

## **Terms and Conditions for Arranged Overdrafts**

These Terms and Conditions for Arranged Overdrafts are in addition to the General Terms and Conditions – Personal and any Special Terms and Conditions which apply to Your Account or any Service on Your Account. Unless otherwise stated where there is any inconsistency then these Terms and Conditions for Arranged Overdrafts will prevail to the extent of that inconsistency. A copy of the General Terms and Conditions – Personal has been provided to You but if You require a further copy please contact Us and We will send it to You. Further information can be found at [danskebank.co.uk/docs](https://danskebank.co.uk/docs).

### **1. Definitions**

“Arranged Overdraft” is where We agree in advance that You may borrow money when there is no money left in the Account;

“Arranged Overdraft Interest Rate” means the arranged overdraft interest rate set out in the Facility Letter as such rate may vary from time to time;

“Arranged Overdraft limit” means the arranged overdraft limit set out in the Facility Letter as such limit may be varied by Us from time to time in accordance with these Terms and Conditions for Arranged Overdrafts;

“Bank of England Bank Rate” means the official Bank Rate published from time to time by the Bank of England;

“Business Day” means any Monday, Tuesday, Wednesday, Thursday or Friday that is not a Bank holiday or other holiday on which Banks in Northern Ireland are not open for business;

“Facility” means the overdraft facility described in the Facility Letter;

“Facility Letter” means the letter which We have sent You together with these Terms and Conditions for Arranged Overdrafts;

“Margin” means the percentage amount by which the Arranged Overdraft Interest Rate exceeds the Bank of England Bank Rate as such percentage amount may vary from time to time;

“Overdraft Set Up fee” means the fee (if any) described as such in the Facility Letter;

“Security fee” means the fee (if any) described as such in the Facility Letter and which will be charged by the Bank for taking security in support of the Facility;

“Unarranged Overdraft” is where You borrow money when there is no money left in the Account (or when You have gone past any Arranged Overdraft limit) and this has not been agreed with Us in advance;

“Unpaid Transaction fee” means the fee (if any) described as such in the Facility Letter. We will charge an Unpaid Transaction fee for each item that We refuse payment (sometimes known as ‘bouncing’ an item) due to lack of funds in Your Account (or if paying it would take You past Your Arranged Overdraft limit) and We have decided not to grant You an unarranged overdraft. You have to pay this fee for each unpaid item that is presented;

“We”, “Us”, “Our” or “the Bank” means Northern Bank Limited trading as Danske Bank; and

“You” or “Your” means the person or persons who has or have opened the Account with Us on which We have agreed to grant the Facility.

Where “You” comprises two or more legal persons, Your agreement with Us and liability to Us is joint and several. This means that each legal person shall be held fully responsible for all terms of the agreement.

## **2. Interest**

2.1 Interest is calculated on the daily balance outstanding after adjustment for cheques and other items in course of collection.

Interest will be debited to the Account on Our usual charging days (presently monthly) and may also be debited to the Account with any outstanding fees and service charges upon Us making demand for payment. Our right to debit interest to the account will continue after We make demand for payment, until the debt is repaid in full.

### 2.2 Changes to the Bank of England Bank Rate

The Arranged Overdraft Interest Rate is made up of two parts – the Bank of England Bank Rate and the Margin. When the Bank of England Bank Rate changes the Arranged Overdraft Interest Rate will change. Such change will be applied with effect from the start of the Business Day immediately following the day that the Bank of England announces a change to the Bank of England Bank Rate. We will inform you of the change taking effect through notices in the press, in Our branches and on Our website within three Business days of the change taking effect. We will also advise You on Your Account statement of any change in the Arranged Overdraft Interest Rate which has taken place.

### 2.3 Changes to the Margin

2.3.1 We reserve the right to vary the Margin that applies. We may do this for one or more of the following reasons:

- to reflect the introduction or development of new systems, methods of operation, services or changes in technology (including expected changes) provided that the change is a reasonable response to the underlying reason for the change.

- to maintain or improve operating conditions or service levels.
- to reflect the genuine increased costs of providing Your Account, including for example the cost of introducing, developing, running and/or maintaining systems and services.
- to respond reasonably to any change or expected change in market conditions, general banking practice or the cost of providing services to customers.
- to respond reasonably to legal or regulatory changes. This would include:
  - Changes in general law or decisions of the Financial Ombudsman Service,
  - Changes in regulatory requirements,
  - Changes in industry guidance and codes of practice which raise standards of consumer protection.
- to ensure that Our business as a whole is profitable and that Our product range and charging structure enables Us to achieve Our business and strategic objectives (which are set internally) - provided that any such change is reasonable and does not result in an Account Holder being treated unfairly.
- to make these Terms and Conditions for Arranged Overdrafts and the General Terms and Conditions or any Special Terms and Conditions fairer or clearer for You provided that any such change does not materially alter the Agreement that You have entered into with Us.
- to make changes and improvements to Our products, services or charging structures where the changes are of benefit to You or where the changes make it easier for You to manage Your Account; or where the changes provide You with alternative or more cost effective ways to manage Your Account.
- for a reason not set out herein but otherwise expressly notified to You in writing provided that the reason is a reasonable response to the underlying reason and strikes a fair balance between Our legitimate interests and Your own interests.

Where We decide to increase the Margin We will always give You at least two months notice before doing so. You will be able to end the agreement before the end of the notice period without incurring any extra charges. If You end the agreement You will have to repay any overdrawn amount.

2.3.2 We may decide to reduce the Margin immediately for any valid reason. We will advise You of any reductions in the Debit Interest rate on Your statement of Account.

#### 2.4 Arranged Excess/Temporary Extension

If You need any temporary extension to Your Arranged Overdraft limit then You should contact Us to agree the terms for such an extension. This is known as an arranged excess. You will pay the Arranged Overdraft Interest Rate on the amount of the arranged excess. In all other respects the terms and conditions as set out in the Facility Letter for Your Arranged Overdraft will also apply to any arranged excess. If You do not agree with Us the amount of any temporary or other extension to Your Arranged Overdraft then We will treat this as an application for an unarranged overdraft.

### **3. Fees and Service Charges**

3.1 The fees and service charges as set out in this Facility Letter will apply to any overdraft on the Account. We have debited any Overdraft Set Up fee to Your Account at today's date.

3.2 If You exercise Your right to cancel this Facility (as set out in the Facility Letter), then the Overdraft Set Up fee will be refunded to You at that time.

3.3 Any Security fee shall become due to Us on the completion of the Security referred to in the Facility Letter. These and any other fees and service charges due to Us in respect of the Facility will be debited to the Account.

#### 3.4 Changes to Fees and Service Charges

We may for any reasons set out in this Clause 3.4 introduce a fee or service charge, or vary the amount, frequency or time for payment of a fee or service charge:

- by agreement with You;
- to reflect the introduction or development of new systems, methods of operation, services or changes in technology (including expected changes) provided that the change is a reasonable response to the underlying reason for the change;
- to maintain or improve operating conditions or service levels.
- to reflect the genuine increased costs of providing Your Account, including for example the cost of introducing, developing, running and/or maintaining systems and services;
- to respond reasonably to any change or expected change in market conditions, general banking practice or the cost of providing services to customers;
- to respond reasonably to legal or regulatory changes. This would include:
  - Changes in general law or decisions of the Financial Ombudsman Service,
  - Changes in regulatory requirements,
  - Changes in industry guidance and codes of practice which raise standards of consumer protection;
- to ensure that Our business as a whole is profitable and that Our product range and charging structure enables Us to achieve Our business and strategic objectives (which are set internally) - provided that any such change is reasonable and does not result in an Account Holder being treated unfairly;
- to make these Terms and Conditions for Arranged Overdrafts and the General Terms and Conditions or any Special Terms and Conditions fairer or clearer for You provided that any such change does not materially alter the Agreement that You have entered into with Us;
- to make changes and improvements to Our products, services or charging structures where the changes are of benefit to You or where the changes make it easier for You to manage Your Account; or where the changes provide You with alternative or more cost effective ways to manage Your Account;
- for a reason not set out herein but otherwise expressly notified to You in writing provided that the reason is a reasonable response to the underlying reason and strikes a fair balance between Our legitimate interests and Your own interests.

Where We make a change for any of the reasons set out in this Clause 3.4 We will always give You a minimum of two months' written notice and if You are not happy with the change You can end Your Overdraft with Us without having to pay any extra charges. You will still have to repay Us any money that You owe Us.

#### **4. Ending Your Overdraft Agreement**

4.1 We may at any time end the arranged overdraft, reduce the Arranged Overdraft limit or demand full repayment of the overdraft if You become bankrupt (or have entered into a voluntary arrangement with Your creditors); You break the terms of this agreement; or where there is a justifiable, financial or legal reason to do so, for example if:

- (a) the security of Your Account has been breached;
- (b) there has been, or We reasonably suspect that there may have been, an unauthorised or fraudulent transaction on Your Account;
- (c) there is a significantly increased risk that You may be unable to pay Us what You owe; or
- (d) We have to do so under an applicable law or regulation or order of the court or other regulatory body.

4.2 If We end this arranged overdraft or reduce the Arranged Overdraft limit for any of the reasons set out above, where reasonably possible (and where it would not be a breach of security or against the law), We will only do so after We have contacted You and told You about the action that We intend to take. If it is not possible to contact You in advance to tell You of Our intention to end this overdraft We will notify You as soon as possible thereafter.

4.3 Subject to Clause 4.1 above We will continue to make the Facility available to You.

4.4 These terms apply to any continuation of borrowing without formal arrangement after We demand immediate repayment, reduce the Arranged Overdraft limit or demand full repayment of the Facility as described in Clause 4.1 above or after any increase in the amount of overdraft which We may permit by course of conduct. They may also apply to continuation or alteration of existing facilities.

#### **5. Security and All Monies**

5.1 If We hold a guarantee (from a third party) or any other Security (whether provided by You or by a third party to support a guarantee), such as a mortgage over property, which covers all the money which You might from time to time owe to Us, it will be held as security for the Facility. If You have given Us a mortgage over Your home it will not be held as security for this Facility, unless We have advised You otherwise. This clause applies to a guarantee or any other Security which is already in existence or which may come into existence in the future.

5.2 If the Facility Letter states that You are to provide Us with Security, the Security specified must be provided to Our satisfaction before You may Use the Facility.

#### **6. Set-Off**

6.1. Unless otherwise separately agreed with You, We will not allow any set-off of the Facility against any other of Your accounts for interest purposes.

6.2. We may use any money that You have in any of Your Accounts with Us to reduce or repay any money that You may owe Us in the future under this Facility letter. This is known as Our right of set

off. We can use this right against Accounts in Your sole name as well as any joint accounts You hold with Us. We will tell You at least 14 days before We exercise this right of set-off.

## **7. Debt Management**

If We have demanded repayment from You of the debit balance on the overdraft together with the interest, fees and service charges, and You have failed to make such payment, or if You terminate the Facility, and fail to repay the debit balance on the overdraft together with the interest, fees and service charges and We have to refer the matter to Our department which deals with debt recovery, You will have to pay all reasonable costs and expenses We incur as a result. These may include any costs incurred by Us on correspondence or in taking steps to find You or get back money You owe Us (including debt collection or similar agency costs and/or legal costs). These may also include costs incurred during legal repossession of any property used as security. We are entitled to debit all such amounts from Your Account.

These currently are:

- each letter from Our Debt Management department, up to £ 20.00
- each letter from Our debt collection or similar agency, up to £ 20.00
- each letter from Our solicitors, up to £ 20.00
- the costs We incur in taking steps to trace You or to recover money You owe Us (including external costs such as debt collection agency and legal costs).

## **8. Other Important Information**

### 8.1 Our right to transfer this Agreement

We may assign, transfer or otherwise dispose of the whole or any part of Our rights and/or obligations under this agreement without Your consent and thereafter any reference to “the Bank” “We” “Us” or “Our” shall refer to such person or persons to whom the Bank’s rights hereunder shall have been assigned or transferred and who shall be entitled to enforce the terms of the Facility in the same manner as if such person or persons Were a party or parties hereto. We shall be entitled to disclose any information relating to You or the Facility to any actual or prospective assignee, transferee or other donee or to any party who may enter into other contractual relations with Us in relation to this agreement.

8.2 Subject to Clause 4 above, We will continue to make the Facility available to You. These terms apply to any continuation of borrowing without formal arrangement, after We demand immediate repayment, reduce the Arranged Overdraft limit or demand full repayment of the Facility as described in Clause 4.1 above, or after any increase in the amount of overdraft which We may permit by course of conduct. They may also apply to continuation or alteration of existing facilities.

## **9. Removal or reduction of the Facility**

9.1 If We have identified You as displaying a pattern of repeat Arranged Overdraft use and We have assessed that You are in financial difficulties or at risk of being in financial difficulties, We will contact you to discuss Your Arranged Overdraft.

9.2 In the course of the discussions under Clause 9.1 We will seek to understand the reasons behind the repeated use of Your Arranged Overdraft, the reasons for Your actual or potential financial difficulties and the steps You intend to take to address this. If appropriate, we will endeavour to assist

You in identifying suitable options to help You reduce Your Arranged Overdraft use over a reasonable period of time, whilst taking account of Your financial situation.

9.3 In the course of contact made under Clause 9.1, if You fail to engage in the discussion or if You fail to take appropriate action in respect of the repeated use of Your Arranged Overdraft, We will consider the removal of the Arranged Overdraft or a reduction in Your credit limit.

9.4 If you fail to respond to Our repeated attempts to engage in a discussion under Clause 9.1, We will consider whether to continue to provide You with an Arranged Overdraft or whether to reduce Your credit limit.