

Online savings accounts

Online General Terms & Conditions

Section 1

1. Accounts covered

Section 1 of this booklet contains general terms and conditions (“general terms”) which apply to all Chelsea online savings accounts unless we tell you otherwise.

These general terms apply in addition to the particular terms for the Chelsea online accounts (“product terms”). For new customers, the product terms can be found on our website. For existing customers the product terms can be found on our website for accounts currently on sale, for all other accounts please contact us.

It is important that you read all of the terms applicable to the account of your choice before you decide whether to open the account. If there is any inconsistency between a general term and a product term, the product term will apply. If you are an existing Chelsea customer, by opening a Chelsea online account you are subscribing to the online general terms and conditions. Where there is inconsistency with other general terms and conditions you may hold, the online terms will apply in relation to your online account.

General terms 10, 11 and 14 in Section 1 of this booklet explain the circumstances in which we may change the interest rates, terms and conditions and any charges relating to your online account and how we will tell you about the changes. For full details of any charges on our accounts, please refer to our ‘Online Account Charges and Fees Information’ leaflet which can be downloaded from our website.

If you open an account it will be with Yorkshire Building Society (trading as Chelsea Building Society). Chelsea Building Society is operated under its own brand with its own products and as a trading name of Yorkshire Building Society.

References in this document to ‘you’ and ‘your’ are to the account holder. References to ‘we’, ‘our’ or to ‘Chelsea’ are to Yorkshire Building Society trading as Chelsea Building Society.

Tax-Free Saver Terms

The general terms in Section 2 of this booklet only apply to the Cash ISA products offered by Chelsea (‘ISA terms’). This is in addition to the general terms in Section 1 of this booklet. If there is any inconsistency between a general term and an ISA term, the ISA term will apply.

Charitable Assignment

The wording in Section 3 of this booklet sets out the agreement you enter into and which forms part of the online account opening process.

Financial Services Compensation Scheme

The wording in the Important Information section of this document contains details regarding compensation arrangements in relation to savings held with the Yorkshire Building Society.

2. Rules

As you will be a member of Yorkshire Building Society, the Society’s Rules will apply to you. A copy of the current Rules is available on request. Further information about membership can be found in our leaflet entitled ‘Your Society’ which is also available on request.

3. Transactions and Clearance Periods

- a) Transactions such as withdrawals, deposits and automated payments (for example Standing Orders and Direct Debits) can be made to or from your account where a product term permits. You will need sufficient cleared funds in your account(s) to carry out any transactions.
- b) All payments into and withdrawals from your account must be in Sterling.
- c) Withdrawals and deposits by cheque are subject to the following:
 - i) The central clearing cycle for cheques is normally three working days (working days exclude Saturdays, Sundays and Bank Holidays). As we are not a clearing bank, we will normally treat cheques as cleared on the fifth working day following the day of receipt. Cheques paid in on a nonworking day will be treated as received on the next working day.

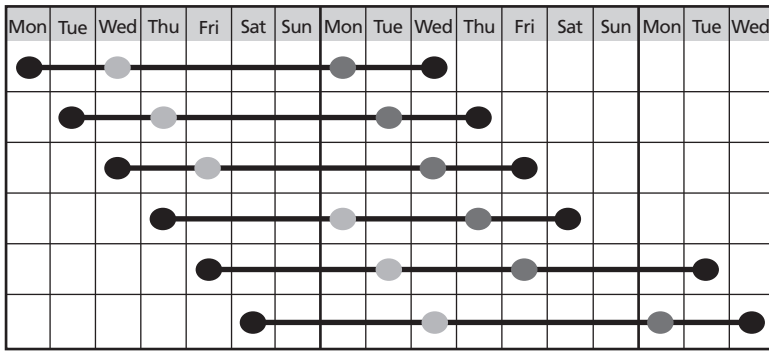
Cheque Clearance Timescales

The Customer Promise was introduced in November 2007 by APACS setting maximum cheque clearance timescales for deposits into current and savings accounts.

The promise provides clarity as to when:

- Interest is earned;
- Withdrawals are allowed; and
- Bounced cheques cannot be reclaimed from an account without the customer’s consent (unless the payee is a knowing party to fraud).

The cheque clearance timescales applicable to Chelsea Online savings accounts are as follows:



- Cheque paid in
- Start earning interest
- First day withdrawals can be made against the cheque deposit (even though the cheque could still bounce)
- Funds cannot be reclaimed from the customers account (unless the payee is a knowing party to fraud)

Please note: cheques paid in on non-working days will be treated as received on the next working day (working days exclude Saturdays, Sundays and Bank Holidays).

- ii) We will not regard a cheque drawn on a bank with an address outside the UK as cleared until we have received the cleared funds for your credit. This means that you may not be able to withdraw against such a cheque for a period which is longer than in general term 3.c) (i) above and which may be up to 25 working days from the date of receipt of the cheque.
 - iii) If a cheque is returned unpaid before the end of the sixth working day following the day of receipt, interest will be adjusted. We will debit your account with the amount of the cheque even if we have allowed withdrawals against it. A cheque that has been returned unpaid after the sixth working day following the day of receipt will not be debited from your account without your consent unless we reasonably believe that the payee is a knowing party to fraud.
 - iv) We can only stop a cheque if you report it lost or stolen. If you request a replacement cheque, it will be issued with exactly the same details as the original cheque. If you want to cancel a cheque made payable to someone else and you do not want a replacement, you must provide us with the cheque itself or the written consent of the payee.
 - v) If a product term requires that you give us notice of a withdrawal, that notice will lapse (i.e. cease to have any effect) on the seventh day after the date on which the notice expires.
- d) Automated payment transactions are subject to the following:
- i) When you make payments from your account to another UK bank account we will use the Faster Payment Service if the payment is within the Faster Payment limits (please see our 'Charges and Fees Information' leaflet for the limits applicable).
 - ii) Payments sent through the Faster Payments Service will reach the destination account by the end of the next working day following receipt of your instructions and in accordance with table 1 of general term 3.
 - iii) If the payment exceeds the Faster Payment limit or the destination bank account does not accept payments through the Faster Payment Service, then the payment can either be sent by CHAPS which will incur a fee (please see our 'Charges and Fees Information' leaflet for the fee applicable) or by cheque.
 - iv) When payments are made to your account through the Faster Payment Service these will be treated as cleared on the day we receive them and will normally be updated to the account on the same day but no later than the next working day (e.g. when customers transfer funds later in the day).
 - v) Automated payments through BACS will be treated as cleared on the day we receive them. A payment through BACS will normally take 3 working days to arrive in your account. Working days excludes Saturdays, Sundays and Bank Holidays.
 - vi) Payments by debit card (where this method is available to you) will be treated as cleared on the second working day following the day we receive them.
 - vii) If you have set up a Direct Debit or Standing Order which cannot be paid because there is not enough money in your account a charge will be made. For details of our charges please see 'Charges and Fees Information' leaflet which you receive with these general terms if you open a Cash Transactor account or for all other accounts you can obtain a copy from any branch or by calling 0845 744 6622.
- e) Cash Transactions are subject to the following:
- i) Cash paid in over the counter at branch will be credited to your account immediately.
 - ii) Cash deposits made into one of our ATM machines will be treated as cleared no later than the next working day.
 - iii) Cash withdrawals over the counter at a branch will be debited from your account immediately.
 - iv) Cash withdrawals from a ATM machine will be debited from your account immediately.

The following table sets out the timescales applying when making automated payments:

Table 1 - Outgoing Payments

Payment Method	Latest time for you making request to us	Date debited from your account	Date available to payee
CHAPS	12 noon Monday - Friday	Date we receive your request, provided this is within timescales in previous column	Working Day 1
Foreign Transfer	3pm Monday - Friday	Date we receive your request, provided this is within timescales in previous column	Working Day 2 (for payments in Euros and Sterling only)
BACS - via branches (until 31 December 2011)	5pm Monday - Friday 12 noon Saturday	Date we receive your request, provided this is within timescales in previous column	Working Day 4
BACS - via website (until 31 December 2011)	8pm	Date we receive your request, provided this is within timescales in previous column	Working Day 4
Faster Payments - via branches (from 1 January 2012)	5pm Monday - Friday 12 noon Saturday	Date we receive your request, provided this is within timescales in previous column	Day after we have processed a payment
Faster Payments - via website (from 1 January 2012)	8pm	Date we receive your request, provided this is within timescales in previous column	Day after we have processed a payment
Cash	Immediate withdrawals up to 5pm in branches	Date we receive your request, provided this is within timescales in previous column	N/A
Internal transfers between CBS accounts - via branches	5pm Monday - Friday 12 noon Saturday	Date we receive your request, provided this is within timescales in previous column	Date your request is processed
Internal transfers between CBS online accounts - via CBS website	8pm	Date we receive your request, provided this is within timescales in previous column	Immediately
Standing Orders (until 31 December 2011)	5pm Monday - Friday	Date we receive your request, provided this is within timescales in previous column	Working Day 4
Standing Orders (from 1 January 2012)	5pm Monday - Friday	Date we receive your request, provided this is within timescales in previous column	Same Day (excluding weekends and Bank Holidays)

The table below sets out the timescales applying when receiving automated payments including when the money will be available to you.

Table 2 - Incoming Payments

Receipt Method	Latest time for receipt of payment	Date credited to your account	When you can withdraw the funds
CHAPS	Up to 5pm on day of receipt	Date received at our clearing bank	Immediately
Foreign Transfer	Up to 5pm on day of receipt	Date received at our clearing bank	Immediately
BACS	By 9am on day of receipt	Date received at our clearing bank	Immediately
Faster Payments	Within 2 hours of receipt in our bank account	Date received at our clearing bank	Immediately
Cash Deposit	Immediately on receipt	Receipt date	Immediately
Internal transfers between CBS accounts - via branches	5pm Monday to Friday 12 noon Saturday	Date your request is processed	Immediately (subject to terms and conditions of account)
Internal transfers between CBS accounts - via CBS website	Available 24 hours/7 days	Date your request is processed	Immediately (subject to terms and conditions of account)
Debit card payments - via CBS website	Available 24 hours/7 days	Date your payment is processed	Working Day 3

4. Restrictions on Transactions

- a) We can restrict at any time the amount which can be withdrawn from an account if:
- i) we reasonably believe that there may be fraud or some other unlawful activity affecting the account;
 - ii) we are required to do so by law, our regulator or order of the court;
 - iii) there is a dispute (which we reasonably believe may be genuine) about the ownership of, or entitlement to, the money in the account;
 - iv) circumstances beyond our reasonable control prevent us from offering a normal service (such as an act or threat of terrorism, computer failure or industrial action); or
 - v) circumstances exist which lead us reasonably to believe our financial stability may be at risk (such as actual or potential abnormal levels of withdrawals).
- In the case of (iv) and (v) above:
- We will respond proportionately to the circumstances in question;
 - We will take all reasonable steps to ensure that the restrictions are lifted as soon as practicable so that the inconvenience to you is minimised;
 - We will take into account the interests of our membership as a whole;
 - We will, if practicable, give advance notice; and
 - We may consider exceptions to the restrictions if we are reasonably satisfied that substantial hardship would otherwise be caused.
- b) We can refuse to carry out a transaction you have requested for the reasons stated at general term 4.a) i) – v) above and also where:
- i) there is not enough money in your account to cover the transaction; or
 - ii) you have not provided us with the correct information, or have given us insufficient information to carry out your request.
- c) We will tell you (where possible) if we refuse to carry out a transaction in accordance with general term 4.b) above and give you the reasons at the earliest opportunity and in any event no later than the end of the next working day following receipt of your payment request. However we do not have to tell you at all if it would be unlawful for us to do so.
- d) We may charge you our reasonable costs incurred in informing you of our refusal under general term 4.b).
- e) We can suspend the operation of your account if we are informed of, or become aware of:
- i) a dispute regarding the ownership of the money in your account; or
 - ii) any fraud or some other unlawful activity affecting the account. Where we do this, you will be unable to make any withdrawals from, or pay any money into, your account until we are reasonably satisfied that there is no longer any fraud or other unlawful activity affecting the account or that any dispute has been resolved (as the case may be).
- f) We have security controls in place to enable account verification for transactions such as large withdrawals or transfers from your account to another. If we prevent a transaction in these circumstances then we will inform you of this at the time.

5. Carrying out Automated Payment Transactions – your responsibilities

- a) Before asking us to set up an automated payment transaction, you must provide us with your account number and any other information we may reasonably require in order to carry out the transaction for you including (but not limited to) the payee's name, the account number and sort code.
- b) You must complete the request or authority for a payment transaction in the form we reasonably require depending on the type of transaction which you are requesting.
- c) Please refer to table 1 at general term 3 for the latest times by which we must receive requests for automated payments, and the maximum time it will take for the transaction to be executed and when the payment will be available to the payee.

6. Carrying out Automated Payment Transactions – our responsibilities

- a) When you ask us to make an automated payment and provide us with the correct information, we are responsible for it being made correctly.
- b) If a payment is made incorrectly and we can prove to you (or the payee's bank, as appropriate) that the payment was received by the payee's account provider, then the payee's account provider is responsible for ensuring that the payment is available to the payee.
- c) If we cannot prove that the payee's account provider has received the payment, then we will without undue delay refund to you the amount of the incorrect payment and, where applicable, restore your account to the position it would have been in had the error not taken place.
- d) In no circumstances will we be responsible if you provide incorrect information when asking us to make a payment. In such circumstances we will make reasonable efforts to trace the payment but we may ask you to pay our reasonable costs for doing so.

7. Cancelling a Payment Transaction

- a) If you have authorised us to carry out a payment transaction, and we have accepted your request, we cannot cancel it.
- b) If you have authorised us to carry out a payment transaction for a date in the future, we will cancel it provided you tell us by the end of the last working day before the day on which the payment is due to be made.
- c) Otherwise we will make all reasonable efforts to cancel the payment but cannot guarantee this. In such circumstances we may also charge you our reasonable costs in connection with the transaction.

8. Unauthorised Transactions

- a) If you become aware that a payment transaction on your account has been carried out which is either unauthorised or has not been paid correctly, you must tell us without delay by telephoning us on **0845 850 4041** so that we can investigate the transaction in question. Once you have told us, we will as soon as reasonably possible try and recover the payment and let you know the outcome.
- b) If, after we have made reasonable enquiries, we are reasonably satisfied that you have not authorised the transaction, we will refund the amount of the unauthorised payment and restore your account to the position it would have been in had the unauthorised payment not taken place.
- c) Please note that we will not be obliged to investigate any unauthorised transaction under this general term 8 or make any refund, unless you tell us within 13 months of the day on which the transaction is stated to have taken place.

9. Joint Accounts

- a) All terms apply to all of you together and to each of you on your own.
- b) Each of you can be held fully responsible for any liability that you may have.
- c) Because the law relating to building societies requires that, whichever of you is the first named in our records is called the "representative joint shareholder" for the purposes of membership. Information about membership can be found in our leaflet 'Your Society', available on request.
- d) Where the account terms require instruction in writing we will accept instructions from, or rely on the signature of, any account holder for all purposes relating to the account. This includes closure, and changes to the account, such as to your address. This term applies:
 - i) unless agreed otherwise at the time the account is opened, or
 - ii) until we are told otherwise by any one of you, or
 - iii) unless the provisions of paragraph 9.e) apply.

In the case of (d) (i) or (ii) above the authority or signature of all of you will then be required.

- e) This paragraph applies if we become aware of a dispute between the named account holders (e.g. in the event of a relationship breakdown). From that time:
 - i) we may require the authority or the signatures of all account holders for any further transactions on the account, including closure; and
 - ii) interest will be credited to the account when it is paid by us, overriding any earlier instructions we may have received.
- f) If one of you dies:
 - i) the survivor(s) should tell us of the death and provide us with proof of death;
 - ii) we will then change the account so that it can be operated by the survivor(s); and
 - iii) the survivor(s) own(s) the account and only the survivor(s) is/are able to operate it.
- g) Further information about joint accounts can be found in the British Bankers Association leaflet 'You and Your Joint Account', a copy of which can be downloaded here. Alternatively it can be obtained by visiting www.bba.org.uk. This leaflet and the information in it does not apply to Trust accounts.

10. Interest Rate Changes

- a) Unless a product term says otherwise, we may change the rate of interest to be paid on your account at any time where we reasonably believe that the change is to your advantage or is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):
 - i) to take account of, in a proportionate manner, any change in the costs reasonably incurred by us in managing our investment business and, in particular, providing and administering our investment accounts;
 - ii) to take account of, in a proportionate manner, changes in the law or the interpretation of the law, decisions or recommendations of an ombudsman, regulator or similar person, or any code of practice applicable to the conduct of our business;
 - iii) to take account of, in a proportionate manner, changes in the Bank of England Base Rate or changes in interest rates paid by our competitors in the consumer savings industry;
 - iv) to enable us to harmonise, in a reasonable manner, the interest rates being paid to our investors following any acquisition or transfer of deposit or savings accounts or any takeover of, or merger with, another savings provider;
 - v) to enable us to maintain the competitiveness of interest rates paid by our borrowers while having regard to the interests of our investors or the providers of funds to us and our business as a whole; or
 - vi) to enable us to manage our business (and its growth) prudently.
- b) Unless a product term states otherwise, we will tell you about interest rate changes in one of the following ways:
 - i) Where we wish to make a material change to interest rates that is to your disadvantage, we will tell you about it at least 14 days before we make the change by email. You may switch your account to another of our accounts, or close it, at any time if you have an account with instant access, or, in all other cases, within 30 days of the date of such a notice, without giving notice or paying any additional charges or additional interest for doing so.
 - ii) Where we wish to make any other changes to interest rates we may make the change immediately and tell you about it within 30 days by email.

11. Changes in Terms

- a) We can change these general terms and any product terms (other than the rate of interest and charges which can be changed under general terms 10 and 14 respectively) at any time. Changes may include the removal of, or amendment to, terms or the inclusion of new terms, and may be made if we reasonably believe that the change is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):
 - i) to take account of changes in the products or services we provide or the way we provide them;
 - ii) to enable us to operate and administer your account more efficiently (which includes improving our efficiency such as by taking into account developments in technology);
 - iii) to give extra benefit to savers (including making the terms of accounts easier for you to understand);
 - iv) to correct mistakes if it is reasonable to do so;
 - v) to take account of changes in general building society and banking practice if it is reasonable to do so;
 - vi) to take account of, in a proportionate manner, changes in the law or the interpretation of the law, decisions or recommendations of an ombudsman, regulator or similar person, or any code of practice applicable to the conduct of our business;
 - vii) if you agree;
 - viii) if the change is to your advantage; or
 - ix) to enable us to manage our business (and its growth) prudently.

- b) We will notify you of any such changes (other than in respect of interest rates or charges) as follows:
 - i) Where we wish to make a change that is to your disadvantage we will tell you about it at least 30 days before we make the change by email. You may switch your account or close it within 60 days of the date of such a notice without giving notice or paying any additional charges or additional interest for doing so;
 - ii) Where we wish to make any other change, we may make the change immediately and tell you about it within 30 days by email.
- c) If there have been significant changes in any one year, we will give or send you a copy of the new terms or a summary of the changes.

12. Interest of Other Persons

We do not have to recognise the interest or claim of any person other than the account holder in respect of money held in any account, nor will we be liable in any way for failing to recognise such interest or claim, except as required by law.

13. Right to Close the Account

- a) Subject to general term 4 and the product terms of your account, you can close your account at any time without giving any reason and without notice or charge.
- b) We can repay to you any part of your savings or close your account and repay to you all of your savings at any time and without giving any reason. Under normal circumstances we will give you at least 30 days' notice unless the product terms of your account state otherwise. If there are exceptional circumstances, for example, fraud or other unlawful activity or threatening or abusive behaviour or, if you have an ISA, you have breached any ISA regulations, we may close your account immediately whether or not the account is for a fixed term.
- c) We will not use our right under general term 13.b) to close a fixed-term account before the end of the fixed term unless there are exceptional circumstances.

14. Charges

- a) We may make charges for opening and administering your account and for services provided in connection with it and deduct those charges from the balance in your account. Details of our charges are in our 'Online Account Charges and Fees Information' leaflet which is downloadable on our website along with these general terms and which you can obtain by calling **0845 850 4041**. We will tell you about a charge which affects a particular product or service before we provide you with the product or service, before you use it or at any other time you ask.
- b) We can change the charges we make and introduce new charges at any time if it is to your advantage (for example to reduce or remove a charge) or if we reasonably believe that this is necessary for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):
 - i) to take account of, in a proportionate manner, changes in the expenses we reasonably incur (including our reasonable management and administrative costs) in respect of the particular product or service provided to you;
 - ii) to take account of, in a proportionate manner, changes in technology or general practice in the consumer savings industry;
 - iii) to take account of, in a proportionate manner, changes we may reasonably make in the products and services we provide or the activities we carry out;
 - iv) to take account of, in a proportionate manner, changes in the law or the interpretation of the law, decisions or recommendations of an ombudsman, regulator or similar person, or any code of practice applicable to the conduct of our business;
 - v) to enable us to harmonise, in a reasonable manner, the charges being paid by our savers following any acquisition or transfer of deposit or savings accounts or any takeover of, or merger with, another savings provider;
 - vi) to take account of, in a proportionate manner, inflation;
 - vii) to correct mistakes if it is reasonable to do so; or
 - viii) to enable us to manage our business (and its growth) prudently.
- c) Subject to the product terms of your account where we introduce new charges, or increase existing charges for any of the reasons mentioned in general term 14.b), we will tell you about the change (unless it relates to a non-standard charge which we will tell you about on request) not less than 30 days before it takes effect by email.
- d) A change that abolishes a charge or reduces the amount of an existing charge may be introduced with immediate effect and without notice.

15. Unclaimed Balances

We may close your account if:

- a) you cannot be traced after reasonable enquiry, and
- b) For a period of five years (or three years if the amount in your account is less than £100) no money is paid into, or withdrawn, from your account.

If you contact us at a later date and provide us with satisfactory proof of your identity, we will re-open the account and credit it with the amount we owe you in respect of the account (which will be equal to the balance that was in the account when we closed it, after adjusting it for the interest we would have paid and for any fees or charges we would have deducted if the account remained open).

16. Account Details

- a) You must immediately call us on **0845 850 4041** if you become aware that your website logon details may be known by someone else.
- b) After you have:
 - i) provided such evidence regarding the loss,
 - ii) given any indemnity, and
 - iii) paid any fee as we may reasonably require, we may transfer the amount in the account in our records to a new account and afterwards will give you new logon details.
- c) If someone other than you pretends to be you or to be authorised by you, and is therefore able to withdraw money from your account, you will be responsible for the amount of any withdrawal made if you have acted fraudulently. You may be similarly responsible if you have acted without reasonable care.

17. Our Rights Over Your Money

- a) We may use money in any account you have with us (including any accounts you hold under the separate brand names of the Society) to pay any money (whether under a loan, guarantee or otherwise) you owe us which is due for payment but which has not been paid. This would include any money owed to the Society under any of its brand names. This right is sometimes referred to as "the right of set-off".
- b) We can use this right where you have accounts in your sole name and where you have a joint account.
- c) We will tell you (and any joint account holder) at least 14 days before we use any money in the way explained in clause 17(a) above on the first occasion that we propose to use the right of set-off and (where appropriate) on any subsequent occasion that we intend to use that right.
- d) No interest will be earned on any money earned in this way.
- e) Where we have used our right of set-off we will notify you promptly of the date when we used this right and the amount taken from the account.

18. Service of Notices

- a) As we will advise you of changes to the interest rate and terms by email, it is very important that you notify us if your email address changes. We will assume that you have received any personal notification by email 24 hours after sending it to you. If you do not receive the notification, this will not make it invalid.
- b) If you wish to change details that we hold, for example your name, address, email address or the account to which withdrawals are made, we may require such changes to be notified in writing.

19. Statements

- a) We will not send statements to you. You will be able to access your account online and view statements at any time, which will include details of interest paid.
- b) If by exception we do issue a statement to you then it will contain the following information on automated payment transactions:
 - i) the payment amount;
 - ii) the amount of any charges and, where applicable, a breakdown of those charges or interest payable by you; and
 - iii) the date on which the payment was debited from, or added to, your account.
- c) If your statement has an entry that seems to be wrong, you should tell us as soon as possible so that we can resolve the matter by telephoning **0845 850 4041**.

20. Interest

- a) Interest is calculated on a daily basis starting on the second working day following the day of receipt for cheques or deposits by debit card and on the day of receipt for automated payments through BACS or the Faster Payment Service. In the case of a cheque drawn on a bank with an address outside the UK, interest will start on the day the cleared funds are credited to your account.

For withdrawals interest will be paid up to, but not including, the day of withdrawal.

- b) Once each year where the interest payable to you or credited to your account is not an exact multiple of £1, we will pay from your account an amount (which will not exceed 99 pence) equal to the pence of interest to Yorkshire Building Society Charitable Foundation to be used for charitable purposes, unless you (or any one of you if more than one account holder) tell us not to at any time.

The payment will be calculated against interest net of tax unless you are entitled to receive interest without tax deducted or the account is a tax-free savings account, in which case it will be calculated against the gross amount.

21. Tax

If you have a tax-free interest account, this clause does not apply and is therefore not relevant to you. In all other cases:

- a) If you are entitled to receive interest without tax deducted, you should fill in HM Revenue & Customs registration form R85, (or form R105 if you live overseas) available on request, and send it to us. We will then be able to pay your interest gross.
- b) All savers should declare interest earned when making a tax return. It is your responsibility, not ours, to make this declaration.

22. Governing Law

These terms are governed by the laws of the country in the United Kingdom (i.e. England and Wales, Scotland or Northern Ireland) where you opened the account.

23. General

- a) We will communicate with you in English.
- b) A copy of these terms and conditions is available to download prior to when you open your account and you can obtain another copy at any time from our website.

24. Death of Sole Account Holder

If the account is in a sole name and the account holder dies, once we receive formal written notification of the death the administration of the account will be dealt with in writing in order that it may be operated by the personal representatives of the account holder.

SECTION 2

Additional general terms for tax-free savers

In addition to and as part of the general terms in Section 1, the following terms shall also apply to the online Cash ISA products offered by Chelsea Building Society.

Cash ISA Rules

- a) You must notify Chelsea if you cease to be resident and ordinarily resident in the UK, or if not so resident, cease to perform duties as a Crown employee serving overseas or to be married to, or in a civil partnership with, a person who performs such duties which allow you to subscribe to a Cash ISA. The Cash ISA will continue to be exempt from UK tax, but no further subscriptions can be made until you meet the residency requirements again.
- b) Investment in a Cash ISA will be, and must remain in, the beneficial ownership of the investor and must not be used as security for a loan.
- c) Your Cash ISA application ceases to be valid at the end of a tax year if you do not make a subscription. Where this happens you must make a fresh application before subscriptions can re-commence.
- d) In the event of death whilst the Cash ISA remains open, interest to the date of death will remain free from tax, but interest arising after that date will be subject to tax. No further investments will be permitted into the Cash ISA.
- e) If you are found to have breached the ISA rules governing subscription limits or the number of Cash ISAs which may be opened in any year, or your application is incorrect, your Cash ISA will cease to be exempt from tax and any interest earned in that year will be subject to tax. Full details of the Cash ISA scheme can be obtained by visiting the HM Revenue & Customs' website or by calling them on 0845 604 1701 (Monday to Thursday 8.30am - 5.00pm, Friday 8.30am - 4.30pm).
- f) We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities.
- g) On your instructions and within the time stipulated by you (subject to this being a reasonable period for the practical implementation of the transfer or payment to you and which will not exceed 30 days) we will transfer your Cash ISA with all rights and obligations, or part of your Cash ISA (where your product terms permit partial transfers or withdrawals), to another ISA manager or pay to you all or part (again where your product terms permit partial transfers or withdrawals) of the investments held in your Cash ISA and proceeds arising from those investments.
 - i) Where a product term on your account requires a notice period for withdrawals or closure you will need to give the relevant number of days notice appropriate to your product, if you wish to transfer your Cash ISA to another ISA manager or if you want us to transfer or pay to you all or part of the investments held in your Cash ISA and proceeds arising from those investments, without losing any interest.
 - ii) Where a product term on your account requires a notice period for withdrawals or closure and you want to transfer all or part of your Cash ISA to another ISA manager or you want to withdraw all or part, or close your Cash ISA without giving any notice, you will lose an amount of interest equivalent to the number of days notice that you should have given.
 - iii) Where a product term on your account only permits withdrawals or closure during a certain period (e.g. during an anniversary month) you will need to request that the transfer, withdrawal of all or part, or closure of your Cash ISA takes place in that period, if you want us to transfer your Cash ISA to another ISA manager or pay to you all or part of the investments held in your Cash ISA and proceeds arising from those investments without losing any interest.
 - iv) Where a product term on your account does not permit partial withdrawals or partial payments to you (i.e. withdrawals) during the term of the product you will be unable to request a partial transfer of your Cash ISA, it must be a full transfer or payment to you by way of closure of the account subject to any loss of interest applicable.
 - v) Where a product term restricts the number of withdrawals or amount that can be withdrawn during the term of the product then only partial withdrawals up to the amount or at such frequency as is set out in your product terms will be payable to you or to another ISA manager, unless the product terms allow such withdrawals but are subject to a loss of interest set out in the product terms. Once you have exhausted the number or amount of withdrawals you are entitled to make under the product terms you can still close the account, or transfer the remaining balance (in full) to another ISA manager, again subject to any loss of interest that may be applicable.
- h) We will notify you if, by reason of any failure to satisfy the provisions of the ISA regulations, your Cash ISA has, or will, become void.

SECTION 3

Charitable Assignment

We wish to avoid disruption to our business caused by speculators and allow customers access to our competitive savings accounts and mortgages. Therefore all new customers opening a savings account or applying for a mortgage with Chelsea, which confers membership of Yorkshire Building Society, are required to agree to assign any windfall conversion benefits to which they might become entitled to the Yorkshire Building Society Charitable Foundation ("the Foundation"). This agreement will continue for a period of 5 years from the date you become a member irrespective of the number of investment and mortgage accounts you open in that 5 year period. At the end of the 5 year period, you will be entitled to keep any windfall conversion benefits which may arise after that date.

In certain circumstances Yorkshire Building Society may not apply this requirement e.g. on the death of an investor (who was not subject to the charitable assignment) where the money is transferred into a new customer account opened by a beneficiary. A further example is where you were a member of Chelsea Building Society immediately before its merger with Yorkshire Building Society and have been a member of Yorkshire Building Society since that date. In these circumstances if you made a declaration in favour of Chelsea Charitable Foundation agreeing to assign any windfall conversion benefits to it when you originally became a member of Chelsea Building Society the benefit of this passed to Yorkshire Building Society on merger; if you did not make such a declaration you will be treated as having made a declaration agreeing to assign any windfall conversion benefits to the Foundation (subject to your personal circumstances) at the date when you originally became a member of Chelsea Building Society. You are therefore not treated as a new member for these purposes.

The Yorkshire Building Society Charitable Foundation is a registered charity which provides financial assistance to local charities and good causes, and acts as a focus for our charitable giving. It forms part of our commitment to such charities and good causes and actively seeks to obtain recommendations for suitable charities to support from all members. For further details about the Charitable Foundation, please contact your local Chelsea branch.

Important Information about Compensation Arrangements

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a building society is unable to meet its financial obligations. Most depositors - including most individuals and small businesses - are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible depositor's accounts with the building society, including their share of any joint account, and not to each separate account.

Yorkshire Building Society (YBS) also operates under the trading names of Barnsley Building Society (BBS), Chelsea Building Society (CBS), Norwich & Peterborough Building Society (N&P) and Egg. YBS is a participant of the FSCS. Therefore, depositors with any of YBS, BBS, CBS, N&P and Egg have an overall limit of £85,000 under the FSCS.

Accord Mortgages Limited is a wholly owned subsidiary of YBS. Accord has offset mortgage products where the customer's deposits are held on behalf of Accord by YBS. Accord offset depositors are therefore covered, along with BBS, CBS, N&P and Egg depositors, by YBS being a participant in the FSCS. There is no additional protection for depositors with Accord Mortgages Limited.

As of 31 December 2010 new FSCS rules were introduced meaning any compensation due will be paid to customers based on amounts held in their deposit accounts, regardless of the amounts owed to us (for example, a mortgage loan). Customers will therefore be paid out up to £85,000 of their savings and any mortgage balance would remain outstanding. For example, a customer who has a £200,000 mortgage and £200,000 savings balance will therefore be paid out £85,000 for their savings balance and the £200,000 mortgage balance would remain outstanding. This would mean that customers would still have to repay their mortgage loan. It would then be for the Liquidator to decide whether any surplus savings balances would be set-off against any remaining mortgage loan.

For further information about the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website www.FSCS.org.uk or call **0800 678 1100**.

For further information about our participation in the scheme or specific queries on your account please call 0845 1200 100.

Not happy with our service?

If at any time you're not satisfied with the service you've received, please let us know. We have a simple process enabling you to do this, the details of which are in our leaflet 'We're here to help you – our complaints process', which you can obtain at by calling us on 0845 850 4041

Our printed material is available in alternative formats, e.g. large print, Braille, or audio CD.

Please call us on 0845 850 4041.

All communications with us may be monitored/recorded to improve the quality of our service and for your protection and security.

Charges to 0845 numbers may vary. Prices can be checked with your phone provider. Mobile calls usually cost more. Chelsea Building Society and Chelsea are trading names of Yorkshire Building Society.

Yorkshire Building Society is authorised and regulated by the Financial Services Authority. We are entered in the FSA register and our FSA registration number is 106085. Member of LINK.

Principal office: Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ. www.thechelsea.co.uk

