

**INTELLIGENT FINANCE
CONDITIONS 2007**

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INTELLIGENT FINANCE® www.if.com 0845 609 4343

INTRODUCTION

This booklet sets out how your Intelligent Finance plan works and the conditions that apply to it and the jars within it.

If you apply to open a new Intelligent Finance plan on or after 4th March 2007, this edition of the Intelligent Finance conditions will apply to your Intelligent Finance plan from the day it is opened.

If you already have an Intelligent Finance plan, or have applied to open a new Intelligent Finance plan before 4th March 2007 but the plan has not been opened, then sections A to E of this edition of the Intelligent Finance conditions will apply to your Intelligent Finance plan from the date we say in the letter we send you telling you that the Intelligent Finance conditions 2007 will apply to your Intelligent Finance plan.

We have no power to change the conditions in section F, which apply to any mortgage jar in your Intelligent Finance plan. This means that, unless you and we agree otherwise, any mortgage jar in your Intelligent Finance plan (whenever opened) will be governed by section F of the edition of the Intelligent Finance conditions which governed your Intelligent Finance plan when you applied to open the mortgage jar.

PLEASE KEEP THIS BOOKLET SAFE IN CASE YOU NEED TO REFER TO THE CONDITIONS THAT APPLY TO YOUR INTELLIGENT FINANCE PLAN IN THE FUTURE.

SCHEDULE OF VARIATIONS REGISTERS OF SCOTLAND

At Edinburgh the sixteenth day of January two thousand and seven the deed hereinafter reproduced was presented for registration in the Books of the Lords of Council and Session for preservation and is registered in the said Books as follows: WE, HALIFAX plc, incorporated under the Companies Acts and having our Registered Office at Trinity Road, Halifax, West Yorkshire HX1 2RG, considering that we are about to make advances to be secured by standard securities to be given over land and buildings in Scotland have decided that the standard securities given to us are regulated by the standard conditions specified in Schedule 3 to the Conveyancing & Feudal Reform (Scotland) Act 1970 as amended by the Redemption of Standard Securities (Scotland) Act 1971 and by the following variations which are referred to as the Intelligent Finance conditions 2007.

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SECTION A

INTELLIGENT

FINANCE PLAN

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A.1 The different sections of this booklet

This section must be read alongside the other sections of these conditions depending on which types of **jar** you have in **your Intelligent Finance plan**.

A.2 Words with special meanings

A.2.1 In this booklet **we** have put some words in bold type because they have a special meaning. **We** tell **you** what these words mean below.

- **Added rate** – Any rate of interest **we** add to another rate. **We** may change this under condition A.8.
- **APR** – The annual percentage rate of the cost of credit which applies to any of **your jars**.
- **Banking day** – Any day which is not a Saturday, Sunday or an English bank or public holiday. A banking day ends at 8.30 p.m.
- **Bank of England's base rate** – The Bank of England's 'repo' rate of interest or any other rate that replaces it used by the Bank of England or any other body that takes over the Bank of England's responsibility for setting such an interest rate.
- **Built-up reserve** – The amount **you** build up by making **overpayments** to reduce those parts of the **mortgage debt** which do not relate to any **further advance** that **you** borrow from **us** on or after 31st October 2004. **Overpayments you** make to reduce any **further advance you** borrow from **us** will not form part of the **built-up reserve**.
- **Capital** – The part of the **mortgage debt we** can charge interest on under these conditions. This is made up of:
 - any money **we** have lent **you** that **you** have not repaid;
 - any fees, charges or expenses that **you** have not paid; and
 - any interest **you** have not paid off by the end of the **interest period** in which it became due.
- **Debit card** – Any debit card **we** give **you** to use in connection with **your** current account **jar**. If this card has a cheque guarantee sign on it **you** may use it to 'guarantee' a cheque **you** write to get cash, goods or services.
- **Debit card transaction** – Any transaction (except guaranteeing a cheque) **you** make with **your debit card** or when **you** use it to get cash, foreign currency, goods or services or to pay money into any part of **your Intelligent Finance plan**. **You** may not have to show **your debit card** or sign anything to make a **debit card transaction**.
- **Extra agreement** – Any agreement between **you** and **us** about any mortgage **jar** or part of any mortgage **jar you** have which is separate from the **offer**. It will only be valid if it is in writing or if its terms are set out in a letter, electronic communication (for example, an email) or other document from **us**.
- **Further advance** – A **mortgage loan you** ask **us** to lend **you** after the start of the **mortgage repayment period** and which **we** agree to make to **you**. A **further advance** does not include any part of the **pre-agreed reserve you** borrow or the **built-up reserve you** use.
- **Intelligent Finance plan** – A single account in which **you** can combine various types of financial products.
- **Interest period** – The period from the beginning of one **key date** to the end of the day before the following **key date**.
- **Investment plan** – Any endowment or pension policy, personal equity plan (PEP), **ISA** or other investment or savings plan connected with the **mortgage**.

- **ISA** – An individual savings account.
- **Jar** – One of the products **you** choose to have with **us** and which **you** and **we** agree shall form part of **your Intelligent Finance plan**.
- **Key date** – The day in each month when (unless condition A.7.5.2 or A.7.5.3 applies) **we** add or take away any unpaid interest due on the balance on which **we** pay or charge **you** interest on **your Intelligent Finance plan** (**we** sometimes call it the 'interest date'). This day must be between the 1st and 28th day of the month. When **you** apply to open the first **jar** in **your Intelligent Finance plan**, **you** can choose which day in each month **you** want **us** to use as the **key date**. If **you** do not choose a date, **we** will do so. From then on, unless **you** decide to change it in accordance with condition A.7.13 or **we** change it in accordance with condition A.7.14, the **key date** will be the same day in each month. **You** must have the same **key date** for all the **jars** in **your Intelligent Finance plan**. The last **key date** will be the date on which the last **jar** in **your Intelligent Finance plan** is closed. The **key date** is also the date on which **you** have to pay **us** the **regular personal loan payment** and the **regular mortgage payment** except:
 - the first **regular personal loan payment** and the first **regular mortgage payment** will be collected on the first **key date** following at least 21 days after the day **you** borrow the loan, or the first part of it;
 - if **you** have chosen a **key date** which does not exist in a particular month, **we** will collect any **regular personal loan payment** and any **regular mortgage payment** **you** are due to pay **us** on the last day of the month provided that day is a **banking day**. If it is not, **we** will collect the **regular personal loan payment** and the **regular mortgage payment** on the next **banking day**; and
 - if **you** connect **your** personal loan **jar** or mortgage **jar** to a current account with anyone other than Intelligent Finance and the **key date** or day on which **we** try to collect any **regular personal loan payment** and the **regular mortgage payment** **you** are due to pay **us** is not a **banking day**, **we** will collect the **regular personal loan payment** and the **regular mortgage payment** on the first **banking day** after the **key date**.
- **Mortgage** – The agreement between **you** and **us** set out in the **offer**, the **mortgage deed**, sections A and F of these conditions and any **extra agreement**.
- **Mortgage debt** – All the money **you** owe **us** under a mortgage **jar**. This includes interest and any of **our** charges, fees and expenses (including any **special rate early repayment charges**) **you** have not paid that relate to the mortgage **jar**.
- **Mortgage deed** – The legal document **you** sign giving **us** a mortgage security over the **property** in return for **our** providing the **mortgage loan** as varied or extended by agreement between **you** and **us** from time to time. If the **property** is in England, Wales or Northern Ireland, the document is described as a 'mortgage deed'. If the **property** is in Scotland, it is described as a 'standard security'.
- **Mortgage loan** – Each loan under a mortgage **jar** **we** make to **you** under these conditions.
- **Mortgage payment option** – the alternative methods **we** use to work out **your regular mortgage payment**. Condition F.7 lets **you** choose between these methods if **you** choose OPTION 1 (see condition A7.7.1) and the terms of **your mortgage loan** mean that it is capable of offsetting. The different methods are:
 - Reduced Debt (described in condition F.7.11);
 - Shorter Term (described in condition F.7.12);
 - Lower Payments (described in condition F.7.13).

- **Mortgage repayment period** – The period or periods for paying off the **mortgage debt**. Different parts of the **mortgage debt** can have different periods. The period for each part of the **mortgage debt** will end on the **key date** immediately after the end of the mortgage term for that part of the **mortgage debt** set out in the **offer** or an **extra agreement**. **We** may change a **mortgage repayment period** under condition F.7.
- **Offer** – **Our** written mortgage offer sent to **you** in connection with a mortgage **jar** and any written offer **we** make to lend **you** more money under the **mortgage**.
- **Offset credit balance** – The amount **we** owe **you** on any current account or savings **jar** in **your Intelligent Finance plan** other than money in a fixed rate savings **jar** or any other current account or savings **jar** balance that **we** say will not be an **offset credit balance** when **you** open the **jar**.
- **Offset debit balance** – The amount **you** owe **us** on any **jar** or part of a **jar** in **your Intelligent Finance plan** but not:
 - the amount **you** owe **us** in any current account **jar** or savings **jar** where **you** have an unarranged overdraft;
 - any money which **you** should have paid **us** but have not; or
 - any other debit balance that **we** say will not be an **offset debit balance** when **you** open the **jar**, or in the case of a mortgage **jar**, in the **offer** or an **extra agreement**.

If the amount **you** owe **us** on any **jar** is made up of different parts (for example, because **we** charge interest on the different parts at different interest rates), **we** treat each part separately when deciding if it is an **offset debit balance**. The amount **you** owe **us** can be made up of some parts which are **offset debit balances** and some which are not. In some circumstances, an amount **you** owe **us** can change from being an **offset debit balance** to not being an **offset debit balance** or from not being an **offset debit balance** to being an **offset debit balance**. This change can happen more than once. **We** will tell **you** when this can happen, when **you** open the **jar** or, in the case of a mortgage **jar**, in the **offer** or an **extra agreement**.

- **Overpayment** – Any payment that **you** make to **us** in connection with a mortgage **jar** which is neither a **regular mortgage payment** nor a payment which **you** tell **us** is to pay a charge or other amount **we** have added, or are going to add, to the **mortgage debt**. If **you** have not paid **us** any amount when **you** were due to, **we** will use any payment first to pay off the amount **you** have not paid and only treat the surplus as an **overpayment** (see condition F.2.5). There are two kinds of **overpayment**:
 - a regular **overpayment** is one which **we** agree to collect with the **regular mortgage payment** (**we** do not have to agree to let **you** make regular **overpayments** but, if **we** do let **you** make them, **we** may set restrictions on when during the **mortgage repayment period** and on what kinds of mortgage **jar** or parts of a mortgage **jar** **you** can make regular **overpayments**); and
 - a lump sum **overpayment** is any other kind of **overpayment** (even if **you** make the payment regularly, for example by standing order).
- **Payment holiday** – A period of one **interest period** during which **you** do not have to pay a **regular mortgage payment**.
- **Personal loan agreement** – The agreement between **you** and **us** that **you** sign in connection with any personal loan **we** lend **you**.
- **Personal loan debt** – All the money **you** owe **us** under the personal loan **jar**. This includes interest and any of **our** charges **you** have not paid that relate to the personal loan **jar**.
- **Personal loan repayment period** – The period during which **you** pay the **regular personal loan payments**.

- **Personal security details** – The customer identification number **we** give **you** when **you** open **your Intelligent Finance plan** and the **plan security code**.
- **PIN** – Any personal identification number **we** give **you** to use with **your debit card**.
- **Plan security code** – Any personal identification number **you** choose for accessing **your Intelligent Finance plan**.
- **Pre-agreed reserve** – The additional secured borrowing (if any) described in an **offer** or an **extra agreement** as the 'pre-agreed reserve'.
- **Property** – The property described in the **mortgage deed** and any interest in it.
- **Regular mortgage payment** – The amount **you** must pay **us** on a regular basis as set out in the **offer** or an **extra agreement**, or as notified to **you** by **us**, from time to time. **We** will take into account any **mortgage payment option** **you** have chosen when setting the **regular mortgage payment**. Unless **we** say in the **offer** or an **extra agreement** that **we** are making an interest-only **mortgage loan** or that **your regular mortgage payments** cover only interest, the **regular mortgage payment** will consist of two elements, interest and capital, which **we** will set. **We** may change the **regular mortgage payment** from time to time under condition F.7.
- **Regular personal loan payment** – The amount **you** must pay **us** on a regular basis, as set out in the **personal loan agreement**, or as notified to **you** by **us**, from time to time. The **regular personal loan payment** will consist of two elements, interest and capital, which **we** will set.
- **Special rate** – An interest rate **we** pay **you** or **you** pay **us** (depending on the type of **jar**) and which **we** describe as a 'special rate' in the letter **we** send **you** confirming that **you** may open the **jar** or, in the case of a mortgage **jar**, in the **offer** or an **extra agreement**.
- **Special rate early repayment charge** – Any early repayment charge **you** have to pay if:
 - **you** repay a **special rate loan** or a loan which was previously a **special rate loan** before the end of the **special rate early repayment charge period**; or
 - **you** withdraw money from or close a savings **jar** on which **we** pay interest at a **special rate** or on which **we** require **you** to give **us** notice of a **withdrawal** without giving **us** the required amount of notice.
- **Special rate early repayment charge period** – The period during which **you** must pay a **special rate early repayment charge**. For a mortgage **jar**, this will be set out in the **offer** or an **extra agreement**.
- **Special rate loan** – Any part of the **capital** which a **special rate** applies to.
- **Special rate period** – Any period when a **special rate** applies.
- **Variable mortgage rate** – Intelligent Finance's offset variable mortgage rate or Intelligent Finance's standalone variable mortgage rate. **We** will tell **you** in the **offer** or an **extra agreement** which rate applies to which part of the **mortgage debt** and when. **We** may change the **variable mortgage rate** under condition A.8.
- **We, us and our** – Halifax plc, its successors in title and anyone who takes over or has the benefit of any of its legal rights in connection with all or any part of **your Intelligent Finance plan**.
- **Withdrawal** – This is made when **we** have taken all the necessary steps to carry out **your** instructions to pay money out of one of **your jars**. **Your** instructions may include **debit card transactions**, direct debits, standing orders, writing a cheque or any withdrawals made from **your Intelligent Finance plan**.
- **You and your** – The person or persons who own an **Intelligent Finance plan** and anyone who takes over their legal rights in connection with it.

- A.2.2 Any reference to any legislation includes any statutory instrument made under it and any changes to either of them.
- A.2.3 If **we** give **you** at least 30 days' notice, **we** may substitute different words for any of the words to which **we** give a special meaning in condition A.2.1. **We** will not use this condition A.2.3 to change the special meanings given to any of those words but **we** may use the right in condition A.12.1 to do so.
- A.2.4 This condition A.2.4 applies to **you** if **your Intelligent Finance plan** was opened before 4th March 2007. In this, and earlier editions of the Intelligent Finance conditions, **we** have substituted different words for some of the words to which **we** gave special meanings in previous editions. The following tables show which old words **we** have replaced and the new words **we** have substituted for them.

Words changed with effect from 31st October 2004 by the Intelligent Finance conditions 2004.

Old words	New words
Interest date	Key date
Repayment fee	Special rate early repayment charge
Repayment fee period	Special rate early repayment charge period

Words changed with effect from 24th April 2005 by the Intelligent Finance conditions 2005.

Old words	New words
Credit balance	Offset credit balance
Debit balance	Offset debit balance
Offset variable mortgage rate	Variable mortgage rate

Words changed with effect from the date from which these conditions apply to your Intelligent Finance plan.

Old words	New words
Active overpayment	Overpayment

- A.2.5 With effect from the date from which these conditions apply to **your Intelligent Finance plan**:
- A.2.5.1 any references to an old word (as described in condition A.2.4) in **your personal loan agreement** are to be read as references to the new words **we** have substituted for them;
- A.2.5.2 any references to an old word in section F of the Intelligent Finance conditions that apply to a mortgage **jar** are to be read as references to the new words **we** have substituted for them; and
- A.2.5.3 any references to a '**repayment scheme**' or a "**passive overpayment**" in section F of the Intelligent Finance conditions that apply to a mortgage **jar** will continue to have the special meaning **we** gave to the words '**repayment scheme**' and "**passive overpayment**" in section A of the edition of the Intelligent Finance conditions that applies to the mortgage **jar**.
- A.2.6 Where **you** have a mortgage **jar** and there is a conflict between the conditions in section A or section F and any **offer** or **extra agreement** relating to **your** mortgage **jar**, the terms of the **offer** or **extra agreement** shall prevail.

A.3 Opening and operating your Intelligent Finance plan

- A.3.1 To open an **Intelligent Finance plan** and to own a **jar** within it, **you** must be at least 16 years old.
- A.3.2 **You** cannot have a personal loan **jar**, a mortgage **jar** or an overdraft unless **you** are at least 18 years old. If there are two of **you**, **you** must both be over 18.

- A.3.3 **We** will not allow someone who is under 18 to have an overdraft or a **debit card** which can be used to get credit.
- A.3.4 **We** may change the age at which customers can open any part of an **Intelligent Finance plan**. **We** will only increase the age if we have a valid reason for doing so. **We** may also introduce new schemes for different age groups or other categories of customer.
- A.3.5 **You** may open a **jar** within **your Intelligent Finance plan** on behalf of someone under the age of 16. If the person under 16 does not have to pay income tax, **we** will pay interest on the **jar** without deducting tax until the end of the tax year in which the person reaches the age of 16 provided the appropriate form is completed.
- A.3.6 To open or carry out any transactions on **your Intelligent Finance plan**, **you** must live in the United Kingdom.
- A.3.7 An **Intelligent Finance plan** can be owned by a maximum of two people.
- A.3.8 **Your Intelligent Finance plan** can be made up of different types of **jars**. **We** may set a limit on how many **Intelligent Finance plans** **you** may have.
- A.3.9 **We** may set a limit on how many **jars** of a particular type **you** may have in **your Intelligent Finance plan** and, in the case of a mortgage **jar**, the number of parts a **jar** may be made up of. **We** can change these limits from time to time but **we** will give **you** 30 days' notice before **we** do so. If **we** reduce the number of **jars** **you** can have below the number of **jars** **you** have at that time, **we** will not insist that **you** close any of **your jars**.
- A.3.10 To open and operate **your Intelligent Finance plan**, **you** must nominate one current account to be connected to each **jar** (other than a current account **jar**) within **your Intelligent Finance plan**. **You** need this so that **we** can transfer money in and out of **your Intelligent Finance plan**. The current account or accounts **you** nominate may be with **us** or a bank or building society which is a part of the United Kingdom clearing system. One of the **jar** owners must be the owner, or one of the owners, of the current account.
- A.3.11 **We** do not have to accept that anyone other than **you** has any right to or interest in the money in **your Intelligent Finance plan**.
- A.3.12 Unless **we** tell **you** otherwise, **you** can only have an **Intelligent Finance plan** for personal use. **You** must not use it as a sole trader, partnership, company or for any other kind of business account or as a club or charity account.

A.4 Accessing your Intelligent Finance plan

- A.4.1 Intelligent Finance does not have a branch network. **You** can only access **your Intelligent Finance plan** using the technology **we** tell **you** about from time to time.
- A.4.2 When **you** access **your Intelligent Finance plan**, **we** will ask **you** to give **us** part of **your personal security details**.
- A.4.3 If there are two of **you**, **you** will each need **your own personal security details**.
- A.4.4 **You** must take all reasonable steps to keep **your personal security details** secret and to prevent anyone else accessing **your Intelligent Finance plan**. This includes, for example:
- A.4.4.1 not writing **your personal security details** down in such a way that someone else could use them to access **your Intelligent Finance plan**;
- A.4.4.2 not programming **your personal security details** into anything **you** use to access **your Intelligent Finance plan**;
- A.4.4.3 logging-off from the secure part of the Intelligent Finance website when **you** are not using **your** computer, telephone or any other piece of equipment; and
- A.4.4.4 not allowing anyone else to use any equipment **you** use to access **your Intelligent Finance plan** without taking suitable precautions.

- A.4.5 **You** must tell **us** as soon as possible if **you** think that someone else:
- A.4.5.1 knows **your personal security details** or any other details which might enable them to access **your Intelligent Finance plan**; or
 - A.4.5.2 has tried or intends to try to access **your Intelligent Finance plan**.
- You** will be liable for any transaction carried out on **your Intelligent Finance plan** or any part of it until **you** tell **us**. **You** will not be liable for any transaction carried out on **your Intelligent Finance plan** over the internet where **you** are the victim of fraud. If **you** have been fraudulent or grossly negligent, **you** will be liable for any transactions before and after **you** tell **us**. Conditions B.11, B.12 and section 83 of the Consumer Credit Act 1974, may limit any liability **you** have to **us**.
- A.4.6 **We** will take all reasonable steps to ensure that no-one other than **you** or **us** accesses **your Intelligent Finance plan**.
- A.4.7 **We** may suspend access to **your Intelligent Finance plan** if:
- A.4.7.1 **we** think that someone else is trying to access **your Intelligent Finance plan**;
 - A.4.7.2 the wrong **personal security details** have been used for **your Intelligent Finance plan**;
 - A.4.7.3 **you** are not keeping to these conditions;
 - A.4.7.4 **you** enter into a voluntary arrangement with anyone **you** owe money to (or **you** are going to do so);
 - A.4.7.5 **you** apply to a court for an interim order (that is a court order which gives **you** temporary protection from a claim made by somebody **you** owe money to);
 - A.4.7.6 a bankruptcy order is made against **you** or **we** think that one is likely to be made;
 - A.4.7.7 an administration order has been made under the appropriate legislation which covers how **you** are to repay money **you** owe;
 - A.4.7.8 **we** think **you** have tried to access any of **our** other customers' Intelligent Finance plan or any of **our** files, programmes or records;
 - A.4.7.9 **we** think **you** have tried to introduce a virus or other harmful programme to **your Intelligent Finance plan** or any of **our** files, programmes or records or **you** have told someone else how to do so; or
 - A.4.7.10 **we** think **you** are using **your Intelligent Finance plan** or any **jar** in it in an illegal way or in a way that **we** reasonably consider to be inappropriate or that harms or could harm the interests of **us**, **our** holding company or any subsidiary of **our** holding company.
- If **we** suspend access to **your Intelligent Finance plan**, **we** will contact **you**.
- A.4.8 When **you** access **your Intelligent Finance plan** using **your personal security details**, **you** are authorising **us** to carry out **your** instructions to **us**.
- A.4.9 **You** can change some parts of **your personal security details** by contacting **us**.
- A.4.10 For administrative or security reasons, **we** can ask **you** to change **your personal security details** at any time.
- A.4.11 **You** must not use the internet from outside the United Kingdom to apply:
- A.4.11.1 to open a new **jar**; or
 - A.4.11.2 to borrow money from **us**.

- A.4.12 When **you** access **your Intelligent Finance plan**, **you** must follow any instructions **we** give **you**.
- A.4.13 **You** are responsible for making sure that **your** computer and other equipment and the software can be used with the **Intelligent Finance plan**.
- A.4.14 **We** will only accept instructions from **you** or someone who has a legal right to give **us** instructions.
- A.4.15 **We** may contact **you** to confirm **your** instructions or any steps **we** take following **your** instructions. If **we** do, **you** must let **us** know straight away if **you** think **we** have not correctly set out what **you** asked **us** to do.
- A.4.16 **We** will tell **you** from time to time which cash dispensers **you** can use with **your debit card**.
- A.4.17 **You** should tell **us** straight away if **you** no longer have access to the internet.

A.5 What happens if your Intelligent Finance plan is in joint names?

- A.5.1 If **your Intelligent Finance plan** is a joint account, these conditions apply to both of **you** together and to each of **you** on **your** own.
- A.5.2 **We** may accept the instructions or signature of either of **you** in connection with **your joint Intelligent Finance plan**. If one of **you** gives **us** an instruction, **we** may but do not have to, ask the other to confirm the instruction.
- A.5.3 If any **jar** within **your Intelligent Finance plan** is in the name of one of **you**, only that person can carry out transactions on it but both of **you** can view or receive information about transactions and balances on that **jar** as well as all other parts of **your Intelligent Finance plan**.
- A.5.4 If a **jar** in **your Intelligent Finance plan** is in the name of one of **you**, only that person is bound by the conditions that apply to that **jar**.
- A.5.5 If **you** apply for a **jar** in **your** sole name within **your Intelligent Finance plan** held in joint names or apply to change a **jar** **you** already have, details of **your** application may be provided to the other joint owner.
- A.5.6 If one of **you** dies, **we** may require the survivor or the deceased's personal representative to close **your Intelligent Finance plan**.
- A.5.7 If one of **you** dies, **we** will continue to accept instructions in connection with the **jars** held in joint names from the survivor.
- A.5.8 **We** will send all written communications about **your Intelligent Finance plan** (including statements) to **you** jointly. Unless the law or a regulation requires **us** to write to **you** separately, **we** will address **our** communications to **you** both but send them to only one address. The address to which **we** will send written communications will be the address of the person whose name appears first on **our** records for **your Intelligent Finance plan**. By signing **your** application form, **you** will be treated as having given notice that, until further notice, **we** do not need to send separate statements to both of **you**.

A.6 Money paid into and out of your Intelligent Finance plan

- A.6.1 When **you** or someone else pays money into **your Intelligent Finance plan**, it takes time before **you** can use it. The central clearing cycle for cheques and automated payments (including standing orders and direct debits) normally takes three **banking days**. As **we** are not a clearing bank, some transactions may, however, take longer. Money can be paid into **your Intelligent Finance plan** in a number of ways. **We** set these out and the total number of days before **you** can use the money, in the following table. If the payment is a **regular personal loan payment** or a **regular mortgage payment** **you** will not be able to re-use it.

	When the payment appears on your statement (transaction date)	When you can use the money		
		Current account	Savings	Mortgage (built-up reserve)
Cheque	no later than the day after we receive it	5 banking days after we receive it		
Banker's draft	day we receive it	5 banking days after we receive it		
Express Payments (also known as CHAPS)	day we receive it	day we receive it		
Internal transfer between jars within your Intelligent Finance plan or from a jar in another Intelligent Finance plan	same day or (if that day is a Sunday, or in the case of a transfer into a current account jar on 25th December) the next day	same day		
Direct debit from an account (other than an Intelligent Finance plan)	3 banking days from us requesting it	service not available	7 banking days from us requesting it	3 banking days from us requesting it
Standing order	day we receive it	day we receive it		
Bank GIRO	day we receive it	5 banking days after we receive it	service not available	
Standard Payment (also known as BACS for example, salary)	day we receive it	day we receive it		

A.6.2 If **we** receive a cheque or automated payment after 3.00 p.m. or on a day which is not a **banking day**, **we** will deal with it as if **we** had received it on the next **banking day**.

A.6.3 **You** cannot pay cash or cheques into **your Intelligent Finance plan** using a cash dispenser or at a Halifax plc or Bank of Scotland branch or agency counter. For security reasons, **you** must not send **us** cash.

A.6.4 If any cheque, banker's draft or direct debit payment is returned to **us** without it being paid, **we**:

A.6.4.1 will take the same amount out of **your Intelligent Finance plan** and adjust the interest **you** have to pay **us** or **we** have to pay **you**; and

A.6.4.2 may represent it for payment.

If **we** represent a cheque or direct debit for payment, **we** will treat it as a new transaction.

A.6.4.3 Cheques can be returned unpaid at any time after they have been paid in.

A.6.5 If **you** want to pay a cheque into a **jar**, **you** should;

A.6.5.1 write the **jar** account number, sort code and **jar** type e.g. "ISA" on the back of the cheque.

A.6.5.2 include a Bank Giro credit slip with every cheque deposited into a current account **jar**. The Bank Giro credit slip can be used for several cheques deposited in the same **jar** account number.

A.6.6 **You** will only be able to pay in a cheque payable to "Intelligent Finance" which is not drawn on a current account belonging to **you**, into a **jar** in **your Intelligent Finance plan** if the cheque includes the name of the **jar** holder or **jar** account number.

- A.6.7 If **you** want to pay a cheque into **your jar**:
 A.6.7.1 more than six months after the date on the cheque; or
 A.6.7.2 after the expiry date (if there is one shown on the cheque),

you will have to ask the person who made it out to **you** to write a new cheque or re-date the old cheque and put their initials next to the change. If **you** give **us** an out-of-date cheque **we** may return it to **you**.

- A.6.8 **You** can take money out of **your Intelligent Finance plan** in a number of ways. **We** set these out and how **we** treat payments made from **your Intelligent Finance plan** in the following table.

	When the payment appears on your statement (transaction date)	When the payment stops earning interest (or is included in the interest calculation if you are overdrawn)		
		Current account	Savings	Mortgage (built-up reserve)
Cheque from your current account jar	day it is presented to us for payment	day it is presented to us for payment	service not available	
Express Payments (also known as CHAPS)	day we send the payment	day we send the payment		
Internal transfer between jars within your Intelligent Finance plan or to another Intelligent Finance plan	same day or (if that day is a Sunday, or in the case of a transfer out of a current account jar on 25th December) the next day	same day		
Direct debit	day we receive request for payment	day we receive request for payment	service not available	
Standing order	day we send the payment	day we schedule for the payment to be sent	service not available	
Standard Payment (also known as BACS (for example, transferring money to an account with someone other than Intelligent Finance))	3 banking days after we send the payment (except current account – day we send the payment)	day we send the payment	3 banking days after we send the payment	
Immediate bill payment from your current account jar	If requested on a Saturday, the following Monday. If requested on any other day, the next day	If requested on a Sunday, next day. If requested on any other day, same day	service not available	
Future dated bill payment	day we send the payment	day we schedule for the payment to be sent	service not available	
Debit card transaction (excluding a cash withdrawal using a cash dispenser)	day we are notified of the debit card transaction	day we are notified of the debit card transaction	service not available	
Cash withdrawal using your debit card at a cash dispenser	same day or (if that day is a Sunday or 25th December) the next day	same day	service not available	

- A.6.9 In the tables in this condition A.6 and in condition A.71:
- A.6.9.1 subject to condition A.6.9.2, a day is treated as ending at 8.30 p.m. with the next day starting at 8.31 p.m. (except on a Saturday which is treated as ending at 8.00 p.m. and a Sunday which is treated as starting at 8.01 p.m. on the Saturday immediately before it). If a transaction takes place after this time, it will be treated as taking place on the next day; and
- A.6.9.2 for the purposes of the 'effective date' for an internal transfer using the 'move money' facility on **our** website or a cash **withdrawal** using **your debit card** a day is treated as starting at 00.00 a.m. and ending at 11.59 p.m.
- A.6.10 **We** will not make a standing order payment or a future-dated bill payment from **your** current account **jar** on a Sunday. If **you** ask **us** to do so, **we** will treat it as if the payment were scheduled to be paid on the following Monday.
- A.6.11 If **you** ask **us** to make a standing order payment or a future-dated bill payment, **we** will take the money out of **your** current account **jar**:
- A.6.11.1 on the evening before the payment is due to be made if **you** have asked for the payment to be on a day other than a Sunday or a Monday; or
- A.6.11.2 on the evening of the Saturday before the payment is to be made, if **you** have asked for the payment to be on, or **we** treat it as being scheduled for (see condition A.6.10) a Monday.
- You** must ensure that **you** have sufficient money in **your** current account **jar** to enable **us** to do this.
- A.6.12 **You** can make Standard Payments (which are also known as BACS) online from either **your** current account **jar** or **your** savings **jar**. If **you** do so, **you** must make sure that **you** give **us** the correct account number and sort code for the receiving bank, to avoid the risk to **you** of payment loss.
- A.6.13 If **you** have insufficient money in **your** current account **jar** when **we** try to take it (see condition A.6.11), **we** will try to collect the money and make the payment as if the day on which the payment was to be treated as being scheduled was the day after the originally scheduled date.

A.7 How your Intelligent Finance plan works

- A.7.1 When **you** or someone else pays money into **your Intelligent Finance plan**, it takes time before the payment has an effect on the interest **we** pay **you**. This depends on how the money is paid in. Money can be paid into **your Intelligent Finance plan** in a number of ways. **We** set these out and the total number of **banking days** before the money starts to be eligible to earn interest in the following table.

	When the payment appears on your statement (transaction date)	When do you start getting the benefit of any interest* (effective date)
Cheque	no later than the day after we receive it	3 banking days after we receive it
Banker's draft	day we receive it	3 banking days after we receive it
Express payment (also known as CHAPS)	day we receive it	day we receive it
Internal transfer between jars within your Intelligent Finance plan or from another Intelligent Finance plan	same day or (if that day is a Sunday, or in the case of a transfer into a current account jar on 25th December) the next day	same day
Direct debit from an account (other than an Intelligent Finance plan)	3 banking days from us requesting it	3 banking days from us requesting it
Standing order	day we receive it	day we receive it
Bank GIRO	day we receive it	3 banking days after we receive it
Standard payment (also known as BACS for example, salary)	day we receive it	day we receive it

*Provided the payment is not cancelled

If **we** have not included a transaction in the calculations of interest for an **interest period** when the transaction took place (because the transaction date was in one **interest period** and the effective date was in an earlier **interest period**), **we** will take account of the transaction in the interest calculation **we** carry out on the first **key date** after **we** discover it. **We** will adjust the interest **we** pay **you** or **you** pay **us** to take account of the transaction.

- A.72 **We** work out the interest on **your Intelligent Finance plan** on the basis of the balances at the end of each day. **We** do this calculation on each **key date**.
- A.73 When **we** work out the interest **we** pay **you** or **you** pay **us** on **your Intelligent Finance plan**, **we** look at the amounts in each **jar** on which interest is payable.
- A.74 On the **key date** immediately after the end of each **interest period**, interest which has accrued during that **interest period** on any money **we** owe **you** or **you** owe **us** in **your Intelligent Finance plan** will be added to or taken away from (as the case may be) the balance of the relevant **jar**.
- A.75 There are three exceptions to the treatment of interest described in condition A.74.
- A.75.1 Interest which has accrued during the **interest period** on any money **you** owe **us** on a current account **jar** will be added to the money **you** owe **us** (or, as the case may be, taken off the money **we** owe **you**) on that **jar** at the end of the following **interest period**. If in any one **interest period**, **we** owe **you** interest on some days and **you** owe **us** interest on other days, **we** may take one amount away from the other and show the resulting figure on **your** statement.
- A.75.2 If **you** have asked for interest on a savings **jar** to be added to the **jar** once a year, **we** will add the interest, if any, to the money **we** owe **you** (or, as the case may be, take it off the money **you** owe **us**) in the following way.
- A.75.2.1 The first date on which **we** will add or take away the interest will be the first **key date** falling more than 11 months after the 'effective date' for interest purposes for the first payment into the savings **jar** (see condition A.71).
- A.75.2.2 After that, **we** will add to or take away the interest on the first **key date** falling more than 11 months after the **key date** on which interest was last added to or taken off the savings **jar**.
- A.76 If **you** have a joint **Intelligent Finance plan**, when working out the interest **we** pay **you** or **you** pay **us**, **we** look at **your Intelligent Finance plan** as a whole and do not take account of which of **you** owns which **jars** and whether they are in sole or joint names.
- A.77 **We** will work out interest on the **offset credit balances** and **offset debit balances** for the **jars** in **your Intelligent Finance plan** (but not arrears and unarranged overdrafts) in one of two ways, the choice is **yours**:
- A.77.1 **OPTION 1** – How **your offset credit balances** can work to reduce the interest **you** pay **us**

Where **you** choose Option 1, **we** arrange **your offset credit balances** in a stack, placing the **offset credit balance** on which **we** pay the lowest rate of interest at the bottom of the stack. **We** also arrange **your offset debit balances** in a stack, placing the **offset debit balance** on which **we** charge the highest rate of interest at the bottom of the stack. If the **offset credit balance** or **offset debit balance** of a **jar** is made up of more than one part, each part is stacked separately according to the interest rate that applies to it. If two or more balances or parts of balances have the same interest rate, **we** will stack them in the order in which **we** opened the **jars** for **you** or, in the case of parts, in the order in which **we** number them on **your** statements.

We will stop stacking any remaining **offset credit balances** or **offset debit balances** (or part balances) when **we** reach the point (the 'cut-off point') where:

- **we** have used up all the **offset credit balances**; or
- **we** have used up all the **offset debit balances**.

The effect of choosing Option 1 is that:

- **we** will not charge **you** any interest on any **offset debit balance** (or portion of an **offset debit balance**) which is below the cut-off point;
- **we** will not pay **you** any interest on any **offset credit balance** (or portion of an **offset credit balance**) which is below the cut-off point.

The appropriate interest rates will apply to any balance (or portion of a balance) above the cut-off point.

A.7.7.2 OPTION 2 – How **your offset debit balances** can work to maximise the interest **we** pay **you**

Where **you** choose Option 2, **we** work out the cut-off point in the same way as under Option 1.

So **we** arrange **your offset credit balances** in a stack placing the **offset credit balance** on which **we** pay the lowest rate of interest at the bottom of the stack. **We** also arrange **your offset debit balances** in a stack placing the **offset debit balance** on which **we** charge the highest rate of interest at the bottom of the stack. If the **offset credit balance** or **offset debit balance** of a **jar** is made up of more than one part, each part is stacked separately according to the interest rate that applies to it. If two or more balances or parts of balances have the same interest rate, **we** will stack them in the order in which **we** opened the **jars** for **you** or, in the case of parts, in the order in which **we** number them on **your** statements.

We will stop stacking any remaining **offset credit balances** or **offset debit balances** (or part balances) when **we** reach the point (the 'cut-off point') where:

- **we** have used up all the **offset credit balances**; or
- **we** have used up all the **offset debit balances**; or
- the interest rate on an **offset credit balance** (or on the unused portion of an **offset credit balance**) equals or exceeds the interest rate on the remaining **offset debit balances**.

The effect of choosing Option 2 is that:

we will charge **you** interest on all **offset debit balances** at the appropriate rates;

we will increase the rate of interest **we** pay on each **offset credit balance** (or portion of an **offset credit balance**) which is below the cut-off point so that the rate **we** pay at each point in the stack of **offset credit balances** is the same as the rate **we** charge at the equivalent point in the stack of **offset debit balances**.

We will pay interest at the appropriate rates on any **offset credit balance** (or portion of a balance) above the cut-off point.

A.7.7.3 *Example*

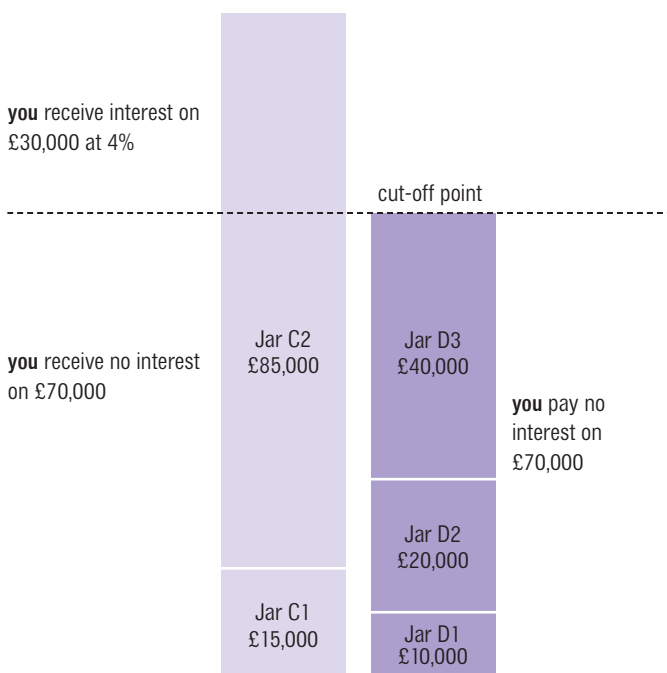
Suppose **you** have:

- an **offset credit balance** of £15,000 in jar C1 and the interest rate on the **jar** is 2%;
- an **offset credit balance** of £85,000 in jar C2 and the interest rate on the **jar** is 4%;
- an **offset debit balance** of £10,000 in jar D1 and the interest rate on the **jar** is 10%;
- an **offset debit balance** of £20,000 in jar D2 and the interest rate on the **jar** is 8%; and
- an **offset debit balance** of £40,000 in jar D3 and the interest rate on the **jar** is 6%.

The cut-off point comes at £70,000, when all the **offset debit balances** have been used up.

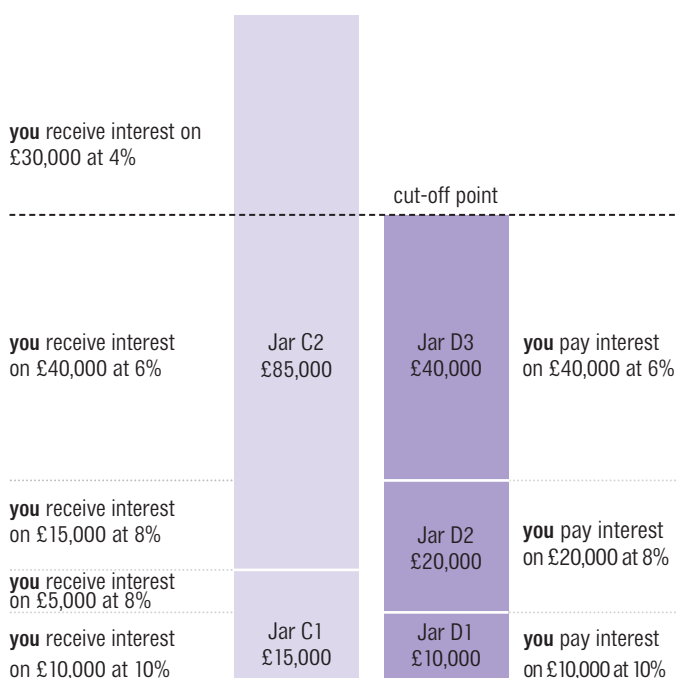
Option 1 means that:

- **we** do not charge **you** interest on jar D1, jar D2 or jar D3;
- **we** do not pay **you** interest on jar C1 or on the first £55,000 in jar C2;
- **we** pay **you** interest at the appropriate rate (4%) on the remaining £30,000 in jar C2.



Option 2 means that:

- **we** charge **you** interest at the appropriate rates on jars D1, D2 and D3;
- the rate **we** pay on the first £10,000 in jar C1 is increased to match the rate **we** charge on the £10,000 in jar D1 (10%);
- the rate **we** pay on the remaining £5,000 in jar C1 is increased to match the rate **we** charge on the first £5,000 in jar D2 (8%);
- the rate **we** pay on the first £15,000 in jar C2 is increased to match the rate **we** charge on the remaining £15,000 in jar D2 (8%);
- the rate **we** pay on the next £40,000 in jar C2 is increased to match the rate **we** charge on the £40,000 in jar D3 (6%);
- **we** pay interest at the appropriate rate (4%) on the remaining £30,000 in jar C2.



- A.7.8 **We** will charge **you** interest on any money **you** owe **us** that is not an **offset debit balance** at the appropriate interest rate that applies to it.
- A.7.9 **We** will pay **you** interest on any money **we** owe **you** that is not an **offset credit balance** at the appropriate interest rate that applies to it.
- A.7.10 For the purposes of conditions A.7.7, A.7.8 and A.7.9, if the money **we** owe **you** or **you** owe **us** on a **jar** is split into different parts, each part is treated separately, as if it were a **jar** in its own right.
- A.7.11 If **we** have to deduct tax from any interest **we** pay **you**, **we** will do so and send **you** a tax deduction certificate after the end of each tax year. If **you** close a **jar**, **we** may send **you** a tax deduction certificate before the end of the tax year.
- A.7.12 If a court orders **you** to pay **us** any money **you** owe **us**, **we** will continue to charge interest on the money **you** have to pay under the court order. For those parts of **your Intelligent Finance plan** which are governed by an agreement regulated by the Consumer Credit Act 1974, **we** will charge **you** interest at the interest rate set by the court. For those parts of **your Intelligent Finance plan** which are not governed by an agreement regulated by the Consumer Credit Act 1974, **we** will charge **you** interest at the interest rate due on the relevant part.
- A.7.13 **You** can change the **key date** subject to the following conditions:
- A.7.13.1 **you** cannot change the **key date** more than twice in any 12 month period;
- A.7.13.2 **you** must tell **us** what day **you** want to be the new **key date** at least three **banking days** before the day which is due to be the next **key date**.

- A.714 **We** can change the **key date** to reflect changes to the way **we** look after **your Intelligent Finance plan** or Intelligent Finance plans generally (including changes in technology **we** use) or because **we** agree to lend **you** a **further advance** or for **you** to transfer from one type of mortgage product to another. If **we** change the **key date**, **we** will tell **you** what day in each month will be the new **key date** at least 14 **banking days** before the day which is due to be the first new **key date**.
- A.715 If either **you** or **we** change the **key date**:
- A.715.1 if the proposed new **key date** is earlier in the month than the old **key date**, the first new **key date** will fall on the corresponding day in the second calendar month after the month of the last old **key date**; and
- A.715.2 if the proposed new **key date** is later in the month than the old **key date**, the first new **key date** will fall on the corresponding day in the first calendar month after the month of the last old **key date**.
- A.716 **You** can change **your** election for interest on a savings **jar** to be added to the **jar** once a month or once a year up to twice in any 12 month period.

A.8 When can we change interest rates?

- A.8.1 **We** set out details of the interest rates for the different products **you** can have with **us** online. **We** will also send **you** information about **our** interest rates by post at least once a year.
- A.8.2 **We** can change **our** interest rates (other than fixed rates). **We** can do this if it is reasonable to make the change because of the following circumstances:
- A.8.2.1 to reflect a change or changes in the **Bank of England's base rate** (that is the rate set by the Bank of England in connection with its open money market operations);
- A.8.2.2 to reflect changes in rates of interest charged or paid by other major banks or financial organisations;
- A.8.2.3 to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar organisation or an undertaking to the Director General of Fair Trading or a qualifying body (as defined in the Unfair Terms in Consumer Contracts Regulations 1999);
- A.8.2.4 to reflect changes to the law, codes of practice or the way **we** are regulated;
- A.8.2.5 to reflect changes to standards published by other organisations which **we** agree will apply to **your Intelligent Finance plan** or any **jar** in it;
- A.8.2.6 to reflect changes in the costs **we** incur in looking after **your Intelligent Finance plan** because of:
- A.8.2.6.1 the steps **we** have taken to modernise or improve **our** systems for managing Intelligent Finance plans generally; or
- A.8.2.6.2 reasons outside **our** control;
- A.8.2.7 because:
- A.8.2.7.1 **we** are going to take over, take control of or acquire the business of another bank or organisation offering similar services;
- A.8.2.7.2 **we** are going to be taken over or **our** business is acquired by another bank or organisation; or
- A.8.2.7.3 any of those things has happened,
- and the change will make sure that **our** customers and the customers of the other bank or organisation are treated in a similar way if they are in similar categories.

Where **we** refer to changes in the above list, **we** mean changes **we** know or reasonably believe will happen or changes which have already taken place.

- A.8.3 **We** can also change **our** interest rates (other than fixed rates) **we** charge **you** on money **you** owe **us** to reflect changes in the cost to **us** of raising the money **we** lend to customers.
- A.8.4 **We** can also change interest rates (other than **special rates**) for any other valid reason.
- A.8.5 If **we** change interest rates on any of the **jars** that **you** have, **we** will give **you** notice within 30 days of any change unless the **jar** is governed by an agreement regulated by the Consumer Credit Act 1974 in which case we will give you notice not less than seven days before the change takes effect. The relevant notice may be published in at least three national newspapers.
- A.8.6 If **we** change the interest rate under condition A.8.4 (that is to say, if **we** change it for a valid reason which is not set out in condition A.8.2 or A.8.3), **we** will give **you** notice of the change at the earliest opportunity.

A.9 Charges and expenses

- A.9.1 **We** can make charges in connection with any part of **your Intelligent Finance plan**.
- A.9.2 **We** can make charges for services **we** make available to **you**.
- A.9.3 **We** set out details of **our** charges in leaflet format. They are also available online at www.if.com or by calling Intelligent Finance on 0845 609 4343.
- A.9.4 **We** can change the amounts **we** charge **you**, to reflect changes (including changes caused by inflation) in;
- A.9.4.1 the costs of running any **jar** within **your plan**;
- A.9.4.2 the costs **we** incur in carrying out any activity connected with any **jar** within **your plan**; or
- A.9.4.3 the costs of providing services on any **jar** within **your plan**.
- A.9.5 **We** can also make new or different charges to reflect the costs of providing existing or new or different services on any **jar** within **your plan**.
- A.9.6 Except for charges relating to mortgage **jars**, **we** can also change the amounts **we** charge **you**, make new or different charges or change how **you** have to pay charges for any other valid reason.
- A.9.7 **We** will advise **you** of any changes to charges in Condition A.9.4 for the day-to-day running of **your plan** at least 30 days beforehand in writing.
- A.9.8 If **you** ask to use a special service, **we** will tell **you** the charge.
- A.9.9 If **we** incur an expense as a result of anything **we** are entitled to do in connection with **your Intelligent Finance plan** or anything **you** have done or not done, **you** have to pay **us our** expenses. This includes the cost of getting back any money **you** owe **us** and any legal proceedings started by or against **us** in connection with **your Intelligent Finance plan**.
- A.9.10 If **you** do not pay any charge **we** make or expense **we** incur when **you** have to, **we** will charge interest on it until it is paid or, in the case of a current account **jar**, **we** charge the amount to **your** current account **jar**.
- A.9.11 **You** must pay **us** any tax properly chargeable on any charge **we** make or expense **we** incur in connection with **your Intelligent Finance plan**.

A.10 Your statements

- A.10.1 **We** will provide **you** with a statement once a year, unless the law or a regulation requires **us** to provide **you** with a statement more frequently. **We** will also send you statements for **your** current account **jars** online if **you** have asked to receive statements in this way.
- A.10.2 **You** should check **your** statements and let **us** know as soon as **you** can if **you** think that they are wrong.
- A.10.3 Paper statements **we** send **you** will show the position for **your Intelligent Finance plan** at 8.30 p.m. on the day the statement is produced. Any transactions that take place after 8.30 p.m. on that day will appear on the next statement.

A.11 Our rights

- A.11.1 If **we** think that **your Intelligent Finance plan** or any part of it is being used or might be used for illegal purposes or if **we** find out that there is a disagreement about who owns the money in it or how **your Intelligent Finance plan** or any **jar** in it operates, **we** may freeze **your Intelligent Finance plan** or part of it. This means **we** will not allow anyone to take money out, pay money in (unless **we** agree) or carry out any other transaction until **we** are satisfied that **your Intelligent Finance plan** is not being used for illegal purposes or the disagreement is settled.
- A.11.2 If **we** delay in enforcing any term which forms part of the conditions which apply to **your Intelligent Finance plan** or any part of it, this will not affect **our** right to enforce it or the rest of the terms.
- A.11.3 If **we** choose not to enforce any term which forms part of the conditions which apply to **your Intelligent Finance plan** or any part of it, this will not affect **our** right to enforce the rest of the terms.
- A.11.4 If **we** cannot enforce any term which forms part of the conditions which apply to **your Intelligent Finance plan** or any part of it, this will not affect **our** right to enforce the rest of the terms.
- A.11.5 **We** look after Intelligent Finance plans generally by taking a 'net balance' approach. This means that when **we** are monitoring how **you** operate **your Intelligent Finance plan**, or when deciding whether to lend **you** money, **we** take into account not only **your** financial circumstances but also what other **jars** and balances **you** have in **your Intelligent Finance plan** and whether **you** have operated the **Intelligent Finance plan** properly. To help **us** do this, **we** have, depending on when **you** applied to open **your Intelligent Finance plan** and the **jars** within it, the rights in conditions A.11.6 and A.11.7.
- A.11.6 If **you** have to pay off immediately any debt **you** owe **us** on any **jar** **you** applied to open on or after 1st September 2003, **we** may reduce or pay off the debt by using:
- A.11.6.1 the money in any other **jar** owned by **you** alone in **your Intelligent Finance plan**; or
- A.11.6.2 any other money held in **your** name alone in any other plan or account with **us**.
- If the debt is owed by **you** both, **we** can use money held by either of **you** alone or by both of **you** jointly with each other.
- A.11.7 If **your Intelligent Finance plan** was opened on or after 31st October 2004, **we** may also reduce or pay off any debt **you** owe **us** on any **jar** in **your Intelligent Finance plan** (whether or not **you** have to pay off the debt immediately) by using the money **we** owe **you** on any other **jar** in **your Intelligent Finance plan**. However, in exercising **our** rights under this condition A.11.7, **we** will not **use** any money on which **we** are paying **you** interest to reduce or pay off a debt on which **we** are charging **you** interest at a lower or nil rate. **We** explain how **we** achieve this in conditions A.11.7.1 and A.11.7.2.

A.11.71 If and so long as **you** have chosen Option 1 (see condition A.7.71), **we** will arrange the money **you** owe **us** in a stack, placing the debt on which **we** charge the highest rate of interest at the bottom of the stack. **We** will also arrange the money **you** have in any other **jars** owned by **you** alone in **your Intelligent Finance plan** in a stack, placing the amount on which **we** pay the lowest rate of interest at the bottom of the stack. If the balance of a **jar** is made up of more than one part, each part is stacked separately according to the rate that applies to it. If two or more balances or parts of balances have the same interest rate, **we** will stack them in the order in which **we** opened the **jars** for **you** or, in the case of parts, in the order in which **we** number them on **your** statements. **We** will stop stacking when **we** reach the point (the 'set-off cut-off point') where:

A.11.71.1 **we** have stacked all the money **we** owe **you**; or

A.11.71.2 **we** have stacked all the money **you** owe **us**.

We may then use any of the money that is below the set-off cut-off point in the stack of money **we** owe **you** to reduce or pay off the money that is below the set-off cut-off point in the stack of money **you** owe **us**.

A.11.72 If and so long as **you** have chosen Option 2 (see condition A.7.7.2), **we** will stack the money **you** owe **us** and the money **we** owe **you** in the way described in condition A.11.71, except that **we** will continue stacking until **we** reach the point (the 'set-off cut-off point') where:

A.11.72.1 **we** have stacked all the money **we** owe **you**; or

A.11.72.2 **we** have stacked all the money **you** owe **us**; or

A.11.72.3 the interest rate on any money **we** owe **you** exceeds the interest rate on the rest of the money **you** owe **us**.

We may then use any of the money that is below the set-off cut-off point in the stack of money **we** owe **you** to reduce or pay off the money that is below the set-off cut-off point in the stack of money **you** owe **us**.

A.11.73 In conditions A.11.71 or A.11.72, if the debt is owed by **you** both, **we** can use money within **your Intelligent Finance plan** held by either of **you** alone or by both of **you** jointly with each other.

A.11.74 **We** will not charge a **special rate early repayment charge** on any debt **we** repay under condition A.11.71 or A.11.72, or on any money **we** use to repay the debt.

A.11.8 **We** will notify **you** if **we** use **our** rights in conditions A.11.6 or A.11.7.

A.11.9 If **you** have another plan or account with **us**, **our** rights under that plan or account may allow **us** to reduce or pay off any debt which **you** owe **us** under that plan or account by using the money in any **jar** in this **Intelligent Finance plan**. **You** should check the conditions that apply to the other plan or account to see if this is the case.

A.12 When can we change these conditions?

A.12.1 If **we** give **you** at least 30 days' notice, **we** can change these conditions (except the conditions in section F), or the ones which apply to any services on **your Intelligent Finance plan**, for any valid reason.

A.12.2 When **we** change any of the conditions in sections A to E, **we** may set out the changes in a new edition of these conditions. If **we** do this, **we** will tell **you** the date when the new edition is to come into force. Sections A to E of the new edition will apply to **your Intelligent Finance plan** from that date in place of this edition.

A.12.3 When **we** give you notice of a change to the conditions, **we** will:

A.12.3.1 send **you** a copy of the new edition of the conditions; or

A.12.3.2 send **you** a summary of the new conditions and tell **you** how **you** can access the new edition of the conditions online or telephone to get a printed copy of the new edition of the conditions.

We will give **you** notice of a change to these conditions in the way described in condition A.12.3.1 unless **you** have given, and not withdrawn, **your** consent to **our** giving notice in the way described in condition A.12.3.2.

A.12.4 If **you** ask **us** to let **you** transfer from one mortgage product to another, including to a mortgage product which allows **you** to choose a **mortgage payment option**, and the conditions which apply to new Intelligent Finance mortgages of that sort have changed since **you** took out or transferred to **your** current mortgage product, **we** may make it a condition of **us** agreeing to let **you** transfer to the other mortgage product that the most recent edition of the Intelligent Finance conditions in use at that time shall apply to **your** mortgage and replace the conditions that apply to **your** mortgage before the product transfer. If **we** decide to use this right, **we** will make a complete set of the most recent edition of the Intelligent Finance conditions available to **you** either by sending them to **you** or publishing them on **our** website. By transferring from one mortgage product to another **you** agree to the new conditions applying to **your** mortgage **jar** when the mortgage product transfer takes place. If **we** do not ask **you** to sign a deed of variation, **you** agree that **you** will sign one if and when **we** ask **you** to.

A.12.5 **We** can change any of the services available with **your Intelligent Finance plan**. **We** will give **you** at least 30 days' notice (unless it is not practicable to do so, in which case **we** will give **you** as much notice as possible). **We** can make changes if it is reasonable to make the change for the following reasons:

A.12.5.1 to reflect changes in market conditions beyond **our** control;

A.12.5.2 to reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar organisation or undertaking to the Director General of Fair Trading or a qualifying body (as defined in the Unfair Terms in Consumer Contracts Regulations 1999);

A.12.5.3 to reflect changes to the law, codes of practice or the way **we** are regulated;

A.12.5.4 to reflect changes to standards published by other organisations which **we** agree will apply to **your Intelligent Finance plan** or any **jar** in it;

A.12.5.5 to reflect changes in the costs **we** incur in looking after **your Intelligent Finance plan** because of:

A.12.5.5.1 the reasonable steps **we** have taken to modernise or improve **our** systems for managing the Intelligent Finance plans generally; or

A.12.5.5.2 reasons outside **our** control;

A.12.5.6 because:

A.12.5.6.1 **we** are going to take over, take control of or acquire the business of another bank or organisation offering similar services;

A.12.5.6.2 **we** are going to be taken over or **our** business is acquired by another bank or organisation; or

A.12.5.6.3 any of these things has happened,

and the change will make sure that **our** customers and the customers of the other bank or organisation are treated in a similar way if they are in similar categories; or

A.12.5.7 because someone else provides a service or facility for **you**, or in relation to **your Intelligent Finance plan**, and for good commercial reasons **we** decide to use a different service provider or that service provider changes, suspends or withdraws the service or facility, or **we** reasonably believe they will do so.

A.12.5.8 to reflect changes in technology or security design.

Where **we** refer to 'changes' in the above list, **we** mean changes **we** know or reasonably believe will happen or changes which have already taken place.

A.12.6 Whenever condition A.12.5 allows **us** to change any of the services available with **your Intelligent Finance plan** or the conditions that apply to them, **we** may instead suspend or withdraw those services or facilities.

A.12.7 If **you** have a **jar** on which **we** pay **you** interest at a **special rate** or a **jar** on which **you** have to give **us** notice before **you** withdraw money or before **you** can close the **jar** and **we**:

A.12.7.1 change any of these conditions under condition A.12.1; or

A.12.7.2 increase any charge, make new or different charges or change the way **you** have to pay charges for services on the **jar**,

you will not have to give **us** notice or pay a **special rate early repayment charge** if, at any time before the change to conditions comes into force, **you** close **your jar**.

A.12.8 **We** may change the name of these conditions.

A.13 Transferring of your rights and our rights

A.13.1 **You** are not allowed to transfer or assign any of **your** rights or obligations under **your Intelligent Finance plan** without **our** permission.

A.13.2 **We** have the right to transfer **our** right to receive any money **you** owe **us** under **your Intelligent Finance plan** under the general law or specific pieces of legislation.

A.13.3 **We** can transfer **our** right to receive any of the money **you** owe **us** under **your Intelligent Finance plan** or any of **our** rights under **your Intelligent Finance plan**, if:

A.13.3.1 **you** agree (**you** cannot refuse without good reason);

A.13.3.2 **we** follow any code of practice then in force which relates to transferring similar financial products and which **we** and other major financial institutions support; or

A.13.3.3 the person who takes over **our** rights agrees to use those rights as fairly as **we** would (based on how **we** handle similar rights under similar products which **we** were not transferring).

A.13.4 **We** can transfer **our** obligations under **your Intelligent Finance plan** if **you** agree.

A.13.5 If **we** transfer **our** rights or obligations under **your Intelligent Finance plan**, **you** must accept that the person who takes over **our** rights may rely on any statement **we** reasonably make about the transfer (such as the amount of money **you** owe).

A.14 Notices

A.14.1 If **we** give **you** notice, **we** will do so in writing (either electronically or by post) to the address **we** hold on **our** records for this purpose. If there are two of **you**, the address **we** will use will be the address **we** hold on **our** records for the person whose name appears first as plan holder of **your Intelligent Finance plan**.

A.14.2 If **you** give **us** notice, **you** may do so by telephone, on **our** website or in writing (either electronically or by post). If **you** give **us** notice over the telephone, electronically or on **our** website, **we** may ask **you** to confirm **your** notice in writing.

A.14.3 A notice may give the date when it will come into force. Except in the case of a notice **we** give under condition A.8.5 or A.8.6, this cannot be earlier than the date on which **we** give **you** the notice. If **we** do not give a date, the notice will come into force:

A.14.3.1 24 hours after it is sent, if the notice is sent by email or electronically;

A.14.3.2 48 hours after it is posted (if sent to an address in the United Kingdom) or 10 days after it is posted (if sent abroad).

A.15 What happens if someone else is looking after your finances?

A.15.1 If **you** have appointed someone as **your** attorney or someone has been appointed by a court to look after **your** finances, **we** may allow them to use or close **your Intelligent Finance plan** or any part of it. If **we** do so, **we** may set reasonable conditions.

A.15.2 If **we** allow someone else to use **your Intelligent Finance plan** or part of it under condition A.15.1, **you** may be legally responsible for anything they do with **your Intelligent Finance plan**.

A.15.3 **We** may also freeze **your Intelligent Finance plan** or any part of it if **we** find out that a bankruptcy order is made against **you** or **we** reasonably think that one is likely to be made. This means **we** will not allow anyone to take money out of any part of **your Intelligent Finance plan**, pay money in or carry out any other transaction unless that person has a legal right to do so (for example, a trustee in bankruptcy).

A.16 When can we tell someone else about your Intelligent Finance plan?

A.16.1 **We** may give details of **your Intelligent Finance plan**, any part of it or **your** name and address to anyone else if:

A.16.1.1 the law says **we** must;

A.16.1.2 **we** have a public duty to do so;

A.16.1.3 this is necessary to protect **our** interests or the interests of **our** holding company or another subsidiary of **our** holding company;

A.16.1.4 **you** ask us to give the details to someone else or agree that **we** can give them to someone else (for example by signing the application form for your **plan** or any jar within your plan)

A.16.1.5 **we** are discussing transferring **our** rights or obligations under **your Intelligent Finance plan** or any part of it to someone else.

A.16.2 **We** may also give the police or any prosecuting or regulatory authority any information they need if **we** think it will:

A.16.2.1 help them;

A.16.2.2 avoid loss;

A.16.2.3 help recover any missing money **you** or **we** have paid or received in connection with **your Intelligent Finance plan**;
or

A.16.2.4 help recover anything **you** or **we** have lost or that has been stolen.

A.16.3 **We** may also give credit reference agencies information about **your Intelligent Finance plan** because **you** have agreed to this by signing the form **we** send to **you** to confirm that **we** agree to open **your Intelligent Finance plan** or a **jar** within it which included an appropriate declaration. This includes giving the agencies information if:

- A.16.3.1 **you** borrow more money from **us** (which, if **you** have a mortgage **jar**, includes borrowing any part of the **pre-agreed reserve** or the **built-up reserve**); or
- A.16.3.2 **you** do not make a payment in connection with **your Intelligent Finance plan** or any part of it on time, or at all.

A.17 Closing your Intelligent Finance plan

- A.17.1 **You** may close **your Intelligent Finance plan** or any **jar** within it at any time by giving **us** notice. **We** will say how much notice **you** have to give **us** in the letter **we** send **you** confirming that **you** may open the **jar** or, if the **jar** is a mortgage **jar**, in the **offer** or any **extra agreement**. If the **jar** **you** want to close is one which is subject to a **special rate early repayment charge**, **you** will have to pay **us** the **special rate early repayment charge** (unless condition F.10.4 or F.10.5 allows **you** to close the **jar** without paying the **special rate early repayment charge**).
- A.17.2 **You** must tell **us** if **you** want **us** to close **your Intelligent Finance plan** or any part of it. If **we** tell **you**, **you** must give back, or follow **our** instructions in connection with, **your** cheque books, **debit cards** and pay **us** anything **you** owe **us** or how much **we** tell **you** if **you** are closing part of **your Intelligent Finance plan**.
- A.17.3 **We** may close **your Intelligent Finance plan** or any part of it by giving **you** written notice. Normally the notice will be at least 30 days. However, if **you** have a mortgage **jar** **we** must comply with condition F.2.4.
- A.17.4 **We** may close **your Intelligent Finance plan** or any **jar** within it immediately, (unless by law we have to tell **you** first) if there are exceptional circumstances such as, if:
- A.17.4.1 **you** use **your Intelligent Finance plan** or any **jar** in it in an illegal way or a way that **we** reasonably consider to be inappropriate.
- A.17.4.2 **you** behave towards **us** or any of **our** employees or agents in a way that **we** reasonably consider to be threatening or abusive.
- A.17.4.3 there is evidence of fraud or **we** reasonably believe **you** are involved in any serious criminal or unlawful activity, or
- A.17.4.4 for any other valid reason.
- A.17.5 **We** will tell **you** as soon as possible if we do this.
- A.17.6 If **you** move to an address outside the United Kingdom or **you** apply from abroad, using the internet:
- A.17.6.1 to open a new **jar**; or
- A.17.6.2 to borrow more money from **us**,
- we** may close **your Intelligent Finance plan** or any **jar** within it. **We** will give **you** notice, but **we** will not let **you** use **your Intelligent Finance plan** during the notice period.
- A.17.7 If **we** close all **jars** within **your Intelligent Finance plan**, **we** may also close **your Intelligent Finance plan** itself.
- A.17.8 If **we** close **your Intelligent Finance plan** or any **jar** within it, **we** will, subject to condition A.17.9,
- A.17.8.1 return **your** money to **you** along with any interest **we** owe **you** on **your Intelligent Finance plan**.
- A.17.8.2 **You** will still have to pay back any sum which **you** owe **us** on any **jar** which has been closed in **your plan** including any interest and charges.
- A.17.9 When closing **your Intelligent Finance plan** or a **jar** within it, **we** may pay the money **we** owe **you** to someone else if **we** have to do so.

A.17.10 Unless **we** pay **you** interest at a **special rate** on a **jar** within **your Intelligent Finance plan**, **we** can close the **jar** and keep the money in it if:

A.17.10.1 **you** have less than £100 in it;

A.17.10.2 **you** have not taken any money out of the **jar** or paid any money into it for the past 12 months; and

A.17.10.3 **we** have not been able to find **you** after making reasonable attempts.

A.17.11 If **we** close a **jar** under condition A.17.10, **we** will re-open it if:

A.17.11.1 **you** ask **us** to; or

A.17.11.2 **we** think it is reasonable to re-open it.

If **we** re-open **your jar**, **we** will pay back any money which was in the **jar** when **we** closed it. **We** will also pay any interest which the money would have earned if **your jar** had stayed open in the meantime.

A.17.12 If **we** close a current account **jar** or a savings **jar you** have in **your Intelligent Finance plan**:

A.17.12.1 **we** can still take the money out of **your jar** to cover any **withdrawal**; and

A.17.12.2 **you** will still have to pay back any overdraft, interest or charges which **you** owe **us** on **your jar**.

A.18 Foreign currency transactions

A.18.1 If **we** tell **you** that **you** can use **your debit card** to make a **debit card transaction** in a foreign currency, the amount of the **debit card transaction** will be changed to pounds sterling on the date **we** take it out of **your** current account **jar**. **We** may also make a charge for this service. **We** will choose the exchange rate that will apply but **we** will always make sure that **we** choose a reasonable one.

A.19 Special Arrangements

A.19.1 There are special arrangements if **you** want to pay foreign currency into **your Intelligent Finance plan** or take it out. Ask **us** for details.

A.19.2 Special arrangements apply to:

A.19.2.1 cash in foreign currencies;

A.19.2.2 cheques in foreign currencies or from foreign banks;

A.19.2.3 automatic credits.

If **you** need any more information, ask **us** for details.

A.20 General

A.20.1 Telephone calls to or from **us** (or someone acting on **our** behalf) may be monitored and recorded by **us** (or someone acting on **our** behalf). **We** may do this to check any instructions **you** give **us** over the telephone and to help **us** train **our** staff.

A.20.2 **We** may limit the amount **you** or someone else may pay into any **jar** in **your Intelligent Finance plan** if **we** think this is necessary to:

- A.20.2.1 run **our** business lawfully;
- A.20.2.2 make sure **our** financial regulator approves of the way **we** run **our** business; or
- A.20.2.3 take account of changes in market conditions.
- A.20.3 **We** may limit the amount **you** may take out of any **jar** in **your Intelligent Finance plan** if **we** think this is necessary to:
- A.20.3.1 run **our** business lawfully; or
- A.20.3.2 make sure **our** financial regulator approves of the way **we** run **our** business.
- A.20.4 For administrative reasons, **we** can change any address, website or telephone number **we** use in connection with any part of **your Intelligent Finance plan** or the name or number of any part of **your Intelligent Finance plan** by giving **you** notice first.
- A.20.5 For similar reasons, **we** can also change the name of any service **you** use in connection with any part of **your Intelligent Finance plan**, without giving **you** notice.
- A.20.6 **You** must give **us** an example of **your** signature if **we** ask **you** to.
- A.20.7 Unless the law or a regulation says **we** cannot, **we** will keep any commission paid or allowed in connection with any insurance or other thing which **we** arrange.
- A.20.8 **You** must give the **jars** in **your Intelligent Finance plan** individual names. **You** must not use the same name for more than one **jar**, a name that is too similar to the name of another **jar**, or a name that is inappropriate, illegal, offensive or defamatory.
- A.20.9 **We** will not be liable to **you** if **we** are unable to perform any particular service or **our** obligations to **you** for any reason outside **our** control.
- A.20.10 Each paragraph and subparagraph in these conditions is separate from the others.
- A.20.11 The Contracts (Rights of Third Parties) Act 1999 will not apply to the conditions in this booklet.
- A.20.12 **You** must tell **us** immediately if **you** change **your** name, postal address, email address or telephone number.
- A.20.13 The agreement or agreements between **you** and **us** will be written in English.
- A.20.14 Communications between **you** and **us** will be in English.

A.21 Governing law

These conditions are part of the legal agreement between **you** and **us**. They are governed by English law except that those parts of these conditions applying to any **mortgage** will be governed by the law of the country in which the **property** is situated.

SECTION B

CURRENT ACCOUNTS

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B.1 The different sections of this booklet

This section only applies to current account **jars** within **your Intelligent Finance plan**. It must be read alongside section A.

B.2 Cash withdrawals

- B.2.1 On any day **you** may only withdraw cash of up to the maximum amount **we** set for cash **withdrawals** from cash dispensers. **You** must have enough money in **your** current account **jar** or an arranged overdraft.

B.3 When can we take money out of your current account jar?

- B.3.1 When a cheque **you** have written is presented to **us** for payment, if **you** do not have enough money in **your** current account **jar** (taking into account any arranged overdraft and the amount of any **withdrawal** which **we** have still to take out of **your** current account **jar**), **we** can refuse to pay the cheque. **We** may ignore any money that is paid into **your** current account **jar** later that day.
- B.3.2 **We** may let **you** set up a standing order or similar arrangement on **your** current account **jar** so that **you** can pay someone else. **We** can take the payment out of **your** current account **jar** on the day before **we** send it. **We** will send the payment on the date **we** are asked to pay it or as near to that date as possible. However, because of the way the banking system works, **we** will not be responsible for making sure the payment reaches that person by a given date.
- B.3.3 **We** may let **you** set up a direct debit on **your** current account **jar** so that **you** can pay someone else. **We** will make the payment when the person **you** have authorised to receive the payment asks **us** to. However, **we** will not be responsible for making sure the payment is made by a certain date. This is because of the way the banking system works and because the person that **you** have agreed to pay by direct debit has to ask for the payment to be made from **your** current account **jar**.
- B.3.4 When **we** use **our** rights under conditions A.11.6 or A.11.7, **we** may use the money in **your** current account **jar** to reduce or pay off the debt **you** owe **us** provided **we** only use those parts of **your** money as described in conditions A.11.6 or A.11.7 respectively.

B.4 Using cheques

- B.4.1 **Important:** When **you** write a cheque **you** must put the actual date on it. If **you** put a future date on a cheque **we** can still pay it before the date on the cheque. If this happens, **we** will not pay **you** for any loss that **you** suffer as a result.
- B.4.2 **You** must not change any of the printed words on the cheques in **your** cheque book including the 'Account Payee' crossing. **We** may pay a cheque even if **you** change one of the printed words on it.
- B.4.3 **We** may pay a cheque which **you** write to pay money out of **your** current account **jar** even if the date on the cheque is more than six months ago.
- B.4.4 Unused cheques belong to **us**. **You** must return them to **us** (or to someone acting for **us**) if **we** ask **you** to do so. For example, **we** may do this if condition A.11, A.15 or A.17 applies or if:
- B.4.4.1 **we** believe that the cheques are being used by someone else;
- B.4.4.2 **we** believe that **you** are not keeping to the conditions relating to the use of cheques or if you have an unarranged overdraft on **your** current account **jar**; or
- B.4.4.3 **we** need to replace them for technical, security or design reasons.
- B.4.5 **You** must not ask for money at the address which is printed on **your** cheques.

B.4.6 If **we** think that **you** are not keeping to these conditions, **we** may refuse to give **you** new or replacement cheques.

B.5 Stopping payments

B.5.1 **Important:** **You** can stop a cheque which **you** have written if **you** tell **us** before **we** are asked to pay it. **You** cannot stop a cheque that **you** have used **your debit card** to guarantee (see condition B.8.1).

B.5.2 **Important:** **You** cannot stop a **debit card transaction**.

B.5.3 If **you** want to stop a standing order, direct debit or similar arrangement to pay someone from **your** current account **jar**, **you** must let **us** know before the payment is due to be made.

B.5.4 If **you** tell **us** to stop a direct debit payment, this will have the effect of cancelling the direct debit instruction **you** have given to the person who has requested the payment. If **you** want to use a direct debit to pay that person in the future, **you** will need to complete a new direct debit instruction.

B.6 Taking care of your debit card

B.6.1 **We** may agree to give **you** a **debit card** if **you** have asked for one. **We** may ask **you** to pay a sum of money into **your** current account **jar** before **we** give **you** **your debit card**. If **you** pay this money in by cheque, **we** may wait until the cheque has cleared. **We** may then send **you** a replacement or new **card**. **We** will tell **you** what **you** can use **your debit card** for.

B.6.2 **You** must sign **your debit card** as soon as **you** get it.

B.6.3 **You** must take every care:

B.6.3.1 to stop anyone else using **your debit card**;

B.6.3.2 not to keep **your debit card** with any cheque book for **your** current account **jar**;

B.6.3.3 to keep **your debit card** safe and to prevent it from being lost, stolen or used by anyone else.

B.6.4 **You** must only tell or show someone the numbers printed on **your debit card** if **you** need to do so to make a **debit card transaction** or to guarantee a cheque. **You** can also give the numbers if **you** report the loss or theft of **your debit card** or report that **your debit card** might be used by someone else.

B.6.5 **You** should keep **your debit card** receipts safe and dispose of them carefully.

B.6.6 Intelligent Finance VISA **debit cards** are now part of the global "Verified by VISA" scheme. This service is available through Intelligent Finance Secure and means that when **you** are shopping online with **your** Intelligent Finance VISA **debit card**, certain retailers who are part of the scheme will prompt **you** to enter **your** chosen password before a transaction can be completed. This extra security measure will help reduce online fraud. **You** can register for Intelligent Finance Secure when using **your debit card** at any participating website, or **you** can register any time and find out more on **our** website at www.if.com.

B.7 When can you use your debit card?

B.7.1 Unless condition B.7.4, B.7.5, B.7.6 or B.7.7 applies, **you** may use **your debit card** from the 'valid from' date until the expiry date shown on **your debit card**. **You** may need to call **us** before **you** can use **your debit card**. **We** will pay for any **withdrawals** which **you** make by using **your debit card** by making an automatic transfer from **your** current account **jar**.

B.7.2 **Your debit card** belongs to **us**. **You** must destroy it immediately after the expiry date.

- B.7.3 **You** may give **your debit card** back to **us** at any time.
- B.7.4 **You** must return **your debit card** to **us** (or to someone acting for **us**) if **we** ask **you** to. **We** may do this if condition A.11, A.15 or A.17 applies or if:
- B.7.4.1 **we** believe that **your debit card** is being used by someone else;
- B.7.4.2 **we** believe that **you** are not keeping to the conditions in sections A and B and as a result it is reasonable for **us** to ask **you** to return the **debit card** (for example if we have asked you to repay an overdraft and you have failed to do so);
- B.7.4.3 **we** need to replace **your debit card** with a new one for technical, security, regulatory or design reasons;
- B.7.4.4 **you** enter into a voluntary arrangement with anyone **you** owe money to (or **you** are going to do so);
- B.7.4.5 **you** apply to a court for an interim order (that is, a court order which gives **you** temporary protection from claims made by someone **you** owe money to);
- B.7.4.6 a bankruptcy order is made against **you** or **we** think that one is likely to be made;
- B.7.4.7 an administration order has been made under the appropriate legislation which covers how **you** are to repay money which **you** owe; or
- B.7.4.8 **your** current account **jar** is closed.
- B.7.5 If **we** ask **you** to return **your debit card**, **you** must not use it again and **you** must return it to **us** as soon as possible. If **you** do use **your debit card** again, **we** may take out of **your** current account **jar** the amount of any **withdrawal** which **you** make by using **your debit card**. **We** may put a 'stop' on **your debit card** to stop **you** using it.
- B.7.6 If **we** think that **your debit card** is being used by someone other than **you**, **we** may (without telling **you** first) put a 'stop' on the **debit card** to stop anyone using it.
- B.7.7 **We** may stop **you** using **your debit card** (without telling **you** first) if **you** are not keeping to the conditions in sections A and B and, as a result it is reasonable for us to stop your card (for example, if we have asked you to repay an overdraft and you have failed to do so). **We** may also refuse to give **you** a new or replacement **debit card**.
- B.7.8 **We** may withdraw facilities on **your debit card** (for example, removing the cheque guarantee function) after reviewing **your** personal circumstances or the way **you** run **your** current account **jar**.
- B.7.9 Unless it is **our** fault, if someone else refuses to accept **your debit card** or keeps it, **we** will not pay **you** for any loss **you** suffer (for example, if a shop assistant thinks that **your debit card** has been stolen).

B.8 How do you use your debit card to guarantee a cheque?

- B.8.1 If **your debit card** has a cheque guarantee sign on it, **we** will always pay a cheque **you** write for no more than the amount shown on the cheque guarantee sign on **your debit card**, if the person that **you** make the cheque out to complies with the Association for Payment Clearing Services Rules of the United Kingdom Domestic Cheque Guarantee Card Scheme. Copies of the rules are available from **us**.
- B.8.2 **You** must not use **your debit card** to guarantee a cheque if the amount of the cheque is more than **you** have in **your** current account **jar** (taking account of any arranged overdraft and the amount of any **withdrawal** which **we** have still to take out of **your** current account **jar**).

B.9 Taking care of your PIN

- B.9.1 **We** will give **you** a **PIN** to use with **your debit card**. The same **PIN** is used in cash dispensers as well as when **you** make other **debit card transactions**.
- B.9.2 When **you** get the **PIN** to use with **your debit card**, **you** should change it to a number that **you** will remember easily. **We** will tell **you** how to do this.
- B.9.3 **You** must take all reasonable steps to keep **your PIN** secret at all times. **You** must:
- B.9.3.1 take every care to stop anyone else using it;
- B.9.3.2 immediately destroy the piece of paper **we** send **you** to tell **you** what **your PIN** is; and
- B.9.3.3 not write **your PIN** on **your debit card** or anything usually kept with it.
- B.9.3.4 If **you** do write **your PIN** down, **you** must disguise it so that no one will know it is a **PIN**.

B.10 What should you do if your debit card, PIN or cheques are lost or stolen or you think they might be used by someone else?

- B.10.1 **Debit card and PIN** – If **you** lose **your debit card**, if it is stolen or **you** think that someone else might use it, or if **you** think that someone else knows **your PIN**, **you** must tell **us** as soon as **you** can by telephoning 0845 605 9595 (+44 131 658 3990 from abroad) or writing to Intelligent Finance, P.O.Box 17316, Edinburgh EH12 1AY. Someone acting for **you** (for example, a card notification organisation) may contact **us** on **your** behalf. **You** must give **us** any help **we** think is necessary to try to recover **your debit card** or to find out who might have used **your debit card** or **PIN**.
- B.10.2 **Cheques** – If **your** cheque book or a cheque is lost or stolen or **you** think that one of **your** cheques might be used by someone who should not use it, **you** must tell **us** as soon as **you** can by telephoning 0845 605 9595 (+44 131 658 3990 from abroad) or writing to Intelligent Finance, P.O. Box 17316, Edinburgh EH12 1AY. **You** must give **us** any help **we** think is necessary to try to recover **your** cheque book or any missing cheques or to find out who may have used them.
- B.10.3 If **you** report **your** cheque book or a cheque as being lost, stolen or likely to be used by someone else and **you** find it again, **you** must:
- B.10.3.1 tell **us** as soon as **you** can by getting in touch with **us** or phoning **us** – see above; and
- B.10.3.2 not use that cheque book or cheque until **you** have told **us** **you** have found it.

B.11 When are you legally responsible if you lose your debit card or PIN or they are stolen or used by someone else?

- B.11.1 **You** will not be responsible for a **debit card** or a **PIN** being used after **you** have reported that it is lost, stolen or might be used by someone else (unless it is used by **you** or on **your** behalf).
- B.11.2 If **you** lose **your debit card**, it is stolen or **you** think someone else might use it, or if you think that someone else knows your **PIN**, the most **you** will have to pay **us** for any loss **we** suffer because of the use of the **debit card** or **PIN** will be £50. The £50 limit applies for the period until:
- B.11.2.1 **you** or someone acting for **you** has given notice under condition B.10.1; or
- B.11.2.2 **you** get the **debit card** back.
- B.11.2.3 Condition B.11.2 does not apply if condition B.11.3 or B.11.4 applies.
- B.11.3 **You** may have to pay more than £50 in the following circumstances:

- B.11.3.1 If **your** current account **jar** is overdrawn or goes overdrawn because the **debit card** was used (before we received notice under condition B.10.1) by someone who got the **debit card** with **your** agreement.
- B.11.3.2 In any other case if **you** have been fraudulent or acted without reasonable care in connection with the loss or theft of **your debit card** or **PIN** or in allowing someone else to have **your debit card** or **PIN** for example, if **you** have not followed the instructions in conditions B.6 and B.9.
- B.11.4 **You** will not have to pay **us** any money for any loss **we** suffer because of the use of the **debit card** or **PIN** where **your debit card** or **PIN** has been used without your authority in connection with a distance contract as defined by the Consumer Protection (Distance Selling) Regulations 2000 or the Financial Services (Distance Marketing) Regulations 2004, for example, if your card has been stolen and then used to purchase goods over the internet.
- B.11.5 **You** must not use **your debit card** if it has been reported as lost, stolen or likely to be used by someone else. If **you** find **your debit card** after **you** or someone acting for **you** reported it, you must cut it into two pieces through the magnetic strip on the back of **your debit card** and through the hologram (if **your debit card** has one). If **you** use it to make a withdrawal, **we** may still take the amount of the withdrawal out of **your** current account **jar**.
- B.11.6 If there is a disagreement between **us** and **you** about the loss, theft or use of **your debit card** or **PIN**, **we** will only be able to get back any loss of more than £50 if **we** prove the necessary facts. **You** must help **us** fully in **our** investigations.
- B.11.7 If **we** reasonably think that:
 - B.11.7.1 **you** or someone else is using **your** current account **jar** illegally;
 - B.11.7.2 **you** are not keeping to these conditions; or
 - B.11.7.3 **your debit card** or **PIN** has been lost, stolen or is being used by someone else, **we** can refuse to carry out a **debit card transaction**. **We** can tell any relevant person that **we** have done this.
- B.11.8 **We** will only refund **your** current account **jar** with the amount of a **debit card transaction** if **we** get some proof (that it is reasonable for **us** to accept) that **you** do not have to pay for the goods or services that **you** bought by making the **debit card transaction**.

B.12 Our legal responsibility for debit card transactions

- B.12.1 **We** will be responsible for paying the amount of any **withdrawal** made with **your debit card** or **PIN** after **you** or someone acting for **you** gives **us** notice under condition B.10.1 unless:
 - B.12.1.1 **you** make the **withdrawal** or it is made by someone for **you**; or
 - B.12.1.2 **you** have been fraudulent or have acted without reasonable care as mentioned in condition B.11.3.2.
- B.12.2 If **you** never get **your debit card** from **us** (for example it is lost in the post), **we** will be responsible for paying the amount of any **withdrawal** made using it.
- B.12.3 **We** will be responsible for any loss on **your** current account **jar** which occurs as a result of a fault in a cash dispenser or other system **you** use with **your debit card**. **We** will not be responsible if the fault was obvious to **you** or **you** were told about it by a message or notice.
- B.12.4 **Our** responsibility under condition B.12.1, B.12.2 or B.12.3 will be limited to any amount (including interest) which **we** should not have charged to **your** current account **jar**.
- B.12.5 **We** will not be responsible for any loss or expense which **you** suffer:
 - B.12.5.1 if **your debit card** is damaged;
 - B.12.5.2 if any bank, machine, terminal, retailer or anyone else refuses to accept the **debit card** or keeps it; or

B.12.5.3 if **we** cannot carry out any **withdrawal**, payment into **your** current account **jar** or other transaction on **your** current account **jar**, or if **we** cannot provide any services or facilities, because of strikes, power cuts, equipment not working or other causes beyond **our** reasonable control.

B.13 Overdrafts

- B.13.1 Unless **we** agree that **you** can do so, **you** must not use **your** current account **jar** or allow anyone else to use it if:
- B.13.1.1 this would make **your** current account **jar** go into overdraft (where **you** do not have an arranged overdraft) or over **your** pre-arranged overdraft limit; or
- B.13.1.2 **your** current account **jar** is already overdrawn or over **your** overdraft limit (where **you** do not have an arranged overdraft) or is already over **your** pre-arranged overdraft limit.
- B.13.2 If **we** agree to let **you** have an arranged overdraft, **we** will decide **your** overdraft limit and tell **you** what it is. **We** may change it at any time but **we** will only reduce **your** overdraft limit or withdraw the availability of **your** overdraft where;
- B.13.2.1 **you** have failed to regularly fund the current account **jar**;
- B.13.2.2 **you** are in breach of a condition relating to the use of the overdraft;
- B.13.2.3 **your** circumstances have changed for the worse;
- B.13.2.4 **we** reasonably believe that the risks of lending to **you** have increased; or
- B.13.2.5 **we** reasonably believe that the reduction of withdrawal of the overdraft facility is necessary to prevent **you** from incurring a debt which **you** will be unable to repay.
- B.13.3 If **we** pay a cheque (including one which is guaranteed), charge interest, make charges on **your** current account **jar** or carry out a **withdrawal** or other transaction and this makes **your** current account **jar** go overdrawn or go over **your** overdraft limit, this does not mean **we** have agreed to allow **you** to have an overdraft or to increase **your** overdraft limit.
- B.13.4 Unless condition B.13.6 below applies, as long as **you** stay within **your** overdraft limit, **we** will charge **you** interest on **your** overdraft at **our** rate for arranged overdrafts.
- B.13.5 If without **our** agreement, **your** current account **jar** goes overdrawn or **you** go over **your** overdraft limit, if **you** have one, **we** will charge **you** interest on the amount of **your** overdraft that has not been arranged, at the rate **we** set for unarranged overdrafts. This rate will usually be higher than the rate **we** set for arranged overdrafts. **You** may also have to pay an arrangement fee and additional transaction charges.
- B.13.6 **We** may change the rates of interest we charge on overdrafts (see condition A.8). **You** can get details of the current rates on the web at www.if.com or by telephoning Intelligent Finance on 0845 609 4343.
- B.13.7 On each **key date**, **we** will work out what interest **you** have to pay **us** on **your** overdraft for the **interest period** that has just ended. If **you** have to pay **us** interest in connection with **your** overdraft, **we** will give **you** at least 14 days' notice that **we** intend to add the amount of interest **you** owe **us** to the amount of **your** overdraft (or take it off **your** credit balance) before doing so.
- B.13.8 If **we** have:
- B.13.8.1 asked **you** to pay any money **you** owe **us** on **your** current account **jar**; or
- B.13.8.2 got a court judgment for **you** to pay any money **you** owe **us** on **your** current account **jar**, then, for as long as **your** current account **jar** is overdrawn, **you** will have to pay interest under condition B.13.7 and any charges on **your** overdraft. If **we** have got a court order for **you** to pay any money **you** owe **us** on **your** current account **jar**, condition A.7.12 will apply.

- B.13.9 At any time, **we** may, subject to condition B.13.7, require **you** to pay **us** any overdraft, interest and charges which **you** owe on **your** current account **jar**.
- B.13.10 If **you** close **your** current account **jar**, **we** will follow the steps in condition B.13.7 to work out the interest **you** have to pay **us** when **you** close **your** current account **jar** including interest which has not yet been applied to **your** current account **jar**. **You** will also have to pay any overdraft and charges which **you** owe **us**.

B.14 What happens if your current account jar is in joint names?

- B.14.1 **We** will accept the instructions or signature of either one of **you**.
- B.14.2 Either one of **you** can withdraw the whole balance in the **jar** (including any funds available within **your** arranged overdraft limit), irrespective of which of **you** deposited the funds.
- B.14.3 If **your jar** is overdrawn each one of **you** is responsible for repaying the whole amount **you** owe **us** and not just a part of it.
- B.14.4 If one of **you** dies, **we** will continue to accept instructions in connection with **your jar** from the survivor.
- B.14.5 If **you** no longer require a joint **jar**, **you** must tell **us**:
- B.14.5.1 how **you** want **us** to divide the money **we** owe **you** (if any) between **you**;
- B.14.5.2 how **you** intend to repay any money **you** owe **us** (whether under an arranged overdraft or an unarranged overdraft); and
- B.14.5.3 what arrangements **you** want to make for payment of any standing orders and direct debits set up on the **jar**.
- B.14.6 If there is a disagreement about who owns the money in **your jar** or how it is to be operated, **we** may freeze **your jar**. This means **we** will not allow anyone to take money out, pay money in (unless **we** agree) or carry out any other transaction until **we** are satisfied that the disagreement is settled.
- B.14.7 **You** must not use a **debit card** which **we** supply to the other one of **you**.
- B.14.8 If **you** live at different addresses, **we** will send **you** any **debit cards** or cheque books to be used in connection with **your** current account **jar** to the address of the person whose name appears first on **our** records for **your Intelligent Finance plan**.

B.15 Automatic transfer of money between current account jars and savings jars

- B.15.1 If **you** have a current account **jar** and a savings **jar** in **your Intelligent Finance plan**, **you** can ask **us** to set up an arrangement where **we** will automatically transfer money from **your** savings **jar** (provided there is enough money in it) to **your** current account **jar** if the credit balance in **your** current account **jar** at the end of each **banking day** is less than an amount **you** tell **us** from time to time or **your** current account **jar** is overdrawn. The maximum amount **we** will automatically transfer on any **banking day** is £1,000. **We** may increase this maximum amount.
- B.15.2 **You** can only link one savings **jar** to each current account **jar** for the purposes of this arrangement.

B.16 Your rights

- B.16.1 **You** have the right to change **your** mind about opening a current account **jar** within **your Intelligent Finance plan**.
- B.16.2 If **you** wish to change **your** mind, **you** must tell **us** within 14 days of making **your** first payment into the **jar**. **We** will help **you** switch **your** money into another **jar** or **we** will give all **your** money back with interest. **We** will ignore any notice period and any charges on the **jar**. If **you** paid any money in by cheque, **we** will pay **you** the money back once seven **banking days** have passed since **we** received the cheque.

SECTION C

SAVINGS

if.com

C.1 The different sections of this booklet

This section only applies to the savings **jars** within **your Intelligent Finance plan**. It must be read alongside section A.

C.2 How do you use your savings jar?

We will tell **you** the smallest amount of money **you** must pay into each savings **jar** before **you** can open it.

C.3 When can we take money out of your savings jar?

C.3.1 **We** can take money out of **your** savings **jar** to cover:

C.3.1.1 each **withdrawal**;

C.3.1.2 each cheque and any other item which is paid into **your** savings **jar** but later returned to **us** unpaid;

C.3.1.3 the interest which **you** have to pay **us** on any savings **jar** overdraft;

C.3.1.4 any charge which **you** owe **us** on **your** savings **jar**.

We may do any of these if **your jar** is in credit or overdrawn or if it goes overdrawn because of the amount that **we** take out of **your** savings **jar**.

C.3.2 **We** may let **you** set up regular transfers (but not direct debits or standing orders) from **your** savings **jar** to the current account **you** have chosen to connect to the **jar** or any other savings **jars** within **your Intelligent Finance plan**.

C.3.3 When **we** use **our** rights under conditions A.11.6 or A.11.7, **we** may use the money in **your** savings **jar** to reduce or pay off the debt **you** owe **us** provided **we** only use those parts of **your** money as described in conditions A.11.6 or A.11.7 respectively.

C.4 Overdrawn accounts

C.4.1 **You** must not allow **your** savings **jar** to go overdrawn.

C.4.2 If **we** charge interest, make charges on **your** savings **jar** or carry out a **withdrawal** or other transaction and this makes **your** savings **jar** go overdrawn, this does not mean that **we** have agreed to allow **you** to have an overdraft.

C.4.3 If **your** savings **jar** goes overdrawn, **we** will charge **you** interest at the same rate or rates **we** set for unarranged overdrafts on current account **jars**. **You** must also immediately pay **us** the amount that **you** are overdrawn (and any charges) so **you** are no longer overdrawn.

C.5 Your rights

C.5.1 **You** have the right to change **your** mind about opening a savings **jar** within **your Intelligent Finance plan** (except one where **we** pay **you** interest at a **special rate**).

C.5.2 If **you** wish to change **your** mind, **you** must tell **us** within 14 days of making **your** first payment into the **jar**. **We** will help **you** switch **your** money into another **jar** or **we** will give all **your** money back with interest. **We** will ignore any notice period and any charges on the **jar**. If **you** paid any money in by cheque, **we** will pay **you** the money back once seven **banking days** have passed since **we** received the cheque.

C.6 What happens if your savings jar is in joint names?

- C.6.1 **We** will accept the instructions or signature of either one of **you**.
- C.6.2 Either one of **you** can withdraw the whole balance in the **jar**, irrespective of which of **you** deposited the funds.
- C.6.3 If **your jar** is overdrawn each one of **you** is responsible for repaying the whole amount **you** owe **us** and not just a part of it.
- C.6.4 If one of **you** dies, **we** will continue to accept instructions in connection with **your jar** from the survivor.
- C.6.5 If you no longer require a joint **jar**, **you** must tell **us** how the funds are to be divided.
- C.6.6 If there is a disagreement about who owns the money in **your jar** or how it is to be operated, **we** may freeze **your jar**. This means **we** will not allow anyone to take money out, pay money in (unless **we** agree) or carry out any other transaction until **we** are satisfied that the disagreement is settled.

C.7 Individual Savings Accounts

Key features

General

- C.7.1 An **ISA** is an individual savings account in which all interest is paid free of income tax and capital gains tax. There are different types of **ISAs**.
 - C.7.1.1 **Maxi ISA** – an **ISA** consisting of up to two components. It must include a stocks and shares component and may also include a cash component or both. Each component must be provided by the same provider.
 - C.7.1.2 **Mini ISA** – an **ISA** which is invested solely in stocks and shares or held solely as cash. Each **Mini ISA** may be provided by the same provider or by providers.
- C.7.2 **ISAs** must be included in **your Intelligent Finance plan**. **We** only provide the cash components for **Mini ISAs**.
- C.7.3 **You** can withdraw any of **your** money or close **your jar**, without giving **us** notice. The amounts which **you** deposit in these accounts in any tax year will be subject to the maximum subscription limits imposed by the Government.
- C.7.4 On **your** written request, **we** will transfer or pay to **you**, as the case may be, **ISA** savings, interest, dividends and any other rights or proceeds in respect of such savings or any cash.
- C.7.5 To open and operate an Intelligent Finance **ISA**:
 - C.7.5.1 **you** must be 18 or over;
 - C.7.5.2 **you** must be resident and ordinarily resident in the United Kingdom or qualify for **ISA** tax benefits;
 - C.7.5.3 **you** must not have already subscribed to the cash component of a **Maxi ISA** or another **Mini ISA** in the same tax year; and
 - C.7.5.4 the **jar** must only be held in, and must remain in, **your** sole name.
- C.7.6 In any tax year **you** can contribute to either a cash **Mini ISA** or the cash component of a **Maxi ISA** but not to both.
- C.7.7 Where the cash elements of **your ISA** comprises of more than one **jar** (for example, a direct access **jar** and a **jar** which is subject to a notice period for withdrawals) **you** may transfer funds between them without affecting the maximum subscription limits.

- C.78 Once **you** have deposited an amount equal to the maximum subscription limit for a tax year **you** may make no further subscriptions that tax year regardless of any withdrawals **you** have made. **You** may make further subscriptions to the **ISA** in the following tax year.
- C.79 If **you** deposit less than the maximum subscription limit for one tax year, **you** may still only deposit an amount equal to the maximum subscription limits for subsequent tax years into **your ISA**.
- C.710 If **you** wish, **you** can transfer all of the value of current and previous tax years' subscriptions in **your** Intelligent Finance **ISA jar** to another **ISA** provider by notifying **us** in writing. **We** will carry out this transfer within 30 days of the date on which **we** receive **your** request. Partial transfers are not permitted.
- C.711 If part of **your ISA** is a **jar** which is subject to a notice period for withdrawals, **we** will not charge **you** a penalty if **you** decide to transfer **your** cash component to another **ISA** provider.
- C.712 If **you** die, any interest which **we** pay following the date of **your** death will not be exempt from tax.
- C.713 If:
- C.713.1 any of the information **you** give **us** in **your** application is found to be incorrect;
- C.713.2 **you** have subscribed to more than one cash component; or
- C.713.3 **you** have subscribed to both a Maxi and a Mini **ISA** in any tax year,
- then **we** will tell **you** if **your ISA** has become void as it no longer satisfies the **ISA** regulations. In such an instance, **we** will pay **you** the full credit balance of **your ISA** with **us**.
- C.714 If **you** cancel an **ISA** within the cooling-off period, **your ISA** will be deemed not to have existed for the purpose of calculating whether **you** have exceeded the maximum subscription limit for the current tax year and **you** will be entitled to subscribe to a further cash component.
- C.715 If **you** fail to subscribe to **your** cash component in any tax year **you** must make another application to open a new cash component if **you** wish to invest in a cash component in subsequent tax years.
- C.716 **Your** cash components must not be used as security for a loan.
- C.717 **We** will write to **you** once a year to remind **you** of the terms of **your** cash component and **your** obligations.

C.8 Sole trader business savings jars

- C.8.1 If **we** say **you** can open a sole trader business savings **jar**, **you** may only use it as a sole trader account and **you** must not use it as a partnership, company or other kind of business account or as a club or charity account.
- C.8.2 **You** can only pay cheques made payable to **your** business into **your** sole trader business savings **jar** with the same name.
- C.8.3 If **you** wish to change the name of **your** sole trader business savings **jar**, for whatever reason, **you** must contact **us**. **You** must not change the name of the **jar** before **you** have contacted **us** and **we** agree that **you** can change the name. Failure to contact **us** may result in cheques not being accepted into **your** sole trader business savings **jar**.
- C.8.4 The sole trader business savings **jar** will be included in the way **we** work out interest on the **offset credit balances** and **offset debit balances** for the **jars** in **your Intelligent Finance plan** which is set out in detail in condition A.7.7.

SECTION D

(This section has been removed)

if.com

SECTION E

PERSONAL LOANS

if.com

E.1 The different sections of this booklet

This section only applies to personal loan jars within **your Intelligent Finance plan**. It must be read alongside section A.

E.2 Effective date of the personal loan agreement

We will treat the **personal loan agreement** as having been made on the date on which it is signed by a person **we** have authorised to sign it for **us**. **You** can only enforce it against **us** when it has been signed by that person.

E.3 Regular personal loan payment

- E.3.1 **You** must pay **us** the **regular personal loan payments** on the **key dates** on which they are due in the way **we** say (for example, by direct debit or internal transfer from another part of **your Intelligent Finance plan**). If a **key date** is not a **banking day**, **you** must pay the **regular personal loan payment** on the next **banking day**.
- E.3.2 **You** must make any payments other than the **regular personal loan payments** in the way and to the address **we** tell **you**.
- E.3.3 If **you** choose Option 1 for the way in which **you** want **us** to work out the interest **you** have to pay (see condition A.7.7) and the interest **you** have to pay in any **interest period** is less than the interest element of the **regular personal loan payment**, **you** still have to pay **us** the full **regular personal loan payment**. **We** will use the difference between the interest element in the **regular personal loan payment** and the interest **you** have to pay **us** to reduce the **personal loan debt**.
- E.3.4 Any payment made to the personal loan jar (including the **regular personal loan payment**) is used:
- E.3.4.1 first to pay the current **regular personal loan payment**;
- E.3.4.2 then towards repaying any arrears on the **personal loan debt**; and
- E.3.4.3 then to reduce or repay the **personal loan debt**.
- E.3.5 If **you** pay **us** more than the **regular personal loan payment** in any **interest period**:
- E.3.5.1 this will reduce the **personal loan debt**;
- E.3.5.2 but **you** will not be able to gain access to this money again under the **personal loan agreement**.
- E.3.6 If the part of the **regular personal loan payment** intended to cover interest is more or less than the amount of interest **you** actually have to pay on the **personal loan debt**, this will not trigger the setting of a new **regular personal loan payment**.

E.4 Payment holidays

- E.4.1 **You** may miss up to two **regular personal loan payments** in any one calendar year if:
- E.4.1.1 **you** have kept to **your** obligations in the conditions in sections A and E;
- E.4.1.2 **you** do not have to pay off the **personal loan debt** immediately under condition E.5;

- E.4.1.3 **your** personal circumstances have not changed to the extent that **we** think that this will affect **your** ability to repay the **personal loan debt** over the remaining **personal loan repayment period**.
- E.4.2 **You** cannot miss a **regular personal loan payment** in the first or last six months of the **personal loan repayment period**.
- E.4.3 If **you** miss a **regular personal loan payment** in accordance with condition E.4.1, **we** will add the interest element of the missed **regular personal loan payment** to the **personal loan debt**. **You** will have to repay the missed **regular personal loan payment** and any interest due on it over the remaining **personal loan repayment period**. This will mean that **your regular personal loan payment** will go up. **We** will tell **you** what **your** new **regular personal loan payment** is.

E.5 What happens if you do not keep to the personal loan agreement

If any of the following happens, **we** no longer have to lend **you** the personal loan or any part of it or, if **we** have already lent **you** the personal loan, and depending on any notice required by the Consumer Credit Act 1974, **you** must pay **us** the **personal loan debt** straight away if:

- E.5.1 **you** do not pay any of the **regular personal loan payments** by the **key date** in each month;
- E.5.2 **you** do not keep to any of **your** obligations under the **personal loan agreement** or the conditions in sections A and E;
- E.5.3 **you** have given **us** any false or misleading information;
- E.5.4 any of the following things happens to **you** (or, if there are two of **you**, the first one of **you** to whom it happens):
 - E.5.4.1 **you** die;
 - E.5.4.2 **you** enter into a voluntary arrangement with anyone **you** owe money to (or **you** are going to do so);
 - E.5.4.3 **you** apply to a court for an interim order; or
 - E.5.4.4 a bankruptcy order is made against **you** or **we** think that one is likely to be made.
- E.5.5 anybody takes any of **your** money or property to recover a debt; or
- E.5.6 **your** personal loan is made under a scheme operated for either:
 - E.5.6.1 the people **you** work with; or
 - E.5.6.2 the members of an organisation of which **you** are a member, and **your** membership of the scheme ends (or, if there are more than one of **you** and **you** are both members of the scheme, both of **your** memberships end).

E.6 Early repayment

- E.6.1 **You** may repay the **personal loan debt** at any time.
- E.6.2 If **you** ask **us** to, **we** will send **you** a statement showing the amount **you** must pay **us** which may be reduced by a rebate.

E.7 What happens if your personal loan jar is in joint names?

- E.7.1 Each one of **you** is responsible for repaying the whole **personal loan debt** and not just a part of it.
- E.7.2 **We** will accept the instructions or signature of either one of **you**.
- E.7.3 If one of **you** dies, **we** will continue to accept instructions in connection with **your** personal loan jar from the survivor.
- E.7.4 If **your** relationship with each other ends, **you** must ensure that the **regular personal loan payment** is made or the **personal loan debt** is repaid.

SECTION F

MORTGAGES

if.com

F.1 The different sections of this booklet

This section only applies to mortgage **jars** within **your Intelligent Finance plan**. It must be read alongside section A.

F.2 The mortgage debt

- F.2.1 **We** can divide the **mortgage debt** into different parts. **We** may also charge interest under conditions F.4 and F.5 at different rates on different parts of the **mortgage debt**. **We** may agree to allow different parts of the **mortgage debt** to be repaid over different **mortgage repayment periods**.
- F.2.2 Where **we** have divided the **mortgage debt** into different parts, **we** will add **our** charges or expenses to the outstanding part of the mortgage **jar** which has the lowest part number on **your** statement unless:
- F.2.2.1 the charge is a **further advance** fee, in which case **we** will add the charge to the part of the **mortgage debt** which includes the relevant **further advance**;
- F.2.2.2 in a case where condition F.2.2.1 does not apply, **you** tell **us** the part of the **mortgage debt** to which **you** want **us** to add the charge or expense, in which case **we** will add the charge or expense to the part of the **mortgage debt** **we** ask **us** to; or
- F.2.2.3 in a case where neither condition F.2.2.1 nor condition F.2.2.2 applies, **we** think it is appropriate to add the charge or expense to another part of the **mortgage debt**, in which case, **we** will add it to the part of the **mortgage debt** **we** think is most appropriate.
- F.2.3 Where **you** pay **regular mortgage payments** for different parts of the **mortgage debt** (whether or not on different dates or at different intervals), conditions F.5 and F.6 apply separately to the **regular mortgage payment** for each part of the **mortgage debt**.
- F.2.4 If **we** give **you** at least three months' notice, **you** must pay **us** the **mortgage debt** in full by the time the notice runs out.
- F.2.5 If **you** have not paid **us** any amount when **you** were due to, **we** will use any payment that **you** make to **us** which is not a **regular mortgage payment** to pay off the unpaid amount. If any money is left over, it will be an **overpayment**.
- F.2.6 If **you** make an **overpayment**, **you** must tell **us** which part of the **mortgage debt** **you** want the **overpayment** to reduce or pay off.

F.3 Pre-agreed reserve and built-up reserve

- F.3.1 **We** will lend **you** the **pre-agreed reserve** or the **built-up reserve** (or part of either of them) when **you** ask **us** to unless any of the key restrictions on **our** flexible mortgages in the Payment holiday part of section 12 of the **offer** or any of the other restrictions set out in the **offer** or an **extra agreement** apply.
- F.3.2 If any of the key restrictions on **our** flexible mortgages in the Payment holiday part of section 12 of the **offer** or in an **extra agreement** apply, **we** will take away the **pre-agreed reserve**.
- F.3.3 If **we** give **you** at least 30 days' notice, **we** can change the minimum amount **you** can borrow at any one time from the **pre-agreed reserve** and the **built-up reserve** mentioned in the **offer** or an **extra agreement**:
- F.3.3.1 to reflect a change in the value of money; or
- F.3.3.2 to reflect a change in the cost to **us** of processing requests from customers to borrow the **pre-agreed reserve** or the **built-up reserve**.

- F.3.4 If **you** have failed to pay **your regular mortgage payment** or any other amount **you** have to pay **us** in connection with a mortgage **jar**, **we** will, if **you** ask **us**, let **you** borrow the **built-up reserve** to reduce or pay off the amounts **you** have failed to pay on the mortgage **jar** unless:
- F.3.4.1 **we** believe that **you** have not kept to **your** other obligations in these conditions;
- F.3.4.2 **you** have given someone else a mortgage (standard security in Scotland) over the **property** without **our** permission;
- F.3.4.3 **you** have let the **property** (even with **our** permission);
- F.3.4.4 **you** must pay off the **mortgage debt** immediately under conditions F.17.4, F.17.7, F.17.8, F.17.9 or F.17.10;
- F.3.4.5 **we** believe someone else is able to claim an interest in the **property** which could affect **our** right to sell it or which will rank ahead of **our** interests under the **mortgage**;
- F.3.4.6 **we** believe that there has been or is likely to be a material reduction in the value of the **property**; or
- F.3.4.7 **we** have started legal proceedings to repossess the **property**.
- F.3.5 If **you** have another Intelligent Finance mortgage, **we** will continue to show the **pre-agreed reserve** and **built-up reserve** for each mortgage **jar** (if any) on **your** statements. The fact that a statement may show a **pre-agreed reserve** or **built-up reserve** does not necessarily mean that **you** will be able to borrow it at that time.
- F.3.6 If **you** apply to open another mortgage **jar**, **we** may reduce or cancel the **pre-agreed reserve** on any other mortgage **jar** in **your Intelligent Finance plan**. **We** will tell **you** if **we** are going to do this before the new mortgage **jar** is opened, so that **you** may decide whether **you** want to go ahead with opening the new mortgage **jar**. If there are two of **you** and the new mortgage **jar** is to be opened in the name of one of **you** alone, **we** will also tell the other of **you** if the opening of the new mortgage **jar** would lead to the reduction or cancellation of any **pre-agreed reserve** on any mortgage **jar** which is held in the other's sole or joint name.
- F.3.7 If **we** agree to let **you** transfer from one mortgage product to another, **we** may reduce or cancel the **pre-agreed reserve** or the **built-up reserve**. **We** will tell **you** in the **extra agreement** **we** send **you** before the product transfer takes place how much, if any, of the **pre-agreed reserve** or the **built-up reserve** will be available to **you** after the product transfer.
- F.3.8 If **we** give **you** permission to:
- F.3.8.1 sell, give away or change the use of the **property** or any part of it; or
- F.3.8.2 release **you** (or either of **you**) from **your** obligations under the **mortgage**,
- we** can make it a condition of giving **our** permission that **we** will reduce or cancel the **pre-agreed reserve** or **built-up reserve** (or part of either of them). This will not affect any part of the **pre-agreed reserve** or **built-up reserve** **we** have released to **you** before **we** gave **our** permission.
- F.3.9 **You** should make sure that **you** ask **us** at least 10 **banking days** before **you** want to borrow any part of the **pre-agreed reserve** or **built-up reserve**.
- F.3.10 **We** only have to release the **pre-agreed reserve** (or part of it) in the period **we** state in the **offer** or any **extra agreement**. **We** will review **our** willingness to lend **you** the **pre-agreed reserve** at the end of that period. **We** will tell **you** if **we** are prepared to offer **you** a new **pre-agreed reserve** and, if so, on what terms. If **we** do offer **you** a new **pre-agreed reserve**, the letter that **we** send **you** telling **you** what it will be will be an **extra agreement**.
- F.3.11 If, during the **special rate period**, **you** intend to make a payment to reduce a **special rate loan** and by doing so increase the **built-up reserve**, **you** should contact **us** before **you** make the payment. This will enable **us** to tell **you** what **special rate early repayment charge** **you** will have to pay **us** in connection with the payment.

F.4 The interest we charge

- F.4.1 **We** start charging interest from the date **we** lend **you** money or, in the case of a charge **we** make or expense **we** incur, from the date it becomes due.
- F.4.2 If **we** keep back or **you** choose not to borrow part of the money **we** have agreed to lend, **we** will only charge interest on the money **we** have actually lent.
- F.4.3 **We** will charge interest on the **capital** (or the different parts of it) at the applicable interest rate (or rates) set out in the **offer** or an **extra agreement**.
- F.4.4 **We** will charge **you** an **added rate** if **we** say so in the **offer** or any **extra agreement**.
- F.4.5 If **we** believe:
- F.4.5.1 **you** have let the **property** (with or without **our** permission);
- F.4.5.2 **you** have changed the way **you** use the **property** (for example, from residential to commercial use), with or without **our** permission, and the change means that the terms which apply to the **mortgage debt** are more favourable than **we** would offer to a new borrower applying for a mortgage loan to be secured on a property being used in that way;
- F.4.5.3 the value of the **property** has been reduced (otherwise than by events outside **your** control); or
- F.4.5.4 something has happened or is likely to happen which makes it more difficult for **us** to use **our** powers over the **property**, **we** may:
- F.4.5.5 if **we** are not charging **you** interest at the **variable mortgage rate**, stop charging **you** interest at the rate that applies to **your** mortgage and start charging **you** interest at the **variable mortgage rate**;
- F.4.5.6 charge **you**:
- F.4.5.6.1 an **added rate** of not more than 2% a year; or
- F.4.5.6.2 a charge every six months of not more than 1% of the **mortgage debt**; or
- F.4.5.7 transfer **you** to a different mortgage product that is of a type that **we** would offer **you** (based on **your** circumstances at that time) if **you** were to apply for a new mortgage at the time of the transfer.
- F.4.6 **We** may use **our** rights under conditions F.4.5.5 and F.4.5.6 together or separately.
- F.4.7 The **added rate** or charge **we** describe in condition F.4.5.6 will be in addition to any **added rate** **we** say **we** will charge as mentioned in condition F.4.4. **We** may cancel or reduce the **added rate** or charge under condition F.4.5 at any time by giving **you** notice.
- F.4.8 **We** will give **you** notice if **we** decide to do any of the things in conditions F.4.5.5, F.4.5.6 or F.4.5.7.
- F.4.9 **We** may change the interest rate by changing the **variable mortgage rate** or any **added rate**.
- F.4.10 **We** will not increase the **variable mortgage rate** so that it is more than 2% above the **Bank of England's base rate**. If **we** charge **you** interest on the **mortgage debt**, or part of it, at a **special rate** which is linked to the **variable mortgage rate**, **you** will get the benefit of this protection on the **variable mortgage rate** element of the **special rate**.

F.5 Special rate loans

- F.5.1 If **we** say so in the **offer** or in any **extra agreement**, **we** will charge **you** interest on the **special rate loan** at the **special rate** plus any **added rate** during the **special rate period**.

- F.5.2 When condition A.7.4 allows us to charge you interest on any unpaid interest on the **special rate loan**, or on any charge which we add to the **special rate loan**, we may choose whether the interest is to be charged:
- F.5.2.1 at the **variable mortgage rate** plus any **added rate**; or
- F.5.2.2 at the **special rate** plus any **added rate**.
- F.5.3 If and while the interest rate on a **mortgage loan** is or includes a **special rate**, the following limitations will apply to our right to change it for any of the reasons in conditions A.8.2, A.8.3 and A.8.4.
- F.5.3.1 If the **special rate** is a fixed rate, we will not change it.
- F.5.3.2 If the **special rate** is a capped rate, we will not raise the **special rate** to more than the maximum interest rate we set out in the **offer** or any **extra agreement**.
- F.5.3.3 If the **special rate** is a collared rate, we will not reduce the **special rate** to less than the minimum interest rate we set out in the **offer** or any **extra agreement**.
- F.5.3.4 If the **special rate** is a discounted rate, we may change the **special rate** by changing the **variable mortgage rate** but not the discount we take off the **variable mortgage rate**.
- F.5.3.5 If the **special rate** is a tracker rate, we will change the **special rate** when the external rate (an interest rate not set by us) to which it is linked changes. We will change the **special rate** within 30 days of the official publication of the decision to change the rate to which it is linked. We will change the **special rate** in line with the change in the external rate. The **special rate** will be the amount above or below the external rate which applies at the time of the change as set out in the **offer** or any **extra agreement**.
- If a **special rate** is a combination of two or more types of **special rate** (for example, a capped and collared rate), each of the relevant limitations described in this condition F.5.3 will apply.
- F.5.4 We may, on giving you 30 days' notice, cancel the **special rate** or change the **special rate period** or the parts of the **capital** which the **special rate** applies to if:
- F.5.4.1 the **offer**, or any **extra agreement**, allows us to do this;
- F.5.4.2 you do not keep to the terms in the **offer** or any **extra agreement**; or
- F.5.4.3 you must pay off the **mortgage debt** immediately under condition F.17.
- We will then charge interest at the **variable mortgage rate** plus any **added rate** (or the increased **special rate**).
- F.5.5 Unless the **offer** or any **extra agreement** says you cannot, you can pay off part of the **special rate loan** during the **special rate period**, if you pay any **special rate early repayment charge** that the **offer** or any **extra agreement** says is payable.
- F.5.6 From the end of the **special rate period**, we will charge interest at the **variable mortgage rate**, plus any **added rate** which applies, on the part of the **capital** which used to be the **special rate loan**.

F.6 Regular mortgage payments and overpayments

- F.6.1 You must pay us the **regular mortgage payment** on each **key date**. You then have to carry on paying us the **regular mortgage payments** until you have paid off the **mortgage debt** in full.
- F.6.2 You must pay us the **regular mortgage payment** in the way we say (for example, by internal transfer from another jar within your **Intelligent Finance plan** or by direct debit). If we tell you to pay them by internal transfer or direct debit, we may also use the internal transfer or direct debit system to collect any of our charges you have to pay us.

- F.6.3 If **we** give **you** at least 30 days' notice, **we** can change the way **you** have to pay the **regular mortgage payment** for any of the following reasons.
- F.6.3.1 Because changes in the banking system mean that:
- F.6.3.1.1 the way **you** make **your regular mortgage payment** has become, or is about to become obsolete;
- F.6.3.1.2 a quicker or safer way of making **your regular mortgage payment** has been introduced or become more widely available.
- F.6.3.2 To reflect any changes in the law, codes of practice, the way **we** are regulated, recommendations of the Financial Services Authority or any other regulatory body, or standards published by other bodies which **we** agree will apply to **your Intelligent Finance plan** or **your mortgage jar**.
- F.6.3.3 To reflect a decision or recommendation made by, or a requirement of, a court, ombudsman, regulator or similar body or an undertaking given to the Director General of Fair Trading or a qualifying body (as defined in the Unfair Terms in Consumer Contracts Regulations 1999).
- F.6.4 If **you** have failed to pay all or part of one or more **regular mortgage payment** when it was due and **you** still owe **us** the unpaid amount, **we** may decide which part of the **mortgage debt we** are going to pay off with the amount **you** do pay.
- F.6.5 If **you** choose Option 1 (see condition A.7.7.1) and the interest **you** have to pay in any **interest period** is less than the interest element of the **regular mortgage payment** and:
- F.6.5.1 **your** chosen **mortgage payment option** is Reduced Debt or Shorter Term, **you** still have to pay **us** the full **regular mortgage payment**. **We** will use the difference as an **overpayment**. As the **overpayment** is part of the **regular mortgage payment**, **we** will apply it in the way set out in condition F.6.7. If the mortgage **jar** has more than one part, **we** will apply the **overpayment** to each part in turn in the order in which **we** number the parts in **your** statements. An **overpayment** will not form part of the **built-up reserve** and **you** will not be able to reborrow or use it in the future.
- F.6.5.2 **your** chosen **mortgage payment option** is Lower Payments, **you** have to pay the **regular mortgage payment** **we** have notified **you** of.
- F.6.6 If a mortgage **jar** is made up of more than one part and **you** make an **overpayment** into it, **you** must tell **us** which part of the mortgage **jar** **you** want to reduce or pay off.
- F.6.7 **We** will use a payment (including a payment **we** collect as a **regular mortgage payment**) in the following way:
- F.6.7.1 first, towards paying any unpaid **regular mortgage payment** for the immediately preceding **interest period**;
- F.6.7.2 then, towards paying any arrears on the **mortgage debt**;
- F.6.7.3 then, in the way **you** have asked **us** to apply it;
- F.6.7.4 then, towards repaying the **capital**.
- F.6.8 When **we** apply a payment in the way **we** describe in condition F.6.7.2, **we** will use the payment to pay the oldest arrears first, continuing with the next oldest arrears, and so on, until the most recent arrears have been paid off or the payment has been used up.
- F.6.9 When **we** apply a payment in the way **we** describe in condition F.6.7.4, **we** will use the payment in the following ways.
- F.6.9.1 First, **we** will use the payment to reduce or pay off the parts of the **mortgage debt** on which no **special rate early repayment charge** is payable. If there is more than one such part, **we** will reduce or pay off the part with the highest interest rate first. If two or more of the parts have the same interest rate, **we** will use the payment to reduce or pay off the one which is in the part of the mortgage **jar** which has the lowest part number on **your** statement.

- F.6.9.2 If any of the payment remains unused, **we** will use it to reduce or pay off the parts of the **mortgage debt** on which a **special rate early repayment charge** is payable. If there is more than one such part, **we** will reduce or pay off the part with the highest interest rate first. If two or more of the parts have the same interest rate, **we** will use the payment to reduce or pay off the one which is in the part of the mortgage **jar** which has the lowest part number on **your** statement.
- F.6.10 Any payment **we** apply in the way **we** describe in conditions F.6.7.3 or F.6.7.4 will be treated as an **overpayment** and form part of the **built-up reserve**.

F.7 Changes to the regular mortgage payment, the mortgage repayment period and Mortgage Payment Options

- F.7.1 **We** may change the **regular mortgage payment** or the **mortgage repayment period** (or both). **We** may do this if:
- F.7.1.1 **we** stop treating any part of the **mortgage debt** as an interest-only **mortgage loan** or **we** ask **you** to start paying **capital** again (see conditions F.9.2 and F.9.3);
- F.7.1.2 **you** borrow more money from **us**;
- F.7.1.3 **we** agree that **you** can stop paying **regular mortgage payments** for a period;
- F.7.1.4 **you** take a **payment holiday**; or
- F.7.1.5 **we** need to reflect a change to:
- F.7.1.5.1 the interest rate (including a change caused by **us** applying, cancelling or changing an **added rate** or a **special rate**);
- F.7.1.5.2 the period during which an **added rate** or a **special rate** applies;
- F.7.1.5.3 the part of the **capital** which an **added rate** or a **special rate** applies to;
- F.7.1.5.4 the amount of the **capital**; or
- F.7.1.5.5 the **mortgage payment option** **you** have chosen.
- F.7.2 **We** may also change the **regular mortgage payment** if **we** need to take account of a change to the **mortgage repayment period** or the **key date**.
- F.7.3 **We** do not normally set a new **regular mortgage payment** merely because **you** make an **overpayment** or other payment. However, **we** will set a new **regular mortgage payment** if **you** make a lump sum **overpayment** when **your mortgage payment option** is Lower Payments (unless at the time when **you** make the lump sum **overpayment**, **you** are also making regular **overpayments** or underpayments under a special arrangement agreed between **you** and **us**).
- F.7.4 **We** will give **you** the choice of changing the **regular mortgage payment** each time the interest rate changes or having the same **regular mortgage payment** for a 12 month period. (Please note that, even if **you** choose to have the same **regular mortgage payments** for a 12 month period, the **regular mortgage payment** may still change during that period if a **special rate period** comes to an end, or if **we** need to change the **regular mortgage payment** for reasons other than a change in the interest rate – for example, because there is a change in the **mortgage repayment period** or because fees, charges or expenses which **you** have not paid are added to the **capital**).
- F.7.5 **We** will give **you** notice if **we** change the **regular mortgage payment** or the **mortgage repayment period**. Where **your mortgage payment option** is Lower Payments, **we** will only notify **you** of changes to the **regular mortgage payment** which occur under condition F.7.1.3 by placing details of the new **regular mortgage payment** with the information **we** show **you** about **your Intelligent Finance plan** when **you** log onto **your Intelligent Finance plan** on **our** web site unless **you** have asked **us** to notify **you** in some other way and **we** have agreed to do so.

- F.7.6 If **we** give **you** notice extending the **mortgage repayment period**, the extension will not apply if, within seven days of getting **our** notice, **you** give **us** notice that **you** want to increase the **regular mortgage payments** so **you** can pay off the **mortgage debt** by the end of the current **mortgage repayment period**.
- F.7.7 If **you** give **us** notice under condition F.7.6, **we** will tell **you** how much the **regular mortgage payments** will be to pay off the **mortgage debt** by the end of the current **mortgage repayment period**. If **you** do not keep up the increased **regular mortgage payments**, **we** may give **you** another notice giving **you** a longer **mortgage repayment period** and reducing the **regular mortgage payments**. **Your** right to give notice under condition F.7.6 will not apply to any extra **mortgage repayment period** **we** give **you** under this condition F.7.7.
- F.7.8 If **you** ask **us** to change **your key date**, this can have the effect of lengthening the **mortgage repayment period** which applies to the mortgage **jar**.
- F.7.9 If you choose OPTION 1 (see condition A.7.7.1) and **we** offer to make **you** a **mortgage loan** which (or part of which) will give rise to an **offset debit balance**, **you** may tell **us** at any time before **we** make the **mortgage loan** which of the following **mortgage payment options** **you** wish to apply to the **mortgage loan** (or the part of it which will give rise to the **offset debit balance**). The available **mortgage payment options** are:
- Reduced Debt;
 - Shorter Term; and
 - Lower Payments.

If, although **you** choose OPTION 1, **you** do not tell **us** which **mortgage payment option** **you** wish to apply to **your mortgage loan** before **we** make the loan **we** will apply the Reduced Debt option.

If **you** choose OPTION 2 (see condition A.7.7.2) or the terms of **your mortgage loan** mean that it is not capable of offsetting, **we** will calculate the **regular mortgage payment** for any **mortgage loan** in **your Intelligent Finance Plan** in the same way as **we** calculate the **regular mortgage payment** using the Reduced Debt option.

- F.7.10 **You** can change the **mortgage payment option** that applies to **your mortgage loan** with **our** agreement. **We** may ask **you** to pay a fee if **you** change **your mortgage payment option**.
- F.7.11 If the Reduced Debt option applies, when **we** set the **regular mortgage payment** **we** will take into account the amount of the **mortgage debt** **you** owe **us** (but not any unpaid **regular mortgage payments**), the interest rates that apply at that time, and how long the **mortgage repayment period** has left to run. **We** will work out the new **regular mortgage payment** in a way that can reasonably be expected to ensure that:
- F.7.11.1 **you** repay the **capital** on any repayment parts of the mortgage **jar** with interest by the end of the **mortgage repayment period**;
- F.7.11.2 **you** repay only interest on the capital and interest-only parts of the mortgage **jar**.
- F.7.12.1 If **you** choose the Shorter Term option, **we** will set the **regular mortgage payment** by reference to an assumed **capital** balance, which **we** will calculate in accordance with condition F.7.12.2.
- F.7.12.2 In order to calculate the assumed **capital** balance, **we** will take into account the interest rates that apply at that time and how long the **mortgage repayment period** has to run. However **we** will:
- F.7.12.2.1 disregard any **overpayments** **you** have made since the later of the date on which:
- the Shorter Term option applied to **your mortgage loan**;
 - **we** changed the **mortgage repayment period**; or
 - **you** asked us to calculate the **regular mortgage payment** based on the actual amount of **capital** outstanding on **your mortgage loan**;

F.7.12.2.2 disregard the effect which any **offset credit balances** in **your Intelligent Finance plan** have under condition A.7.7.1 in reducing the interest **you** have had to pay to **us** since the last date on which the events mentioned in F.7.12.2.1 occurred;

F.7.12.2.3 assume that **you** have paid each **regular mortgage payment** on time; and

F.7.12.2.4 **we** will work out the **regular mortgage payment** in a way that can reasonably be expected to ensure that:

- the assumed **capital** balance on any repayment parts of the mortgage **jar** would be repaid with interest by the end of the **mortgage repayment period**; and
- **you** make payments consisting only of the interest **we** would charge on the assumed **capital** balance of any interest-only parts of the mortgage **jar**.

You will still benefit from any **overpayments you** make and from the effect which any **offset credit balances** have under condition A.7.7.1 in reducing the interest **you** have to pay **us**. However, instead of benefiting through lower **regular mortgage payments**, **you** will benefit because the way **we** work out the **regular mortgage payment** means that any repayment parts of **your mortgage jar** are likely to be repaid before the end of the **mortgage repayment period** and that the actual **capital** balance on any interest-only parts of **your mortgage jar** is likely to be reduced by the end of the **mortgage repayment period**.

F.7.13.1 If **you** choose the Lower Payments option, when **we** set the **regular mortgage payment we** will take into account the amount **you** owe **us** (but not any unpaid **regular mortgage payments**), the interest rates that apply at that time, and how long the **mortgage repayment period** has left to run. **We** will work out the **regular mortgage payment** in a way that can reasonably be expected to ensure that:

F.7.13.1.1 **you** repay the **capital** on any repayment parts of the mortgage **jar** with interest by the end of the **mortgage repayment period**; and

F.7.13.1.2 **you** make payments consisting only of interest on any interest-only parts of the mortgage **jar**.

F.7.13.2 Except where condition F.7.13.3, F.7.13.4 or F.7.14.1 applies, **we** will then recalculate **your regular mortgage payment** as follows. At each **key date**, **we** will work out the amount by which the interest **we** charged during the **interest period** ending on that **key date** was reduced under condition A.7.7.1 by any **offset credit balances** in **your Intelligent Finance plan**. **We** will then reduce the **regular mortgage payment you** must make at the next **key date** by the same amount.

F.7.13.3 Where the **mortgage loan** is a new **mortgage loan**, the first time **we** will recalculate the **regular mortgage payment** in this way is for the second **key date** after that **mortgage loan** begins.

F.7.13.4 Where **you** change **your mortgage payment option** to Lower Payments, **we** will recalculate the **regular mortgage payment** in accordance with condition F.7.13.2 from the **key date** immediately following the date of the change as long as that date is more than three **banking days** before the **key date**. If the change is within three **banking days** of the **key date**, **we** will begin recalculating the **regular mortgage payment** from the next **key date**.

F.7.14.1 **We** will not recalculate the **regular mortgage payment** under condition F.7.13.2 if any of the following applies:

F.7.14.1.1 **you** take a **payment holiday**;

F.7.14.1.2 **we** agree any special payment arrangement with **you** because **you** cannot pay the **regular mortgage payment**;

F.7.14.1.3 **you** are making regular **overpayments** (in which case **we** will deal with any **regular mortgage payment you** make as if **your** chosen **mortgage payment option** was Reduced Debt);

F.7.14.1.4 the amount by which the interest **we** charged in the previous **interest period** was reduced under condition A.7.7.1 was less than £1 or such other sum as **we** reasonably determine.

- F.7.15 If you change your mortgage payment option, we will start your new mortgage payment option with effect from the key date immediately following the date of the change. If that date is less than three banking days before the key date, your new mortgage payment option will start from the next key date.
- F.7.16 If you change your Intelligent Finance plan to OPTION 2 (see condition A.7.7.2), we will calculate the regular mortgage payment for any mortgage loan in your Intelligent Finance plan in the same way as we calculate the regular mortgage payment using the Reduced Debt mortgage payment option.
- F.7.17 If the mortgage payment option which applies to a mortgage loan is the Shorter Term or the Lower Payments option and the mortgage loan ceases to be capable of offsetting, we will calculate the regular mortgage payment for that mortgage loan in the same way we calculate the regular mortgage payment using the Reduced Debt option.

F.8 Payment holidays

- F.8.1 We will tell you in the offer or an extra agreement if and when you can take a payment holiday.
- F.8.2 We may cancel a payment holiday at any time after you have applied for it but before it starts. We will only do this if we become aware of something which, had we known it at the time you told us you wanted to take the payment holiday, would have shown us you were not entitled to take the payment holiday.
- F.8.3 During a payment holiday, you do not have to pay the regular mortgage payment. If you make any payment to the mortgage jar during a payment holiday, we will treat it as an active overpayment and not as a regular mortgage payment in respect of any part of the mortgage jar.
- F.8.4 If you take a payment holiday, we will continue to charge you interest in the way set out in condition A.7 and add it to the mortgage debt. We will work out your new regular mortgage payment based on the increased mortgage debt. You will have to repay the increased mortgage debt and any extra interest due on it over the remaining mortgage repayment period. This will mean that your regular mortgage payment will go up. We will tell you what your new regular mortgage payment is.

F.9 Suspending the repayments of capital

- F.9.1 If we say in the offer or in an extra agreement that a part of the mortgage debt is an interest-only mortgage loan:
- F.9.1.1 you do not have to repay the capital of that part of the mortgage debt until the end of its mortgage repayment period; and
- F.9.1.2 during the mortgage repayment period you only have to pay interest on the capital (or, if the Shorter Term mortgage payment option applies, an amount consisting only of interest we would charge on the assumed capital balance: see condition F.7.12.1).
- F.9.2 Even if we have not said in the offer or an extra agreement that part of the mortgage debt is an interest-only mortgage loan, we may allow you to suspend the repayment of capital on it. If this happens:
- F.9.2.1 you must pay the reduced regular mortgage payment we tell you; and
- F.9.2.2 we can give you notice to start repaying capital. If this happens, we can, at any time, give you notice to increase the regular mortgage payment in the same way as mentioned in condition F.9.3.
- F.9.3 If you do not keep to your obligations in condition F.15 or if any of the things in condition F.17 happen, we may write and tell you that:
- F.9.3.1 we are no longer treating a part of the mortgage debt as an interest-only mortgage loan; and

F.9.3.2 **you** must increase the **regular mortgage payment** so that **you** pay off that part of the **mortgage debt** in full by the end of the **mortgage repayment period**.

F.9.4 **Our** rights under condition F.9 are on top of **our** rights under conditions F.17 and F.18.

F.10 Special rate early repayment charge

F.10.1 If the **offer** or any **extra agreement** says that **you** have to pay a **special rate early repayment charge**, it will also say when and how much **you** will have to pay as a **special rate early repayment charge**.

F.10.2 Unless a **special rate early repayment charge** is one which **you** only have to pay if **you** pay off the whole of the **special rate loan**, if **you** pay off part of the **mortgage debt** to which the **special rate early repayment charge** applies, **we** will only ask **you** to pay part of the **special rate early repayment charge** in connection with the part repayment. In all other circumstances, **you** will have to pay **us** all of the **special rate early repayment charge**.

F.10.3 If the **special rate early repayment charge** is payable because **you**, **we** or anybody else sells the **property**, **we** will add the **special rate early repayment charge** to the amount to be paid to **us**, or kept back by **us** out of the proceeds of the sale.

F.10.4 **We** will not charge a **special rate early repayment charge** or any other early repayment charges in connection with **you** repaying the **mortgage debt** if:

F.10.4.1 **we** increase the interest rate under condition A.8.4 (that is to say, if **we** increase it for a valid reason which is not set out in conditions A.8.2 or A.8.3) and **you** repay the full **mortgage debt** within three months of **our** telling **you** of the change; or

F.10.4.2 **we** tell **you** that **we** are going to charge an **added rate** or a charge on a **special rate loan** in accordance with conditions F.4.5.6.1 or F.4.5.6.2 and **you** repay the full **mortgage debt** within three months of **our** telling **you** that **we** are going to charge **you** the **added rate** or the charge;

F.10.4.3 **we** tell **you** that **we** are going to increase an **added rate** and **you** repay the full **mortgage debt** within three months of **our** telling **you** that **we** are going to increase the **added rate**; or

F.10.4.4 **we** give **you** notice under condition F.2.4 to pay **us** the **mortgage debt** in full and either **you** repay the **mortgage debt** in accordance with the notice or **we** sell the **property** following **your** failure to repay the **mortgage debt** in accordance with the notice (provided, in either case, **you** have kept to all of **your** other obligations under the **mortgage**).

F.10.5 If there are two of **you** and one of **you** dies, the survivor can ask **us** for a new mortgage loan to repay the **mortgage debt**. If the new mortgage loan is on the same terms (including rate) as the **mortgage debt** and the survivor's request satisfies **our** lending criteria at that time, **we** will lend the survivor a new mortgage loan. If **we** do not agree to the request, **we** will not charge any early repayment charges in connection with the repayment of the **mortgage debt** if the survivor repays the **mortgage debt** within three months of **our** telling them that **we** are not prepared to lend a new mortgage loan.

F.11 Your legal responsibility for the property

F.11.1 **You** agree to the following.

F.11.1.1 **You** must use the **property** as **your** only or main home unless **we** agree otherwise.

F.11.1.2 **You** must keep the **property** in good repair.

F.11.1.3 **You** must make any payments **you** have to pay in connection with the **property** on time.

F.11.1.4 **You** must keep to any obligations **you** have concerning the **property**.

F.11.1.5 **You** must get **our** permission before **you**:

F.11.1.5.1 sell any part of the **property**;

F.11.1.5.2 let any part of the **property**, change the terms of any lease or allow a tenant (if there is one) to give up their lease or give up possession of the **property**;

F.11.1.5.3 grant someone a licence or right to occupy all or part of the **property**;

F.11.1.5.4 give someone else a **mortgage** or other security over any part of the **property**;

F.11.1.5.5 give any part of the **property** away;

F.11.1.5.6 alter or extend the **property**;

F.11.1.5.7 change how the **property** is used or apply to any planning authority for consent to make such a change; or

F.11.1.5.8 negotiate, waive or settle any claim for compensation for the compulsory purchase, loss or reduction in the value of the **property**; or

F.11.1.5.9 apply for or get an improvement grant or other similar grant.

If **we** give **our** permission, **you** must keep to any reasonable conditions **we** set **you**.

F.11.1.6 **You** must carry out any building or repair work which:

F.11.1.6.1 **we** agree **you** can do;

F.11.1.6.2 is needed to maintain the value of the **property**; or

F.11.1.6.3 the law says **you** must do.

F.11.1.7 **You** must tell **us** if **you** are going to become the owner of a new or increased interest in the **property** or any land or building which includes the **property** (for example, if the **property** is leasehold and **you** buy the freehold). If this happens, **you** must send **us** any document giving **you** the new or increased interest. **You** must give **us** (if **we** ask for it) a new mortgage over the new or increased interest. **We** must approve the terms of the new mortgage deed (or standard security in Scotland).

F.11.1.8 If **we** ask **you**, **you** must deposit with **us** any document relating to the **property** or the ownership of the **property** held by **you** or on **your** behalf.

F.11.1.9 If **we** ask **you**, **you** must deposit with **us** any share certificate or membership certificate relating to **your** membership of a management company, or a residents' association, commonhold association or society (or other similar organisation) connected with the **property**.

F.11.1.10 **You** must pay **us** the amount of any claim **we** pay to anybody else because **you** have not kept to these conditions about the **property**.

F.11.1.11 If **you** do not keep to any of **your** obligations to do with the **property**, **we** may keep to them for **you**.

F.12 Our right to enter the property

We, or someone acting on **our** behalf, may come into the **property** to inspect it or to do any work **you** have not done. Unless **we** cannot contact **you** or it is an emergency, **we** will tell **you** beforehand. If **we** enter the **property** under this condition F.12, it does not mean **we** have accepted the legal responsibilities of a mortgage lender in possession of the **property**.

F.13 Insuring the property

- F.13.1 **You** must ensure that the **property** is insured at all times. The following terms will apply.
- F.13.1.1 The insurance must be in the joint names of **you** and **us**. If this is not possible (for example, because a landlord leases the **property** to **you** and the insurance has to be in the landlord's name), **you** must arrange for **our** interest in the **property** to be noted on the policy.
- F.13.1.2 The policy must cover the following risks: fire, lightning, aircraft, explosion, earthquake, storm, flood, escape of water or oil, riot, malicious damage, theft or attempted theft, falling trees and branches and aereals, subsidence, landslip, heave, collision, accidental breakage of glass and sanitary ware and accidental damage to underground services and any other risk **we** reasonably say and all risks covered by a comprehensive householder's insurance policy. If **you** wish, **you** may arrange for the policy to cover more risks.
- F.13.1.3 **You** must be insured against public liability to anyone else.
- F.13.1.4 The **property** must be insured for an amount not less than the full reinstatement value of the **property** and must include demolition costs and value added tax. This amount must be index linked or reviewed every year.
- F.13.1.5 The excess (the amount of each claim **you** must pay) must not be more than the limits **we** set from time to time.
- F.13.1.6 **You** must keep the insurance in force.
- F.13.1.7 **You** must not do anything which would mean the insurance ends, is cancelled or becomes invalid.
- F.13.1.8 **You** must show **us** details of the insurance and proof that it is still in force, if **we** ask **you**.
- F.13.1.9 **You** must claim under the policy for any damage **you** are covered for unless **you** put the damage right.
- F.13.2 **We** may insure the **property** if:
- F.13.2.1 **you** are not insuring it (and **we** have not agreed that anybody else can insure it); or
- F.13.2.2 **you** break the terms in conditions F.13.1 or F.13.6.
- F.13.3 If **we** insure the **property**, **we** will decide:
- F.13.3.1 who the insurer will be;
- F.13.3.2 whether to insure the **property** direct or through an agent or broker;
- F.13.3.3 what will be covered by the policy; and
- F.13.3.4 the amount of the sum insured and any excess.
- F.13.4 **We** may also insure the **property** if **you** ask **us** to arrange the insurance for **you**. **We** will insure it on the terms **we** agree with **you**.
- F.13.5 Conditions F.13.6 to F.13.10 apply whoever insures the property.
- F.13.6 **You** must make sure that nothing happens which may:
- F.13.6.1 reduce the risks the **property** is covered for or the amount of the sum insured;
- F.13.6.2 increase the premiums or the excess;
- F.13.6.3 prevent or hinder any claim from being settled in full; or
- F.13.6.4 make the insurance invalid.

- F.13.7 **You** must tell **us** straight away if:
- F.13.7.1 the **property** gets damaged and **you** or anyone else will need to make a claim; or
 - F.13.7.2 the insurance becomes invalid or comes to an end for any reason and **you** do not take out suitable replacement insurance.
- F.13.8 **We** have a right to settle all insurance claims on reasonable terms.
- F.13.9 **You** must tell **us** how **you** want any money from a claim to be used. This will either be to:
- F.13.9.1 repair or rebuild the **property**; or
 - F.13.9.2 reduce or pay off the **mortgage debt**.
- F.13.10 If **you** receive any money from an insurance claim, **you** must hold all the money on trust for **us**, whether or not **we** agreed to the insurance.
- F.13.11 Conditions F.13.3 to F.13.10 will apply to any contents insurance which **we** arrange for **you**, with **your** permission, or if **you** leave any contents in the **property** after **we** repossess it.

F.14 Other insurance

- F.14.1 This condition F.14 applies to any of the following kinds of insurance taken out by **you** or anybody else in connection with the **property**.
- F.14.1.1 Insurance taken out to cover any of **your** responsibilities under the **mortgage** (including **your** responsibility to pay the **regular mortgage payments**).
 - F.14.1.2 Insurance for work carried out by a builder or other contractor.
 - F.14.1.3 Any kind of title insurance or search insurance.
- F.14.2 **We** may pay for the insurance if no one else does.
- F.14.3 **We** have a right to settle all insurance claims on reasonable terms.
- F.14.4 If **you** receive any money from an insurance claim, **you** must hold all the money on trust for **us**, whether or not **we** agreed to the insurance.
- F.14.5 **We** may use any money from a claim to:
- F.14.5.1 reduce or pay off the **mortgage debt**; or
 - F.14.5.2 make good the loss, damage or defect which the insurance money was paid for.

F.15 Your legal responsibility for the investment plan

- F.15.1 If any part of the **mortgage debt** is an interest-only **mortgage loan**, **you** must have, or take out, and maintain a suitable **investment plan** to repay the **capital** at the end of the **mortgage repayment period** for the interest-only **mortgage loan**.
- F.15.2 If the amount of an interest-only **mortgage loan** goes up for any reason (including because **you** have taken a **payment holiday** or because **we** have added expenses **we** have incurred, but that **you** have not paid, to the **mortgage loan**), **you** must ensure that **your investment plan** will cover the increased **mortgage loan** or **you** must take out another **investment plan** to cover the increase in the **mortgage loan**.

- F.15.3 If an **investment plan** is used in connection with the **mortgage**, **you** must make sure that nothing is done which could mean that the **investment plan**:
- F.15.3.1 ends (unless the money due under the **investment plan** is paid to **us**);
 - F.15.3.2 is cancelled;
 - F.15.3.3 becomes invalid;
 - F.15.3.4 loses any tax benefits;
 - F.15.3.5 is used to secure or pay off a debt owed to anyone else; or
 - F.15.3.6 is reduced in value as a result of anything that **you** have done or **you** have not done.
- F.15.4 **We** are under no duty to tell **you** if **we** find out that any of these things happen. If any of these things do happen, **we** can tell **you** to start the original **investment plan** again or to take out another **investment plan**.
- F.15.5 If **we** ask **you**, **you** must:
- F.15.5.1 show **us** details of the **investment plan** and proof that it is still in existence; and
 - F.15.5.2 let **us** hold any documents relating to the ownership of the **investment plan**.

F.16 Acting as attorney for you

- F.16.1 By way of security, **you** appoint **us**, and (as a separate appointment) anyone **we** appoint to receive any income from the **property**, to be **your** attorney. **You** cannot cancel this appointment until the money secured by the **mortgage deed** is paid off in full.
- F.16.2 **Your** attorney will be authorised to act in **your** name and on **your** behalf and will have the following rights.
- F.16.2.1 To receive any money due to **you** to do with:
 - F.16.2.1.1 the **property**;
 - F.16.2.1.2 any right to the **property** or power or claim over it;
 - F.16.2.1.3 the insurance of the **property** or any guarantee or compensation relating to it; or
 - F.16.2.1.4 any other insurance described in condition F.14.
 - F.16.2.2 To enforce **your** rights or take over **your** right to make any claim or do anything else (including bringing or continuing court or arbitration proceedings) to do with:
 - F.16.2.2.1 the **property**;
 - F.16.2.2.2 the insurance of the **property** or any guarantee or compensation relating to it; or
 - F.16.2.2.3 any other insurance described in condition F.14.
 - F.16.2.3 To use any money received as **your** attorney to reduce or pay off the **mortgage debt**, put right any defect in the title to the **property**, repair or rebuild the **property**, or pay any money which **you** have not paid under the **mortgage**.
 - F.16.2.4 To instruct anybody (such as a solicitor) who has any documents or accounting information (including tapes, films or computer records) about the **property** or the ownership or insurance of the **property** to let **us** look at them, take copies of them or ask for them to be sent to **us**.

- F.16.2.5 To transfer any share or membership right in any management company or residents' association, commonhold association or society (or other similar organisation) connected with the **property** which **you** are a member of.
- F.16.2.6 To ask for the cancellation and reissue of any certificate in respect of any share or membership right in any management company or residents' association, commonhold association or society (or other similar organisation) connected with the **property** which **you** are a member of.
- F.16.2.7 To sign any document that **you** agree in an **offer**, an **extra agreement** or these conditions to sign.
- F.16.3 If the **investment plan** is one which **you** could assign to **us**, **your** attorney will have the following rights.
- F.16.3.1 To receive any money due to **you** under the **investment plan**.
- F.16.3.2 To take over **your** right to receive any money due to **you** under the **investment plan**.
- F.16.3.3 To sell, cash in, change or deal with the **investment plan** if **you** have to pay off the full **mortgage debt** under condition F.17.
- F.16.3.4 To enforce any right which **you** have not enforced in connection with the **investment plan**.
- F.16.4 If the **investment plan** is one which **you** cannot assign to **us**, and **you** have to pay off the full **mortgage debt** under condition F.17, **your** attorney may (so far as the law allows) do anything **you** could have done to end the **investment plan**, sell the investments in the **investment plan**, deal with the **investment plan** and receive any money due under the **investment plan**.
- F.16.5 If there is more than one of **you**, the attorney will act for all of them together and each of them separately.

F.17 When the mortgage debt has to be repaid immediately

If any of the things mentioned in this condition happen, **you** must pay **us** the **mortgage debt** immediately.

- F.17.1 If **you** have not paid all the money **you** have to pay **us** on time and the shortfall is equivalent to two or more **regular mortgage payments**. **We** do not count **regular mortgage payments** **you** miss if **you** take a **payment holiday** under condition F.8.
- F.17.2 If **you** do not keep to any of **your** obligations under the conditions in sections A and F or in the **offer** or an **extra agreement** (other than an obligation to pay money).
- F.17.3 If **you** do not pay **us** the **mortgage debt** in full by the time any notice under condition F.2.4 runs out.
- F.17.4 If:
- F.17.4.1 **you** enter into a voluntary arrangement with anyone **you** owe money to (or **you** are going to do so);
- F.17.4.2 **you** apply to a court for an interim order; or
- F.17.4.3 a bankruptcy order is made against **you** or **we** think that one is likely to be made;
- F.17.4.4 anybody takes any of **your** money or property to recover a debt; or
- F.17.4.5 anybody applies for a court order or decree against **you** to do with the **property** and this could harm **our** security.

- F.175 If **you** die or, if there are two of **you**, one of **you** dies.
- F.176 If **you** have given **us** any false or misleading information.
- F.177 If the **property** is compulsorily purchased.
- F.178 If the **property** is in Scotland and **we** have given **you** a calling up notice under the Conveyancing and Feudal Reform (Scotland) Act 1970 and **you** have not paid **us** the full **mortgage debt**.
- F.179 If **you** are involved in any serious criminal activity or fraudulent activity, unless **your** only involvement is as a victim.
- F.1710 At the end of the **mortgage repayment period**.

F.18 Our right to take possession of the property

- F.18.1 If **you** must pay off the **mortgage debt** immediately under condition F.17, **we** may:
 - F.18.1.1 make **you** leave the **property** (if **you** have not already done so) so that **we** can take possession of it;
 - F.18.1.2 sell the **property**;
 - F.18.1.3 use the other powers given to mortgage lenders under the Law of Property Act 1925 (if the **property** is in England or Wales), the Conveyancing and Feudal Reform (Scotland) Act 1970 (if the **property** is in Scotland) or the Conveyancing Acts 1881 and 1911 (if the **property** is in Northern Ireland);
 - F.18.1.4 use the extra powers **we** have under the conditions in section F;
 - F.18.1.5 let the **property** on any reasonable terms; or
 - F.18.1.6 if the **property** is in Scotland, ask the Sheriff Court of the district where the **property** is located for a warrant of summary ejection. **We** will only do this if **we** have given **you** at least seven days' notice to leave the **property**. **You** agree that, if **we** have given **you** this notice, **you** will not try to stop **us** getting a warrant of summary ejection and that **you** and everyone living there will leave the **property** when **we** tell them to.
- F.18.2 **We** may use **our** legal power to sell the **property**, the **investment plan** or the investments that make up the **investment plan** even if **we** have not taken possession of them. The restrictions in section 103 of the Law of Property Act 1925 and section 20 of the Conveyancing Act 1881 will not apply.
- F.18.3 If **you** agree, **we** may use **our** powers in this condition even though **you** do not have to pay the **mortgage debt** immediately under condition F.17.
- F.18.4 If **we** do not receive payment of the **mortgage debt** in full when the **property** is sold, **you** must pay **us** the money **you** still owe **us**. **We** will continue to charge **interest** on the money **you** still owe **us** until **you** pay it off in full.

F.19 Things left in the property

If **we** take possession of the **property**, **we** may, as **your** agent, remove, store, sell or get rid of anything **you** leave at the **property** (including animals). **You** will have to pay **our** expenses of doing this.

F.20 How we use the money received by us

F.20.1 If **we** receive any money when **we** use any of **our** powers under conditions F.16 or F.17, **we** will use the money in the following order:

F.20.1.1 To pay the current **regular mortgage payment**.

F.20.1.2 To reduce or pay off any arrears on the **mortgage**.

F.20.1.3 To reduce or pay off the **capital** (except for the expenses mentioned below in this condition).

F.20.1.4 To pay all expenses of using **our** powers.

If **you** have more than one part to a mortgage **jar**, the money **we** receive will be applied in this way to each part in turn in the order in which **we** number them on **your** statements.

F.20.2 Examples of **our** expenses are:

F.20.2.1 the costs of any legal proceedings in connection with the **mortgage** or the **property** (whether brought by, or against, **you** or anybody else);

F.20.2.2 the cost of valuing or inspecting the **property**;

F.20.2.3 the costs **we** pay to recover any money **you** owe **us**, or to create or protect **our** security, or in using **our** legal rights and powers in sections A or F relating to the **mortgage**;

F.20.2.4 **our** reasonable costs resulting from **you** breaking any of the conditions in sections A or F relating to the **mortgage**, including any costs **we** incur in putting right any breach of the conditions by **you**;

F.20.2.5 the costs of any insurance **we** take out or arrange under the **mortgage**; or

F.20.2.6 any administration fees **we** charge for any work **we** do or services **we**, **our** holding company or another subsidiary of **our** holding company provide in connection with the **mortgage** or the **property**.

F.20.3 If **we** use **our** powers under conditions F.16.1 or F.18, **we** will pay any amount left over from the money **we** receive from the sale of the **property** to anybody who has a mortgage or other security over the **property** and, if there is none, to **you**.

F.20.4 If **we** use **our** powers under conditions F.16.3 or F.16.4, **we** will pay any amount left over from the money **we** receive to anybody who has a mortgage or other security over the **investment plan** and, if there is none, to **you** or **your** personal representatives.

F.21 Continuing security

F.21.1 The **property** and the **mortgage deed** are security for the **mortgage debt** and also for any other money **you** owe **us** under the conditions in section A that apply to a mortgage **jar** and under the conditions in section F. **We** will not release any security **we** hold until **you** have paid all this money.

F.21.2 Condition F.21.1 does not apply to any money **you** owe **us** under an agreement which the Consumer Credit Act 1974 regulates unless **we** have met the terms of that Act.

F.21.3 **You** promise to sign any document **we** may need to safeguard **our** security or to protect **our** interest in the **property** or any **investment plan**. **We** will prepare any document at **your** cost.

F.22 Your rights

- F.22.1 **You** may pay off all or part of the **mortgage debt** at any time without giving **us** notice (unless the **offer** or any **extra agreement** says that **you** cannot).
- F.22.2 **You** may use the **property** and keep any money (such as rent) from it until **you** have to pay off the **mortgage debt** immediately under condition F.17. **We** may ask **you** to pay the rent to **us** as a condition of allowing **you** to let the **property**.

F.23 Criminal damage compensation

If the **property** is in Northern Ireland and suffers damage and the Compensation Agency agrees to pay compensation for the damage:

- F.23.1 **you** will hold the compensation paid by the Compensation Agency to **you** on trust for **us**, unless an insurer has paid money under an insurance policy for the same damage, in which case **you** will only hold on trust for **us** the part of the compensation that is not paid to the insurer; and
- F.23.2 **we** may use any money paid by the Compensation Agency to repair or rebuild the **property** or to reduce or pay off the **mortgage debt**.

F.24 What happens if a mortgage jar is in joint names?

- F.24.1 Each one of **you** is responsible for repaying the whole balance and not just a part of it.
- F.24.2 **We** may accept the instructions or signature of only one of **you**, this includes when **you** want to take a **payment holiday**, borrow the **pre-agreed reserve** or the **built-up reserve**.
- F.24.3 If one of **you** dies, **we** will continue to accept instructions in connection with a mortgage **jar** from the survivor.
- F.24.4 If **your** relationship with each other ends, **you** must ensure that the **regular mortgage payment** is made or the **mortgage debt** is repaid.
- F.24.5 If at any time during the **mortgage repayment period**, either of **you** live at an address different to the **property**, **you** must let **us** know where **you** are living as soon as possible. If **you** live at different addresses before the start of a **mortgage** and are going to continue to do so, **you** must contact **us** immediately after the start of the **mortgage** to confirm this.

IN WITNESS WHEREOF these presents typewritten on this and the eighty two preceding pages together with the Schedule annexed hereto are subscribed for and on behalf of us, the said Halifax plc, by Kathleen Helen Marshall, authorised signatory, in the presence of this witness Nicola Christine Sneddon, one Castle Terrace, Edinburgh, at Edinburgh on the sixteenth day of January two thousand and seven.

NOTE: THIS SCHEDULE ONLY APPLIES IF THE PROPERTY IS IN SCOTLAND

Conveyancing and Feudal Reform (Scotland) Act 1970

(as amended)

Schedule 3

The standard conditions

1. It shall be an obligation on the debtor:
 - (a) to maintain the security subjects in good and sufficient repair to the reasonable satisfaction of the creditor;
 - (b) to permit, after seven clear days' notice in writing, the creditor or his agent to enter upon the security subjects at all reasonable times to examine the condition thereof;
 - (c) to make all necessary repairs and make good all defects in pursuance of his obligation under head (a) of this condition within such reasonable period as the creditor may require by notice in writing.
2. It shall be an obligation on the debtor:
 - (a) to complete, as soon as may be practicable, any unfinished buildings and works forming part of the security subjects to the reasonable satisfaction of the creditor;
 - (b) not to demolish, alter or add to any buildings or works forming part of the security subjects, except in accordance with the terms of a prior written consent of the creditor and in compliance with any consent, licence or approval required by law;
 - (c) to exhibit to the creditor at his request evidence of that consent, licence or approval.
3. It shall be an obligation on the debtor:
 - (a) to observe any condition or perform any obligation in respect of the security subjects lawfully binding on him in relation to the security subjects;
 - (b) to make due and punctual payment of any ground burden, teind, stipend, or standard charge, and any rates, taxes and other public burdens, and any other payments exigible in respect of the security subjects;
 - (c) to comply with any requirement imposed upon him in relation to the security subjects by virtue of any enactment.
4. It shall be an obligation on the debtor:
 - (a) where he has received any notice or order, issued or made by virtue of the Town and Country Planning (Scotland) Acts 1947 to 1969 or any amendment thereof, or any proposal so made for the making or issuing of any such notice or order, or any other notice or document affecting or likely to affect the security subjects, to give to the creditor, within fourteen days of the receipt of that notice, order or proposal, full particulars thereof;
 - (b) to take, as soon as practicable, all reasonable or necessary steps to comply with such a notice or order or, as the case may be, duly to object thereto;
 - (c) in the event of the creditor so requiring, to object or to join with the creditor in objecting to any such notice or order or in making representations against any proposal therefor.

5. It shall be an obligation on the debtor:
 - (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and other such risks as the creditor may reasonably require;
 - (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor;
 - (c) to pay any premium due in respect of any such policy and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day, after the renewal date of the policy;
 - (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim;
 - (e) without prejudice to any obligation to the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim;
 - (f) to refrain from any act or omission which would invalidate the policy.
6. It shall be an obligation on the debtor not to let, or agree to let, the security subjects, or any part thereof, without the prior consent in writing of the creditor, and 'to let' in this condition includes to sub-let.
7.
 - (1) The creditor shall be entitled to perform any obligation imposed by the standard conditions on the debtor, which the debtor has failed to perform.
 - (2) Where it is necessary for the performance of any obligation as aforesaid, the creditor may, after giving seven clear days notice in writing to the debtor, enter upon the security subjects at all reasonable times.
 - (3) All expenses and charges (including any interest thereon), reasonably incurred by the creditor in the exercise of a right conferred by this condition, shall be recoverable from the debtor and shall be deemed to be secured by the security subjects under the standard security, and the rate of any such interest shall be the rate in force at the relevant time in respect of advances secured by the security, or, where no such rate is prescribed, shall be the bank rate in force at the relevant time.
8. The creditor shall be entitled, subject to the terms of the security and to any requirement of law, to call up a standard security in the manner prescribed by section 19 of this Act.
9.
 - (1) The debtor shall be held to be in default in any of the following circumstances, that is to say:
 - (a) where a calling up notice in respect of the security has been served and has not been complied with;
 - (b) where there has been a failure to comply with any other requirement arising out of the security;
 - (c) where the proprietor of the security subjects has become insolvent.
 - (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if:
 - (a) he has become notour bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors;
 - (b) he has died and a judicial factor has been appointed under section 11A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors, or his estate falls to be administered in accordance with an order under section 421 of the Insolvency Act 1986;
 - (c) where the proprietor is a company, a winding up order has been made with respect to it, or a resolution for voluntary winding up (other than a members' voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.

10.
 - (1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, exercise, in accordance with the provisions of Part 11 of this Act and of any other enactment applying to standard securities, such of the remedies specified in the following sub-paragraphs of this standard condition as he may consider appropriate.
 - (2) He may proceed to sell the security subjects or any part thereof.
 - (3) He may enter into possession of the security subjects and may receive or recover feu duties, ground annuals, or, as the case may be, the rents of those subjects or any part thereof.
 - (4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof.
 - (5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects.
 - (6) He may effect all repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times.
 - (7) He may apply to the court for a decree of foreclosure.
11.
 - (1) The debtor shall be entitled to exercise his right (if any) to redeem the security on giving notice of his intention so to do, being a notice in writing (hereinafter referred to as a 'notice of redemption').
 - (2) Nothing in the provisions of this Act shall preclude a creditor from waiving the necessity for a notice of redemption, or from agreeing to a period of notice of less than that to which he is entitled.
 - (3)
 - (a) A notice of redemption may be delivered to the creditor or sent by registered post or recorded delivery to him at his last known address, and an acknowledgement signed by the creditor, or his agent or a certificate of postage by the person giving the notice accompanied by the postal receipt shall be sufficient evidence of such notice having been given.
 - (b) If the address of the creditor is not known, or if the packet containing the notice of redemption is returned to the sender with intimation that it could not be delivered, a notice of redemption may be sent to the Extractor of the Court of Session and an acknowledgement of receipt by him shall be sufficient evidence of such notice having been given.
 - (c) A notice of redemption sent by post shall be held to have been given on the day next after the day of posting.
 - (4) When a notice of redemption states that a specified amount will be repaid, and it is subsequently ascertained that the whole amount due to be repaid is more or less than the amount specified in the notice, the notice shall nevertheless be effective as a notice of repayment of the amount due as subsequently ascertained.
 - (5) Where the debtor has exercised a right to redeem, and has made payment of the whole amount due, or has performed the whole obligations of the debtor under the contract to which the security relates, the creditor shall grant a discharge in the terms prescribed in section 17 of this Act.
12. The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are recorded, the recording thereof, and all expenses reasonably incurred by the creditor in calling up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.

Interpretation

In this Schedule, where the debtor is not the proprietor of the security subjects, 'debtor' means 'proprietor', except:

- (a) in standard conditions 9(1), 10(1) and 12, and
- (b) in standard condition 11, where 'debtor' includes the proprietor.

