

Savings & Current Account

Terms & Conditions

These Conditions apply from 21 December 2011.

These Conditions apply to all Cumberland savings and current accounts and explain the way in which your account works. They should be read in conjunction with the conditions which relate to each specific product, which are contained in the appropriate account leaflet, copies of which are available at any of the Society's branches or online by going to our website www.cumberland.co.uk. If a specific condition in the appropriate account leaflet differs from these Conditions, that specific condition will apply.

New investing members from 15 November 1998 are required to sign an agreement to assign the right to any potential windfall benefits from conversion to the Society's Charitable Foundation, full details of which are set out in the relevant application form.

Details of current interest rates and charges for account services and our Cumberland Card Terms and Conditions can be obtained from our website www.cumberland.co.uk or by telephoning our Customer Service Department on 0845 601 8396 or (01228) 403141 between 8.00 am and 8.00 pm Monday to Friday, between 8.30 am and 4.30 pm Saturdays and between 10.00 am and 4.00 pm Sundays, or by calling personally or telephoning any Cumberland branch.

I. In these Conditions the words in **bold** below have the following meanings:

account	your Cumberland savings or current account. We may at any time change the name of the account or the range or name of the services we offer or let you use on the account and these Conditions will continue to apply
account leaflet	a leaflet providing a summary of the main features and conditions for the account you have opened or wish to open. The features and conditions set out in the account leaflet may vary these Conditions.
Bacs	(Banks automated clearing system) a system for sending money electronically between banks
bank working day	any day which is not an English bank holiday or a Saturday or Sunday
card	any card issued by us which allows you to withdraw or deposit money, or obtain account information through a cash machine, pay for goods and services or guarantee a cheque issued on a current account. Cards are governed by our separate Card Terms & Conditions (see above for how to obtain a copy).
CHAPS	(Clearing House Automated Payments System) a computer system which allows payments to be made electronically, going from the paying bank to the receiving bank on the same day
cleared balance	the balance on your account which is available for withdrawal, allowing for the time it takes for any cheque paid into your account to be returned unpaid (see Condition 7)
deposit account	an account where the holders do not have membership and voting rights
direct debit	an instruction from you to us authorising an organisation to collect money from your account, as long as you have been given advance notice of the collection amounts and dates
electronic payments	payments by standing order and CHAPS, and Faster Payments, direct debits, internal transfers, overseas payments and bank transfers from overseas (not all outgoing electronic payments are available on all accounts)
Faster Payments	payments made electronically between financial institutions using the Faster Payments Service, which has a monetary limit per transaction
internal transfer	an instruction from you to us to pay an amount of money, either regularly, or as a one-off payment, to another account held with us
overseas payment	an instruction from you to us to send funds overseas electronically
passbook	a book that may be issued by us to you to provide you with a record of transactions made on the account
payment services	services we provide to enable you to deposit, transfer or withdraw funds, such as cash, electronic payments, cards and internet banking access
the rules	our Rules as varied from time to time

share account	an account where the holders are individuals (or corporate bodies if opened before 1 October 1998) who are members of the Society
Society working day	any day which is not an English bank holiday or a Sunday
standing order	an instruction from you to us to pay an amount of money regularly to a bank account with another financial institution
transaction	a transaction is made when we carry out your instructions to pay money out of or into the account. A transaction is completed once we have carried out your instructions. Examples of the most common transactions are cash and cheque withdrawals, cash and cheque deposits, standing orders, direct debits, Faster Payments, transfers to and from other accounts with us and transactions made with cards
we, us, the Society and our	Cumberland Building Society and any successors and assigns
you	you, or in the case of a joint account, any of you named on the account

2. Membership

- 2.1 We offer share and deposit accounts. Holders of share accounts will become members of the Society (if they are not already members) and will be entitled to attend and vote at its general meetings if they are the sole or the first-named account holder. They are also bound by our rules. Holders of deposit accounts do not become members of the Society or have voting rights, but will be bound by the rules insofar as they apply to depositors. However, these Conditions and any specific conditions which apply to your account will apply where they are inconsistent with the rules.
- 2.2 A club, association, partnership or similar unincorporated body cannot be a member of the Society. Only persons nominated to operate a share account on behalf of the club, association, partnership or similar unincorporated body can be members of the Society. If you operate a share account for a club, association, partnership or similar unincorporated body, only the first-named person (representative joint shareholder) will be entitled to receive notices and communications from the Society and exercise membership and voting rights.
- 2.3 Persons nominated to operate a deposit account on behalf of a club, association, partnership or similar unincorporated body, or a corporate body, do not have membership rights in connection with that account.
- 2.4 If, in exceptional circumstances, your account has a zero balance or becomes overdrawn, then your membership of the Society in respect of this account may cease.

3. Opening an account

- 3.1 Subject to Condition 3.4, a share account can be opened by individuals on their own or jointly with another person or persons, and on their own behalf or on trust for other individuals. A deposit account may be opened by a corporate body such as a limited company, by solicitors investing in their own name on behalf of clients, or by individuals investing as trustees for other groups of people, such as clubs or similar organisations. Some accounts are restricted to individuals. For further details see the account leaflet.
- 3.2 We are required by law to ask you to provide some suitable means of identification, such as a passport or full UK driving licence and separate proof of where you live, such as a recent paid gas, electricity or similar bill. We may also ask for other identification to be produced. We may waive this requirement if you already have an account with us.
- 3.3 If we receive money without evidence of identity which is satisfactory to us, the money will be returned.
- 3.4 If you are opening an account for a charity, club, association or corporate body, you will be required to produce a copy of the resolution authorising the opening of the account and the authority to operate it. You will also have to provide us where appropriate with a copy of the constitution, rules, certificate of incorporation or similar document. The people authorised to operate the account may also have to produce suitable means of identification as provided for in Condition 3.2.
- 3.5 The maximum balance in any one account is £500,000 (£1,000,000 for joint accounts), but may be amended by us at any time. Some types of account may have a lower limit, which is shown in the account leaflet.
- 3.6 We may refuse to open an account without giving any reason.

4. 'Cooling off'

- 4.1 If after opening an account you find that you are not happy about your choice of current or savings account (except for a non-ISA fixed rate account) you may cancel it by notifying us in writing at our Head Office within 14 days of the later of:

- the day the account is opened or your first deposit made; or
- the day you receive your Cumberland Savings and Current Account Terms and Conditions leaflet.

We will then help you switch to another of our accounts or we will give you all your money back with any interest you have earned. The interest we pay to you in these circumstances may be calculated at the rate advertised at that time for our Instant Savings account. If your account has been overdrawn you may be required to repay any debit interest owed before the account can be closed. We will however ignore any notice period and any extra charges. If you do not exercise your right to cancel during this period, you will be bound by these Terms and Conditions, the specific conditions applicable to the account and any applicable notice period or penalty to be applied on closure.

5. Joint accounts

If more than one of you have opened an account, the following conditions apply:

- 5.1 Only the account holder whose name appears first in our records will be entitled to receive all letters, notices and statements relating to the account and, for account holders aged 18 or over in the case of share accounts, to membership rights (such as attending and voting at meetings of the Society). This is subject to any rights given to other joint account holders under any Act of Parliament. (If requested, we will send statements to each party to a joint account at different addresses without additional charge).
- 5.2 You may choose whose name appears first on the account by telling us in writing when you open the account. Any request to change whose name appears first on the account must be signed by all of you and will be effective when our records are actually changed.
- 5.3 Each one of you is responsible for complying with these Conditions and all the obligations of account holders. If one of you fails to do so, we can take action against either or all of you to enforce any obligations you owe us in relation to your account.
- 5.4 Subject to Condition 5.5, we will accept the instructions of any one of you (or, if there are more than two account holders, any combination of you) for all withdrawals and for any other purpose in connection with your account including closure unless you tell us differently on your application form when you open your account.
- 5.5 Any one of you may at any time instruct us in writing that we should, from then on, accept instructions from all of you and not just one of you. If we consider it necessary, we may also ask you or all of you to attend a branch before we will act on this instruction. Until any cards are returned to us, card transactions, including those carried out via cash machines, will continue to be deducted from the joint account.
- 5.6 Where you advise us that there has been a breakdown in the relationship between joint account holders (or we become aware of this), we may (but will not be obliged to) require all future instructions to be confirmed by all of you and in the event of this resulting in a dispute about who owns the money in the account, we may stop all transactions on the account although we will not be obliged to do so unless we are ordered to do so by the court.
- 5.7 We will treat all joint account holders as being entitled to all money in the account. We will not recognise or be concerned as to the interests or claims of any person except the account holders in the monies in your account or as to any division of ownership of the money between the account holders and/or other persons (unless we are required to do so by law).
- 5.8 Where one joint account holder dies, we will transfer the account into the name of the survivor(s) after satisfactory evidence of death, such as a death certificate, has been produced to us.
- 5.9 If we are notified that one of you has become bankrupt, we will put a hold on your account, refuse to pay out any amount from it and return cheques drawn on the account, even if the account is in credit, until we receive joint instructions from the remaining account holder(s) and the person appointed to handle the bankrupt account holder's assets. This is because the money in the account will have come under the control of the person who administers the bankrupt account holder's assets.
- 5.10 We may give information about your joint account to any of you.

6. Using the account

- 6.1 The account leaflet will tell you how much money you need to put into the account before you start using it and any other conditions which affect the operation of your account.
- 6.2 Transactions on the account will be conducted only in sterling.
- 6.3 We may from time to time ask you for a specimen of your signature. You agree to provide us with specimen signatures if we ask for them.

7. Payments into the account and how long they take to clear

- 7.1 Unless the conditions for your account specify otherwise, we will accept deposits into your account at any of our branches or agencies by cash in sterling, cheques in sterling made payable to you, transfer from another bank or by post.
- 7.2 If money is paid into your account by Faster Payments, Bacs or CHAPS, or by bank transfer from overseas, it is your responsibility to provide the payer with your correct account number and sort code, which are shown on your passbook, card or cheque book. For Faster Payments and Bacs payments you should quote sort code 16 52 21 and your eight digit account number, and for CHAPS payments you should quote sort code 15 10 00, account number 23074349, your name and your eight digit account number in the reference field. For bank transfers from overseas, you should quote IBAN (International Banking Account Number) GB68 RBOS 1510 0023 0743 49 and Bank SWIFT BIC (Bank Identifier Code) RBOS GB 2L, beneficiary name 'Cumberland Building Society' and your name and address and your 8-digit account number in the additional information sections of the payment instruction.
- 7.3 You should not send cash in the post to us for security reasons. If you do, we cannot accept any liability if it is lost.
- 7.4 If you are paying into a current account used for business purposes at one of our branches or agencies, the payment must be accompanied by a completed paying-in slip. Paying-in books are available from any of our branches or by ordering from our Customer Service Department or our website.
- 7.5 If your account is a current account, cash and cheques and other items drawn on branches of banks in the UK may be paid into your account through any bank with a branch in the UK high street, by using a pre-printed paying-in slip. You may be charged for this service by the bank you use.
- 7.6 Special arrangements apply to cheques or cash in foreign currency and payments being sent from a foreign bank. Details, including any charges that may be incurred, may be obtained from our website, or from any of our branches or our Customer Service Department.
- 7.7 Cash paid into your account at any of our branches or agencies will be included as part of your cleared balance immediately.
- 7.8 The chart below shows when a cheque paid into your account at any of our branches or agencies will be part of your cleared balance and available for withdrawal. Cheques sent to us by post will start their clearance period on the Society working day we receive them.

The cheque will be treated as having cleared with certainty at close of business on the day shown in the table. This applies to sterling cheques drawn on UK bank accounts, but not to foreign currency cheques and cheques drawn on branches in the Channel Islands, Isle of Man or Gibraltar. This guarantee of clearance means that after the day on which the cheque is shown as cleared with certainty, we cannot take the funds from the account without your permission unless you are a knowing party to fraud.

Your Account Type	Paid In	Available for Withdrawal	Cleared with certainty
Current Account Plus & Current Offset (cheques under £5,000)	Monday	Wednesday	Tuesday week
	Tuesday	Thursday	Wednesday week
	Wednesday	Friday	Thursday week
	Thursday	Saturday	Friday week
	Friday	Monday	Monday week
	Saturday	Tuesday	Tuesday week
All other current accounts and Money Management Accounts (cheques of any value) Current Account Plus & Current Offset (cheques £5,000 and over)	Monday	Friday	Tuesday week
	Tuesday	Monday	Wednesday week
	Wednesday	Tuesday	Thursday week
	Thursday	Wednesday	Friday week
	Friday	Thursday	Monday week
	Saturday	Friday	Tuesday week
All other Savings, ISA, Money Transmission and card-based accounts	Monday	Monday week	Tuesday week
	Tuesday	Tuesday week	Wednesday week
	Wednesday	Wednesday week	Thursday week
	Thursday	Thursday week	Friday week
	Friday	Friday week	Monday week
	Saturday	Saturday week	Tuesday week

- 7.9 If we allow you to make a withdrawal against a cheque after it was paid into your account, but before it has been cleared with certainty, this is no guarantee that the funds have been cleared as the bank on which the cheque is drawn may still

return it unpaid. If the cheque is returned unpaid, the amount of the cheque will be deducted from your account together with any interest we have paid or which has been earned on that sum. We will tell you if this has been done.

- 7.10 We may be able to arrange quicker clearance of a cheque provided you ask for this service before you pay the cheque into your account. We cannot guarantee the time it will take for the cheque to be received by the bank on which it is drawn, nor can we accept any liability for any postal or other delays which are outside the Society's control. Details of the charge payable for this service is available from any of our branches or from our website or from our Customer Service Department.
- 7.11 If you are paying a cheque made payable only to Cumberland Building Society (or an acceptable equivalent abbreviation of this) into your account, either at a branch, an agency or by post, it is possible that the cheque will not be accepted. We will only accept such cheques if the cheque is drawn on an account in the same name(s) as the Cumberland account it is being paid into.
- 7.12 Cheques not made payable to you may, at our discretion, be credited to your account provided that they have been signed on the reverse by the person to whom the cheque has been made payable and there is nothing written or printed on the cheque to stop us from paying it into the account. For example, cheques which have been crossed by the addition of two parallel lines and the words 'Account Payee,' 'Not Transferable' or 'Not Negotiable,' may normally only be paid into the account of the person to whom the cheque has been made payable. We may also ask you to prove that you are entitled to receive the proceeds of the cheque.
- 7.13 Payments received by us through Faster Payments:
- by 4.30pm on a bank working day will normally be credited to your account on that day and
 - after 4.30pm on a bank working day or a non-bank working day will normally be credited to your account the next Society working day.
- 7.14 Electronic payments made to your account will be included as part of your cleared balance on the day the money reaches your account.
- 7.15 Payments made to your account using the Bank Giro Credit system count as part of your cleared balance on the 4th Society working day after we receive the Bank Giro Credit.
- 7.16 We may limit the amount of coins and/or notes paid into the account, either in a single transaction or within an agreed period of time. Limits for each branch are at our discretion.
- 7.17 If you want to pay a cheque into the account more than six months after the date on the cheque, or after the expiry date (where shown) you will have to ask the person who gave you the cheque to re-date the cheque and put their signature beside this. Alternatively, you will have to ask for a new cheque.
- 7.18 If you pay a cheque that is out of date into the account we may return it to you. We may also refuse to accept or return any cheque which is dated later than the day you want to pay this into the account.

8. Interest Payable to You

- 8.1 We will pay interest on money in your account at a rate set by us. The account leaflet will say if the interest rate is fixed or can change. We may pay different rates of interest on different categories of investment. Interest is calculated each day and will be paid on the date or dates shown in the account leaflet.
- We will tell you the interest rate that applies to your account (and when it is paid or credited) when you open it. This information is also available from our website, from our Customer Service Department or from any of our branches.
- 8.2 Where required by law, interest will be paid or credited after deduction of income tax at the appropriate rate. For additional information concerning income tax on interest, please see our separate interest rates leaflet available from our website, from our Customer Service Department or from any of our branches. There may be other taxes or costs that are not paid through us or charged by us which you will be liable to pay.
- 8.3 Cash paid into your account through any of our branches or agencies will earn interest from the day of deposit, and money sent to us by electronic payments will earn interest from the day that the money is received by us, in each case up to and including the day prior to the day of withdrawal.
- 8.4 Cheques paid into the account will earn interest from the second Society working day following the day of deposit up to and including the day prior to the day of withdrawal as shown in the table below. For example a cheque paid in on Monday will earn interest from Wednesday, as long as none of these days or the days in between are an English bank holiday. Cheques paid into an account which are later returned unpaid will be deducted from your account together with any interest we have paid or which has been earned on the sum deducted.

Paid In	Interest earned from
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Saturday
Friday	Monday
Saturday	Tuesday

- 8.5 Money sent to us by Bank Giro Credit will earn interest from the day following the day of receipt of the credit slip through the banking system up to and including the day prior to the day of withdrawal. If a Bank Giro Credit paid into an account includes a cheque which is later returned unpaid, the amount of the cheque will be deducted from your account together with any interest paid or which has been earned on the sum deducted.
- 8.6 On accounts where interest is paid monthly, you can ask us to transfer interest to another Cumberland account or a bank account. Monthly interest will normally be paid into the account you have chosen on the last day of the month. Monthly interest is calculated on a daily basis for each part month of investment and as one twelfth of one year for each complete month of investment.
- 8.7 Unless we have agreed to pay you a fixed rate of interest, the rate of interest paid on money in your account and charged on any overdraft may be changed by us for the following reasons:
- to reflect, proportionately, changes in the Bank of England base rate or any rate that replaces it;
 - to reflect market conditions including new rates of interest or changes in the interest rates paid or charged by banks, building societies or other financial institutions in the personal savings market and the personal banking industry;
 - to enable us to maintain, reduce, or increase margins in respect of the differentials between interest rates paid to investors and interest rates charged to borrowers, which may be necessary to maintain competitiveness and retain existing, or attract new, savings and mortgage business in the interests of our business as a whole and all our consumer customers;
 - to reflect changes in the law or regulations which affect us;
 - to reflect, proportionately, any increases or reductions in the costs we reasonably incur in operating our savings and current accounts;
 - to reflect changes, or changes in the interpretation, of relevant law, regulations or codes of practice;
 - to reflect a decision, recommendation or guidance by an ombudsman or by the Financial Services Authority or other regulatory body;
 - to enable us to harmonise in a reasonable manner the interest rates being paid to our savers or being charged to our personal banking customers following any transfer of your account to, or our acquisition of savings or investment accounts from another savings provider; or if our business is merged with that of another savings provider;
 - to take account of changes in the way your account is used in the way we administer accounts or the services we provide;
 - if it is necessary to maintain our financial strength for the benefit of all our customers.
- Changes may include the introduction of or alteration of 'bands' by which interest is not paid where the balance in the account is below a certain level and/or where different rates apply depending on the balance in the account.
- 8.8 *If you have a current, card-based, instant access or affinity account, the following condition applies concerning changes to the interest rate on your account:*
- Where changes are more favourable to you (that is, if the interest rate paid on your account rises, or the interest rate charged on any unauthorised overdraft falls) we may apply them immediately or up to two months later and without notice to you although we will inform you of the change by a combination of notices placed in branches, on our website and in newspapers circulating in various parts of Cumbria, South West Scotland and West Northumberland within three bank working days of the change. To help you compare rates more easily, these notices will show clearly the old and the new rates. We will provide other changes to interest rates to you no later than two months before the date on which they will take effect.
- For authorised overdrafts on current accounts, unless we have agreed to charge you an interest rate linked to a publicly available rate such as the Bank of England base rate, we will inform you in writing before making an increase in the overdraft rate.
- If you have a term, regular savings, notice account or ISA, the following condition applies concerning changes to the interest rate payable on your account:*
- Unless we have agreed to pay you a fixed rate of interest, the interest rates paid on shares and deposits can be changed immediately. You will be advised of

the change either by giving you personal notice, or by a combination of notices placed in branches, on our website and in newspapers circulating in various parts of Cumbria, South West Scotland and West Northumberland as soon as is reasonably possible. To help you compare rates more easily, these notices will show clearly the old and the new rates. If you have a variable rate savings account with £500 or more in it and the interest rate will fall materially, we will contact you at least 14 days before the change to:

- tell you that this is happening
- tell you about our other savings accounts and offer to help you to switch to one of these accounts if you want to
- tell you that you can withdraw all the money in your account, and
- give you a reasonable period of time to switch to another account or withdraw the money without any notice period or charges.

8.9 We may also change the interest rates for any other valid reason which reasonably justifies a change. Where we do so, we will give you reasonable written notice in advance of the change so that you can, within 60 days of our notifying you of the change, switch your account or close it without having to give us any notice or pay any extra charges or lose interest. We will tell you this when we give you the notice.

9. Money we can take from the account

9.1 We may take from the account the amount required to cover any transaction and any of the following:

- any cheque or other item paid into the account which is later returned to us unpaid. This may apply even after we have already allowed you to withdraw the value of the cheque or other item (subject to clause 7.8 above)
- interest owed to us by you on an overdraft
- any charge or fee which is applied to the account
- any amount paid to the account in error
- any amount owing to us by you for example, any debt you may have on any savings or current account, or by way of mortgage arrears, guarantee or otherwise which is due for payment and has not been paid
- any loss or expense which we suffer in connection with the account.

We may do this if the account is in credit or overdrawn, or if it goes overdrawn because we have taken money from the account.

We will give you notice in writing when we have done any of the above and we may charge a fee for doing so.

We will not pay interest or bonuses on any money which we have taken from the account in these circumstances.

9.2 We may make a capital adjustment to offset any payment of interest where any credit interest due for payment is insufficient to cover loss of interest resulting from:

- withdrawals from a term account prior to the end of the fixed term; or
- withdrawals from an account subject to notice where notice has not been given and interest is due instead of notice.

10. Withdrawals from the account

10.1 Subject to any restrictions set out in the account leaflet and the amount of the cleared balance in your account, the following conditions apply to withdrawals made through our branches:

- a maximum of £500 may be withdrawn in cash each day;
- a maximum of £99,999.99 may be withdrawn by crossed cheque each day.

Cheques for more than £99,999.99 require a minimum of two bank working days' notice. For example, where notice is given on a Friday, the cheque will normally be available for collection on the following Tuesday.

The limits in this Condition may change.

10.2 We can restrict at any time the amount which can be withdrawn from any account. We will only do this if:

- (a) we reasonably believe that there may be fraudulent activity or other financial crime affecting the account;
- (b) we are required to do so by law, regulation or court order
- (c) there is a dispute (which we reasonably believe may be genuine) about the ownership of, or entitlement to, the money in the account
- (d) circumstances beyond our reasonable control prevent us from offering a normal service (such as in the event of terrorist threat, computer systems failure or strikes); or
- (e) circumstances exist which lead us reasonably to believe our financial stability is under threat (such as where rumours cause actual or potential abnormal levels of cash withdrawals).

In the case of (d) and (e) above:

- i. we will act proportionately to the circumstances in question;
 - ii. we will take all reasonable steps to ensure that the restrictions are lifted as soon as practical and to minimise the inconvenience to you;
 - iii. we will take into account the interests of the Society's membership as a whole;
 - iv. we will, if practical, give advance notice; and
 - v. we may consider exceptions to the restrictions if we are reasonably satisfied that substantial hardship would otherwise be caused.
- 10.3 Different limits apply on withdrawals carried out through our agency. These limits are displayed in our agency, or you can obtain details from any of our branches or from our Customer Service Department.
- 10.4 If you are operating the account as a trustee, executor, administrator, or as a person authorised to operate an account held by a club, charity, company or other organisation, withdrawals will normally be paid on the signatures of two or more trustees, executors, administrators, or authorised signatories. You can give alternative instructions for the payment of withdrawals when you open the account.
- 10.5 We may ask you to produce proof of identity before permitting a withdrawal.
- 10.6 If you have opened an account where it is a condition of the investment that notice is required for withdrawals, then the following additional points will apply:
- amounts can be withdrawn or transferred by giving us written notice. If you do not claim the withdrawal within 14 days of the date when the money is first available to be withdrawn, your notice will lapse and a further period of notice will be required
 - at the time when you give notice of withdrawal, the total of all earlier amounts under notice on the account must not exceed the balance of the account. Where notice is received which exceeds this limit, the earliest notice(s) will be cancelled and only the latest notice(s) will apply
 - you may cancel the amount under notice at any time and replace this with a lower amount. You may request us in writing to increase the amount under notice. In this event a separate period of notice will be required for the additional amount, which will commence from the time we receive your written instruction.

11. Cheque withdrawals

- 11.1 Cheque withdrawals will normally be paid to you by crossed cheque, either payable to you or, if you so instruct us, to someone else.
- 11.2 We may limit the number of cheques withdrawn from the account in any one day.
- 11.3 Cheques are normally only valid for six months from the date shown on the cheque. If you request a cheque to withdraw money from the account and it is not paid into the bank account of the person to whom the cheque was made payable within six months, you will need to return the cheque to one of our branches for re-dating or re-issue.
- 11.4 If you request a cheque to withdraw money from the account and find you need to change any of the details on it, such as the date, the amount, or the name of the person or organisation the cheque is made payable to, you must return the cheque to any of our branches for alteration or re-issue before it can be accepted or paid.
- 11.5 If you request a cheque to withdraw money from the account and find you no longer require it, you should return the cheque to any of our branches. We will pay the cheque back into the account where it will earn interest from the following day.
- 11.6 If a withdrawal is made by cheque issued by us in favour of someone other than you, payment cannot be stopped unless we have clear evidence of fraud, or that the cheque has been lost, stolen or destroyed. If you believe that a cheque which you have withdrawn from your account has been lost, stolen or may be used by someone else without your authority, you must tell us as soon as possible by contacting any of our branches or Customer Service Department on 0845 601 8396 or (01228) 403141. We will then do what we reasonably can to stop payment of the cheque. Condition 13 tells you how to stop cheques withdrawn from the account.
- 11.7 Where you have made a withdrawal by cheque and require a copy of the cheque or details of the payee, we may make a charge for providing this. Details of any charge payable can be obtained from our website, our Customer Service Department or any of our branches.

Cheque books If we have issued you with a cheque book for your account, the following additional conditions apply:

- 11.8 Your cheque book remains our property at all times and must be returned to us or you must stop using your cheque book on closure of your account or if we ask for its return.

- 11.9 You must take all reasonable care to ensure that your cheque book is not mislaid, lost, stolen or misused, keeping it in a secure place to help prevent fraud.
- 11.10 Your cheque book must only be used to make payments from the account on which it was issued.
- 11.11 We can refuse to pay any cheque which you have issued if you do not have enough money in your account or an agreed overdraft to cover it at the time we receive the cheque for payment (usually first thing in the morning). This may happen even if, later in the day we receive the cheque for payment, you pay money into the account. If we refuse to pay such a cheque, we make a charge.
- 11.12 We reserve the right not to pay any cheque issued on your account where we reasonably believe this may not have been issued by you.
- 11.13 You must only write cheques in sterling.
- 11.14 You must not write a cheque and put a future date on it as this will not prevent the payee from paying it into their bank before this date. If you put a future date on a cheque we may still pay it and will not pay you for any loss or charge that you may have to pay as a result.
- 11.15 If we receive a cheque you have issued which is more than six months old, we do not have to, but may decide to pay it.
- 11.16 We may pay a cheque even if the words and figures disagree. If there is a discrepancy, we will pay the amount shown in figures on the cheque.
- 11.17 When you write a cheque you must take all reasonable precautions to prevent anyone else altering it or making a forgery.
- 11.18 If you lose your cheque book or a cheque, or if it is stolen or you think someone else may have used it or may use it, you must contact us as soon as is reasonably possible by contacting any of our branches or telephoning our Customer Service Department on 0845 601 8396 or (01228) 403141. We may ask you to confirm the loss in writing. If necessary we may ask you to report the loss to the police and provide any assistance required to help avoid any subsequent loss or get back any missing money.
- 11.19 If you have been issued with a cheque guarantee card, you may no longer use this to guarantee payment of cheques issued by you up to the limit shown on the card.

12. Outgoing electronic payments

- 12.1 We may agree to let you arrange electronic payments to allow payments to be made from the account. Electronic payments are not permitted on some types of account and the account leaflet will say whether they are permitted.
- 12.2 Instructions for the payment of electronic payments must be made by you either in writing, by telephone or via the Cumberland Internet Banking service. Written instructions will be processed no later than the next Society working day after we receive them. Provided that you have given us the correct information shown in the table below, we will process your instructions.

Type of Withdrawal	Information we require in order to act on your instructions
CHAPS or standing order	the payee's bank sort code and account number
Faster Payments	the payee's name, bank sort code, account number and a reference which identifies the payment to the payee, such as your name or a reference number
direct debit	a direct debit instruction from the organisation to whom you wish to make the payment together with your bank sort code and the account number for the account from which you wish to authorise us to allow the payee to collect the money
internal transfer between Cumberland accounts	the Cumberland account number to which you wish to make the transfer
overseas payments	<p>the name and address of the person to whom the payment is being sent, their IBAN (International Banking Account Number), the bank's full name and address and Bank SWIFT BIC (Bank Identifier Code), the details to be advised to the person to whom the payment is being sent and the currency in which the payment is to be sent.</p> <p>In addition, for non-European payments, please quote the account number including the bank code and (for USA) routing number.</p>

- 12.3 Withdrawals by CHAPS are available subject to the payment of a charge and the request for withdrawal being made to us in writing or via the Cumberland Internet Banking service and received by us by no later than 1.30 pm on a bank working day for it to be sent on the same day. If instructions are received after that time, the payment will be sent on the next bank working day.

- 12.4 If you ask us to set up a standing order payment to another account held with us, we may set this up as an internal transfer
- 12.5 Overseas payments are available subject to the payment of a charge and the request for withdrawal being made to us in writing or via the Cumberland Internet Banking service and received by us by no later than 2.30 pm on the day you wish us to send the payment. If instructions are received after that time, the payment will be sent on the next bank working day.
- 12.6 For either regular (standing orders direct debits and internal transfers) or one-off electronic payments, telephone instructions to our Customer Service Department on 0845 601 8396 or (01228) 403141 (other than in relation to overseas payments for which telephone instructions cannot be accepted); instructions via the Cumberland Internet Banking service; and written instructions for one-off electronic payments, must be received by no later than 5.00 pm on the bank working day before the date a payment is due to be made, to allow time for us to act on your instructions.
- 12.7 For regular electronic payments, new written instructions or amendments must be received by us at least 3 bank working days before the date a payment is due to be made. We reserve the right to ask you to confirm any telephone instruction in writing before we will act on it.
- 12.8 Any instructions received after these times will be treated as if received on the next Society working day.
- 12.9 Please see Condition 13 concerning instructions to cancel such payments.
- 12.10 Electronic payments other than CHAPS, direct debits, internal transfers or overseas payments will be made as Faster Payments provided that the payee's bank has access to the Faster Payments Service and the payment is less than the Faster Payments Service maximum monetary limit. In other cases you will need to contact us to discuss an alternative payment method.
- 12.11 Electronic payments will be made by us on the dates you have asked us to make the payments or, if the dates are not bank working days, on the next bank working day. The money will be available to the payee as follows:
For payments within the United Kingdom and within the European Economic Area (EEA) in sterling or euro (except CHAPS transactions which are available on the same day):
- by the end of the next bank working day after we receive your instruction (unless your instruction is received on paper)
 - for instructions received on paper, by the end of the second bank working day after we receive your instruction
- For payments outside the United Kingdom but within the European Economic Area (EEA) in currencies other than sterling or euro, by the end of the fourth bank working day after we receive your instruction
For payments outside the EEA, please ask us for details of timescales.
- 12.12 If the cleared balance in your account is insufficient to allow payment of a standing order, you will need to make separate arrangements to pay the missed instalment.
- 12.13 We will make a payment by direct debit when an organisation or person you have authorised to receive payment requests the money and the cleared balance in your account is sufficient to allow the payment to be made. Direct debit payments are not sent from us, but are requested by the organisation requiring payment. We cannot be held responsible if an organisation does not ask for a direct debit or changes the day on which payments are requested, or if the amount of the payment requested has changed and the organisation has not previously advised you of the change. You must ensure that you have sufficient cleared funds in your account on the day before the date a direct debit is due for payment. This is because direct debits are normally paid before 9.00 am each morning on the day they are due.
- 12.14 If you have requested us to make a regular transfer to another account with us, you must ensure that there are sufficient cleared funds in the account from which the transfer is to be made on the day before the date you have asked us to make it. When an arranged regular internal transfer is due for payment, and the transfer date falls on a Sunday or English Bank Holiday, the transfer will be made on the next Society working day. In cases where a Sunday or English Bank Holiday falls on the last day of the month, transfers due on this date will be made on the Society working day prior to the last day of the month. We can refuse to pay the transfer if you have not enough money in the account at the time we try to make the transfer. We may not pay a transfer even if later in the day on which the transfer was due to be paid, you pay money into the account. This is because regular internal transfers are normally made before 9.00 am each morning on the day they are due.

- 12.15 Where you have requested us to make payments by standing order, direct debit or regular internal transfer and your cleared balance has been insufficient to allow us to make payments on two or more occasions and you have not taken action to pay money into the account to allow us to make payments on the due dates, we may cancel your instructions without notifying you in advance, although we will confirm to you in writing when we have done this.
- 12.16 We make a charge for any direct debits and standing orders that we are unable to pay from your account because the cleared balance at the time the payment is due to be paid is insufficient to allow payment. We may also charge for other services relating to the payment of direct debits, standing orders, or regular internal transfers. You should check whether any charge will be payable before arranging the payment of direct debits, standing orders, or regular internal transfers. See the first page for how to obtain a full list of charges.
- 12.17 If you believe that the electronic payment has not been sent or has been sent wrongly, then if you request us to do so, we will make immediate efforts to trace the electronic payment and notify you of the outcome. If we cannot prove to you that the electronic payment has been received by the payee's bank or building society, we will immediately refund the amount of the electronic payment to you and, if applicable, restore your account to the state it would have been in had the defective electronic payment not taken place.

13. Stopping transactions on the account

- 13.1 You may instruct us to stop the payment of a cheque, standing order, direct debit, regular internal transfer between Cumberland accounts or a Faster Payment transaction but not a cash or card transaction, as long as:
- we have not yet deducted the payment from your account, and/or
 - we have not told the person or organisation to whom it is payable or their bank that we will pay the item.
- 13.2 Instructions to request us to stop payment of a cheque, or amend or cancel an electronic payment must be received by our Customer Service Department on 0845 601 8396 or (01228) 403141 by telephone by no later than 5.00 pm on the bank working day before the date on which a payment is due to be made, to allow time for us to act on your instructions.
- 13.3 If you telephone us to request us to stop payment of a cheque or an electronic payment, we may require you to confirm this in writing within three bank working days of the request.
- 13.4 If you set up a direct debit with a third party, the sums authorised may be debited to your account at the agreed times until the third party is notified that the direct debit authority is cancelled. Please tell us at the same time. When you cancel a direct debit instruction with the Society, you should also cancel the instruction with the organisation requiring the payment. Further information about direct debits can be obtained from www.directdebit.co.uk.
- 13.5 A cheque issued by us can be stopped if you tell us before our bankers are asked to pay it. The stop request will become effective only when received by our bankers and they have confirmed to us that the cheque has not already been paid.
- 13.6 Where we stop payment of a cheque issued by us, we will issue a replacement made payable to the person or organisation to whom the stopped cheque was made payable. If you want the money to be replaced in your account, we will only do this after the person or organisation to whom the cheque was made payable agrees to this in writing, or the original cheque is returned to us for cancellation.
- 13.7 We will make a charge which will be deducted from your account for stopping payment of a cheque, except where it has been lost or stolen.
- 13.8 We may refuse to pay a cheque or make an electronic payment if:
- there are insufficient funds in your account at the time due or payment;
 - we suspect fraud or other unlawful activity;
 - we are not satisfied that it is properly authorised by you;
 - you have used threatening or abusive behaviour towards our staff or customers;
 - you have not kept to the conditions applicable to your account;
 - there is a dispute as to who is entitled to the funds in your account;
 - you are the subject of actual or pending insolvency procedures, such as an interim order, an individual voluntary arrangement, an administration or debt relief order, or a bankruptcy order.
- 13.9 We may stop all transactions (deposits and withdrawals) on your account if we are not reasonably satisfied of the identity or authority of any person requesting the transaction, if we suspect fraud or otherwise are not reasonably satisfied of the lawfulness of the transaction, or if there is a dispute about who owns the money in the account (including a dispute between account holders on a joint account).

14. Information relating to passbooks and statements

- 14.1 Unless you have a current account or a card-based account, a passbook will be issued for the account, which is your record of transactions. Additional information relating to the entries shown in the passbook may be requested from us at any time.

- 14.2 The passbook remains our property at all times and must be produced to us on request for updating, for examination by us or our auditors, or for such other purpose we reasonably require.
- 14.3 The passbook must be produced for every withdrawal you wish to make in any of our branches or agencies, or by post. Entries may only be made by the Society or its agents.
- 14.4 If you have arranged for standing orders, direct debits or regular internal transfers to be paid from or into your account, please ask at any of our branches for the passbook to be updated on a regular basis to show these payments.
- 14.5 You should check your passbook regularly to ensure that the transactions are stated correctly. If you wish to query any transaction, or if you think an error has been made, please contact any of our branches or our Customer Service Department straightaway.
- 14.6 You must take all reasonable care to ensure that the passbook is not mislaid, lost, stolen or misused, keeping it in a secure place to help prevent fraud. For example, you must never leave the passbook in an unattended vehicle or handbag, or other place where it could easily be stolen.
- 14.7 If you lose the passbook, if it is stolen or you think that someone else may use it, you must contact us immediately on 0845 601 8396 or (01228) 403141. We will take immediate steps to prevent its further use to access your account. We will accept notification from someone acting for you, for example a member of your family or a card notification organisation. You must write to us as soon as is reasonably possible giving full details of the loss. When the account is in joint names the loss must be confirmed in writing by all of the joint account holders. You must inform the police of the theft or misuse as soon as you possibly can and give us and the police any assistance that we may think necessary to try and recover your passbook or find out who may have it or may have used it.
- 14.8 We may issue a replacement for lost or stolen passbooks but this may be subject to conditions such as providing us with an indemnity against any future losses or claims we may suffer as a result of the loss or theft, and we make a charge for issuing a new passbook where the original has been lost. Details of charges are available from our website, from our Customer Service Department or from any of our branches.
- 14.9 If someone other than you produces your passbook to us, pretends to be you or to be authorised by you, and is therefore able to withdraw money from your account, you will be liable for the amount of any withdrawals if you have acted fraudulently or without reasonable care.
- 14.10 You may be asked to collect your passbook from one of our branches or agencies.
- 14.11 If you have a current account or a card-based account, a detailed statement of transactions will be available on a monthly basis, although if you do not ask us to send this to you each month, we will send you a statement at least every three months unless you have stopped using your account. You can ask us to provide a statement more often than is available on your account, but we may charge for this service.
- 14.12 You should check your statements and if you think an error has been made on your account, please contact any of our branches or our Customer Service Department straightaway.
- 14.13 If you become aware of any unauthorised or incorrect transaction on your account, you must notify us without undue delay and, unless the transaction is a direct debit, in any event no later than 13 months after the date of the debit. If you have given us notice and the transaction was not authorised by you, we will immediately refund the amount to you and, if applicable, restore your account to the state it would have been in had the unauthorised transaction not taken place.
- 14.14 You will not be liable for any transaction on your account(s) resulting from instructions not carried out by you unless you:
- authorised the transaction;
 - acted without reasonable care, including failing to observe any of your security duties referred to in these terms and conditions (for example, keeping your passbook and/or cheque book secure), so as to facilitate the unauthorised transaction; or
 - acted fraudulently
- in which case you will be liable for all such transactions.
- 14.15 You will not be liable for any transaction on your account(s) after you have notified us in accordance with conditions 11.18 or 14.7 of the loss of your passbook or cheque book, or that you believe that your access code and/or customer number or log-on name for internet banking are known to someone else.
- 14.16 Unless condition 14.14 applies, the maximum sum for which you will be liable as a result of your passbook, cheque book, access code, customer number or log-on name being lost or stolen is £50.
- 14.17 We may choose not to send you a statement if you have moved and not advised us of your new address or have instructed us not to issue any correspondence in connection with your account.

15. Overdrafts and overdraft interest

- 15.1 You must stay within any agreed overdraft limit on your current account. If we have not agreed an overdraft limit on your current account with you, and for all other accounts with us, you must keep your account in credit.
- 15.2 If you have a current account and are aged 18 years or over, you may ask us to agree to let you have an overdraft. Before doing so we will make an assessment of your ability to repay the overdraft which will include consideration of information from credit reference agencies plus at least one of the following:
- Your income and financial commitments
 - How you have handled your finances in the past
 - Our internal credit scoring systems.
- 15.3 We will agree with you in writing your overdraft limit and the date by which you must repay any money owed to us, any overdraft arrangement fee which we may charge and any charge we may make for renewing your overdraft and the overdraft interest rate. You have the right to repay an overdraft at any time. Your overdraft limit and date when the overdraft is to be repaid may be altered at any time by agreement with us. You will be notified in writing of any changes made.
- 15.4 We may refuse to lend money on overdraft and do not have to provide a reason.
- 15.5 If we have not agreed an overdraft limit with you, you may request an overdraft by attempting to make a payment from your account when there are insufficient funds to enable the payment to be made. In those circumstances, or if making the payment would take your account in excess of an agreed overdraft limit, we may at our sole discretion decide whether or not to agree to process the payment transaction. We may make a charge for considering whether or not to process the payment and for processing or returning the payment.
- 15.6 We may not pay a cheque or other debit transaction if it would result in your account going overdrawn or exceeding an agreed overdraft limit.
- 15.7 If your current account goes overdrawn or the balance exceeds the agreed overdraft limit, we will charge you interest on the amount of your overdraft or the amount by which the overdraft exceeds any agreed overdraft limit at our current account unauthorised overdraft rate until there is either:
- a cleared credit balance on your account; or
 - we have agreed an overdraft limit with you; or
 - the account balance is brought within the agreed overdraft limit.
- 15.8 We will calculate interest daily on the cleared debit balance on your account until the debit balance is repaid in full and deduct it from your account quarterly around the 25th day of the month following the quarters ending 30 June, 30 September, 31 December and 31 March or when the account is closed.
- 15.9 We will give you at least 14 days' notice in writing before we deduct overdraft interest from your account. This notification will normally be by way of your statement or by personal notice.
- 15.10 We may reduce or withdraw your overdraft limit at any time and require you by written notice to repay any money owing to us immediately.
- 15.11 If we ask you to repay the money you owe and this is not received, we will continue to charge interest on the amount you owe. If further action is necessary to recover the amount you owe us, you may also have to pay any costs involved.
- 15.12 If you have another account with us which has a credit balance, either in your sole name, in your joint names or in the sole name of any joint account holders, we can set that balance off against any money owing to us on an overdrawn account.

16. Charges

- 16.1 Certain services may attract a charge and in addition, we may make charges for looking after the account when it is in credit or overdrawn, which we will deduct from the amount in your account. The charges will be set at a level which we reasonably estimate will reflect the expenses we incur in carrying out the work for which the charge is made, the cost of staff time and the use of our office and computer systems.
- 16.2 Our Charges for Account Services leaflet contains the charges for our most frequently used services. This is available from our website, our Customer Service Department on 0845 601 8396 or (01228) 403141 or from any of our branches.
- 16.3 Where the charge does not relate to the day-to-day running of your account, we will tell you about any extra charges which would be incurred before we provide the extra service to which it relates, or at any other time you ask.
- 16.4 It is possible that other taxes or costs may apply to your account that are not paid through us or imposed by us, which you will be liable to pay.
- 16.5 You will be responsible for any costs we reasonably incur as a result of your failure to comply with these Conditions or any specific conditions which apply to your account.
- 16.6 We may abolish or reduce any of our existing charges at any time and without notice unless we are required by law to give a longer period of notification.
- 16.7 We may introduce a new charge or increase an existing charge if any of the following reasons applies or if we reasonably expect any of them to apply in the near future:

- (a) to take account proportionately of an increase in the cost to us of carrying out the work for which the charge is made;
- (b) to take account of changes we reasonably make in the way we administer accounts or the services we provide or to provide new services;
- (c) to reflect reasonably the costs which we reasonably incur in carrying out the work or providing the service for which the charge is made where it is no longer economic for us to continue to do the work or provide the service at no charge;
- (d) to take account proportionately of a fall in the value of money;
- (e) to reflect market conditions including the charges for similar activities made by other financial institutions providing savings products;
- (f) it is necessary to maintain our financial strength for the benefit of all our customers;
- (g) to enable us to harmonise in a reasonable manner the charges being paid by our savers following any transfer of your account to, or our acquisition of savings or investment accounts from, another savings provider; or if our business is merged with that of another savings provider;
- (h) we need to reflect changes, or changes in the interpretation, of relevant law or codes of practice;
- (i) we need to reflect a decision, recommendation or guidance by an ombudsman or by the Financial Services Authority or other regulatory body;
- (j) if there is any other valid reason which reasonably justifies the change.

17. Changes to these Conditions (other than relating to changes in interest rates)

If you have a current, card-based, instant access or affinity account, the following condition applies concerning changes to the conditions (including charges) applying to your account (except where the changes do not apply to payment services in which case conditions 17.2-17.4 inclusive will apply to the changes):

- 17.1 We will provide any changes to these Conditions to you no later than two months before the date they take effect. At any time up to the proposed date of the change in the Conditions you may close your account immediately without having to pay any extra charges or lose interest. If you do not notify us to the contrary, you will be deemed to have accepted the changes. If you notify us that you do not accept the changes, we will treat this as notice that you wish to close your account immediately.

If you have a term, regular savings, notice account or ISA, the following condition applies concerning changes to the conditions applying to your account (this condition also applies to current, card-based, instant access or affinity accounts when condition 17.1 does not apply):

- 17.2 If the change is not to your disadvantage, we can make it immediately without prior notice and tell you about it within 30 days. You will be notified by a combination of notices placed in branches and newspapers circulating in various parts of Cumbria, South West Scotland and West Northumberland, or by personal notice to you. A list of relevant newspapers is provided in our separate variable interest rates leaflet, or can be obtained from our website, from our Customer Service Department or from any of our branches.
- 17.3 In all other circumstances, we will give you at least 30 days' notice in writing (by e-mail or post). At any time up to 60 days from the date of the notice you may switch your account or close it without having to give us any notice or pay any extra charges or lose interest. We will tell you this when we give you the notice.
- 17.4 If we have made a number of changes at one time, or make several changes in one year, we will provide you with a summary of the changes and tell you where you can find a copy of the full terms and conditions.

The following conditions apply to all account types:

- 17.5 We can change these Conditions and/or the terms on which your account is held if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):
- (a) to reflect changes, or changes in the interpretation, of relevant law or codes of practice;
 - (b) to reflect changes which we reasonably make to our products or services or the way we provide them;
 - (c) to reflect a decision, recommendation or guidance by an ombudsman or by the Financial Services Authority or other regulatory body;
 - (d) to correct any errors, or to make the Conditions and/or terms fairer or easier to understand;
 - (e) to reflect, in a proportionate manner, changes in technology or general practice in the savings industry;
 - (f) to enable us to harmonise in a reasonable manner the charges being paid by our savers following any transfer of your account to, or our acquisition of savings or investment accounts from, another savings provider; or if our business is merged with that of another savings provider;
 - (g) to enable us to maintain our competitiveness, while having regard to the interests of our savers and of our business as a whole

(h) if it is necessary to maintain our financial strength in the interests of all our customers.

17.6 We may also change these Conditions for any other valid reason where we reasonably believe the change is appropriate.

18. Closing the account

18.1 We may decide to close some accounts to new investors. If we do so, we may also decide to close all accounts of that type. If our decision affects your account we will give you notice in accordance with conditions 17.1-17.3 inclusive before it takes effect to advise you:

- that the account is no longer available
- about the other accounts which we offer
- that we will help you to transfer to one of our other accounts without any notice period and without any extra charges
- that you may close the account without any notice period or extra charges.

Whenever we transfer an account which is no longer available to another account from our current range we will send you the terms and conditions which apply to the new account. You agree that you will observe and perform these terms and conditions.

18.2 You may close your account at any time by giving us written notice of the appropriate period (if any) which applies to your account, details of which are included in the account leaflet, except where the account has been opened for a fixed term which has not expired.

18.3 You may only close the account when there is sufficient money in it to cover any overdrawn balance, charges or interest you owe us.

18.4 If you have a current or card-based account your account may not be closed until you return to us any unused cheques and all cards issued in connection with the account, or confirm to us in writing that you have destroyed them.

18.5 If you issued any guaranteed cheque on or before 30 June 2011 or make a card payment before closing your account and the money has not been taken from your account prior to closure, we will re-open your account and you will have to repay the money owing to us together with any charges and interest incurred.

18.6 We will close your account if you notify us after receiving notice of a proposed change to these Conditions that you wish to close your account or that you do not accept the proposed changes.

18.7 We may close your account at any time without giving any reason by:

- *If you have a current, card-based, instant access or affinity account, giving you at least two months' notice;*
- *If you have a term, regular savings, notice account or ISA, giving you at least 30 days' notice in writing.*

We cannot use this right to repay a fixed term savings account before the end of the fixed term.

18.8 If there are exceptional circumstances, such as suspected fraud or other illegal activity, threatening or abusive behaviour towards staff or other customers, or breach of the terms and conditions of the account, which justify us in closing the account earlier, we may close your account without notice.

18.9 If we close your account, we will repay the money in your account, together with interest at the agreed rate, less any overdraft interest or charges you owe us. Once we have repaid the full amount due to you, in cash or by cheque sent to the registered address on your account, your membership of the Society in respect of the account will cease and you will have no further right or interest in the account.

18.10 We may make a charge if your account is closed within the first 12 months after it is opened.

19. Changing your name or address

19.1 Please let us have signed notice in writing as soon as reasonably possible of any change in your name, address, telephone number or e-mail address (if this is how we communicate with you). We may require you to produce evidence of any new name or address and we will also require specimen signatures on any change of name. You should also produce to us any passbook, cheque book or card issued in connection with the account for amendment.

19.2 If we do not hold correct information we may make your account dormant to protect us both. If you ask us, we will tell you how to reactivate your account.

19.3 If you do not tell us your new address and the account is overdrawn, you will have to pay us for any costs we may incur in finding you or your new address.

20. Lost savings, dormant accounts and unclaimed balances

20.1 If the balance in your account is less than £10 and you have made no recent payment to or withdrawal from your account, we may decide to close the account and the money will be retained by us. Before closing the account we will tell you first.

- 20.2 If you cannot be traced after reasonable enquiry and:
- (a) for a period of 3 years you have made no payment to or withdrawal from your account and the amount in that account is less than £100, or
 - (b) for a period of 5 years you have made no payment to or withdrawal from your account,
- we may decide to close the account and the money will be retained by us.
- 20.3 If we close your account in the circumstances outlined in 20.1 and 20.2, the funds will always be your property (or, if you die, will become part of your estate) and if you contact us at a later date, we will either open a new account, or repay the money to you with interest at a rate which we reasonably consider to be appropriate.
- 20.4 To help prevent the fraudulent use of dormant accounts, we will require evidence of your identity before re-activating a dormant account.
- 20.5 We will give you on request, details of the Building Societies Association's Lost Accounts Scheme. Details can also be obtained from the Building Societies Association by either writing to BSA Lost Account Scheme, 6th Floor, York House, 23 Kingsway, London WC2B 6UJ, telephoning 020 7520 5900 or downloading a copy from www.bsa.org.uk. Alternatively, you can make searches for dormant accounts and lost savings online at www.mylostaccount.org.uk.
- 20.6 We may close your account and transfer the money to a reclaim fund for distribution to charity under the Dormant Bank and Building Society Accounts Act 2008 if:
- we have not been able to find you after making reasonable attempts to do so; and
 - if you have not initiated activity on your account for the past 15 years.
- If you think you have money in accounts with us which you have forgotten about, you can contact us and we will do our best to try to find it for you. More information can be obtained from our website, our Customer Service Department on 0845 601 8396 or (01228) 403141 or from any of our branches.
- 20.7 If we close your account under condition 20.6 we will reopen it if:
- you ask us to do so; or
 - we consider it reasonable to do so.
- If we re-open your account, we will pay back any money which was in the account when we closed it, plus any interest which is applicable. We will reclaim this money back on your behalf from the reclaim fund under the Dormant Bank and Building Society Accounts Act 2008.

21. Notices

- 21.1 The latest address that you, or in the case of joint accounts, any of you, give us is the one to which we will send statements, letters and other communications concerning your account by way of personal notice.
- 21.2 You will be taken to have received any letter, e-mail or other personal notice three days after we have sent it to you.
- 21.3 If we accidentally fail to:
- send you a communication intended for our investors generally or a category of investors of which you are one; or
 - display a notice at our head office or any branch
- this will not make the notice invalid.
- 21.4 An error in any notice which is corrected shortly afterwards by a subsequent notice will not make the original notice invalid.

22. Circumstances beyond our control

If anything outside our control, such as technical failures, failures in any data processing or money transmission systems, power cuts, delays in the postal system or industrial action, prevent us or any of our agents from carrying out transactions on or providing you with services generally in relation to your account, we will not be liable to you for any loss you may suffer.

23. Transfer

Unless the specific conditions of your account say otherwise, you can transfer the amount in your account to another person, provided that you have first obtained our agreement. We may refuse our consent without giving any reason and, if we do agree, it may be subject to conditions and/or payment of a charge and will only be effective once it is registered in our records.

24. General

Except as stated in these Conditions, no person other than you and us has any rights under these Conditions. If you die or become unable to manage your account, all payments made from your account will be valid and binding on you and your estate if they were made before we received written notice of your death or incapacity.

Language

These Conditions are in English, which is the language we will use in all communications with you.

Governing law and jurisdiction

These Conditions are governed by the laws of England and Wales as are our dealings with you. You and we submit to the non-exclusive jurisdiction of the courts of England & Wales.

Severance

If any provision of these Conditions is found by any court, Ombudsman or other body or authority of competent jurisdiction to be invalid or unenforceable, that provision shall be severed from the remainder of these Conditions which shall remain in full force and effect to the extent permitted by law.

If any provision of these Conditions is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modifications as may be necessary to make it valid.

Waiver

Occasionally we may choose not to enforce any of these Conditions, or to allow you extra time to comply with your obligations. If we do so, this will not affect our right to enforce these Conditions strictly in the future.

INFORMATION SECTION

Cheques

To help guard against fraud and loss, you must keep your cheque book in a safe place separate from any card issued on your account and take care when writing out cheques. For example, if you are paying a cheque to a large organisation such as HM Revenue & Customs (HMRC), write on the cheque the name of the account you want the cheque paid into and the reference number if you have one (eg. HMRC account -J Jones, reference xxyyzz); or if you are paying a cheque into a bank or building society account, always write on the cheque the name of the account holder and/or the account number as well as the bank (XYZ Bank, account B Brown/account number 12345678). Any cheques which you request us to issue will be drawn in this manner. Always ensure that you draw a line through any unused spaces on the cheque so that extra figures or names cannot be added.

Further information on the cheque clearing process can be found in the current edition of the Cheque & Credit Clearing Company and UK Payments Administration Limited publication "Cheques and Cheque Clearing: The Facts" which can be found at www.chequeandcredit.co.uk.

Direct debits

The Direct Debit Guarantee Scheme carries a guarantee for your protection, so that if an error has been made you are entitled to an immediate refund. We will monitor the efficiency and security of the Scheme on your behalf. Direct Debits usually have variable payment dates and amounts. If the amount to be paid by a direct debit or the payment date changes, the organisation requiring the payment will notify you normally ten working days in advance of your account being debited, unless otherwise agreed. When you cancel a direct debit instruction with the Society, you should also cancel the instruction with the organisation requiring the payment. Further information about direct debits can be obtained from www.directdebit.co.uk.

Your information and confidentiality (customers aged 18 and over)

We will hold and process your information by computer and otherwise. By "your information" we mean the personal and financial information we obtain from you and others, such as joint account holders, credit reference agencies or any other organisation, when you apply for an account or any other product or service we offer or which they give to us at any other time during the course of your relationship with us.

We will treat your information as confidential. It will only be disclosed to third parties in the following circumstances:

- when you request us to do so or give your consent
- when we are required or permitted to do so by law
- to our agents or others who provide a service to us, who have agreed to keep your information confidential
- to credit reference and fraud prevention agencies who will supply us with information and who will keep the information we have supplied to them and share it with other organisations. The information held by credit reference agencies is used to help assess your ability to obtain credit, for debt tracing and to prevent fraud or money laundering
- to anyone to whom we transfer or may transfer our rights and duties under this agreement.

For your added security and to help us to improve our service, we may record and/ or monitor your telephone calls with us. In the interests of security we may use CCTV recording equipment in and around our premises.

We and our subsidiaries may contact you personally (by letter, telephone, e-mail or other electronic means) with details of additional products and services which we think may be of interest to you based on the information we hold about you. If you do not want us to contact you for marketing purposes, please let us know by writing to Customer Service Department at the address shown below.

You have the right of access to the personal records we hold about you under the Data Protection Act 1998 on payment of a fee (currently £10). For more information please write to the Data Protection Officer, Cumberland Building Society, FREEPOST, Cumberland House, Castle Street, Carlisle CA3 8BR.

i Your information and confidentiality (for customers aged under 18)

Your information is everything that we hold about you, now and in the future. We will not tell anyone about your information except:

- when you have agreed that we can
- where the law requires or allows us to
- where we use other people to help us run your account, as long as they have agreed to keep your information secret; or
- when we are deciding whether to open your account, looking after your account, and checking it is run properly.

We may record your telephone calls and film your visits to our branch.

If you want to see the information we have about you please contact the Data Protection Officer, Cumberland Building Society, FREEPOST, Cumberland House, Castle Street, Carlisle CA3 8BR.

If you are no longer able to look after your financial affairs

We may allow someone else to operate the account if you are unable or unwilling to look after your own financial affairs. We will require a power of attorney or court order to be obtained before we will allow someone else to operate the account. Please contact any of our branches or our Customer Service Department for further information.

If we allow someone other than yourself to operate the account, you will still be legally responsible for their actions in relation to the operation of the account.

You should keep your statements in a safe place in case you need to look at them again in the future. We may make a charge for providing a duplicate statement.

Financial difficulties

If you find yourself in financial difficulties, please let us know as soon as possible, so that we can do all that we can to help you overcome your difficulties. This will include telling you where you can obtain free money advice and, where you give us your written authority to do so, work with debt counselling organisations acting on your behalf.

If you are experiencing financial difficulties and have debts with a number of other creditors, a debt counselling organisation may complete on your behalf a Common Financial Statement (or equivalent acceptable to us), which we will accept as the basis for negotiations with you in drawing up a debt management and repayment plan.

These Conditions

You are entitled at any time while you have an account with us to request us to provide you with a copy of these Conditions and general information in relation to your account with us. You may also ask us to provide you with paper copies of any information concerning your account and these Conditions.

Complaint procedures

If we do not deliver the standard of service you expect, please let us know. We will investigate the circumstances as soon as possible and, if something has gone wrong, we will try to put it right. Most complaints can be resolved satisfactorily by speaking to one of our branch managers or managers in our Customer Service Department. Please contact your local branch or our Customer Service Department on 0845 601 8396 or (01 228) 403141. If you are not satisfied with our response, please ask for a copy of our leaflet "Our Complaints Procedure and the Financial Ombudsman Service", which is available from our website, www.cumberland.co.uk, from our Customer Service Department or from any of our branches.

Financial Services Compensation Scheme (FSCS)

Cumberland Building Society is covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a building society is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the **combined** amount in all eligible depositors' accounts with the building society, including their share of any joint account, and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website www.fscs.org.uk or call 020 7892 7300.



Cumberland House, Castle Street, Carlisle CA3 8RX

Telephone 0845 601 8396 or (01228) 403141

To help us monitor and improve customer service,
telephone calls may be recorded.

www.cumberland.co.uk

A member of the Building Societies Association

Authorised and regulated by the Financial Services Authority – registration number 106074

INV 156 12/11 V14