Important changes

to our
• Overdrafts
• Account terms and conditions
• Charges and additional product terms.

Which take effect on 14 March 2020
What’s changing?

We’re letting you know that in line with new rules that apply to all banks, we’re making some important changes to overdrafts which take effect from **14 March 2020**. This leaflet explains the changes so please read it carefully and keep it for future reference.

If you’d like a copy of the new terms, you’ll be able to view or download them from **14 March 2020** by visiting [firstdirect.com/terms-and-conditions](http://firstdirect.com/terms-and-conditions) or if you prefer paper, give us a call on the number below after this date and we’ll send you one in the post.

Overdrafts

Overdrafts are designed for short-term borrowing but if you rely on them regularly they can be expensive. Unarranged overdrafts happen if you authorise a payment that takes you over your arranged limit, or you go overdrawn without having one. It’s worth bearing in mind we may not always be able to make your payment, so it’s important you keep a close eye on your account to make sure there’s enough to pay everything on time.

We’re making changes to our overdrafts that will mean:

- **the way we charge for unarranged ones will be simpler** because we’re removing the £5 daily unarranged overdraft usage fee and reducing the Monthly Maximum Charge
- we’ll charge a new **single interest rate** for both arranged and unarranged overdrafts.

What you need to do

If you accept the changes you don’t need to do anything, they’ll happen automatically. If you don’t, you have the option to repay anything you owe and close any accounts covered by these terms before they happen with no charge by calling us on the number below, but we really hope it doesn’t come to that.

If you have any questions, please give us a call on **03 456 100 100**† and we’ll be happy to help.

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†Text-phone **03 456 100 147** or if calling from abroad **+44 113 234 5678** (Text Relay **+44 151 494 1260**).
For more information on contacting us via BSL video relay service - visit [firstdirect.com/contact-us](http://firstdirect.com/contact-us). Because we want to make sure we’re doing a good job calls may be monitored and/or recorded, we hope you don’t mind.
# Changes to overdrafts

<table>
<thead>
<tr>
<th>What's changing and where you'll find this in our terms</th>
<th>How it's changing</th>
</tr>
</thead>
</table>
| **The way we charge for overdrafts**  
(our Charges and additional product terms) | At the moment, the charges you pay on your overdraft depend on whether it’s arranged (one we’ve agreed in advance) or unarranged (one we haven’t).  
To make things simpler, we’re **removing the £5 daily usage fee** on unarranged overdrafts. Instead we’ll only charge **interest** on the amount you borrow – whether it’s arranged or unarranged.  
The first **£250 of overdrafts will still be free**, so you’ll only be charged if you borrow more than that. If you have a 1st Account linked to an Offset Mortgage, you’ll still be charged your mortgage interest rate on anything you borrow, even the first £250.  
We’re also **reducing the Monthly Maximum Charge** for using an unarranged overdraft from **£80 to £20**.  
There’s more information about these changes in the tables below. |

| **When we charge for an unarranged overdraft**  
(our Charges and additional product terms) | At the moment, we don’t charge you a daily unarranged overdraft usage fee if:  
- the unarranged overdraft is £10 or less  
- your account has been in unarranged overdraft for more than 30 days in a row  
- your account has an unarranged overdraft only because of an overdraft or interest charge.  
In future, we’ll charge unarranged overdraft interest in these situations at the rates shown in the table below.  
It’s worth bearing in mind, we don’t charge anything on an **arranged or unarranged overdraft** where you go overdrawn but pay it back before 11.45pm on the same day. |

| **Other changes to our terms** | **How we refer to overdrafts throughout our terms**  
Because we’re changing the way we charge for using overdrafts, we’ll also need to make some changes where we currently refer to them. |
Our new overdraft charges

As well as making the other changes, we’ve also reviewed our overdraft interest rate. The new rate shown below will take effect from 14 March 2020.

<table>
<thead>
<tr>
<th>Account type</th>
<th>Interest free allowance</th>
<th>Arranged and unarranged overdraft interest rate</th>
<th>Monthly Maximum Charge for unarranged overdrafts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Account</td>
<td>£250</td>
<td>39.9% EAR variable if you borrow more than £250 (currently 15.9%)</td>
<td>£20 (currently £80)</td>
</tr>
<tr>
<td>1st Account linked to an Offset Mortgage</td>
<td>N/A</td>
<td>Same as your linked mortgage</td>
<td></td>
</tr>
</tbody>
</table>

EAR (Effective Annual Rate) takes into account the interest rate, how often it’s charged and compounding (interest on interest) but doesn’t include any other fees or charges.

The table below shows how much it would cost at the new rate if you went more than £250 overdrawn on a 1st Account that isn’t linked to an Offset Mortgage.

<table>
<thead>
<tr>
<th>Amount borrowed over the £250 interest free allowance</th>
<th>£100</th>
<th>£250</th>
<th>£500</th>
<th>£750</th>
<th>£1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per day</td>
<td>9p</td>
<td>23p</td>
<td>47p</td>
<td>70p</td>
<td>93p</td>
</tr>
</tbody>
</table>

Contact us online or by phone

**send us a message via Online Banking**

03 456 100 100†

**firstdirect.com**

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**first direct** 40 Wakefield Road, Leeds LS98 1FD.

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