

Updates to our Overdraft Service

From 1 August 2017

Our Overdraft Service is a short-term way to borrow money on your current account and can help in months where there are extra expenses and unplanned events; for example, if you receive a higher than expected bill and need a bit longer to repay it. Our overdrafts are subject to status and aren't available to under 18s or on Basic Bank Account.

What's changing?

From 1 August 2017 we're introducing a Monthly Maximum Charge that covers any unarranged overdraft charges. We already cap our unarranged Overdraft Usage Fees per month but we're making it more clear when we talk about any unarranged charges that may apply to your current account.

The introduction of the Monthly Maximum Charge will not affect any charging period that ended prior to 1st August 2017. Any notification of charges that are generated on or after 1st August 2017 will incorporate the new Monthly Maximum Charge cap.

We're also changing how we describe the types of overdraft but they'll still work the same way as before.

Previously	Now	How it works
Formal Overdraft	<i>Arranged Overdraft</i>	Where you ask us for an overdraft before making any transactions that takes your account overdrawn, or over your current arranged overdraft limit.
Informal Overdraft	<i>Unarranged Overdraft</i>	When you authorise a transaction that takes your account overdrawn if you don't have an arranged overdraft, or takes your account over your arranged overdraft limit.

Monthly cap on unarranged overdraft charges

1. Each current account will set a monthly maximum charge for:
 - (a) going overdrawn when you have not arranged an overdraft; or
 - (b) going over/past your arranged overdraft limit (if you have one).
2. This cap covers any:
 - (a) interest and fees for going over/past your arranged overdraft limit;
 - (b) fees for each payment your bank allows despite lack of funds; and
 - (c) fees for each payment your bank refuses due to lack of funds.

Overdraft Text Alerts

In order to help you keep track of your account, we'll still automatically send you text messages where we have a valid UK mobile telephone number for you in the following circumstances:

- If we have agreed an unarranged overdraft on your account; or
- If there isn't enough available balance in your account to make payments due to be made that day.

You can opt out of receiving these alerts by contacting us.

What is the charge for an unarranged overdraft?

We've listed the Monthly Maximum Charges for eligible accounts below. If your account isn't listed, it doesn't incur unarranged overdraft charges.

It's free to set up or increase an existing arranged overdraft limit.

If you keep within your arranged limit, the only cost you will pay is overdraft interest. If you'd like to apply for an arranged overdraft limit, or increase an existing limit, please contact us.

Name of Account	Cost of Arranged Overdraft	Cost of Unarranged Overdraft (Monthly Maximum Charge) ¹
Bank Account	Overdraft interest (19.9%) Representative example (assumed overdraft £1,200): 19.9% EAR* variable	£5 daily fee to a monthly maximum charge of £80
Current Account ²	Overdraft interest (19.9%) Representative example (assumed overdraft £1,200): 19.9% EAR* variable	£5 daily fee to a monthly maximum charge of £80
Home Management Account ²	Overdraft interest (19.9%) Representative example (assumed overdraft £1,200): 19.9% EAR* variable	£5 daily fee to a monthly maximum charge of £80
HSBC Advance Bank Account	Overdraft interest (17.9%) Representative example (assumed overdraft £1,200): 17.9% EAR* variable	£5 daily fee to a monthly maximum charge of £80
Graduate Bank Account	Overdraft interest above interest free entitlement (19.9%) Representative example (assumed overdraft £1,200): 1st year 0% EAR* variable on the first £1,500, 2nd year 0% EAR* variable on the first £1,000 and 19.9% EAR* on the rest.	£5 daily fee to a monthly maximum charge of £80

¹ In addition to any fees or overdraft interest charged on the unarranged balance, you'll also continue to pay overdraft interest on any arranged balance if you have one.

² These accounts are no longer on sale.

HSBC Premier and Jade by HSBC Premier

Name of Account	Cost of Arranged Overdraft	Cost of Unarranged Overdraft (Monthly Maximum Charge) ¹
HSBC Premier Bank Account	Overdraft interest (0% on first £500 overdrawn then 11.9%). Representative example (assumed overdraft £1,200): 0% EAR* variable on the first £500 and 11.9% EAR* on the rest.	Overdraft interest (11.9% EAR* variable) to a monthly maximum of £500 on the unarranged overdraft.
Jade by HSBC Premier Bank Account	Overdraft interest (0% on first £500 overdrawn then 9.9%). Representative example (assumed overdraft £1,200): 0% EAR* variable on the first £500 and 9.9% EAR* on the rest.	Overdraft interest (9.9% EAR* variable) to a monthly maximum of £2,000 on the unarranged overdraft.

In order to reach the monthly maximum charge limit, based on current interest rates, you'd have to be over your arranged overdraft limit by more than £50,000 for HSBC Premier Bank Account and £230,000 for Jade by HSBC Premier for a full charging month.

¹ We'll charge overdraft interest on any arranged and unarranged overdraft balances but no overdraft fees.

* EAR (Effective Annual Rate) takes account of the interest rate and how often interest is charged, but doesn't include any other fees or charges.

Please also refer to our Personal Banking Terms and Conditions and Charges, and Making Sense of Overdrafts brochure. Information is also available at www.hsbc.co.uk/overdrafts



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