



MONMOUTHSHIRE BUILDING SOCIETY

GENERAL CLIENT ACCOUNT INVESTMENT TERMS AND CONDITIONS
(2006)

The following Terms and Conditions apply to our General Client Account only. The Society's General Investment Terms and Conditions do not apply to the General Client Account. The Conditions are not listed in order of importance, they are all important and you should read them thoroughly. However we have listed those which most frequently affect the operation of your account early on.

GENERAL CLIENT ACCOUNT INVESTMENT TERMS AND CONDITIONS

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1. Definitions and interpretation

In these Terms and Conditions:

- a. the words "the Society", "we", "us" and "our" refer to Monmouthshire Building Society.
- b. the words "you" and "your" refer to account holder(s).
- c. "My Account" online services means the facility to:
 - view the details of your account/s;
 - view your personal details online;
 - carry out such transactions as we may from time to time permit on your accounts that can be accessed online;
 - send and receive secure messages to and from us.
- g. "Security Details" means any or all of the following (as applicable):
 - your personal details name, address, date of birth;
 - your signature;
 - your password;
 - your memorable words;
 - your Website User ID
- h. "Your nominated bank account" means the account you have nominated on your application for payment of interest or withdrawals.
- i. these headings do not form part of the Terms and Conditions.

2. Opening your account – Identification procedure

- 2.1 We are concerned to ensure your money and personal details are kept safe at all times. We are required by law to obtain evidence to prove your identity and address. We will ask you to provide evidence of your identity and address when opening your account with us. We will also ask you for this information at other times to ensure our records are kept up to date. We will be unable to open your account and may have to freeze your existing account/s if you do not provide the necessary evidence.

3. Making payments into your account

3.1 All payments into your account must be in Pounds Sterling

Paying in by cash

3.2 You are not able to pay into this account cash as a means of deposit.

Paying in by cheque

3.3 You are not able to pay into this account by cheque(s).

Paying in by Direct Debit

3.4 Payment cannot be made into this account by direct debit.

Paying in by bank transfer / telegraphic transfer

3.5 Payment may only be made into this account by a BACS transfer or a Telegraphic Transfer. If the payment is subsequently recalled, we will debit your account and adjust the interest due to you. A fee may be charged for this service. Please refer to our current tariff of services available in branches and our website.

3.6 We can refuse to accept a deposit from you or any other person without giving a reason.

4. Making withdrawals from your account

Proof of entitlement

4 This account is operated via the internet and is not a passbook account. Only signatories who have registered their details in our 'My Accounts' system can make withdrawals from the account.

Transaction limits

4.1 Only cleared available funds may be withdrawn from this account. This is an internet operated deposit account where withdrawals can only be made via electronic transfer to a nominated bank account. Withdrawal requests can only be made via the 'My Accounts' system. Withdrawal requests received by 2pm are processed the same working day, requests made after 2pm are processed the following working day. All withdrawal transactions are sent via the CHAPs system.

Other restrictions

- 4.2 We will not act upon any request for a withdrawal made in person at a branch or agency office, by telephone, fax or email.
- 4.3 Once you have instructed us to make a withdrawal and the account has been debited, the instruction cannot be cancelled.
- 4.4 We can restrict at any time the amount which can be withdrawn from any account. We will only do this if:
- 4.4.1 we reasonably believe that there may be fraudulent activity or other financial crime affecting your account;
- 4.4.2 We are required to do so by any law, regulation or court order
- 4.4.3 there is a dispute (which we reasonably believe may be genuine) about the ownership of, or the entitlement to, the money in the account
- 4.4.4 circumstances beyond our reasonable control prevent us from offering a normal service (such as in the event of terrorist threat, computer system failures or strikes); or
- 4.4.5 circumstances exist which lead us reasonably to believe our financial stability is under threat (such as rumours cause actual or potential abnormal levels of cash withdrawals).

In the case of 4.4.4 and 4.4.5 above:

- (a) we will act proportionately to the circumstances in question
- (b) we will take all reasonable steps to ensure that the transactions are lifted as soon as practical and to minimise the inconvenience to you;
- (c) we will take into account the interests of the Society's membership as a whole;
- (d) we will, if practical, give advance notice and
- (e) we may consider exceptions to the restriction if we are reasonably satisfied that substantial hardship would otherwise be caused.
- 4.5 The account must not be overdrawn.
- 4.6 All payments out of your account must be in Pounds Sterling.

Who can withdraw

- 4.7 For security reasons, only on-line registered signatories may make requests for withdrawals from this account by using the 'transfers and withdrawals' option function in the 'my accounts' system page. Change of signatories can only be authorised by those personnel detailed on the account mandate which must be received in writing to;
- change authorised signatories, or
- to change where an interest payment is sent to, or
- to change the details of the destination account for all withdrawals.

Minimum operating balance

- 4.8 There is no minimum balance for this account. If the balance becomes overdrawn, you will have 14 days from the date we issue you with a notification to bring the balance back to credit. If after the notice period has lapsed the balance remains overdrawn, the Society reserves the right to close your account without further notice.

5. Who can open this account?

- 5.1 Accounts may only be opened and operated by professional firms. Private individuals may not open this type of account.
- (ii) Should any circumstances arise whereby the account becomes overdrawn
The firm will be responsible for the whole debt.
- (iii) In the event of a dispute on your account, you must notify us immediately. As soon as you notify us, we will 'freeze' your account. No further withdrawals will be permitted without the written authority of **all** account holders.

(6) Interest, Taxation and charges

How interest is calculated

- 6.1 All deposits invested into your account will start to earn interest from the first day following credit to your account. Interest is calculated on a daily basis as described below.
- 6.2 When a withdrawal is made interest is earned on the amount withdrawn up to and

including the day before the withdrawal.

- 6.3 All interest payments are calculated on a 1/365th basis including leap years. In a leap year the Society will neither pay nor charge an additional days interest on any savings account or loan account.

How interest is paid

- 6.4 Interest must be paid to a nominated bank or building society account in the holders name or transferred to another Monmouthshire account (where the terms and conditions of the receiving account permit). Interest cannot be paid to you by cheque.

Taxation of interest

- 6.5 Where money is held in a General Client Account by a firm of solicitors, the firm must account to its clients for the interest under the terms of the Solicitors Accounts Rules or the Financial Services (Client Money) Regulations. Interest on these accounts is paid without deduction of tax.
- 6.6 'Gross' interest rates, means the rate of interest payable if Income Tax were not deducted. The Gross rate is the contractual rate of interest payable before the deduction of income tax at the specified rate.
- 6.7 The Government can at any time and without notice, change the tax status of an account type. The Inland Revenue can also instruct us to change the tax status of your account.
- 6.8 The Society is required to supply the Inland Revenue each year with details of interest paid or credited to savers.

Changes in interest rates paid

- 6.9 The Interest rate payable on this account is the Bank of England Base rate (BBR), or its successor, less an interest rate margin set by the Society, dependent on your account balance. The rate payable applies throughout the whole of the month, except when the BBR changes. In this event, the interest rate payable will change in line with any changes to the BBR, within 30 days. The current rates are displayed in all branch offices and are available on the Society's web-site.
- 6.10 The interest rate margin on this account is variable. This means we can change at any time the margin rate of interest we pay, where we consider it necessary or appropriate. When determining the margin rate of interest we pay on savings

accounts we take into account all or any of the following:

- (i) actual or anticipated changes in general interest rates;
- (ii) other actual or anticipated changes in the markets in which we operate, or in any regulatory requirements that affect us;
- (iii) the need for us to maintain sufficient resources to support our business;
- (iv) the need for us to maintain an appropriate balance between our investors and our borrowers;

How we tell you about changes in the interest rate paid

6.11 We will notify you of changes in the interest rate we pay on your account/s at the earliest opportunity (where possible we will do this on or before the date the change takes effect) in at least **one** of the following ways:

- (i) by a notice displayed in our branch and agency offices;
- (ii) on our web site;
- (iii) You can also obtain details of our interest rates by phoning any of our branch offices, asking one of our branch staff or checking our website

6.12 This savings account pays rates of interest based on the balance held, the higher the balance, the higher the rate of interest. This is known as a 'tiered interest rate structure'. The interest rate applies to the whole of the balance held in the account not just to the amount held in that tier. The account leaflet will contain full details of the rates and the level at which they apply. Changes to interest rates may include the introduction, alteration or removal of the 'tiered' provisions.

How often interest is paid

6.13 Monthly interest is paid following the close of business on the last day of each calendar month.

The cost of operating your account

6.14 Normal operation of your account is free of charge. We may charge for additional

services you request, e.g. duplicate statements. You will also be asked to pay for all and any charges made by other organisations for specific services they make relating to the operation of your account. We will advise you of any current charge at the time you request an additional service.

7. Statements

- 7.1 We will send you an annual interest statement by post during April of each year, provided your account balance is a minimum of £100 at the statement date.
- 7.2 Each year we will include in our annual interest statement mailing details of the interest rates applied to all of our accounts during our previous financial year, to enable you to make a comparison.

8. Cessation of trading by the account holder

8.1 In the event of the cessation of trading of an account holder/signatory, we will need confirmation from a signatory to the account before we can change our records.

9. Changes to the terms and conditions of your account

- 9.1.1 This section does not include changes in the interest rate paid on your account. The circumstances in which we may change the interest rate and how we tell you are covered in section 6 above.

Why we might change the terms and conditions of your account

- 9.2. We can change these terms and conditions and any special conditions applying to your account/s at any time. Changes may include the removal of or amendment to conditions or the inclusion of new conditions, and can be made where we consider it appropriate. When considering changes to the terms and conditions of your account we will consider all or any of the following:
- (i) actual or anticipated changes in the markets in which we operate, or in any legal or regulatory requirements that affect us;
 - (ii) the need for us to maintain sufficient resources to support our business;
 - (iii) improving efficiency and/or reducing costs;

- (iv) giving extra benefit to customers (including making the terms of accounts easier to understand);
- (v) the correction of errors;
- (v) the need to safe guard the continued operation of the business;
- (vi) to improve the security and safe operation of the account;

Telling you about changes

9.3 Any change to the Terms & Conditions of your account (this excludes changes in interest rates), which is to your disadvantage, will only be made after giving you at least 30 days' notice in writing. You will have 60 days from the date of our letter to transfer or close your account, without notice or penalty.

9.4 Any other change may be introduced with immediate effect. We will notify you within 30 days of making the change in at least one of the following ways:

- (i) by a notice displayed on our web-site;
- (ii) by an advertisement in the South Wales Argus and Western Mail (or other daily publication)
- (iii) by letter or email or other personal notice;

Your options

9.5 If the change is to your disadvantage, you may at any time within 60 days of the date of the notice, transfer your account to another type or close it without notice

10. Yours and Our Liability

Society documents such as a Passbook, Certificate of Investment and other records such, as statements etc are important documents, which must be kept securely at all times.

Access to these documents by other people might result in 'identity theft'. This is where another person steals your identity and pretends to be you, to enable them to access your savings and investments. You should always carefully destroy documents (such as statements and any other record containing details of your finances) you no longer need, in a way that prevents the information in them being copied. The following conditions explain your liability and that of the Society.

Our liability

10.1 Unless you are the victim of a fraud or we do not act upon the instructions

- received in a timely manner, we will not be liable for any loss you or anybody else suffers as a result of your instructions or any information that you send to us in error, or that is not received in full.
- 10.2 Unless you were the victim of a fraud or we do not act upon the instructions received in a timely manner, we will not accept liability for any loss you or anybody else suffers where instructions or information that we send to you fail to reach you, or are not received in full.
- 10.3 We shall not be liable for any loss suffered by you, if we are unable to provide our normal level of service due to circumstances beyond our reasonable control (such as fire, flood, power failure, postal delay etc.).

Your liability

- 10.3 If someone other than you produces items in respect of your account, pretends to be you or to be authorised by you, dishonestly withdraws money or obtains confidential information, you will be liable for the amount of any withdrawals including any interest, where you have acted fraudulently, with gross negligence or undue care.

11. Other Important Terms and Conditions

Inactive accounts

- 11.1 If we lose contact with you because we do not hold your current address (or you do not respond to us) and there have been no investments or withdrawals, we will class your account as 'dormant'. When you next want to use your account we will for your security, ask you to provide currently acceptable proof of your identity and address before we re-activate your account.
- 11.2 We do not have to recognise the interest or claim of any person other than the account holder(s) in respect of the money held in an account, nor will we be liable in any way for failing to recognise such interest or claim, except as required by law.

Serving notice on the Society

- 11.3 Any notice or other document to be served by you on the Society may be served:

- (a) in person by leaving it, addressed to the Secretary, at our Head Office, or
- (b) sending it by post, or delivering it, to the Secretary at Head Office.

Any notice or communication from the Society

11.4 Any notice or other document to be served by the Society on you may be served either on you personally or by sending it by post to your last known address. You will be taken to have received any notice or document sent to you by post 24 hours after we have posted it to you.

Closure of your account

11.5 We can repay to you all or part of the money in your account at any time, normally after giving you at least 30 days' notice. However where we are closing your account because of inappropriate use or behaviour by you, closure will be immediate and without prior notice. You can close your account at any time, without giving any reason. Such requests however must be made in writing to the Banking Hall Manager at our Head Office.

Changing your mind about your account

11.6 If after opening your account you feel that it does not meet your requirements, let us know within fourteen days and we will, without notice or penalty, transfer the investment to another account within our current range of your choice or refund your money plus interest.

Proof of Savings

11.7 It is very important to the Society that your money is kept safe and secure. When you first open your account, we will issue with a record of account opening. This type of account is not passbook based. Accordingly, please regularly check the 'my accounts' system regularly to ensure that your record of savings is correct and report any errors to us immediately. You must also co-operative fully with us to resolve any discrepancies.

Other services and charges

11.8 We may:

11.9 demand payment or reimbursement from you in respect of any cost, expense or liability that we may incur directly resulting from any act, default or neglect of you or the carrying out of tasks outside the normal servicing of your account;

11.10 from time to time make reasonable charges for some or all of our services. The charge will fairly reflect the costs incurred by us. We will tell you by personal notice, at least 30 days' before the introduction or alteration of charges. If you do not receive the notice due to circumstances outside our control (e.g. failure of the postal system etc.) this will not make the charge or alteration invalid.

Changing the name of account holders

11.11 You can add or remove another person from your account. Our prior approval will be required together with the payment of any necessary fee (if one is detailed in our tariff). A change of account holder must be made in a form approved by us and only become effective from the date we make the change.

Availability of accounts

11.12 The Society reserves the right to withdraw an account type or to suspend further credits at any time and without prior notice.

Society membership

11.13 No membership rights are conferred on the opening of this account.

Your address

11.14 You must advise us in writing immediately of any change of name, address, telephone number, e mail or other personal contact details and provide such evidence of the change as may be required. Failure to do so may render you liable to any losses that arise and the Society will not be responsible for any losses that arise from its continued use of your previous details.

11.15 "Care of" or PO Box numbers are only permitted as a correspondence address, if we also hold your current permanent residential/business address.

11.16 Our accounts are only available to UK residents / UK domiciled businesses. If you

are already a customer and move abroad it may still be possible to keep your account open. For full details, please contact our Head Office.

Third party service providers and governing law.

11.17 The Society will not be liable for the failure of any service or medium used in communications between us or any third party including but not exclusively; postal, courier or other delivery service, including electronic services such as e mails, radio and telephone.

11.18 The Society will not accept liability or responsibility for failure of the Banking System, including the cheque and direct debit clearing systems.

11.19 These Terms and Conditions are governed by the laws of England and Wales

11.20 These terms and conditions must be read in conjunction with the specific product details and our ‘Savings Tariff of Charges’.

12. Investment limits and how you can use your account

12.1 The Society reserves the right to close, without notice, any account, which is being used contrary to this condition or in any manner, which it considers inappropriate.

12.2 You cannot have Direct Debits or Standing Orders out of your account

13. Use of the Online Services “My Accounts” Terms and Conditions

The terms and conditions relate to the “My Accounts” service. They are in addition to the ‘GENERAL CLIENT ACCOUNT INVESTMENT TERMS AND CONDITIONS’ and can be found on the General Client Account web page.

