

first direct

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**International Instant Access
Account Terms and Conditions**

Effective from 9 January 2010.

first direct International Instant Access Account Terms and Conditions

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These Terms and Conditions (the “**IA Terms**”) apply to all our International Instant Access Accounts (as defined below). Your agreement with us for your International Instant Access Account consists of the IA Terms and any Additional Conditions (together the “**Terms**”).

Additional Conditions include the following, as applicable: (1) the International Instant Access Account interest rates and charges information (you can also find details of interest rates and charges by telephoning us); and (2) any other Terms that we provide to you.

The IA Terms are also a framework contract for payment services on your account.

If any Additional Conditions contradict the IA Terms, then the Additional Conditions will apply.

In the Terms:

“**HSBC Group**” means HSBC Holdings plc, its subsidiaries, associated and affiliated companies;

“**we**”, “**us**” and “**our**” mean **first direct**, a division of HSBC Bank plc;

“**you**” and “**your**” mean the account holder or, if the account is in joint names, all account holders;

“**recipient**” means the person receiving the money being paid (this may be another person or it may be you if you are sending a payment to another account you have or if you are withdrawing cash);

“**Customer Representative**” means a **first direct** employee who deals with customer queries;

“**business weekday**” means Monday to Friday, except for public holidays in England, UK;

“**first direct Account Terms and Conditions**” means the Terms and Conditions that apply to 1st Accounts with us, and also other accounts as specified in the **first direct Account Terms and Conditions** (please contact us for details);

“**International Instant Access Account**” means our International Personal Instant Access Savings Accounts and Foreign Currency Instant Access Savings Accounts;

“**Charged Account**” means: 1) if you have a 1st Account, your 1st Account with us (if you have more than one 1st Account with us, the 1st Account you tell us you would like to have charges deducted from); or 2) if you do not have a 1st Account with us, another account with us that you specify that you would like charges to be deducted from, or if you do not specify another account, your International Instant Access Account; or 3) for a specific payment, any account with us that you specify that you would like charges to be deducted from;

“**Internet Banking**” means our Internet Banking service;

“**HSBC branch(es)**” means a branch(es) of HSBC Bank plc in the United Kingdom, Channel Islands and the Isle of Man; and

“**Telephone Banking**” means our Telephone Banking service.

The product/service you have with us should not be used for business purposes. No third party will have any rights under the Terms. We may refuse to accept money or your application to open or renew a product.

Please read the Terms and keep them in a safe place. You can ask for a copy of the Terms at any time.

Part A – Main Terms

1 Eligibility

- 1.1** If you opened your International Instant Access Account with us on or after 1 February 2006, you must also have a 1st Account with us. You must maintain a 1st Account with us for the full duration that you have your International Instant Access Account. If you hold a 1st Account jointly with another person, you may hold an International Instant Access Account jointly with that same person (you must maintain that joint 1st Account for the full duration that you have your joint International Instant Access Account). Your International Instant Access Account cannot be held jointly in any other circumstances.
- 1.2** If you opened your International Instant Access Account with us before 1 February 2006, you must have another product with us, but this does not need to be a 1st Account. You must maintain another product with us for the full duration that you have your International Instant Access Account. If you hold another product with us jointly with another person, you may hold an International Instant Access Account jointly with that same person but you must maintain the other product for the full duration that you have your joint International Instant Access Account. Your International Instant Access Account cannot be held jointly in any other circumstances.
- 1.3** If you opened your International Instant Access Account before 1 February 2006, you must maintain the following minimum balance (as applicable to the type of currency your account is in):

| Currency | Minimum balance |
|---------------------|------------------------|
| Australian dollar | 5,500 |
| Canadian dollar | 4,500 |
| Danish kroner | 25,000 |
| Euro | 2,000 |
| Hong Kong dollar | 23,000 |
| Japanese yen | 320,000 |
| New Zealand dollar | 7,300 |
| Norwegian kroner | 27,000 |
| Saudi Arabian riyal | 12,000 |
| South African rand | 21,000 |
| Swedish kroner | 28,000 |
| Swiss francs | 5,000 |
| UAE dirham | 11,000 |
| US dollar | 3,000 |

2 Different types of payment into and out of your account

- 2.1** Internal Transfers – payments between UK accounts you have with us and/or HSBC Bank plc in the same name, including joint accounts which you hold with someone else.
- 2.2** Priority Payments – payments in any currency anywhere in the world, which are made using the SWIFT mechanism. These payments can be made into and out of your account.
- 2.3** Single European Payment Area (SEPA) payments – payments in Euro up to the equivalent of €50,000 to accounts in EEA countries and Switzerland. These payments can be made into and from your account. For SEPA payments you make out of your account, if your account is not in Euro, we will deduct from your account the amount of the payment and then convert the payment into Euro at the **first direct** prevailing exchange rate.
- 2.4** Withdrawals – cash and travellers cheques that we withdraw from your account and post to you.
- 2.5** Bankers drafts from your account.
- 2.6** Cash payments in – cash deposits in the same currency as the currency of your account that you make into your account.
- 2.7** Cheques in the currency of your account that are paid into your account.
- 2.8** Other items that are payable to you for payment into your account.

3 Information you need to provide when you make Priority Payments, SEPA payments and Internal Transfers

3.1 Priority Payments and SEPA payments

- 3.1.1** You must provide us with all the following details to enable us to make a payment:
- the correct details of the recipient's bank, including the bank's SWIFT Bank Identifier Code ("BIC") address, sort code or national bank code;
 - the recipient's bank account number, or International Bank Account Number ("IBAN") if making a SEPA payment or paying to a bank in the EEA;
 - the name and address of the recipient to whom the payment is made;
 - your own account number (and IBAN for a SEPA payment), name and address. This is a legal requirement and these details will be passed to the recipient's bank; and
 - the recipient's reference, if applicable.
- 3.1.2** If you are going to receive Priority Payments or SEPA payments you must tell the sender of the payment your BIC and IBAN.

3.2 Internal Transfers

- 3.2.1** Unless Clause 3.2.2 applies, you must provide us with all the following details to enable us to make the payment:
- the sort code and account number for the recipient's account;
 - the date the payment is to be deducted from your account;
 - the recipient's name; and
 - any reference identifying the payment (including a reference to you or the recipient).
- 3.2.2** If you do not have the sort code and account number for the recipient's account but have made a payment to the recipient before from your account and we have set their information up on your account, then we can make the payment in the absence of this information with your agreement.

4 Internet Banking and Telephone Banking

4.1 Internet Banking

4.1.1 You can request us to make a payment that does not involve an exchange into a different currency and is to a recipient you have sent a payment to in the past by sending us a secure e-message through Internet Banking (if you want to send a payment to a recipient for the first time, or the payment you want to send involves an exchange into a different currency, you must give your instructions through Telephone Banking in accordance with Clauses 4.2 and 4.3).

4.1.2 You must log on, using your user ID, password and providing other security information. The secure e-message you send us will be your agreement for us to make the payment. You must ensure that you include all the information we require to make the payment (please see Clause 3 for details) when you send us instructions by secure e-message.

4.1.3 You cannot view or otherwise access your International Instant Access Account via Internet Banking.

4.2 Telephone Banking

4.2.1 You can instruct us to make payments from your account through Telephone Banking. If you have not made a payment to a recipient before or your payment involves an exchange into a different currency, you must give your instructions through Telephone Banking.

4.2.2 You can make some payments through Telephone Banking (once you have completed our security procedures) by speaking to a Customer Representative, who will take details of the payment and then confirm the details to you. You must confirm these details are correct before we make the payment. Your confirmation will be your agreement for us to make the payment.

4.2.3 On satisfactory completion of our security procedures, we can act on any instructions given to us, even if these instructions were not given by you or with your authority.

4.3 Use of Internet Banking and Telephone Banking

4.3.1 If the **first direct Account Terms and Conditions** apply to any accounts you have with us (this includes 1st Accounts), you will have agreed to use Internet Banking and Telephone Banking in accordance with the **first direct Account Terms and Conditions**. Those Terms and Conditions will apply to your use of Internet Banking and Telephone Banking in respect of your International Instant Access Account.

4.3.2 If you do not have an account to which the **first direct Account Terms and Conditions** apply, and so have not agreed to use Internet Banking and Telephone Banking in accordance with the **first direct Account Terms and Conditions**, the Terms and Conditions in Part B of these IA Terms apply to your use of Internet Banking and Telephone Banking, including what you must do to keep safe, and prevent fraudulent use of, your security details.

5 HSBC Branches

You can pay cash and cheques in the currency of your account into your account at HSBC branches.

6 Post

We will accept payment of cheques into your account that you send to us by post. We will not accept instructions for any other payment by post. To pay in a cheque by post, you must send a letter addressed to us at **first direct**, 40 Wakefield Road, Leeds LS98 1FD.

7 When payments will and will not be made by us

- 7.1** We will make/authorise a payment from your account if you authorise it in any of the ways set out in these IA Terms and there are cleared funds in your account. There may be a delay in carrying out your instructions while fraud prevention checks take place.
- 7.2** When we assess whether to make/authorise payments under Clause 7.1, we may consider any other payments we have made or have agreed to make from your account that day, even if those other payments have not already been deducted from your account. You must take this into consideration when requesting payments.
- 7.3** We may refuse to make a payment (and we will not be responsible for any loss) if:
- any of the conditions set out in the IA Terms have not been met;
 - we are not reasonably satisfied the transaction or the instruction is lawful;
 - we consider that your account has been or is likely to be misused; or
 - for fraud prevention purposes.
- 7.4** If we refuse to make a payment that you have requested you will normally be told when you request the payment, unless we suspect fraud - please see Clause 19 for details about our fraud prevention measures and what we do if we suspect fraud. If you telephone us, we will tell you if a payment has been refused, the reasons for the refusal (if possible) and the procedure for correcting any factual errors that led to the refusal. This information will be available immediately after our refusal of your instruction. We will not be able to provide you with details in any of these ways if it is unlawful for us to do so.

8 Payments that involve a currency conversion

8.1 Payments you make

- 8.1.1** The exchange rates we use are variable exchange rates which are changing constantly throughout the day (for example, to reflect movements in foreign exchange markets). The exchange rate we will apply to payments you make involving a currency exchange is the rate we provide or make available to you on the telephone when you request the payment. The exchange rate applied will appear on your statement.
- 8.1.2** If you make a payment that involves an exchange into another currency (you make a payment that involves a currency that is different to the currency of your account), and that payment is returned to us, we will convert the returned payment back to the original currency by buying the original currency at the **first direct** exchange rate applicable when we receive the returned payment. We are not responsible for any fluctuations in the exchange rate.
- 8.1.3** If you cancel an instruction for a payment that involves an exchange into a different currency to the currency of your account before we have made the payment but after we have converted the payment into the other currency, we will convert the payment back into the original currency by buying the original currency at the **first direct** exchange rate applicable when you cancel your instruction and will then add the value of the payment to your account. We are not responsible for any fluctuations in the exchange rate.
- 8.1.4** We will deduct charges from your Charged Account when you instruct us to make a payment for which we charge. Details of the charges are in the interest rates and charges information that is applicable to your account.

- 8.1.5** For payments in an EEA currency that you instruct us to make to accounts in countries within the EEA, we will not deduct from your accounts charges made by agents we use, any intermediary bank and/or the recipient's bank, unless:
- the payment is over €50,000 (or currency equivalent);
 - we convert the payment to another EEA currency before sending it to the recipient's bank; and
 - you agree that we deduct such charges from your Charged Account.
- 8.1.6** For payments other than those described in Clause 8.1.5, we will not deduct from your Charged Account charges made by agents, intermediary banks and/or the recipient's bank unless you ask us to deduct all charges from the relevant account. This means that unless you ask us to deduct all charges from your Charged Account, agents, intermediary banks and the recipient's bank may deduct their charges from the amount of the payment.

8.2 Payments you receive

- 8.2.1** If you receive a payment in the same currency as your account, it will be added to your account when we receive it.
- 8.2.2** If you receive a Priority Payment or SEPA payment in a different currency to the currency of your account and you told the sender of the payment your correct BIC and IBAN in accordance with Clause 3.1.2, we will convert the payment into the currency of your account by buying that currency at the HSBC Bank plc exchange rate applicable when we receive the payment. We will then add the payment to your account.
- 8.2.3** We charge for some payments you receive. Details of these charges are in the interest rates and charges information that applies to your account. Charges will be deducted from the payment before it is added to your account.

9 Interest

- 9.1** You will receive interest at the rate that applies to your account. Interest will be calculated on the daily cleared balance and paid into your account quarterly or half-yearly depending on the currency your account is in (please see the interest rate and charges information for more details).
- 9.2** You will receive interest up to the time a payment is deducted from your account.
- 9.3** Interest (where it applies) will be calculated on payments into your account once the payment has been added to your account.

10 Charges for payments/services and for enquiries about an instruction

- 10.1** We may charge for some payments/services we provide at the rates set out in the interest rates and charges information.
- 10.2** We may make a charge for any enquiries we receive in respect of each payment instruction, whether made by you or another person. We will not charge you if we have made an error. We will advise you of the charge before we start investigations on your behalf.
- 10.3** We may charge for any incidental expenses we incur in providing additional services to you. We will advise you of the charge before we provide the service.
- 10.4** You authorise us to deduct all charges from your Charged Account when you give your instructions or, if the charge applies to payments you receive, when we add the payment to your account. If your Charged Account is a non-sterling account, we will convert the charge from sterling into the currency of your account at the prevailing **first direct** exchange rate.

11 Cut-off times, execution times and when you can cancel an instruction to make a payment

- 11.1** The cut-off time is the time before which on a business weekday a payment or a payment instruction is treated as received by us on that business weekday. This means if we receive a payment or a payment instruction after the cut-off time, we will treat this as received by us on the following business weekday. If we receive a payment or a payment instruction on a day that is not a business weekday, we will treat this as received on the next business weekday. Cut-off times vary for different types of payment and for different ways in which the payment is requested. Information about cut-off times for each type of payment is set out in the table in Clause 12 and in Clause 14.
- 11.2** Some types of payments have additional currency cut-off times. For these payments, you must give your instructions before the earlier of the cut-off times that apply for us to treat the instructions as received before the cut-off time. Please see the interest rates and charges information for information about currency cut-off times.
- 11.3** The maximum execution time (the time it takes for the payment to reach the recipient's bank), is set out in the table in Clause 12 and in Clauses 13 to 15. This starts on the business weekday after we receive the instruction. The day we receive your instruction for this purpose will depend on whether your payment instructions were received before or after the cut-off time.
- 11.4** Where you have instructed us to make a payment immediately, we will begin processing the instructions when they are received and you cannot cancel your instructions after you have given them to us.
- 11.5** If you instruct us to make a payment on a future date, we will begin to process the payment on the date you specify. In this case, whether you may cancel your instructions will vary for different types of payment and for different ways in which the payment is requested.
- 11.6** After any time limits for cancellation referred to in this Clause 11 have expired, you may only cancel your instructions if we agree.
- 11.7** All cut-off times quoted refer to time in London, UK.

12 Internal Transfers, Priority Payments and SEPA payments

In the table “**TB**” means Telephone Banking and “**IB**” means Internet Banking

| Payment Type | How you can request a payment | General cut-off time for giving instructions to us | Maximum execution time | Payment Limit | Can you arrange a payment to be sent on a future date? |
|--|--|--|--|---------------|--|
| Internal Transfer from your account to another first direct account | TB IB (if another payment has been made to the recipient before and the payment does not involve an exchange into a different currency) | 4.15pm Currency cut-off times apply | Immediate | None | No |
| Internal Transfer from your account to an account with HSBC Bank plc that is not a first direct account | TB IB (if another payment has been made to the recipient before and the payment does not involve an exchange into a different currency) | 4.15pm Currency cut-off times apply | 1 business weekday | None | No |
| Priority Payments | TB IB (if another payment has been made to the recipient before and the payment does not involve an exchange into a different currency) | 3.30pm Currency cut-off times apply | <ul style="list-style-type: none"> • 2 business weekdays for payments made in euro (within the EEA) • up to 3 business weekdays for all other payments but this may take longer if the payment is not in an EEA currency depending on the country the money is being sent to | None | No |
| SEPA payments | TB IB (if another payment has been made to the recipient before and the payment does not involve an exchange into a different currency) | 10pm Currency cut-off times apply | 3 business weekdays | €50,000 | No |

13 Cash payments in

- 13.1** You can pay cash in the currency of your account into your account over the counter at an HSBC branch. You must complete a paying-in slip to do this. You must not send cash to us by post.
- 13.2** We will charge for cash deposits into your account and these charges will be deducted from your Charged Account. Please see the interest rates and charges information for details of the charge.
- 13.3** If you pay cash into your account in this way it will be credited to your account and available for you to withdraw immediately. It will be treated as cleared for interest calculation purposes (if applicable) on the same day.

14 Withdrawals

- 14.1** You can ask us to post cash or travellers cheques in the currency of your account to you. You must give us your instructions via Telephone Banking. We will deduct the amount of cash and/or travellers cheques from your account when we post them to you.
- 14.2** You will normally receive payments by the business weekday after we receive your instructions. The cut-off time for receiving instructions is 3pm on a business weekday.
- 14.3** You are not able to cancel the transaction after you have given us your instructions.
- 14.4** We will deduct charges from your International Instant Access Account for posting cash and travellers cheques to you in this way. We will tell you about charges when you give us your instructions. Please also see your information and charges leaflet for details of charges.

15 Cheques

15.1 Foreign cheques

- 15.1.1** You can pay cheques in the currency of your account into your account.
- 15.1.2** By 'foreign cheques' we mean cheques drawn in a currency other than sterling. You may send us by post foreign cheques you want to pay into your account. If you pay in a foreign cheque at an HSBC branch then they will send it to us by post.
- 15.1.3** We may agree to "negotiate" a foreign cheque. This means that we will add to your account immediately the amount in full but if it is returned unpaid, we will have a right to recover from you and we are entitled to deduct from your account the amount we added.
- 15.1.4** For details of how and when interest is calculated and applied in relation to amounts added to or deducted from your account following negotiation of a foreign cheque, please call us.
- 15.1.5** For any foreign cheque that we negotiate, we will deduct our charges at the time we process the cheque. If the cheque is returned unpaid we will also deduct a further charge at the time it is returned. These charges will be deducted from your Charged Account. Please see the interest rates and charges information for details of charges.
- 15.1.6** We may send a foreign cheque for "collection". This means we will add the amount to your account only when we have received the amount from the bank on which it is drawn (this bank or any agents may deduct their charges from the amount of the cheque before sending it to us).

- 15.1.7** When negotiating or collecting any foreign cheque, we do not accept liability for any loss, damage or delay caused which is not directly due to our negligence or default and if exchange restrictions or some other cause result in us receiving payment in a currency different from that of the cheque, neither we nor our agents are responsible for any loss in exchange which may occur if and when subsequent conversion takes place.
- 15.1.8** Because of practical difficulties that occur from time to time with foreign cheques drawn on banks abroad, e.g. exchange restrictions, we may not always be able to negotiate or collect foreign cheques for you.
- 15.1.9** The Uniform Rules for Collections, as published by the International Chamber of Commerce from time to time also apply to any “negotiation” or “collection” of foreign cheques or other forms of foreign payment. If you would like a copy of these, please call us.
- 15.1.10** You must sign the back of any foreign cheques you pay into your account. Your signature should be in the same form as your name on the front of the cheque eg if it is payable to W Livingstone, please sign W Livingstone.
- 15.1.11** For a cheque that we collect, we will deduct our fee from your Charged Account at the time of processing and will also deduct from the same account any charges claimed by our agents and/or the bank on which the cheque is drawn that have not already been deducted from the amount of the cheque sent to us. We will give you details of the charges if you ask us to do so. Cheques can be returned to us several months after your account is initially credited. In addition, US law allows a bank to return a cheque up to six years after it has been paid.
- 15.1.12** Please call us if you require details of our foreign tariffs or visit our website.

15.2 Bank Drafts

- 15.2.1** If you ask us we will issue you with a foreign currency bank draft. We will deduct a charge for bank drafts from your Charged Account when we issue the bank draft.
- 15.2.2** If we issue you with a foreign currency bank draft and you no longer require it, you may return it to us.
- 15.2.3** If a foreign currency bank draft is lost or stolen we agree to notify other banks of this and agree to either provide a replacement draft or refund the amount of the draft. We may require you to sign an indemnity before we provide a replacement draft or refund the amount of the draft (this means that you agree to pay to us the value of the original draft if we subsequently have to pay it). We will deduct from your Charged Account a charge for notifying other banks that the original draft has been lost or stolen and for replacing the draft. These charges will be notified to you before we notify other banks in accordance with this Clause and before we replace the draft. We will also deduct from your Charged Account any charges claimed by our agents when refunding the amount of the draft.

16 Joint accounts

- 16.1** Joint accounts are operated on the basis of the authority below. We do not open accounts that require authority or signature of all joint account holders to be obtained in respect of individual transactions or instructions. However, there may be some circumstances where all signatures are required to operate the account. Please see Clause 16.4.

- 16.2** Unless this conflicts with another authority given in writing on the joint account, and until any one of you cancels this authority, you authorise us to:
- accept all instructions for payment, or to stop such payments, signed or given by any one of you; and
 - accept instructions signed or given to us by any one of you to act on behalf of you all in all other transactions with us, opening further accounts in your joint names and closing accounts in your joint names. For such purposes, instructions may be in writing or any other form we accept and may be given by any means or through any media we accept and on such terms as we may tell you.
- 16.3** We will accept such authority until it is cancelled by any one of you (unless otherwise agreed in writing) or treated by us as cancelled under Clause 16.4.
- 16.4** If any one of you tells us of a dispute between any of you, we may treat this as notice of cancellation of the authority set out at Clause 16.2. If we do, any further transactions will need the authority of you all and the use of additional services including Internet Banking may be suspended. This may mean that you will have to make alternative arrangements for your regular payments to be made. We will need the authority of all of you to pay out any credit balance on the joint account or to close the joint account.
- 16.5** We may disclose to any of you any information we hold about the account(s) including historical statement information.
- 16.6** Unless Clause 16.2 applies, in the event of the death of any of you, the survivor(s) have authority to instruct us to pay them any credit balance. This is subject to any rights which we or a third party may have in relation to the account.
- 16.7** You agree that if any one of you registers for Internet Banking or any other banking service provided over an electronic channel which we may make available to you:
- 16.7.1** we may provide Internet Banking or such other service in respect of your joint account even if not all of you have registered for Internet Banking or such other service;
- 16.7.2** you will be bound by the terms that apply to that service; and
- 16.7.3** we may follow any instructions given to us in relation to your joint account by any one of you, even if any joint account mandate requires the authority of more than one of you. This Clause overrides the mandates.
- 16.8** Please also see the joint account provisions in Clause 17 for third party instructions, 18 for statements and Clause 27.2 for ending this contract and closing your account.

17 Third party instructions

You can authorise another person to operate your account. You will need to sign a document called a third party mandate in respect of the account. On joint accounts, all of you must sign. You can also do this by signing a power of attorney but you should take legal advice before doing so. If you authorise another person to operate your account then you will be responsible for their actions or omissions as if they were your own.

18 Statements

- 18.1** After you have made at least one deposit into your account, we will send you paper statements at least every month.
- 18.2** If you have a joint account and all joint account holders live at the same address, we will send one statement to all account holders at that address. If joint account holders live at different addresses, if you ask us to we will send a statement to each address at which an account holder lives.
- 18.3** If an incorrect entry on your account is identified, we will correct it. If we do this on the same day the incorrect entry was made the details may not show on your statement.
- 18.4** If you ask, we will send you additional statements to your monthly statement, including copies of those previously supplied.
- 18.5** Charges deducted from your Charged Account will be detailed on the statement for your Charged Account. Statements will be available for your Charged Account in accordance with the Terms and Conditions that apply to that account.

18.6 Balance information

We may provide you with details of:

- the balance on your account. This may include transactions that are still being processed and so may be subject to change
- the available balance on your account.

Your account and the transactions passing through it may be affected by a court order that is obtained, for example, against you or your account. If so, the balance may change and transactions may not be processed or may be reversed.

19 Fraud prevention

- 19.1** We carry out certain checks on transactions on your account as part of our fraud prevention measures. We may contact you by post, telephone (including mobile phone), email, mobile messaging or (if you are registered for Internet Banking) secure e-message, to say there may be suspicious activity on your account, or we may leave a message to ask that you call us. If we ask, you must contact us as soon as possible. In respect of payments made through Telephone Banking or Internet Banking, if you do not reply to us, we will allow the transaction to proceed if we believe the transaction is genuine. If we do not believe it is genuine we will not make the payment. This will not prevent you from later disputing you authorised the transaction.
- 19.2** We, or any other member of the HSBC Group, may take whatever action we consider appropriate to meet any obligations, either in the UK or elsewhere in the world, relating to the prevention of fraud, money laundering and terrorist activity and the provision of financial and other services to persons who may be subject to sanctions. This may include, but is not limited to, investigating and intercepting payments into and out of your account(s) (particularly in the case of international transfers of funds) and investigating the source of or intended recipient of funds. It may also include making enquiries to establish whether a person is subject to sanctions. Exceptionally, this may delay the carrying out of your instructions or the receipt of cleared funds but, where possible, we will advise you of the reasons for and likely length of any delay. If we are not satisfied that a payment in or out of your account is lawful, we may refuse to deal with it.

19.3 Neither we nor any other member of the HSBC Group shall be responsible to you or any third party for any loss incurred as a result of us or any other member of the HSBC Group taking the actions set out in Clause 19.2. In addition, we shall not be responsible to you for any loss you may incur if we, or any of our agents or correspondents, are prevented from or delayed in providing you with any banking or other services due to strikes, industrial action, failure of supplies or equipment, or other causes beyond our reasonable control.

20 Responsibilities

20.1 Making payments

20.1.1 We will make payments based on the information we require you to provide us as set out in Clause 3. If you provide us with incorrect information, we will not be responsible if the payment is not made, it is delayed or it is made incorrectly. If you ask us, we will make reasonable efforts to recover an incorrect payment. If you provide us with incorrect information, and you ask us to try to recover the payment, we will charge you for this service. We will give you details of our charges before we try to recover the payment. The recipient's bank may also charge you if this happens.

20.1.2 If you provide us with extra information to that specified by us as required, we will only be responsible for making the payment based on the information we have told you we require.

20.1.3 For payments to another bank account, we will make sure payments are sent to the recipient's bank. It is the recipient's bank's responsibility to make sure the payment is added to the bank account of the recipient.

20.1.4 If you have instructed us to make a payment, we are responsible for it being made correctly unless we can prove to you, or the recipient's bank (as appropriate), that the payment was received by the recipient's bank within the timescales for executing payments set out in the table in Clause 12 and in Clause 13. Where we can prove this, the recipient's bank will be responsible to the recipient for making available the payment and crediting the recipient's account, as appropriate.

20.1.5 If a payment has been made incorrectly and we fail to prove the payment you authorised was received by the recipient's bank as required by Clause 20.1.4, we will, without undue delay, refund your account with either:

- the payment; or
- in the case of an overpayment, any excess amount incorrectly deducted so you do not incur any loss, and we will also restore your account and your Charged Account (if applicable) to the position they would have been in had the incorrect payment or overpayment not been made, for example, by refunding any charges or interest as appropriate. We will not do this if the circumstances giving rise to the incorrect payment transaction were due to abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary.

20.1.6 If you ask us, we will make immediate efforts to trace a payment and will tell you the outcome.

20.2 Unauthorised transactions

You must read your statements carefully on receipt or when they are available online. To help us prevent fraud, you must tell us immediately by calling us if you do not recognise any transaction shown on your statement or if you think any payment you have authorised has been executed incorrectly. If you do not tell us promptly (at the latest within 13 months of the date the transaction was deducted from your account), you may not be entitled to have any errors corrected.

20.3 Liability for unauthorised transactions

- 20.3.1** Subject to Clauses 20.3.2 to 20.3.5, we will be responsible for any unauthorised transactions that you tell us about in accordance with Clause 20.2 (if we suspect fraud or that you have been grossly negligent, we will investigate the transaction and will only be responsible if/when we have concluded that there has been no fraud and you have not been grossly negligent). Where we are responsible, we will immediately refund the amount of the unauthorised transaction and any resulting interest and charges. We will have no further liability to you.
- 20.3.2** You will be responsible for all losses if you act fraudulently or if you allowed another person to use your account.
- 20.3.3** You will be responsible for all losses arising from unauthorised transactions on your account as a result of:
- you acting fraudulently;
 - you intentionally or with gross negligence failing to use Telephone Banking and/or Internet Banking in accordance with the Terms (including keeping safe your security or personalised details); or
 - you intentionally or with gross negligence failing to notify us of the loss or theft of any security or personalised details in accordance with the **first direct Account Terms and Conditions**, or Clause 42.3, depending on the Terms that govern your use of Internet Banking and Telephone Banking (please see Clause 4.3 for more details).
- 20.3.4** Unless you have acted fraudulently, you will not be responsible for any losses in respect of an unauthorised transaction:
- if you have purchased goods and services via Internet Banking or Telephone Banking;
 - after you have notified us of the loss or theft of your security details in accordance with the **first direct Account Terms and Conditions**, or Clause 42.3, depending on the Terms that govern your use of Internet Banking and Telephone Banking (please see Clause 4.3 for more details); or
 - if we have failed to provide the facilities for you to tell us if your security details have been lost or stolen, as described in the **first direct Account Terms and Conditions**, or Clause 42.3, depending on the Terms that govern your use of Internet Banking and Telephone Banking (please see Clause 4.3 for more details).
- 20.3.5** We will not be responsible to you if we fail to comply with any of the Terms in the IA Terms:
- due to abnormal and unforeseen circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary; or
 - where our failure to comply is due to our obligations under European or national law.

20.4 Payments into your account

- 20.4.1** We can only accept responsibility for payments into your account after we have received and checked them.
- 20.4.2** If you pay two or more items into your account using a paying-in slip you must take care to add these up correctly on the paying-in slip. If, when we process the payments in, we notice that the total amount of the items is added up incorrectly on the paying-in slip and the difference is over the relevant currency equivalent of £1, we will add the correct amount to your account. We will tell you we have done this. If the difference is the relevant currency equivalent of £1 or less we may not carry out the correction or tell you.
- 20.4.3** If a payment is fraudulently or mistakenly paid into your account, the amount of the payment may subsequently be deducted. This may happen even if the funds are included in the balance of your account, you have used them to make a payment, have transferred or withdrawn all or part of them.

20.5 Suspension of Telephone Banking or Internet Banking

- 20.5.1** We may, at any time, suspend your use of Telephone Banking or Internet Banking if we have reasonable grounds which relate to the security of or the suspected unauthorised or fraudulent use of Telephone Banking or Internet Banking.
- 20.5.2** We will normally give you advance notice (either in writing, secure e-message if you have agreed, or by phone) if we are going to suspend your use of Telephone Banking or Internet Banking. We will tell you why we are taking this action but we will not give you notice or details of the reason for the suspension if this would compromise our reasonable security measures or if it is unlawful to do so. We may occasionally suspend your use of Telephone Banking or Internet Banking without notifying you where we have been unable to contact you in advance. We may also suspend your use of Telephone Banking or Internet Banking due to national or European legal obligations that apply to us.
- 20.5.3** You can ask us to lift any suspension of your use of Telephone Banking or Internet Banking by calling us.

21 Changing the Terms – general information

- 21.1** We may change interest rates and other parts of the Terms in accordance with this Clause 21 and Clauses 22 to 26.
- 21.2** If we have agreed particular Terms in relation to your account that are fixed, please see the Additional Conditions that apply to those Terms for information on the circumstances in which we may make changes to those Terms. If there is a conflict between this Clause 21 or Clauses 22 to 26 of the IA Terms and those Additional Conditions, the Additional Conditions will apply.
- 21.3** When we tell you about a change personally, we may do this by post, email, secure e-message, a message on your statement, or in any other way that will be sent to you individually. We recommend that you print or save copies of electronic notifications for your records.
- 21.4** When you open your account, we will give you our interest rates and charges information which contains details of our interest rates. You can also find out about our current interest rates by telephoning us (when we change the interest rates on your account, we will update this information within three business weekdays of the change). The old rates will also be available to help you compare rates.

22 Interest rate changes

- 22.1** We may change interest rates applied to money you have with us in your account in the following ways:
- 22.1.1** if the change is favourable to you, by, within 30 days of the change, telling you about it personally; and
- 22.1.2** if the change is not favourable to you, by telling you about it personally at least two months in advance of making the change.

23 Other changes to the Terms

- 23.1** We may make changes to any charges in the interest rates and charges information, including changes to the basis on which we charge for operating/providing product(s)/service(s), by giving you at least two months' advance personal notice.
- 23.2** We may make any other changes to the Terms, including changes to the basis on which we charge for operating/providing product(s)/service(s), by giving you at least two months' advance personal notice.

24 Reasons for making changes

We may make any change to the Terms under Clauses 21 to 23 of the IA Terms for all or any of the reasons set out in this Clause 24 that apply.

- If the change is favourable to you
- Following, or in anticipation of, and to reflect a change in relevant law or regulation or to reflect a change in industry guidance or code of practice or good banking practice
- To reflect the making of a relevant recommendation, requirement or decision of any court, ombudsman, regulator or similar body
- To reflect the costs or consequences of any event beyond our control that may impact our provision of accounts, services or facilities to you
- To make the Terms clearer
- To reflect any change in our systems and procedures, including any change arising from any reorganisation of our business as a result of it being acquired by, or by HSBC Bank plc acquiring, another bank or organisation
- To reflect any change in the base rate, or any rate that replaces it, as set by the Bank of England or by any Bank that takes over responsibility for setting such a rate (or the equivalent rate set by the relevant country's central bank when dealing with foreign currency)
- To reflect changes or anticipated changes in costs associated with relevant technology, the costs we pay to others in respect of the product in question, inflation and/or in our costs of providing accounts, services or facilities
- To reflect any changes or anticipated changes in money market interest rates or the cost to us of money we lend
- To improve the services we provide
- To reflect our internal policies on competitiveness, market share and/or the profitability of our business as a whole, where we are not acting dishonestly, for an improper purpose, in a manner which inappropriately discriminates against a particular customer or as an unreasonable financial institution would.

25 Other reasons for making changes

We may also make a change to the Terms under Clauses 21 to 23 for any other valid reason that applies and that is not described in Clause 24. We will always give you personal notice of any such change.

26 What you can do when we tell you about a change

- 26.1** When we give you advance notice of a change we intend to make in accordance with Clauses 21 to 23 of the IA Terms, before the change takes effect, you may end this contract and close your account in accordance with Clause 27 of the IA Terms. There will be no charge for this. If you do not tell us that you want to end this contract, and if we do not hear from you as described in Clause 26.2 before the date each change is to take effect, then you will be deemed to have accepted the change and it will take effect automatically.
- 26.2** If you do not accept a change made under Clauses 21 to 25, then you must tell us before the change takes effect and we will treat this as notice from you to end this contract and close your account immediately in accordance with Clause 27 of the IA Terms. There will be no charge for this.

27 Ending this contract and closing your account

- 27.1** You can end this contract and close your account with us at any time, by writing or phoning us.
- 27.2** In relation to joint accounts, any of you may request closure. We will usually accept instructions from any of you for the redirection of balances and regular payments but it may sometimes be necessary to obtain authorisation from all of you, eg if we are aware of a dispute between you (see Clause 16.4).
- 27.3** If this contract is ended in accordance with this Clause 27, your account will close and, other than Clause 28 of the IA Terms and where Terms or services are expressly stated to continue, your agreement with us, consisting of the Terms, will also end.
- 27.4** You must repay any money owed to us before we close your account.
- 27.5** We can end this contract with you and close your account immediately in the following situations:
- 27.5.1** if you have significantly broken any of the Terms;
- 27.5.2** if there has been or we suspect there has been fraud involving any of your accounts with us or any transactions on any of your accounts;
- 27.5.3** if there has been or we suspect there has been suspicious activity on your account;
- 27.5.4** if we have reasonable grounds for believing you have committed or are about to commit a crime in connection with your account; or
- 27.5.5** if you have not satisfied any anti-money laundering requirements.
- 27.6** We will give you notice in writing immediately after your account has been closed under Clause 27.5 of the IA Terms.
- 27.7** We may end this contract and close your account for any other reason by giving you at least two months' written notice.
- 27.8** If we close your account we will repay any credit balance to you.
- 27.9** In the event of the death of a sole account holder, we may require a grant of probate or grant of representation issued by the authorities where your account is based before releasing any monies in your account to your personal representatives.

28 Your Information

- 28.1** This Clause 28 explains how we will use your data once you have applied for an International Instant Access Account.

28.2 Confidentiality

The information we hold about you will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- we are legally required to disclose; or
- we have a public duty to disclose; or
- our interests require disclosure; or
- the disclosure is made with your consent; or
- as set out in the terms below.

28.3 Credit Reference Agencies

- 28.3.1** We may share information with credit reference agencies (“**CRAs**”) to verify your identity and suitability for an account, using information from the Electoral Register and other public sources. If you apply for a current account or credit, we may use details of your credit history to assess your ability to meet your financial commitments.
- 28.3.2** If your application is for a current account or credit, the CRAs will record details which will form part of your credit history whether or not you proceed with your application and if you make several applications for credit within a short period of time, this may temporarily affect your ability to obtain credit. Where you have agreed in an application, we may share details of how you manage any current accounts or borrowing from us with CRAs.
- 28.3.3** If we make demand for repayment following default and you fail to repay the sum due in full or make and keep to acceptable proposals for repayment within 28 days, we may (in the absence of any genuine dispute about the amount of money owed) register the default with the CRAs which may affect your ability to obtain further credit.
- 28.3.4** If you make a joint application for a current account or credit, an “association” linking your financial records with those of your fellow applicant(s) will be created by the CRAs. The credit history of your “associates” may be taken into consideration in any future application for credit. The “association” will continue to link your credit histories unless and until you successfully file a “notice of disassociation” with the CRAs. Please refer to Clause 28.7.2 for more information regarding credit scoring and the use of data held by CRAs.

28.4 Crime Prevention and Debt Recovery

- 28.4.1** To prevent crime, to verify your identity, to recover debt and to meet our legal obligations, we may exchange information (both within the UK and, where appropriate, overseas) with other members of the HSBC Group, and, where appropriate, with credit reference and fraud prevention, law enforcement, debt recovery agencies and other organisations including other lenders.
- 28.4.2** If you give us false or inaccurate information and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering. Please refer to Clause 28.7.2 for further details explaining how the information held by fraud prevention agencies may be used.

28.5 Data Processing

- 28.5.1** The HSBC Group may use and share relevant information about you and your relationships with the HSBC Group for credit assessment, customer service, market research, insurance, audit and administrative purposes. This may include information provided by you, or someone acting on your behalf. Where appropriate (for example if you have relationships with other HSBC Group companies in other countries), this information may have been shared with HSBC Group companies outside the UK.
- 28.5.2** We may use other HSBC Group companies and/or third parties to provide services on our behalf which may include the processing of information about you.
- 28.5.3** Whether it is processed in the UK or overseas, in accordance with data protection legislation, your information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and any third parties are subject to.
- 28.5.4** Information may also be processed for the purposes of complying with applicable laws, including anti-money laundering and anti-terrorism laws and regulations and fighting crime and terrorism. This may require the disclosure of information to UK or overseas governmental or regulatory authorities or to any other person we reasonably think necessary for these purposes.

28.6 Information about Products and Services

28.6.1 If you agree, the HSBC Group may use and share relevant information about you, your transactions and your relationships with the HSBC Group, to give you information about products, services (including mortgages) and promotions available from HSBC Group companies and those of selected third parties which may interest you, by telephone, post, email, secure e-messaging, mobile messaging services and other means.

28.6.2 We will ask you whether you are happy for us to contact you about such products and services when you open an account. If you change your mind at any time please contact us.

28.6.3 The HSBC Group may also exchange, analyse and use relevant information about you in the way described above to ensure that promotional content displayed to you on screen when you log on to HSBC Group websites is more likely to be relevant and of interest. If you do not want us to use what we know about you to decide what we display to you on our websites please let us know.

28.7 Miscellaneous

28.7.1 Under data protection legislation, you can make a written request for a copy of certain personal records we hold about you. The current fee is £10.00 per request from each individual.

28.7.2 Further details explaining how information held by CRAs and fraud prevention agencies may be used is set out in a leaflet entitled 'Credit Scoring, Credit Reference and Fraud Prevention Agencies' available on our website **firstdirect.com** or can be requested by writing to the Fraud Manager, **first direct**, 40 Wakefield Road, Leeds LS98 1FD. Please write to this address if you require details of the CRAs and fraud prevention agencies we use.

28.7.3 To ensure that we carry out your instructions accurately, to help us to continually improve our service and in the interests of security, we may monitor and/or record your communications with us. Any recordings remain our sole property.

28.7.4 We may make and retain copies of passports, driving licences or other identification evidence that you provide.

28.7.5 We will obtain your written consent before providing a bankers reference about you. However, if we receive a request from another financial services institution to verify your identity for money laundering prevention purposes, we will provide this information.

29 Credit Interest

29.1 We will pay you interest after deduction of tax at the basic rate of tax. If you are a higher rate tax payer you may have to pay higher rate Income Tax on your interest.

29.2 If you are resident and ordinarily resident in the UK you will receive interest gross (without deduction of tax) if you are eligible and provide us with a completed HM Revenue & Customs or **first direct** (substitute) form headed R85. For joint accounts, if all parties are not eligible to receive interest gross, we cannot pay interest gross. If we pay interest with tax deducted in the current tax year before we process the completed form R85, you will need to contact HM Revenue & Customs for any refund.

29.3 If you (or all of you if it is a joint account) are not ordinarily resident in the UK, are eligible to receive interest gross and have completed, signed and returned a form headed R105 **before 1 March 2009**, you will continue to receive interest gross on your account, and on any other International Instant Access Account you have that is in the same name(s). In all other cases where you (or any of you if it is a joint account) are not ordinarily resident in the UK, you will not be able to receive your interest gross (we no longer accept forms headed R105).

30 Bankruptcy

In the event that a petition for a Bankruptcy Order is presented against you then you agree that we may:

- refuse to act on any instructions given by you or anyone else to make any payment(s) out of your account unless you have previously obtained an appropriate Order from the Court; or
- set up a separate account(s) in your name to which any of your future payments will be credited.

31 Set-off

If any accounts you hold with us or HSBC Bank plc are in credit, we may use any of them to reduce or repay any amounts you owe on other accounts you hold with us in the same name (including any card accounts and any joint accounts) whether or not those accounts are in the same currency. If we do decide to do so:

- we will tell you why and when it has been done; and
- in doing so, we may (and you irrevocably authorise us to):
 - bring to an end any fixed deposit period applying to any of the accounts you hold with us and adjust any interest payable by us;
 - convert to sterling at the prevailing market rate of exchange any balance that is in a currency other than sterling;

and in doing so we will have no liability to you.

Nothing in this Clause will prevent us from exercising at any time any other right of set-off or of combination of accounts to reduce or repay any amounts you owe us.

32 Cancellation of your account

For a period of 14 days after the date we open your account, you have the right to cancel your agreement with us by closing your account. You can do this by writing to us at **first direct**, 40 Wakefield Road, Leeds LS98 1FD or phoning us. We will give you all your money back together with any interest it has earned. We will ignore any additional charges and any notice period that applies to your account. The cancellation period will start from the date you receive the Terms and Conditions in the post.

33 Borrowing on your account

You may not borrow on your account.

34 Transferring your account

We may transfer you from your existing account to another account we believe is appropriate for you if your existing account is no longer going to be sold by us, or if we introduce new eligibility criteria or change any existing eligibility criteria for such account and you do not meet this. We will give you at least two months' notice of this. You can close your account within 60 days of it being converted without any charge or debit interest being applied (if applicable) for doing so.

35 Contacting you

35.1 You agree that we may use any contact details you have provided to us, including your postal address and telephone number(s) (including your mobile telephone number) and email address to contact you for service or operational reasons. These include telling you about changes to the Terms, including interest rates, that apply to your account and generally communicating with you about the day-to-day running of your account, products and services. If you are registered for Internet Banking you agree that we may also contact you using our secure e-message service within Internet Banking for these purposes. You must ensure that the contact details you provide are accurate and that you notify us promptly of any changes. Remember, communications may contain confidential information and if anyone else has access to your email inbox or mobile telephone messages, for example, they may be able to see this. If you would prefer that we do not contact you for service or operational reasons by email, mobile message or secure e-message please let us know. Whilst we will try to use your preferred channels wherever possible, you may continue to receive important service messages via any of these channels, for example, when we need to contact you urgently. We will also use secure e-messages to contact you in respect of any accounts you hold that are managed solely online.

35.2 Where we hold alternative address details for you, we may send mail to your home address if it is returned from, or if you do not respond to mail sent to, your correspondence address.

36 Transferring rights and obligations

We may transfer all or any of our rights in relation to your account. We may also transfer any of our obligations but only to someone we reasonably consider capable of performing them and who is authorised or recognised by the FSA as being entitled to accept deposits. This includes us appointing another HSBC Group company as our agent (ie to act on our behalf) for debt recovery purposes. You may not transfer any of your rights or obligations in relation to your account or transfer or assign any account or deposit.

37 Not enforcing the Terms

We may occasionally allow you extra time to comply with your obligations or decide not to exercise some of our rights. If we do, we can still insist on the strict application of the Terms at a later date.

38 Your statutory rights

Nothing in the Terms will reduce your statutory rights including your rights relating to misdescribed accounts or services, the fairness of terms on which they are provided to you, any rights you may have to close your account and/or claim compensation. For further information about your statutory rights contact your local authority Trading Standards Department or the Citizens Advice Bureau.

39 Governing law and language

The Terms are in English, which is the language we will use in our communications with you. The Terms 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 and Wales.

Part B – Internet Banking and Telephone Banking

If you do not have an account to which the **first direct Account Terms and Conditions** apply, and so have not agreed to use Internet Banking and Telephone Banking in accordance with the **first direct Account Terms and Conditions**, the Terms and Conditions in Part B of these IA Terms apply to your use of Internet Banking and Telephone Banking, including what you must do to keep safe, and prevent fraudulent use of, your security details.

40 Internet Banking

40.1 Internet Banking is intended to enable you to access information and give us electronic instructions in relation to your accounts with us.

40.2 To use Internet Banking for the first time, you must set up a telephone password in accordance with Clause 41. Once you have done this, we will supply you and, in the case of joint accounts, each of you, with your unique online IDs which you can then use to access the service. When you access Internet Banking for the first time, you will be asked to set up a user name, a unique password and a memorable question and answer. You must use these security details each time to log on to the service.

40.3 Using Internet Banking and Installation

40.3.1 You can use Internet Banking as long as you have equipment which is compatible with our system and which meets the minimum specifications detailed in our product literature.

40.3.2 We may provide or make available installation updates and other software for the operation of Internet Banking. The software we provide will have been thoroughly tested and checked for viruses and certified before production. Whilst every care is taken to ensure that installation is risk free, it is your responsibility to back up all your important data before installation.

40.4 Use of Internet Banking – encryption and viruses

40.4.1 We use a very high level of encryption. The use of such levels of encryption may be illegal in jurisdictions outside the UK, Channel Islands and Isle of Man. It is your responsibility to ensure that, if you wish to use Internet Banking outside of the UK, Channel Islands and Isle of Man, your ability to use Internet Banking is permitted by local law and we shall not be liable for any loss or damage suffered by you as a result of your not being able to use Internet Banking in other countries.

40.4.2 To help ensure that you can use Internet Banking safely and without interruption you are responsible for ensuring that:

- the equipment you use to access Internet Banking is kept fully operational;
- any software installed on your equipment is kept virus free;
- all your important data is backed up at regular and frequent intervals; and
- you only access Internet Banking when using a computer which has installed on it up-to-date anti-virus and anti-spyware software, firewall and security patches.

40.5 Availability of Internet Banking

Internet Banking may be temporarily unavailable if we have to carry out routine or emergency maintenance. We will try to inform you in advance but it may not always be possible to do so.

40.6 Secure e-messages

40.6.1 You may send us and we may send you secure e-messages via Internet Banking. You should check your messages regularly as they may contain important account information.

- 40.6.2** If you send us a message we will aim to respond to you within two business weekdays. If this is not possible or if we are not willing to answer your query or comply with your request within this timescale or at all, we will aim to let you know this within two business weekdays. Please be aware that once you have sent a request we may not be able to cancel it before it is implemented.
- 40.6.3** We will not deal with messages:
- to give effect to matters for which there is a particular facility in Internet Banking, for example, to make a payment;
 - which require immediate attention (please telephone us instead);
 - which are requests relating to a transaction, such as sharedealing or fund management instructions (please telephone us instead);
 - which are requests to take out, change or renew existing insurance policies (please telephone us instead);
 - reporting the loss or theft of cheques and/or credit cards (please telephone us instead);
 - stopping a cheque for any reason (please telephone us instead);
 - on behalf of any third party in relation to our dealings with them;
 - which are offensive, frivolous or similarly inappropriate.
- 40.6.4** We may send you service messages concerning any accounts, products or services which you have with us, including Internet Banking, or any other service related matter.
- 40.6.5** Unless we specifically ask you to, you should not reply to text messages or emails which we send or otherwise try to contact us by these methods. We may not act on any messages received in this manner unless we have asked for a response.
- 40.7 Copyrights, Trademarks and copying material**
- 40.7.1** HSBC, the Hexagon logo, and **first direct** are all registered trademarks.
- 40.7.2** We have a licence for, or own, all copyrights for our website through which you access Internet Banking and all trademarks and other materials used on it.
- 40.8 Online Applications**
- 40.8.1** You may be eligible to apply for loans, credit cards or other credit facilities with or without pre-approved limits through the “apply online” function. Under no circumstances should the “apply online” screens be construed as an offer to provide a credit facility to you on particular terms or at all.
- 40.8.2** Any pre-approved limit for you is based on the information available to us at the time we make our calculations.
- 40.9 Permission to use Software**
- 40.9.1** We give you permission to use software and other items supplied or made available by us or on our behalf but only for use in connection with Internet Banking. Your use is subject to any Terms and Conditions supplied to you with the software or other item in addition to the Terms. You may not transfer this permission to anyone else but we may give others permission to use the same software. You agree that you have no intellectual property rights in the software and that, except for the rights given to you here, you have no other rights in the software.
- 40.9.2** You agree to keep confidential any software supplied or made available by us and not copy it (except for back-up purposes).
- 40.9.3** You must not allow any third party to modify, reverse engineer or decompose any software we supply (or any part of it), or merge it with any other software.

40.9.4 You must not use any software we supply or make available to you for any unlawful purpose or for the transmission of defamatory or obscene material.

40.10 Miscellaneous

40.10.1 You are liable for any telephone or other communication charges and any charges made by your internet service provider or any other third party as a result of your use of Internet Banking.

40.10.2 We will not be liable for any disclosure of confidential information where it is as a result of you not complying with Clause 42, which relates to important security measures.

40.10.3 We may, at any time, appoint one or more agents to provide all or any part of Internet Banking and references to “we”, “us” or “our” will include references to such agent(s).

40.10.4 We will take reasonable care to ensure that any information provided to you by Internet Banking is an accurate reflection of the information contained in our computer systems or, where the information is provided by a third party, accurately reflects the information we receive from that third party. Due to circumstances beyond our control, the information provided by Internet Banking may not always be accurate or error free. Some of the information available through Internet Banking may be identified on the screens or in any User Guide in respect of any electronic media as subject to a disclaimer or other provisions. If you rely on that information, you do so subject to the disclaimer and those provisions. (User Guides set out information about how to use Internet Banking, for example they explain how to set up Internet Banking and how to make payments via Internet Banking. User Guides are available at **firstdirect.com** and, if you ask us to, we will send you a paper version on how to set up Internet Banking.)

40.10.5 You agree that unless we have specifically agreed with you otherwise, we shall have no liability whatsoever for:

- any equipment software or associated user documentation which any party, other than us, produces at any time for use in connection with Internet Banking unless the issue arises due to our fault or wilful negligence; or
- any services through which you access Internet Banking or which you access through Internet Banking which are not controlled by us.

40.11 We are not obliged to monitor your use of Internet Banking for any failure by you to carry out your obligations under the Terms, including your security duties under Clause 42, or to notify you of any such failure.

40.12 Our records, unless shown to be wrong, will be evidence of your dealings with us in connection with Internet Banking.

41 Telephone Banking

41.1 Clause 41 applies to your use of Telephone Banking in respect of accounts held solely or jointly by you and/or any accounts of a third party which you are authorised by the account holder to operate, eg because they have signed a third party authority (called a third party mandate) in your favour or have granted you a power of attorney. Telephone Banking can only be used by our customers, including if you are operating an account for a third party. If you use Telephone Banking to operate any accounts of a third party, you agree to do so only if, and to the extent that, you are authorised to do so by the account holder.

41.2 Telephone Banking is available, provided that your identity can be verified, by speaking to a Customer Representative and providing certain letters from your password and answering a further security question. During your first conversation with us after your initial account has been opened, we will ask you and, in the case of joint accounts, each of you, to choose a password (which should be between 5 and 10 letters long) and provide us with other information which we will use whenever you telephone us to confirm your identity. We will do this by asking for certain letters from your password, for example, the first and the last one, and some, but not all of your security details. We will never ask you for your full password.

41.3 To use Telephone Banking, telephone us: in the UK on **03 456 100 100** (Text-phone **03 456 100 147**) lines are open 24 hours; in the Channel Islands, Isle of Man and from abroad on **+44 113 234 5678** (Text Relay **+44 151 494 1260**) lines are open 24 hours, but Text Relay is only available from 9am to 8pm Monday to Friday, 9am to 5pm at the weekend, and is unavailable on bank holidays. All calls will be put through to our Call Centre. To help us continually improve our services and in the interests of security we may monitor and/or record your telephone calls with us.

41.4 Availability of Telephone Banking

Telephone Banking may be temporarily unavailable if we have to carry out routine or emergency maintenance. We will try to inform you in advance but it may not always be possible to do so.

41.5 Using a Text-phone or Text Relay

41.5.1 If you wish to use a Text-phone or Text Relay to contact us, we will contact you on your Text-phone or via Text Relay to set up your personal security details and password.

41.5.2 If you have a joint account, each of you who wishes to use the Text-phone or Text Relay service must have a unique password and security details.

42 Important Security Information

42.1 You must use Telephone Banking and Internet Banking in accordance with the Terms.

42.2 You must take all reasonable precautions to keep safe and prevent fraudulent use of any security details (including security numbers, passwords or other details including those which allow you to use Internet Banking and Telephone Banking).

These precautions include but are not limited to all of the following, as applicable:

General

- never writing down your security details;
- not choosing security details that are easy to guess;
- taking care to ensure that no one hears or sees your security details when you use them;
- keeping your password(s) and security details unique to your accounts with **first direct**;
- not allowing anyone else to have or use your security details or password(s) and not disclosing them to anyone, including the police and us, except your security details when resetting your Telephone Banking and Internet Banking security details (BUT even then do not disclose in full);
- keeping information about your account containing personal details (such as statements) safe and disposing of them safely. People who commit fraud use many methods, such as searching in dustbins, to obtain this type of information. You should take simple precautions such as shredding paper containing such information;
- changing your password(s) immediately and telling us as soon as possible in accordance with Clause 42.3 if you know, or even suspect, that someone else knows your security details, or if we ask you to;
- keeping your security details safe;

Telephone Banking

- when you call us, we will confirm your identity using our current security procedures. We will never ask you for more than two letters of your password. We may not be able to assist you if we are unable to identify you using our security procedures;
- when we call you, we will never ask for details of your password to identify you as our customer. We will ask you questions based on information known to us about you and the transactions on your account;
- when you contact us by telephone, you should not use cordless or mobile telephones operating on an analogue network. We recommend that you use either a landline telephone or a digital mobile telephone. We are not responsible for the security of your account if anyone else intercepts or overhears you speaking to us on the telephone;

If using a Text-phone or Text Relay

- always clear your Text-phone's memory after every conversation with us;
- ensure that you tear out and destroy any printed record of your password or personal security details from any printer attached to your Text-phone;
- keep your Text-phone properly operational;

Internet Banking

- keep your personal computer secure by using anti-virus and anti-spyware software and a personal firewall;
- keep your passwords and PINs secret – we will never ask you for your Internet Banking password information in full;
- always access Internet Banking by typing in the bank address to your web browser, never go to Internet Banking from a link in an email and then enter personal details;
- never access Internet Banking from any computer connected to a local area network (LAN) (this is usually the case for computers you use at work) or any public internet access device or access point (eg at an internet café) without first making sure that no one else will be able to observe or copy your access or get access to Internet Banking pretending to be you;
- never record any password details on any software which retains it automatically (eg any computer screen prompts or 'save password' feature or the line on your internet browser) unless retaining your password is a specific function of a banking service provided by **first direct** such as the Internet Banking Plus service;
- once you have logged on to Internet Banking, do NOT leave the electronic media from which you have accessed it or let anyone else use the electronic media until you have logged off; and
- follow all security measures recommended by the manufacturer of the electronic media you use to access Internet Banking, eg the use of personal identification numbers for mobile telephones with internet access.

- 42.3** If any security details are lost or stolen, or you suspect that someone has used or tried to use them, you must tell us without delay by calling us on the following numbers:
- from the UK **03 456 100 100** (Text-phone **03 456 100 147**) - lines are open 24 hours; or
 - from the Channel Islands, Isle of Man or abroad **+44 113 234 5678** (Text Relay **+44 151 494 1260**) - lines are open 24 hours, but Text Relay is only available from 9am to 8pm Monday to Friday, 9am to 5pm at the weekend, and is unavailable on bank holidays (if you normally use Text Relay and cannot call us on the number provided above, you can ask a third party to call the number and suspend access to your account - we will not change security details until we speak directly with you). All calls will be put through to our Call Centre. To help us continually improve our services and in the interests of security we may monitor and/or record your telephone calls with us.
- 42.4** If asked, you must confirm in writing the loss or theft of your security details relating to Internet Banking or Telephone Banking by writing to us at **first direct**, 40 Wakefield Road, Leeds LS98 1FD.
- 42.5** We will ask you to co-operate with us and the police in relation to any investigation into the actual or suspected misuse of your password, PIN, security details and/or accounts. You must report any unauthorised transactions to the police within seven days of our request. We may also disclose information about you or your account to the police or other third parties if we think it will help prevent or recover losses.

Financial Services Compensation Scheme

We're covered by the Financial Services Compensation Scheme (FSCS) which can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme and where necessary an eligible depositor can claim up to the current FSCS limit for deposits. For joint accounts, each account holder can claim their share so, for a joint account held by two eligible depositors, each can claim up to the FSCS deposit limit ie 2 x the current FSCS deposit limit. The FSCS deposit limit applies to the combined amount in all the eligible depositor's accounts with us including their share of any joint account(s), not to each separate account.

first direct and HSBC are both trading names of HSBC Bank plc. Customers who hold deposits with both will only be eligible to make one claim, up to the FSCS deposit limit.

For further information about the scheme including the current limits, amounts covered and eligibility to claim please visit the FSCS website fscs.org.uk or call them on 020 7741 4100 or 0800 678 1100.

How to Complain about our services

Your views are important to us. If we do not deliver the standard of service you expect, or if we make a mistake, we want to know. We will investigate the situation and set about putting things right as quickly as possible. Where appropriate, we will also take steps to avoid making similar mistakes in the future. We hope that you will never need to progress beyond the first step. However, we wish to give you every opportunity to present your case where you remain unsatisfied.

Step 1

Contact us and provide us with the details of your complaint. Where possible, we will try to give you an answer there and then. If not, we will take full details from you and arrange for the problem to be investigated. We will respond to you within five business weekdays. Where a full response is not possible at this stage, we will contact you and advise you how long our investigations are likely to take.

Step 2

In the unlikely event that your complaint is not resolved to your satisfaction, you can contact the Manager of the department concerned in the following ways: by telephone from the UK **03 456 100 100** (Text-phone **03 456 100 147**) or from abroad **+44 113 234 5678** (Text Relay **+44 151 494 1260**); by secure e-message ("dissatisfied"); or by writing to Customer Relations **first direct**, 40 Wakefield Road, Leeds LS98 1FD. We will issue you with a response within five business weekdays.

Step 3

Our aim is to resolve all your concerns internally, however, if you are not satisfied with our final response, or if eight weeks have passed since you first raised your complaint with us, you have the right to refer your complaint to the Financial Ombudsman Service. You can write to:

Financial Ombudsman Service, Exchange Tower, London E14 9SR.

email: enquiries@financial-ombudsman.org.uk

You can call the Financial Ombudsman Service on **0800 0234 567** (normally free from a land line) or **0300 1239 123** (charged at the same rate as 01 or 02 numbers on mobile phone tariffs) or send a fax on **0207 964 1001** or simply log on to their website at www.financial-ombudsman.org.uk.

We intend to resolve your concerns fairly and quickly. In most cases this can be done if you allow the department involved to listen to your concerns, understand the problem and then deliver an effective solution to you.

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