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74 King William Street
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Burnley Branch
88-90 St James Street Burnley
Lancashire BB11 1NJ
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Colne Branch
21 Albert Road Colne
Lancashire BB8 0RY
t (01282) 861650 f (01282) 868776

Ightenhill Branch
300 Padiham Road Ightenhill
Burnley Lancashire BB12 6ST
t (01282) 412545 f (01282) 831797

Kendal Branch
33 Market Place Kendal
Cumbria LA9 4TP
t (01539) 724404 f (01539) 733013

Lancaster Branch
13 Common Garden Street
Lancaster LA1 1XD
t (01524) 34355 f (01524) 844758

Morecambe Branch
45 Euston Road Morecambe
Lancashire LA4 5DF
t (01524) 412574 f (01524) 412799

Nelson Branch
16-18 Manchester Road Nelson
Lancashire BB9 7EG
t (01282) 691471 f (01282) 602589

St Annes Branch
17 Wood Street Lytham St Annes
Lancashire FY8 1QR
t (01253) 711972 f (01253) 716766

Savings Helpline
t 0845 8387368*

Savings Direct
t 0845 6020871*

local knowledge financial strength trusted name

Authorised and regulated by the Financial Services Authority and is entered in the FSA Register under number 206050. The Society subscribes to the Banking Code, copies of which are available on request. The Society has an internal complaints procedure. Complaints we cannot settle may be referred to the Financial Ombudsman Service.

*To help maintain service quality some telephone calls may be recorded and monitored.

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general savings account terms and conditions

effective date 31 march 2008



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Section 1 general information

Availability of products and how to contact us Website, Telephone & E-mail

You can visit our website at any time on www.themarsden.co.uk to obtain details of all products and services available from the Society. This information is also available by telephoning our Savings Helpline at Principal Office On 0845 838 7368 or by e-mailing your request to savingsadmin@themarsden.co.uk.

Branches

Details of all products and services which can be opened and operated through our branches can be obtained by visiting or contacting any of our branches listed on the back page of this booklet.

Savings Direct

The Society operates accounts which can be opened and operated through the post and telephone through Savings Direct. Details can be obtained by calling Savings Direct on 0845 6020871.

If you have a disability we will find the best way to provide you with any of our services. Staff are always happy to spend time with you discussing our products and services and there are private interview facilities if you prefer. Staff at all offices can let you have copies of our literature in large print on request.

Opening an account

To open an account with the Society, you will need to let us have:

- a completed application form;
- at least the minimum investment amount for the type of account;
- proof of your identity and your address; and
- HM Revenue and Customs form R85, if applicable (see below under 'Tax').

Please note that we can refuse to open an account without giving any reason. There will not be any contract between us until we have opened an account.

Identification requirements

We are required by law to check the identity and address details of all account holders.

If you apply to open an account in branch

We will usually use a search with a credit reference agency to confirm your identity plus one form of identification from LIST A. If you are not shown on the electoral roll, for example because you have recently moved house, you will be asked to provide one item from LIST A and one item from LIST B. We will need to see the originals of the documents.

If you apply by post through Savings Direct

You must supply three pieces of identification, one from LIST A, one from LIST B and one from LIST C. Please note, a different item must be used from each list. In addition, we will also use a search with a credit reference agency to support the documents you have sent. We will need to see the originals of the documents, with the exception of each of the pieces of identification marked below with a *. In these cases we will accept photocopies of these documents as long as they are certified by a regulated professional person, for example a solicitor, doctor or chartered accountant, and we are provided with sufficient information to be able to contact that person. In relation to Bank Statements you do not need to send a bank card** in support of the original. Originals will be returned to you once your new account has been opened. If your application is not supported by the required evidence of identity we will have to return your application and deposit without opening your account.

LIST A

- Current signed UK or EU passport*
- Current signed passport with permanent residence permit issued by the Home Office*
- Current UK photo-card driving licence*
- Current full UK driving licence (old style, paper based)*
- UK Bank/Building Society statement no more than 6 months old (not Marsden Building Society) with a corresponding debit card**
- HMRC Tax Notification (not P45 or P60)
- Notification letter from the Benefits Agency confirming the rights to benefits or pensions/ pension card
- Firearms certificate*
- Birth certificate (under 18's only)
- Medical card (under 18's only)

LIST B

- Utility bill, no more than 6 months old such as a gas, electric, water or landline telephone bill (documents printed from the internet are not acceptable)
- Local Authority Council Tax bill for the current year
- Current UK photo-card driving licence*
- Current full UK driving licence (old style, paper based)*
- UK Bank/Building Society statement no more than 6 months old (not Marsden Building Society) with a corresponding debit card**
- Recent mortgage statement from a recognised Lender (not Marsden Building Society)
- Notification letter from the Benefits Agency confirming the rights to benefits or pensions/ pension card
- HMRC Tax Notification (not P45 or P60)

Section 1 general information

- Solicitors letter confirming recent house purchase or Land Registry confirmation
- Letter from a care/nursing home confirming residency
- Local Authority rent card or tenancy agreement with a professional body
- Parents address verification (under 18's only)

LIST C

- A completed cheque drawn on your personal current account (sole or joint) for the opening deposit or as part of the opening deposit. (We are unable to accept building society cheques as proof of identity)

If you cannot provide one item from each list, please contact your nearest branch, Savings Direct or Investment Customer Services at Principal Office for further guidance.

If you already have an account with the Society, and the details we have about you have not changed, then we may not need to check your name and/or address. Please enquire for further details. We reserve the right to carry out any further checks on your identity if we think we need to do so in order to comply with our legal obligations. For further details, see the terms and conditions mentioned below.

Terms and conditions

The terms and conditions that apply to all our savings accounts are set out on pages 5 to 12 of this booklet. In addition terms and conditions that also apply to Direct Savings Accounts are set out on page 12 of this booklet. Special conditions may apply to particular types of account. You will find them in the product leaflet dealing with these accounts.

Charitable assignment

At Marsden Building Society we aim to give the highest level of service to all our members. As a mutual building society we have had some disruption to our normal business caused by speculators. These people open a savings account in the hope of receiving future windfall conversion benefits. This is despite the assurances we have given for many years that we are committed to remaining a mutual building society and have no plans to change.

To avoid any further disruption to our business we have introduced a requirement for new investment customers. This will enable us to provide the level of service our genuine members expect and deserve.

All new investors opening share accounts must sign

a declaration agreeing to assign any future windfall rights to the Charities Aid Foundation for 5 years from the date of opening the account. This agreement will not apply to anyone who:

- has held and continues to hold a share account with the Society prior to 1 June 2000
- has a mortgage with the Society at the time their investment account is opened

There are some other types of customer who are not affected by the requirement to assign and a list of those is available from the Society's Secretary at Principal Office.

The above notes are only a summary of the charitable assignment arrangements. The complete terms are in our account application forms.

The Charities Aid Foundation is a charity which channels charitable giving to worthy causes.

Changing your mind

This section does not apply to fixed rate accounts, or to accounts where the price depends on rises and falls in the financial markets outside our control which may happen in the cancellation period, or to branch based Child Trust Fund accounts (in other words, not sold at a distance).

If you open a new account and then change your mind, then as long as you tell us (by writing to us at our Principal Office within 15 days after the contract is entered into or, if later, 15 days from the day you first receive, on paper or electronically, the terms and conditions and other information relating to it) you can:

- have your money back; or
- switch to another available account.

In this case, you will not have to:

- give any period of notice;
- lose any interest on the account you are closing, or
- pay any other charges.

Tax

Interest on your account will be paid 'net' (after taking off tax at the basic rate), unless you are entitled to receive it 'gross' and you complete and let us have HM Revenue and Customs Form R85. Even if interest is paid net, you may be liable to pay additional tax depending on your income. For further details, please see the booklet 'Taxation of Building Society Interest', a copy of which is available on request.

Section 1 general information

If you are under 16, the Form R85 (if appropriate) must be completed and signed by a parent or guardian.

On reaching the age of 16, a new Form R85 (if appropriate) must be signed by you. If we do not receive this, interest will be paid net of tax.

Joint accounts

Unless the special conditions for a particular account specify otherwise, accounts can be opened in the names of two or more people up to a maximum of 4. Direct Savings Accounts can only be held in the names of up to two persons. Although joint accounts can be convenient, it is very important that you understand the consequences of having an account in more than one name.

These are set out in condition 14 of the terms and conditions. A booklet 'You and Your Joint Account' is available on request.

Data protection and confidentiality

Under data protection laws you have the right to see the personal records we hold about you. You will have to pay a fee (currently £10) if you want to exercise this right. Please contact us at our Principal Office for more details.

Data held by us about you will be kept while you are a customer and may be held for six years after your relationship with us as a customer has ceased. You can always let us know if information we hold about you has changed, so that we can make sure it is updated.

More details of the information we hold about you, and what we use it for, are contained in the application form.

We will treat all your personal information as private and confidential (even when you are no longer a customer). We will not give your details to anyone (even other companies in our group) unless:

- we have to give the information by law;
- there is a duty to the public to disclose it;
- you request us to disclose it, or we have your permission to do so; or
- our interests require us to give the information (for example, to prevent fraud). We will not use this as a reason for giving information for marketing purposes.

Please note that your telephone conversations with us may be recorded. If we record telephone conversations we will tell you at the beginning of the call.

Marketing of services

To help you keep up to date with our products and services, we may tell you about them. We may also tell you about another company's products or services. Should you not wish to receive this information you can let us know at any time. Our account application forms have boxes that you can tick to say you do not want to receive this information.

We will write to you at least once every three years to remind you that you can ask not to receive this information. This reminder may be contained in the Summary Financial Statement, Savers Booklet (sent with your Annual Investment Statement) or other literature that we send you regularly.

Complaints

We always try to provide a first class service. Occasionally, however, things can go wrong. If they do, we'll try to put them right.

If you have a complaint or simply want to register your views please ask our staff for details of our complaints procedure. If after the Society's internal complaints procedure has been exhausted, the matter has not been resolved to your satisfaction we will tell you how to refer your complaint to the Financial Ombudsman Service.

Banking Code

The Society subscribes to the Banking Code. You can get a copy of the Code from any Marsden Branch or Principal Office.

Financial Services Compensation Scheme

The Society is a member of the Financial Services Compensation Scheme. You may be entitled to compensation from this Scheme if we cannot meet our obligations.

Payments under the Scheme are limited to a maximum of £50,000 of an investor's total shares and/or deposits in the Society. Most investors are covered, including individuals and small firms. A small number of categories of shares and deposits are not covered, for example deferred shares/permanent interest bearing shares. Although most shares and deposits are denominated in sterling, all other currencies are covered. Further details are available on request from the Society or from the Financial Services Compensation Scheme website at www.fscs.org.uk.

Membership rights

Individuals holding share accounts with the Society are members of the Society and are bound by our Rules. You can get a copy of the Rules by asking at any of our offices.

Section 1

general information

The Rules set out the rights and obligations attaching to membership. While joint account holders are all members, only the first-named can exercise any membership rights (for example, the right to vote at meetings) arising from the account. Please see the terms and conditions for more details.

Branch closures

If we plan to close or move your branch, we will tell you at least twelve weeks beforehand. We will tell you how we will continue to provide services to you. We will also tell you if we plan to close a branch agency that you use.

What you can do to protect your accounts

You can help prevent misuse of your account by:

- taking care of your passbook or statements and other account information;
- letting us know as soon as possible of any change in your name, address, telephone number or e-mail address (if this is how we communicate with you);
- checking your passbook or statements regularly;
- co-operating with us (or the police) in investigating transactions; and
- never giving your account details or security information to anyone unless you know who they are and why they need them.

Please also see Condition 17 on page 10 of this booklet.

If you send us a cheque through the post to pay into an account, it will help prevent fraud if you clearly write our name together with the name of the account holder(s), (For example, 'Marsden Building Society, account J.Smith') otherwise we will not accept them for payment into an account. This is to protect against fraud.

If you are requesting a cheque withdrawal from your account it will help to prevent fraud if:

- for cheques payable to a large organisation such as HM Revenue & Customs, you do not request that we make the cheque payable simply to that organisation but add further details to the payee line, for example, HM Revenue & Customs, re: J Jones, your reference xxxyyz.
- for cheques payable to a bank or a building society, you do not request that the cheque be made payable simply to that organisation but add further details in the payee line, for example XYZ Bank, re J Jones, account number xxxxxx. If you try to deposit a cheque with another bank or building society not made payable in this manner the cheque is likely to be returned.

4

Automated payments

The central clearing cycle for automated payments, including those over the telephone or internet or by standing order is three working days. Our normal practice on automated payments received is to allow items to be credited to your account and be available for withdrawal after 3 working days.

For example if an automated payment is sent by your bank on Monday the funds will be credited to your account and available for withdrawal on Wednesday.

When making automated payments please ensure you quote the correct sort code and account number. Details are available on request from the Society. Delays in crediting funds to your account will be experienced if the payment does not quote the correct details.

Cheque clearing

As the Society is not a member of the Cheque and Credit Clearing Company we must clear cheques paid into accounts with the Society through our clearing bankers. The Society ensures cheques received are deposited with the clearing bank no later than the day after they are paid into your account with us.

When you pay a cheque into your account at one of the Society's Branches our normal practice is to allow withdrawals against a cheque seven working days after the date of deposit at the Society. The day of deposit is the day a cheque is paid in at a branch counter or we receive the cheque by post, unless this is a non-working day e.g. Saturday, then the day of deposit is the next following working day e.g. Monday.

For example, where a cheque is paid in to your account with the Society on Monday:

Monday - Day of deposit with the Society

Tuesday (Day 0) - The Society ensures cheques received are paid to bank for clearing purposes no later than today

Wednesday (Day 1) - Interest is paid from today
Wednesday (Day 6) - Funds available for withdrawal however the cheque could still be returned unpaid and debited to your account until close of business on this day. This is the last day an unpaid cheque can be debited to your account without your permission. From the close of business on this day you will have certainty of fate.

For more details please see conditions 7.2 and 10 of the terms and conditions on pages 6 and 8 of this booklet.

Section 2

terms and conditions that apply to all our savings accounts

Terms and conditions that apply to all our accounts

1 Introduction

1.1 These terms and conditions (referred to as the 'Conditions') apply to all savings accounts with the Society, except if they are inconsistent with special conditions for particular accounts, in which case, those special conditions will apply. In addition, if you have a Direct Savings Account the terms and conditions that apply to Direct Savings Accounts on page 12 also apply. The Conditions apply to successive operations or a series of operations of the same nature to be performed over time in respect of your accounts.

1.2 In the Conditions:

- 'the Society', 'we', 'us' and 'our' refer to Marsden Building Society; and
- 'you' and 'your' refer to holders of investment accounts.
- 'working day' means a day other than a Saturday, Sunday or bank holiday

1.3 If you are a company, other form of corporation, partnership or unincorporated body (such as a club), please refer to Condition 21.

2 Membership

2.1 If these Conditions apply to your account you will (except where the account is a deposit account) be a member of the Society and therefore our Rules will apply. However, these Conditions, or any relevant special conditions for a particular account, will override the Rules in case of any inconsistency. A copy of the Rules is available on request at any of our branches or on our website.

2.2 If you have a deposit account, you are not a member of the Society. You are, however, bound by some of our Rules, including 4(4) to (7), 5, 6(1) to (3), 8(4) and (5), 12(5) and 45. If you opened your deposit account prior to 01 July 2000 and have continued to hold your deposit account since that date you will also be subject to additional rule 2. These are summarised in the account application form.

2.3 New investing members from 01 June 2000 are subject to the Society's Charitable Assignment Scheme, full details of which are set out in the application form.

2.4 If your account becomes overdrawn then, unless we have consented to the amount overdrawn, you will stop being a member in respect of the account.

3 Opening an account

3.1 We will require evidence of identity and address before an account is opened. If we receive money

without evidence of identity that is satisfactory to us, then the money will be returned.

3.2 Once you have opened an account, you have 15 days after the contract is entered into (or, if later, 14 days from the day you first receive, on paper or electronically, these terms and conditions and other information relating to the account) to notify us in writing at our Principal Office that you want to change your mind. If you notify us within this time, we will help you switch to another of our accounts or (assuming we have received cleared funds) return your money together with any interest earned. We will ignore any notice period and any extra charges. **Please note that this Condition 3.2, and the option to change your mind, do not apply to fixed rate accounts, or to accounts where the price depends on rises and falls in financial markets outside our control that may happen during the cancellation period, or to branch based Child Trust Fund accounts (in other words, not sold at a distance).**

4 Account details

4.1 The address that you provide in the application form for the account will be the registered address for you, and will remain the registered address for you until it is changed in our records. We do not accept PO box or 'care of' addresses.

4.2 It is your responsibility to notify us of any change of address. You should also notify us of any change of name, telephone number and email address (if you have told us you want to be contacted in this way). All notifications must be in writing.

4.3 You agree to produce evidence of any new name or address, if we ask to see it. If your account has a passbook, you must send or produce it to us so that we can note the change of details.

4.4 You agree to provide us with specimen signatures, if we ask for them.

4.5 If you have more than one savings account with us, you must make sure that the registered address we have for you is the same in respect of each account.

4.6 If:

- you lose your passbook; and
- at or about the same time you notify us of a change of address,

then we will not issue any cheques from the account payable to anyone other than you for a period of 7 days from the date we receive the notification. This is to protect you against possible fraud.

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terms and conditions that apply to all our savings accounts

5 Minimum and maximum account balances

5.1 The minimum and maximum amounts that can be held in any particular account are set out in the special conditions for that account.

5.2 We can close an account if the amount in it is below the minimum for that account. We will give you at least 30 days' notice before doing this. During this period, you can pay in more money to bring the balance up to the minimum. Instead of closing the account (or during any period when it is below the minimum amount) we may pay a reduced rate of interest.

5.3 The overall maximum holding by any one person in respect of all investment accounts with the Society is £250,000, up to £500,000 for accounts in joint names.

6 Paying money into your account

6.1 Unless special conditions for a particular account specify otherwise, you can generally pay money into your account at any of our branches or by bank transfer, BACS or post. However, for security reasons we do not recommend that cash is sent by post. Please see Condition 7.2 regarding when interest becomes payable.

6.2 If money is paid in by bank transfer or by BACS, it is your responsibility to make sure that all the account details are provided correctly.

6.3 For security reasons, we reserve the right to refuse to accept large sums of money in notes or coins.

6.4 You can pay money into your account by standing order (although you will need to arrange this with your bank). We cannot accept payments by direct debit.

6.5 Cheques made payable to the Society will only be accepted for payment into an account if they contain additional details (such as the name of the account holder(s) or the account number), so that it is clear who the money is intended for.

6.6 The Society does not accept cheques drawn on banks outside the United Kingdom or in currencies other than sterling.

7 Interest

7.1 We will tell you the interest rate that applies to your account (and when it is paid or credited) when you open it. This information is also available:

- in our Savings Options leaflet;
- on our website;
- on our telephone helpline;

- by asking our staff; and
- by looking at notices in our offices.

7.2 On our accounts we generally:

- calculate interest on a sum deposited in cash from the day we receive it.
- calculate interest on a sum deposited by cheque from the second day after we receive it.
- calculate interest on a sum withdrawn up to and including the day before the day you make the withdrawal.
- give you the choice of having the interest added to the account, paid into another account with us or paid into your bank account.

However this may vary depending on the type of account. You should check the special conditions for particular accounts. Further details of how and when interest is payable is contained within our Savings Options leaflet and literature relating to particular accounts.

7.3 We will give you information regarding your account, as follows:

- to help you compare interest rates on our different accounts, we will send you, at least once a year, a summary of these accounts (including accounts no longer available) and their current interest rates, unless your account has less than £500 in it.
- we will tell you, at least once a year, about the different rates that have applied to your account during the year and any changes in the Bank of England base rate unless we have already told you personally about these or if your account has less than £500 in it.
- if you have a variable rate account with more than £250 in it, and the interest rate has fallen significantly compared to the Bank of England base rate over the previous 12 months, we will contact you within 30 days after this has occurred to:
 - tell you that this has happened; and
 - give you details about how you can switch accounts or withdraw the money in your account.

7.4 Subject to any special conditions that apply to particular accounts, we can change interest rates as set out in Conditions 7.5 to 7.7 below.

7.5 We may change interest rates at any time if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those that are expected to apply in the near future):

Section 2

terms and conditions that apply to all our savings accounts

- to respond to general market conditions and changes in the Bank of England base rate or mortgage or interest rates generally (including the interest rates paid on similar accounts by other providers of financial services);
- to respond to changes in the law or the decision of a court or ombudsman;
- to meet relevant regulatory requirements;
- to respond to new (or changes to) statements or codes of practice or industry guidance designed to enhance consumer protection;
- to respond to changes in our costs, including administration costs and costs of providing services or facilities;
- to maintain the competitiveness of interest rates charged to borrowers from us whilst having regard to the interests of our consumer investors;
- to maintain our financial strength in the interests of our consumer customers.

Any change we make to interest rates will be proportionate to the circumstances giving rise to the change.

7.6 Changes may include the introduction or alteration of 'bands' under which:

- interest is not paid where the amount in the account is below a certain level; and/or
- different rates apply depending on the amount in the account.

7.7 When we make these changes, we will tell you about them:

- (except for accounts not run mainly through our branches) by placing notices in our branches, on our website and in two newspapers within three working days of the change. The current newspapers we use are the Daily Express (Northern Edition) and the Nelson Leader/Colne Times; or
- within 30 days of the change, by letter, e-mail (if you have told us you want to be contacted in this way) or other personal notice.

7.8 If you have a variable rate account with more than £500 or more in it and the interest rate falls by more than 0.25% on a rate change compared with the Bank of England base rate, we will notify you personally within 30 days after making the change.

This does not apply to:

- current accounts;
- interest rate tiers applicable to balances below the minimum operating balance for the account (provided we have clearly told you about the minimum balance requirements);

- accounts where we have told you that the interest rate payable on them will be fixed or less than 0.5% a year while the balance remains below a certain level; or
- fixed rate or tracker accounts.

7.9 The information on our telephone helpline and our website will be updated within three working days of an interest rate change.

7.10 Where we make a change under Condition 7.6, then Conditions 18.3, 18.4, 18.5 and 18.7 will apply instead of Condition 7.7.

8 Account charges

8.1 We may make charges for items relating to your account. Details of any charges relating to the day-to-day running of your account are contained in our Tariff of Savings Charges Leaflet. You can also find them on our website, or by telephoning our helpline or enquiring at our branches.

8.2 Where the charge does not relate to the day-to-day running of your account we will tell you before we provide the product or service (except for charges in respect of unpaid cheques), or at any other time you ask. However, we may charge for products or services relating to your account. We will tell you about these before we provide the product or service (except for charges in respect of unpaid cheques). These charges are contained in our Tariff of Savings Charges Leaflet.

8.3 We can change the charges we make at any time if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those that are expected to apply in the near future):

- to respond to changes in our costs, including our administrative costs;
- to respond to changes in the law or the decision of a court or ombudsman;
- to meet relevant regulatory requirements
- to respond to new (or changes to) statements or codes of practice or industry guidance designed to enhance consumer protection.

Any change we make to our charges will be proportionate to the circumstances giving rise to the change.

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terms and conditions that apply to all our savings accounts

8.4 Changes may include the abolition or alteration of existing charges or the introduction of new charges.

8.5 If we introduce or increase a charge relating to the day-to-day running of your account, we will give you at least 30 days notice by letter, e-mail (if you have told us you want to be contacted in this way) or other personal notice, before the charge comes into effect.

8.6 There may be other taxes or costs that are not paid through us or charged by us.

9 Withdrawals

9.1 Withdrawals are subject to the special conditions for particular accounts and to any branch/agency withdrawal limits that we reasonably impose. The current limits are displayed within our branch offices.

9.2 No withdrawal will be allowed:

- if it would cause the account to be overdrawn; or
- from a passbook account, unless you produce the passbook at the time of withdrawal.

9.3 We may refuse to allow a withdrawal if we are not satisfied that we have the proper written authority for the withdrawal in accordance with the mandate you have given us.

9.4 We can restrict at any time the amount which can be withdrawn from any account. We will only do this if:

- a) we reasonably believe that there may be fraudulent activity or other financial crime relating to the account;
 - b) we are required to do so by any law, regulation or court order;
 - c) there is a dispute (which we reasonably believe to be genuine) about the ownership of, or entitlement to, the money in the account;
 - d) circumstances beyond our reasonable control prevent us from offering a normal service (such as in the event of a terrorist threat, computer systems failure or strikes); or
 - e) circumstances exist which lead us reasonably to believe our financial stability is under threat (such as where rumours cause actual or potential abnormal levels of cash withdrawals).
- In the case of d) or e) above:

- we will act proportionately to the circumstances in question;
- we will take all reasonable steps to ensure that the restrictions are lifted as soon as practical and to minimise inconvenience to you;

- we will take into account the interests of the Society's membership as a whole;
- we will, if practical, give advance notice; and
- we may consider exceptions to the restrictions if we are reasonably satisfied that substantial hardship would otherwise be caused.

9.5 If a withdrawal is made by a cheque in favour of someone other than you, we will not stop payment of the cheque unless we have clear evidence of fraud, or that the cheque has been lost, stolen or destroyed.

9.6 Please also note that:

- you can help prevent fraud when requesting cheque withdrawals from your account payable to banks, building societies or other organisations. Please refer to the section entitled 'What you can do to help protect your accounts'.
- in the interests of customer security, requests for third party withdrawals must be in the form specified by the Society. Forms are available on request. Third parties requesting to make a withdrawal on behalf of a customer must produce documentation to prove who they are.
- we will not send cheques to third parties by post.
- we do not permit withdrawals to be made by direct debit.

10 Cheque Clearance

10.1 Subject to any special conditions for particular accounts, and to Condition 9, we will allow withdrawals against a cheque seven working days after it has been deposited with us, provided we have not received notice that it has not been cleared. If the cheque is not cleared then you will have to repay us the amount of the withdrawal to the extent that there is not enough other money in the account to cover it. However we will not take money from your account, or require you to repay us, in respect of a cheque that has not cleared unless:

- you agree otherwise
- you are knowingly a party to fraud in respect of the cheque; or
- the money is reclaimed from your account before close of business 4.45pm on the seventh day after it was deposited with us.

If a cheque that has been deposited by you is not cleared, we will tell you about this by writing to you.

10.2 For the purpose of condition 10.1 the day of deposit is the day it is paid in at a branch counter or we receive the cheque by post, except that in each case if the day the cheque is paid in or received by post is a not a working day e.g. Saturday, then the day of deposit is the next following working day.

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terms and conditions that apply to all our savings accounts

10.3 There may be certain legal or other limited circumstances beyond our control where the standards detailed in conditions 10.1 to 10.2 cannot be applied and where payment or non payment of a credited cheque may be delayed or even prevented. Circumstances beyond our control may include for example where a non clearing day is declared by the Cheque and Credit Clearing Company or widespread transport disruption occurs.

11 Closing your account

11.1 You can close your account at any time, subject to any special conditions that apply to particular accounts and to normal administrative requirements.

11.2 We can close all or part of your account at any time without giving any reason, but (except in exceptional cases, such as suspected fraud or other criminal activity, or threatening or abusive behaviour):

- we will give you at least 30 days' notice; and
- we will not use this right to repay a fixed term investment before the end of the fixed term.

11.3 If we close the account, we will pay interest at the agreed rate up to and including the date of repayment. We may make repayment by sending you a cheque.

11.4 If we close the account in full and make repayment to you, in person or by post, then you will have no further right or interest in the account.

12 Statements

We will send you a statement of account annually, unless:

- the special conditions for a particular account specify otherwise; or
- the account is a passbook account.

You should check all statements carefully. If there is an entry which seems to be wrong, you should tell us as soon as possible.

13 Taxes

Where required by legislation, interest will be paid or credited after deduction of income tax at the appropriate rate.

14 Joint accounts and trusts

14.1 If an account is held in more than one person's name, then only the holder whose name appears first in our records will be entitled to membership rights (such as the right to receive notices of, and to attend and vote at, meetings). This is subject to any rights given to other holders by any other legislation.

14.2 You can choose the order in which the names appear in our records. Any change in the order will happen when our records are actually changed. We will make a change within a reasonable time if you tell us about it

14.3 For tax purposes only, we will treat joint account holders as being entitled to the money in the account in equal shares. This does not affect the operation of condition 14.4 which takes precedence.

14.4 Where one account holder dies, we will, on receipt of satisfactory evidence of the death, treat the surviving holder(s) as being entitled to the account. We do not accept accounts on any other basis. The other terms of the account will remain unchanged.

14.5 Withdrawals and other transactions on a joint account need the signatures of all account holders, unless all of them have authorised us to accept the signature of any one of them or (if there are more than two holders) any combination of them.

14.6 Any authorisation given under Condition 14.5 can be stopped by any account holder. However, we will need 3 days' notice to put this into effect.

14.7 If we have reason to think that there is a dispute between account holders we may (but will not be obliged to) require the signatures of all account holders, despite any authorisation that has been given to us previously under Condition 14.5.

14.8 If there is a relationship between the account holders which ceases, you will need to inform us if the account is to be closed or you want any name to be removed from the account. If you do not inform us then, even if we know about the relationship breakdown, we will continue to operate the account in accordance with the instructions that you have given us. This may mean that withdrawals and/or closure of the account will be permitted on one signature.

14.9 We may (in accordance with 9.4) freeze the account if we have reason to think that there is a dispute in relation to the money in the account. However, we will not be obliged to do this, unless we are ordered to do so by a court.

14.10 Any correspondence relating to the account will be sent to the address of the first-named account holder, unless you instruct us otherwise.

14.11 The liability of joint account holders is joint and several. This means that each of you is separately responsible to us for the performance of all the obligations of the account holders, and not just a share of them.

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14.12 We do not have to recognise the interest or claim of any person other than the account holder(s) in respect of any money held in the account (and we will not have any liability for failing to do so), except as may be required by law.

Further details about the rights and responsibilities of joint account holders are contained in the leaflet 'You and Your Joint Account'. A copy of this is available on request.

15 Transfers

Unless the special conditions for a particular account say otherwise, you may ask us to transfer your investment to another person. We do not have to agree to this and if we do agree, it may be subject to conditions and/or payment of a charge.

16. Unclaimed balances

16.1 If no payment into or withdrawal from your account is made:

- for a period of 3 years (where the amount in the account is less than £10); or
- for a period of 5 years (in other cases)

and we cannot trace you (after having made reasonable efforts to do so), then we may close the account. However, any money in it will remain yours, and if you contact us later (and provide any necessary evidence of identity) we will repay the money from the closed account to you, together with interest at a rate that we reasonably consider to be appropriate.

16.2 Condition 16.1 is subject to any rules that may be made under any legislation.

17. Account documents

17.1 We may issue you with a passbook, certificate or other similar document relating to your account. If we do:

- the document will belong to us;
- you agree to return it to us for updating, or for any other purpose we reasonably require;
- you agree to keep it safe, and to tell us as soon as you discover it has been lost or stolen; and
- the document must be produced to us before any withdrawal from the account is made.

17.2 We may issue a replacement for lost or stolen documents but this may be subject to payment of a charge and/or other conditions. These conditions may include:

- providing us with reasonable evidence of the loss or theft;

- notifying, and co-operating with, the police;
- restricting withdrawals from the account for a certain period from the date you notify us of the loss or theft; and/or
- signing any form of indemnity that we may reasonably require.

17.3 If someone other than you produces your account document to us, pretends to be you or authorised by you, and is therefore able to withdraw money from the account, you will be liable for the amount of any withdrawals if you have acted fraudulently and you may be liable if you have acted without reasonable care.

17.4 You should check your passbook regularly. If there is an entry which seems to be wrong, you should tell us as soon as possible, so that we can resolve the matter.

18. Changing these Conditions

18.1 We can change these Conditions and/or terms on which your account is held if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those which are expected to apply in the near future):

- to respond to changes in the law or the decision of a court or ombudsman;
- to meet relevant regulatory requirements;
- to make terms clearer or fairer;
- to provide you with extra benefits or services;
- to respond to new (or changes to) statements or codes of practice or industry guidance designed to enhance consumer protection;
- to respond to changes in the general practice of other providers of financial services which offer savings accounts to customers;
- to operate and administer your account more efficiently or at reduced cost;
- to correct errors;
- to respond to changes in technology.

18.2 Any change we make under Condition 18.1 will be proportionate to the circumstances giving rise to the change.

18.3 A change which is not to your disadvantage may be made immediately and without prior notice. We will tell you about the change within 30 days.

18.4 A change which is to your disadvantage will be effective only after at least 30 days' notice is given to you. At any time up to 60 days from the date of the notification you may switch your account or close it without having to give any period of notice or pay additional charges.

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terms and conditions that apply to all our savings accounts

18.5 Notices under Condition 18.4 will be sent by individual letter or e-mail (if you have told us that you want to be contacted in this way). Notices under Condition 18.3 may be given in this way, or instead be given by general notice in our branches, principal office and website in conjunction with advertisements in two or more newspapers of our choice. The current newspapers we use are the Daily Express (Northern Edition) and the Nelson Leader/Colne Times.

18.6 Except as stated in Condition 7.9 this Condition 18 does not apply to changes to interest rates or charges, which are dealt with in Conditions 7 and 8.

18.7 If we have made a major change or a lot of minor changes in any one year, we will give you a copy of the new terms and conditions or a summary of the changes.

19. Notices

19.1 You will be taken to have received any letter or e-mail or other personal notice 72 hours after we have sent it to you.

19.2 If we, accidentally, fail to:

- send to you a communication intended for our investors generally or a category of investors of which you are one; or
- display a notice at any of our offices

this will not make the notice invalid.

19.3 If an error is made in a notice, but this is corrected shortly afterwards by a subsequent notice, the notice period will run from the date of the original notice.

20. Matters beyond our control

We will not be liable to you if we are unable to provide any service in connection with your account because of strikes, power failures or other causes beyond our reasonable control.

21. Companies, etc

21.1 If you are a limited company or other type of corporation, you will need to authorise officers to operate the account. We will also require evidence of identity and address for these persons.

21.2 Accounts in respect of unincorporated organisations, such as English partnerships and clubs, must be held in the name of the organisation. These accounts are deposit accounts and the application form contains more details. Please refer to condition 2.2 for deposit accounts.

22. Law

These Conditions are governed by the laws of England and Wales.

23. Language

All communications between you and us will be in English unless we specifically agree otherwise.

Section 3

terms and conditions that apply to our direct savings accounts

Terms and Conditions that apply to Direct Savings Accounts

D1 Eligibility & opening your account

D1.1 Accounts may only be opened and held by individuals subject to a maximum of two persons per account.

D1.2 Accounts cannot be opened or operated through a branch.

D2 Statements

D2.1 When you open an account we will send you an opening statement recording your first transaction, with further statements issued on 30 June and 31 December. You should retain account statements as a record of transactions on your account. We will not normally issue notification each time a transaction is performed however interim statements are available on request. No passbooks will be issued for Direct Savings Accounts.

D3 Operating your account - payments in

D3.1 Cash deposits cannot be accepted.

D4 Operating your account - withdrawals

D4.1 Requests to withdraw funds can be made via the post, using a transaction request form, or via the telephone subject to Condition D5.

D4.2 Withdrawals by cheque must be in the name of the account holder(s) and will be posted to the address held in our records.

D4.3 Withdrawals via BACS will be transferred into your nominated bank or building society account.

D4.4 Withdrawals via CHAPS will be transferred into your nominated bank or building society account subject to payment of a fee. Please refer to the Society's Tariff of Savings Charges Leaflet.

D4.5 The Society will not accept requests for third party withdrawals on direct savings accounts.

D5 Operation of your account by telephone

D5.1 Telephone access is only available where not more than one signature (authority) is required to operate the account. Telephone access can only be operated through Savings Direct and will apply to all your eligible postal accounts with us.

D5.2 When you telephone you will be taken through an authentication process to confirm your identity. You will be asked a random series of questions which are personal to you. This constitutes your security details. Your responses must match the personal information supplied by you.

D5.3 If you no longer wish to use telephone access please contact Savings Direct.

D6 Protecting your account

D6.1 We recommend you check your statements personally. If you identify any discrepancies, please contact Savings Direct. You must maintain strict confidentiality of your security details to prevent fraudulent use of your account. If you suspect someone else has your security details, you must contact Savings Direct on 0845 6020871. We are not responsible if someone else intercepts or overhears any telephone conversation between you and us.

D7 Changing of these Conditions

D7.1 Notices under condition 18.3 and 18.4 will be sent by individual letter or e-mail (if you have told us you want to be contacted in this way).

D8 Interest

D8.1 When we make changes to interest rates we will tell you about them by letter or email (if you have told us you want to be contacted in this way) within 30 days of the change.