the provisions in the Business Banking Terms and Conditions which apply to **Deposit Bonds** comes into effect, you will be deemed to have accepted the change.

5.3 An existing **Deposit Bond** will not be affected by any change in these Business High Interest Deposit Bond Terms and Conditions or to any of the provisions in the Business Banking Terms and Conditions which apply to **Deposit Bonds** until the **Deposit Bond** matures.

Section 5 – Our Information

1. 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.

2. HSBC Bank plc is authorised and regulated by the Financial Services Authority (FSA registration number 114216). In Jersey, HSBC Bank plc

is regulated by the Jersey Financial Services Commission for Banking, General Insurance Mediation and Investment Business. In Guernsey, HSBC Bank plc is licensed by the Guernsey Financial Services Commission for Banking, Insurance, Collective Investment Schemes and Investment Business. In the Isle of Man, HSBC Bank plc is regulated by the Isle of Man Financial Supervision Commission to take deposits and carry on investment business.

3. To help us continually improve our service and in the interests of security we may monitor and/or record your telephone calls and other communications with us.

Section 6 – How to Make a Complaint

If we do not deliver the standard of service you expect, or if we make a mistake, please let us know.

We will then investigate the situation and if necessary set about putting matters right as quickly as possible.

In addition, we will take steps, where appropriate, to prevent a recurrence.

Please allow your branch manager or the manager of the department concerned the first opportunity to answer your concerns and put matters right.

If you remain dissatisfied with our full response regarding an account in the UK, you can write to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Telephone: 0845 080 1800
E-mail: complaint.info@financial-ombudsman.co.uk

If you remain dissatisfied with our full response regarding an **offshore** account, you may be entitled to refer it to the Financial Services Commissions in Jersey or Guernsey or to the Financial Services Ombudsman Scheme for the Isle of Man.

For further information about our process for resolving complaints, please ask for our explanatory leaflet "Listening to Your Comments".

The British Bankers Association publication "A Statement of Principles: Banks and businesses – working together" sets out the principles which encapsulate our commitment to working with you to find acceptable solutions if you are faced with financial difficulties.

Section 7 – Glossary of Terms

Terms which appear in **bold** in the Business Banking Terms and Conditions have the following meanings:

additional payment charges are our standard prices for the provision of the additional payment services set out in our Business Banking Price List and International Business Price List.

ATM is an automatic teller machine at which Business Debit Cards and Self Service Cards will be accepted, which may be operated by us or by another organisation.

BIB is our Business Internet Banking service within the UK.

BIC is the Bank Identifier Code of the relevant bank.

Bill Payments are sterling payments (excluding **Faster Payments**) made directly to the account of another person or organisation in the UK and **offshore**.

BMM is Business Money Manager, our sterling instant access savings account for business customers.

BTB is our Business Telephone Banking service within the UK.

bulk payment service is an additional business service whereby your statement will contain a single consolidated entry for all payments into or from your account by a particular type of payment on each day or for the period covered by the statement and for which we will provide you with a separate list of all of the payments which have been consolidated.

Business Pay In is a method of paying cash, sterling cheques and **foreign cheques** into your account using self-sealing packets deposited into a **self-service machine** which indicates that it is a Business Pay In machine or handed over the counter at **our branches**.

by phone is by calling our contact telephone number specified in the relevant terms and conditions or if none, set out in the contents page.

cash withdrawal is a withdrawal of cash from your account by Business Debit Card, Self Service Card or over the counter at **our branches**.

central clearing cycle is the time taken (normally **3 working days**) for money paid from or into your account to be deducted or added. This applies to our normal clearing cycles for sterling cash and cheques drawn in sterling or in euros (other than those drawn on overseas banks) paid into branches of English, Scottish, Welsh or Northern Ireland banks in England, Scotland, Wales, Northern Ireland and **offshore**.

CHAPS is the Clearing House Automated Payment System.

collect (collection of) a foreign cheque means that we will either:

- send the **foreign cheque** directly to the bank on which it is drawn for payment, or
- pass the **foreign cheque** through the appropriate clearance system in the country where the **foreign cheque** needs to be presented for payment.

corporate business is a business customer whose accounts are held with us in the UK and which is not a **micro-enterprise** or **small charity**, regardless of whether it is an **incorporated body** or an **unincorporated body**.

credit interest is interest that we pay you on the credit balance on your account (unless the interest rate is negative, in which case we may require you to pay us negative credit interest on that balance).

CSA is Community Savings Account, our sterling instant access savings account for clubs, societies and charities.

customer notice is a notice sent to each business customer by post, statement message, email or secure e-message or by any other means that allows it to be addressed to each business customer.

cut-off time is the time before which on a **working day** (or on any day for **Faster Payments** and **internal transfers**) a payment or a payment instruction is treated as received by us on that **working day** (or on that day, as appropriate) which is different for each type of payment and each payment instruction method as set out within clauses 2 and 3 of the **General Terms and Conditions**. These times are as stated in clause 3.6.5 or in section 8 or as displayed in **our branches** for **Business Pay In** packets handed over the counter or on the relevant machine for payments made using **self-service machines**.

debit interest is interest that you pay to us on your borrowings under clause 6 of the **General Terms and Conditions**.

Deposit Bonds are Business High Interest Deposit Bonds held with us.

Direct Debit is a regular payment from your account which we have been authorised to make to a business or other organisation in response to requests made by the relevant business/organisation. The amount(s) and date(s) can either be fixed or they can vary.

EEA is the European Economic Area.

Electronic Fund Transfer is a sterling payment to another account in the UK made through **CHAPS**.

electronic payment charges are charges deducted from your account to cover **Electronic Fund Transfers**, **Worldpay** payments and **Priority Payments**.

Express Bank machine is a **self-service machine** which offers day-to-day banking services in addition to the services that are available at **ATMs**.

Faster Payments is a faster bill payments service which will be extended to **Standing Orders** in 2010.

foreign cheques are cheques drawn in a foreign currency other than in Euro (whether on a bank in the UK, **offshore** or overseas) and cheques drawn in sterling or in Euro on an overseas bank. When we refer to **foreign cheques**, we also mean other forms of foreign payment.

General Terms and Conditions are the terms in section 1 which apply generally to business accounts with us.

HSBC Group means HSBC Holdings plc, its subsidiaries, associated and affiliated companies.

IBAN is the International Bank Account Number for the relevant account.

in branch is over the counter at one of **our branches** during the hours which the branch is open for business.

incorporated body is a company (incorporated in the UK or overseas), limited liability partnership or other incorporated body.

internal transfer is a sterling payment between UK accounts you have with us in the same name, including an automatic transfer between UK sterling accounts.

in the national press is publication in 3 national newspapers (usually in the Daily Mirror, Daily Mail, and Daily Telegraph).

mandate is a document telling us who is authorised to make payments from your account(s) which contains their specimen signature(s). Tell us if any authorised signatory is unable to provide a specimen signature because of a disability so that we can make alternative arrangements.

maximum processing time is the time it takes for the payment to reach the **recipient's** bank beginning on the day or **working day** determined in accordance with clause 2.2.1 or 3.2.1.

micro-enterprise is a business customer whose accounts are held with us in the UK and whose annual turnover (or, if our records show that the business customer is a member of a group, the annual turnover of their group according to our records) is less than £2 million.

negotiate (negotiation of) a foreign cheque means that we will credit your account without waiting for it to be paid.

offshore means in Jersey, Guernsey (including Alderney and Sark) and the Isle of Man.

our branches means branches of HSBC Bank plc in the United Kingdom or **offshore**.

partnership is two or more people operating an unincorporated business together with a view to making a profit from their activities.

price list means our Business Banking Price List and/or International Business Price List together with any letter or other document detailing the prices we will charge you for the provision of our standard account services and our other business services in the UK and **offshore**. For copies of our current Business Banking Price List and/or International Business Price List, contact us (see the contents page).

Priority Payments are international payments in any freely traded currency.

recipient is the person receiving the funds to be paid, which could be another person or organisation or it could be you for a payment to another account you have or a **cash withdrawal**.

self-service machine is an automatic machine at which you can access banking services using a Business Debit Card or Self Service Card. These include **ATMs**, **Express Bank machines**, **Business Pay In** machines and our machines from which you can withdraw foreign currency banknotes. It will be clear at each machine what type of machine it is and what types of service you can access.

small charity is a UK charity whose annual income is less than £1 million and which meets the other requirements in the definition of a "charity" in the Payment Services Regulations 2009.

sole trader is a person operating a business in his or her own name, or under a trade name.

special presentation means the sterling cheque will be sent by post to the bank it is drawn on. Upon receipt, the other bank will confirm whether the sterling cheque will be paid.

standard account charges are our standard prices for the provision of our standard account services set out in our Business Banking Price List and International Business Price List, which depend on the tariff which applies to your account.

standard business charges are our standard prices for the provision of our other most frequently used business services set out in our Business Banking Price List and International Business Price List.

standard overdraft charges are our standard prices for the provision of overdrafts set out in

our Business Banking Price List and International Business Price List.

Standing Orders are regular payments to be made from your account to a specified account for a specified amount on specified dates.

unincorporated body is a club, society, association, charity or other person, group or body providing a service for the benefit of others which

has not been incorporated (including a personal representative or trustee).

Worldpay payments are payments which do not qualify as Single Euro Payments Area payments to selected countries in the local currency. For details, contact us (see the contents page).

working day(s) means Monday to Friday, except for public holidays.

Section 8 – Payment Processing Information

The payment processing information in this section 8 applies to payments from accounts held in the UK only. For payment processing information relating to payments from accounts held **offshore**, contact us (see the contents page).

Payment processing information for Electronic Fund Transfers, Priority Payments and Worldpay payments:

The table below includes the **cut-off times** for **Electronic Fund Transfers, Priority Payments** and **Worldpay** payments within the **EEA** in sterling, Euro and other **EEA** currencies.

For **cut-off times** and **maximum processing times** for **Priority Payments** and **Worldpay** payments outside the **EEA** and/or in non-**EEA** currencies, contact us (see the contents page).

Payment type	Instruction methods	Cut-off times	Maximum processing time	Payment limit
Electronic Fund Transfers	<ul style="list-style-type: none"> • BTB • BIB • in branch • by post • by fax 	<ul style="list-style-type: none"> • BTB – 3.45 pm (5.00 pm if payment to HSBC account) • BIB – 3.30 pm • in branch – 3.45 pm (5.00 pm if payment to HSBC account) • by post and by fax – 12 noon 	Same day	<ul style="list-style-type: none"> • £10,000 for BTB • Agreed CHAPS payment limit for BIB
Priority Payments	<ul style="list-style-type: none"> • BTB • BIB • in branch • by post • by fax 	<p>For payments in sterling and Euro:</p> <ul style="list-style-type: none"> • BTB and BIB – 3.30 pm • in branch – 2.00 pm • by post and by fax – 12 noon <p>For payments in all other EEA currencies:</p> <ul style="list-style-type: none"> • BTB – 5.00 pm • BIB – 3.30 pm • in branch – 2.00 pm • by post and by fax – 12 noon 	<ul style="list-style-type: none"> • Next working day for payments within the EEA in sterling and Euro • Up to two working days for payments within the EEA in all other EEA currencies 	<ul style="list-style-type: none"> • £10,000 (or currency equivalent) for BTB • Agreed Priority Payments limit for BIB
Worldpay payments	<ul style="list-style-type: none"> • BTB • in branch • by post • by fax 	<p>For payments in Euro:</p> <ul style="list-style-type: none"> • BTB – 3.30 pm • in branch – 2.00 pm • by post and by fax – 12 noon <p>For payments in all other EEA currencies:</p> <ul style="list-style-type: none"> • BTB – 5.00 pm • in branch – 2.00 pm • by post and by fax – 12 noon 	<ul style="list-style-type: none"> • Two working days for payments within the EEA in Euro • Up to three working days for payments within the EEA in all other EEA currencies 	The currency equivalent of £2,000

Payment processing information for Standing Orders, Bill Payments, Faster Payments and internal transfers:

Payment type	Instruction methods	Cut-off times	Maximum processing time	Payment limit
Standing Orders	<ul style="list-style-type: none"> • BTB • BIB • in branch • by post 	<ul style="list-style-type: none"> • BTB – 10.00 pm on day before first payment • BIB – 11.59 pm on third working day before first payment • in branch – branch closing time on working day before first payment • by post – 12 noon on working day before first payment 	<ul style="list-style-type: none"> • Same day (to another HSBC account or credit card) • Three working days (to an account at another bank or to HSBC Bank International branch) 	For BIB , the greater of your agreed BACS payment limit and your agreed Bill Payments limit
Bill Payments (excluding Faster Payments)	<ul style="list-style-type: none"> • BTB • BIB • in branch • by post • by fax 	<ul style="list-style-type: none"> • BTB and BIB – 8.00 pm • in branch – branch closing time • by post and by fax – 12 noon 	<ul style="list-style-type: none"> • Two working days • Three working days to HSBC Bank International branch 	£10,000 except for BIB (which is your agreed Bill Payments limit)
Faster Payments	<ul style="list-style-type: none"> • BTB • BIB 	<ul style="list-style-type: none"> • BTB – 10.00 pm • BIB – 11.45 pm 	Same day but we are not responsible if the recipient's account is not credited immediately	£10,000
Internal Transfers	<ul style="list-style-type: none"> • BTB • BIB • Express Bank machine • ATM • in branch • by post • by fax 	<ul style="list-style-type: none"> • BTB – 10.00 pm • BIB, Express Bank machine and ATM – no cut-off time • in branch – branch closing time • by post – 12 noon • by fax – 11.30 pm 	Immediate	<ul style="list-style-type: none"> • £10,000 for Express Bank machine • £9,999 for ATM

Notes:

- Payment instructions can only be given by fax until 31 May 2010 and only if on 1 November 2009, we already hold a faxed instruction authority and indemnity signed by you in a form acceptable to us.
- **Bill Payments** instructions will be processed as **Faster Payments** wherever possible.
- Instructions for **internal transfers** can only be given by **ATM** between an HSBC current account and a nominated HSBC savings account or credit card.

- Unless you are a **sole trader**, you will need to ask a member of staff to set up an **internal transfer** by **Express Bank machine**.
- Instructions for payments from a Foreign Currency Account or International Business Account cannot be given by **Express Bank machine** or **ATM**.

Section 9 – Contacting You

Members of the **HSBC Group** may exchange, use, analyse and assess relevant information held about you and your relationships with the **HSBC Group**, including the nature of your transactions.

This enables us to contact you by telephone, post or other means with information about products and services which may interest you, available from members of the **HSBC Group** and those of selected third parties.

If you do not want your contact details to be used by us, or any other member of the **HSBC Group**, to inform you about such special offers, products and services through any one or more of these channels tick the appropriate box(es) below.

Post
 Email
 Telephone
 Mobile messaging (e.g. SMS)

Date

Signature

Title Mr Mrs Miss Ms Other (please specify)

Surname

First name(s)

Position

Business Name

Address

Post Code

Telephone Number

Please supply your HSBC Bank Branch Sort Code - -

Please return this slip to your branch.



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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
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