

We're making some changes to your Business Banking Terms and Conditions – here's what you should know

Dear

We are making some changes to the Terms and Conditions (the Terms) for our business customer accounts and services. The changes you will see in this notice will take effect on 13 January 2018 unless otherwise stated.

What's changing?

We are making these changes to:

- 1.** comply with the new Payment Services Regulations 2017. The regulations are intended to:
be part of an integrated and efficient European payments market, encourage innovation,
and protect customers by making payments safer and more secure;
- 2.** reflect that GBP cheques will start to clear more quickly; and
- 3.** provide clearer information on sending and receiving CHAPS payments.

Finally, we also want to let you know about some changes to when payments go into and come out of your accounts at weekends. If you have charge or credit cards, we have sent you a separate notice of changes for them.

Any questions?

~~If you are unsure about anything, talk to your Relationship Manager or bank contact.~~

~~Kind Regards~~

~~Corporate & Commercial Banking~~

Changes to your Business Banking Terms and Conditions

1. Payment Services Regulations 2017 changes

With your permission, third party providers (“TPPs”) can access your information to provide their services

New digital banking services are entering the market offered by us and TPPs. These will include new ways to pay for goods and services online and tools that allow you to view all your accounts with different financial providers in one place. Before giving a TPP permission to access your account information you may wish to check that they're authorised by the Financial Conduct Authority (FCA) to provide their service.

If you give TPPs permission to access your accounts and account information, we're not responsible for what they may do.

Some TPPs might ask you for your digital banking log in details and password to provide their service to you.

If you decide to give them this information, this means that they'll be able to see and do anything you can on your accounts.

Notice for customers using Bankline

If you use Bankline, you will have Bankline Administrators and Users operating the service on your behalf.

Once the functionality is available, Bankline Administrators and Users can authorise TPPs to access your accounts, view account information and make payments. You should ensure that your Bankline Administrators and Users know the implications of using TPPs and that they should only authorise TPPs that you trust with your accounts and account information.

Notice for customers with accounts registered on another customer's Bankline

Some customers complete a registration form for another company such as a parent company or management company to operate their accounts for them through Bankline. Bankline Administrators and Users can also give instructions through TPPs on behalf of those customers who have authorised the main Bankline customer to operate their account.

Notice for customers using Anytime Banking

If you use Anytime Banking then you and your Users can use TPPs to access your accounts, make payments and view account information. You should ensure that your Users know the implications of using TPPs and that they should only use TPPs that you trust with your accounts and account information.

Transactions for uncertain amounts

You may sometimes use a card to authorise a payment where the amount that is to be paid is not known, for example when you check into a hotel or hire a car. If this happens you should be asked to confirm the exact amount that will be blocked on your account. If you have agreed that an exact amount can be blocked, we will reduce your available funds and that amount will not be available for you to use. Once we become aware of the amount of the transaction, we will restore your available funds. Please note that if you make the payment using a different card or payment method, we will not know that payment has been made and it may take us longer to restore your available credit, but we will usually release the blocked funds after 7 days.

How we contact you in the event of a security breach

If we suspect or become aware that your account may be subject to fraud or security threats we will contact you on the most recent contact details we hold for you. This may include your mobile number, landline number, postal address or email address.

Information you can ask for if you make an incorrect payment

If you provide incorrect details regarding a payment, we will make reasonable efforts to recover the payment. We may not be able to recover the payment and may charge a fee for trying. You can write to us to ask for any information which we hold regarding the payment to help you recover it.

What we will do if we make a defective payment

If we execute a payment incorrectly, we will put your account back in the position it would have been had we not made the error. At your request we will make efforts to trace an unauthorised or incorrectly made payment and notify you of the result.

If we make or credit a payment later than we said we would, then we will put your account back in the position it would have been had we not made the error (including any interest or charges you have become responsible for). You can also ask us to contact the recipient's bank and ask them to correct the amount of interest on their customer's account.

Returning incorrect payments made to you

We may take a payment from your account if the payer's bank tells us that this payment was sent to you incorrectly. If this happens we'll hold the money and contact you to tell you what's happened. We'll ask you to confirm if the payment was sent to you incorrectly. If the payment was sent incorrectly then we'll return it to the payer. If you tell us that the payment was not sent incorrectly then we'll return the money to you but we may have to pass your contact details on to the payer's bank. If we can't get in touch with you within 15 business days, then we'll return the payment to the payer.

If the payment is a CHAPS payment, we'll ask you before we take the payment from your account.

In cases where funds have been received by you due to a system error (for example, duplication of payment), then we will have automatic right to debit these from your account.

The limit of your liability for unauthorised transactions has changed

If you are a protected customer and you were not able to detect the loss, theft or misuse of your card or security details prior to an unauthorised transaction, you will not be liable for any loss.

Provided you notify us within 13 months of the loss, theft or misuse of your card or security details, and unless you have acted fraudulently, you may be liable for up to £35 (reduced from £50) of any loss.

If you're not a protected customer you may be liable for all the loss if you have failed to take care in accordance with your terms of use.

When we refer to a protected customer we mean:

- a microenterprise, which is a business (or a group of businesses of which it forms part) whose annual turnover and/or balance sheet total does not exceed €2 million (or the equivalent in Sterling) and employs fewer than 10 people;
- a charity whose annual income is less than £1 million; or
- a small trust which is one with a net asset value of under £1 million.

How we respond to payment related complaints

We'll now aim to respond in writing within 15 business days.

Application of Share Charging to payments within the European Economic Area ("EEA")

If you are sending money anywhere in the EEA (including the UK) the only permitted charging option for that payment will now be "Shared Charges". Shared Charges means you pay for the charges levied by us and the recipient pays any charges levied by the recipient's bank for receipt of the funds. If you are sending money outside the EEA then you may pay the recipient's bank charges to ensure the recipient receives the specific amount required.

If you use Bankline, note that from 13 January 2018 you will no longer be able to use the 'OUR' charging code for payments within the EEA.

2. GBP cheques changes

~~We wrote to you a few months ago about~~ plans for all UK banks and building societies to start to clear UK GBP cheques via the Image Clearing System (ICS) from the end of October 2017. This is part of a gradual industry-wide change that all banks and building societies will complete before the end of 2018. Under the new system, banks will send digital images of cheques instead of exchanging the paper versions. This means that from the end of October 2017 some cheques you pay in will clear much faster - in just two business days rather than the current six business days. Some cheques you write will be presented for payment one business day earlier than they are currently. The new system will apply to all cheques written and paid in by the end of 2018.

What do the changes mean for you?

How you write and issue cheques will stay the same and you'll still be able to pay in cheques the same way you do today. The changes are being introduced gradually so during the changeover some of the cheques you issue will be processed as images and some as paper. **This will mean that the cheques you issue and pay in could clear at different times.** There will also be some changes that may affect you, depending on which of our other paying-in and processing services you currently use.

If your cheque is processed using Image Clearing it will clear as follows:

Business day	What happens?
0	You pay the cheque into your account.
1	<ul style="list-style-type: none">You'll start earning credit interest (if payable) on the amount of the cheque.The money is available for you to use but may be removed if the bank or building society of the person who is making the payment to you decides not to pay the cheque. If they decide not to pay the cheque, they'll normally explain the reason to you.After 23:59 the bank or building society of the person making the payment to you can't reclaim the payment (unless fraud is suspected).

If a Sterling cheque is paid into your account **after 3.30pm** on a business day or on a non-business day, the "Image Clearing" process will begin on the next business day.

If a Sterling cheque is paid into your account at a Post Office®, the "Image Clearing" process will begin when we receive the cheque from the Post Office® (normally two business days after you pay it in).

Cheques which are not processed by "Image Clearing" will clear in accordance with the timescales set out in Our Commitment to our Business Customers (known as "2-4-6").

There may occasionally be legal reasons or limited circumstances beyond our control which stop us from receiving the cheque or cause delays to these time periods.

3. CHAPS changes

Sending CHAPS payments

We have set out the points at which CHAPS instructions are received and processed by us as follows.

We'll treat a CHAPS payment instruction as received ("**Received**") once we receive the instruction, rather than the point at which it is sent by you. If your CHAPS instruction is Received:

- before the published cut off time, it will be processed on the same business day;
- after the published cut off time or on a non business day, it will be processed at the start of the next business day.

CHAPS future dated payment instructions will be treated as Received and will be processed at the start of the business day that the payment is due to be made.

Once we have carried out our checks and are satisfied that you have sufficient funds in your account the instruction is then accepted and approved ("**Acceptance**") and your payment will be submitted into the CHAPS system. This submission will happen on the sooner of 90 minutes from Receipt or 60 minutes from Acceptance.

Your Account will be debited on the same business day it is Accepted for payment. Your available funds will be reduced by the amount of the CHAPS payment immediately.

The CHAPS payment will be sent that business day to the payee's bank or provider for payment in accordance with that bank or provider's terms of business.

Receiving CHAPS payments

If we receive an electronic transfer by 6pm on a business day, the money will be available for you to use and will start earning credit interest (if payable) on the same day. CHAPS payments will be credited to your account within 90 minutes on the business day of receipt by us. Please note that Faster Payments will usually be credited immediately on the day of receipt.

Payments received after 6pm will be available to use immediately and will start earning credit interest (if payable) on the next business day.

4. Changes to payments due on a Monday (or the next business day after a bank holiday) and the effect on your weekend balance – for Sterling accounts only

From 13 January 2018 the way regular payments go into and come out of your accounts over the weekend is going to change, and your available balance may be affected. Here's what you need to know, and ways to help avoid any impact on your weekend finances:

Payments into your account at the weekend

- Up until 13 January 2018: Any payments due into your account on a Monday are available to you from the Saturday
- From 13 January 2018: Any payments due into your account on a Monday will only be available to you on the Monday and not the Saturday as before

Payments out of your account at the weekend (like Direct Debits and Standing Orders)

- Up until 13 January 2018: Any payments due out of your account on a Monday are taken from your account on the Saturday morning, meaning you had less money to spend over the weekend
- From 13 January 2018: Any payments due out of your account on a Monday will leave your account on the Monday, meaning this money is still available to you over the weekend

5. Terms

The changes to your Terms will take effect from 13 January 2018. As always when we make a change, we do need to let you know that you have the option to move your account without charge before these changes take effect.

The changes apply to your payment account and service terms. For your ease of reference the main account and service terms are set out below. All other updated service terms including those listed below are available upon request from your Relationship Manager or business contact who would be happy to help you with any queries you may have.

Main terms only	Terms links
Business Banking Terms and Conditions	http://digital.ulsterbank.co.uk/business/accounts-and-services/business-current-accounts/business-current-account/apply-now.html
Anytime Internet & Telephone Banking Business with attached application form	
Our Commitment to our Business Customers	
Business Debit Card Terms	http://digital.ulsterbank.co.uk/content/dam/Ulster/documents/ni-region/ni-business-banking-brochures/welcome-to-your-business-debit-card-NIBUSPDF0101.pdf
Bankline Terms & Conditions	http://digital.ulsterbank.co.uk/business/ways-to-bank/online-banking/bankline-online-banking/bankline-terms-and-conditions.html