

# OFFSET TERMS

2013

These financial and other terms are part of the legal arrangement of your Offset Account with the mortgage deed / standard security, your offer and the Mortgage Conditions.

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## Section 1

### Offset Terms

Clauses 1 to 25 of this booklet contain the Terms of the Offset Account.

Please see the definitions in clause 25 for words and phrases which have a special meaning in these Terms.

#### 1 Offset Account

- 1.1 We, Accord Mortgages Limited, have made an Offer to you, the Borrower. The Offer relates to an Offset Account (defined in clause 1.4) and these are the Terms of the Offset Account the subject of that Offer. Please read them carefully, as once you receive the Loan you will be bound by them.
- 1.2 "You" includes your successors in title. "We" includes our successors in title and anyone to whom all or any of our rights to receive repayment of any of the Borrowings may be transferred entirely or in part and either outright or by way of security only.
- 1.3 Where these Terms are issued with an additional Loan which is made after your first Loan, the terms of any earlier Offset Account will automatically be varied and replaced by these Terms, when the additional Loan is made.
- 1.4 Offset Account means the Loan Account as well as a Savings Account.

#### 2 Interest and Reasons for Variation of Interest Rates

- 2.1 We will not pay interest on any Savings.
- 2.2 We will work out the difference at the end of each day between the Borrowings and the Savings. If the Borrowings exceed the Savings we will charge you interest on the difference. However, we may charge you interest on the whole of the Borrowings if we find that the offset accounts of all our customers who have them, are not paying enough interest to us to enable us to cover the costs of administering all of the offset accounts. If we charge interest under this clause we will tell you Personally at least 30 days in advance and will allow each Savings Account to be closed immediately without any extra charges.
- 2.3 Where you are paying different interest rates on different parts of the Borrowings in calculating the interest to be charged on the Borrowings under clause 2.2 for any day we will offset Savings against different parts of the Borrowings in the following order:
  - 2.3.1 firstly against any part of the Borrowings which has a variable rate of interest before any part of the Borrowings which has a fixed rate of interest;
  - 2.3.2 next against parts of the Borrowings in the order they completed or became owing on an Offset Account, later before earlier;
  - 2.3.3 next against parts of the Borrowings repayable by the repayment (capital and interest) method before the interest only method; and
  - 2.3.4 finally in part number order, higher before lower.
- 2.4 A mortgage loan is borrowed over a long period of time, usually 25 years, and it is impossible to predict all the changes that will occur during that time (or any part of it) particularly relating to interest rates. Therefore it is a fundamental term of every Loan that the Interest Rate should be variable at all times except when the Interest Rate is specified as being fixed.
- 2.5 There are a number of reasons why we may from time to time, need to vary the Interest Rate. The reasons mainly arise from the need to take account of the commercial environment and the markets in which we operate as well as the costs of running and managing our business.
- 2.6 Any interest rate change will not necessarily apply to all our borrowers (whether or not they have Offset Accounts), for example where the terms of a borrower's Loan specifies that they pay a fixed rate of interest.
- 2.7 We may at any time reduce the Interest Rate on the Loan without notice to you.
- 2.8 Subject to the terms of any particular Loan we can increase the Interest Rate at any time where we reasonably believe that the increase is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or those which we reasonably expect to apply in the near future):

- 2.8.1 to take account of, in a proportionate manner, any change in the costs reasonably incurred by us in managing our mortgage business and in particular providing and administering our mortgage accounts;
- 2.8.2 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;
- 2.8.3 to take account of, in a proportionate manner, changes to the cost of money which we have to borrow from time to time in order to finance our lending;
- 2.8.4 to take account of, in a proportionate manner, changes in the Bank of England Base Rate;
- 2.8.5 to take account of, in a proportionate manner, changes in interest rates charged by our competitors in the mortgage industry;
- 2.8.6 to enable us to harmonise, in a reasonable manner, the interest rates being paid by our borrowers following any acquisition or transfer of mortgages or any takeover of, or merger with, another mortgage provider;
- 2.8.7 to enable us to manage our business (and its growth) prudently.
- 2.9 We will tell you about any increase in the Interest Rate under clause 2.8 either before or as soon as reasonably practicable after such increase is to take effect either by Advertisement or Personally in accordance with clause 18.
- 2.10 If you do not wish to accept the increase under clause 2.8 you are free to repay the Loan immediately subject to any provision in any Offer for that Loan for early repayment charges.

### **3 Payments**

- 3.1 You will make monthly payments as set out in the Offer. These payments start in the month after the Loan is sent to our legal adviser (or to you if we consider it appropriate) and will be due on the first day of the month if no other date has been arranged.
- 3.2 We may vary the monthly payment if there are changes in the Interest Rate or the payment changes for other reasons such as changes in insurance premiums, at the end of a special interest rate period or changes in laws and regulations. We may do this to ensure repayment of the Loan within the term of the Loan set out in the Offer.
- 3.3 You must repay the Loan at or by the end of the term of the Loan set out in the Offer for that Loan.
- 3.4 We may use money in any account you have with us 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 right is sometimes referred to as "right of set-off".
- 3.5 We can use this right where you have accounts in your sole name and where you have a joint account.
- 3.6 We will tell you (and any joint account holder) at least 14 days before we can use any money in the way explained in clause 3.4 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.
- 3.7 No interest will be earned on any money used in this way.
- 3.8 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.

### **4 Default**

- 4.1 The Borrowings will become repayable immediately if:
  - 4.1.1 you are in arrears by the amount of two or more of your monthly payments on any Loan or any other sums are due to us and you have not paid them.
  - 4.1.2 you do not comply in a material respect with any of your obligations (other than payment of the monthly payments) to us;
  - 4.1.3 you are made bankrupt;
  - 4.1.4 you enter into an arrangement with or for the benefit of your creditors or you propose to do so;
  - 4.1.5 the Property is compulsorily acquired.

4.2 You will pay interest on the amount of any judgment we obtain at the Interest Rate applicable to the Borrowings, or the rate set by the Court.

## 5 Borrowings Repayable on Demand

5.1 We may give you three months notice Personally at any time to repay the Borrowings. We will only do so in exceptional circumstances, for example:

- 5.1.1 if any information given by you or on your behalf to us is, in any material respect, incorrect or misleading;
- 5.1.2 if we have a good reason to believe that you have been involved in fraudulent or serious criminal behaviour;
- 5.1.3 if we have good reason to believe that the relationship between you and us has irretrievably broken down, such as physical, threatening or abusive behaviour to our staff;
- 5.1.4 we reasonably consider that our security is at risk;
- 5.1.5 where the property is to be compulsorily acquired; and
- 5.1.6 where we reasonably consider it necessary due to regulatory or taxation reasons (we would not seek to rely on this provision without reference to and acceptance by our regulator);

## 6 Charges

There are a number of fees and costs which are set out in your Offer which are part of the price for your Loan. Separately there are a number of Charges which may arise through the life of an Offset Account. In this clause 6 and in clause 19, a Charge or Charges means all fees and expenses (including our internal costs) which we apply in connection with the Offset Account and the mortgage we put in place over the Property including (but not limited to) the examples given in clauses 6.2, 6.3, 6.4 and 19.2. Charges will either be standard (that is set out from time to time in our Tariff) or non-standard (that is where the Charges are not set out in our Tariff). Clauses 6 and 19 cover both types of Charges. We will tell you when you have incurred a Charge. You must pay us our Charges when we ask.

6.1 **Legal costs at the start.** Before the first Loan is made we will have to set up a mortgage over the Property to secure this and any future Loans. You will be responsible for paying the legal costs of any conveyancer who undertakes our legal work in relation to the mortgage. The Offer will state if we are paying the whole or part of the legal costs involved in setting up the first Loan.

6.2 **Charges during the life of a Loan.** We may apply reasonable Charges for items relating to the operation of the Offset Account and where you ask us to provide a document or service in connection with the mortgage or Savings Account, whether to you or anyone else. The amount of any standard Charge will be set out from time to time in our Tariff. In relation to non standard Charges (that is they are not specified in the Tariff) we will tell you about the Charge before we provide you with the service or document or at any other time you ask. Examples of activities under this clause 6.2 include (but are not limited to):

- supplying or copying deeds or documents to you or anyone acting for you;
- discharging our security;
- releasing the Property or any related rights from our security;
- releasing any title deeds;
- processing any request for any change in the terms of the Loan or the mortgage;
- giving you or anyone authorised by you any assistance or information in connection with the Property, the Loan or the mortgage;
- any third party charges which we incur in dealing with the mortgage or its discharge such as Land Registry fees;
- administering the Savings Account.

6.3 **Charges safeguarding our security.** You must pay us all reasonable Charges which we reasonably incur to safeguard our security or because you fail to fulfil an obligation you have under the Loan or the mortgage. Where we are able to make a genuine pre-estimate (based on our mortgage lending activities as a whole) of the expenses we are likely to incur, the amount of the Charge will be set out from time to time in our Tariff and will be limited to this amount. Where we are unable to make a genuine pre-estimate we will charge a reasonable amount together with any external costs which we may incur.

Examples of activities under this clause 6.3 include (but are not limited to):

- any legal proceedings and costs relating to the mortgage (this applies whether or not you are a party to the proceedings);
- exercising any of the rights or powers given to us by statute or these Terms or the mortgage conditions;
- recovering any of the Borrowings;
- protecting or preserving our security;
- checking that any insurance of the Property which you have arranged is adequate for our purposes;
- insuring the Property.

6.4 **Arrears Charges.** If your Loan Account falls into arrears, then we will charge you arrears administration fees. The time from when we start charging these fees and the amount of these fees will be set out in our Tariff. Arrears administration fees are calculated to cover our administrative costs in dealing with those arrears. Where arrears administration fees are charged, they will be added to your Loan Account each month. Legal costs may also be charged and will be added to your Loan Account.

6.5 **Interest on charges.** If you do not pay the Charge within seven days of the date we tell you it is payable, then we may add it to your Loan Account. Where we add to your Loan Account Charges which have been properly incurred by us under, or stated in, the Offer, the mortgage conditions or these Terms, we will charge interest on such Charges until they are repaid at the Interest Rate applicable to the Borrowings or, where there is more than one such rate, at the highest rate.

6.6 **Adding to or Changing Charges.** A change that abolishes a Charge or reduces the amount of an existing Charge may be introduced with immediate effect and without notice. We can vary or add to the Charges set out in the Tariff if it is to your advantage (for example if we reduce or abolish a charge) or for any one or more of the following reasons (which may relate to circumstances existing at the time or those which we reasonably expect to apply in the future):

6.6.1 to take account of, in a proportionate manner, changes in the expenses which we reasonably incur (including our reasonable management and administrative costs) in respect of the particular product or service provided to you;

6.6.2 to take account of, in a proportionate manner, changes in technology or general practice in the mortgage industry;

6.6.3 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;

6.6.4 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;

6.6.5 to enable us to harmonise, in a reasonable manner, the Charges paid by our borrowers following any acquisition or transfer of mortgages or any takeover of, or merger with, another mortgage provider;

6.6.6 to reflect, in a proportionate manner, inflation;

6.6.7 to correct mistakes if it is reasonable to do so;

6.6.8 to enable us to manage our business (and its growth) prudently.

6.7 **Telling you about changes.** Where we introduce new Charges, or increase existing Charges for any of the reasons mentioned in clause 6.6, 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 Personally.

## 7 Savings Accounts and Withdrawals

7.1 The Offset Account must always include at least one Savings Account. There is no minimum balance for a Savings Account but a Savings Account cannot be overdrawn.

7.2 The maximum number of Savings Accounts is three of which at least one must be held by a Saver who is also a Borrower.

- 7.3 All Savings Accounts will be opened with the Society in which we will hold Savings as trustee on behalf of a Saver. **A Saver will not be a member of, or have any membership rights in, Yorkshire Building Society.**
- 7.4 The Society has a direct responsibility to a Saver for the repayment of Savings but all dealings on the Savings Account will be through us as trustee of the Savings Account. This means:
  - 7.4.1 Any deposit a Saver makes into the Savings Account must be sent to us and made payable to "Accord Mortgages Limited a/c [Savings Account number]".
  - 7.4.2 If a Saver wishes to withdraw money from a Savings Account the Saver must instruct us in writing and we will arrange for payment to be made.

**8 Transactions and Clearance Periods**

- 8.1 Transactions such as withdrawals, deposits and automated payments can be made to or from a Savings Account where a product term permits. A Saver will need sufficient cleared funds in a Savings Account(s) to carry out any transactions.
- 8.2 All payments into and withdrawals from a Savings Account must be in Sterling.
- 8.3 Withdrawals and deposits by cheque are subject to the following:
  - 8.3.1 The central clearing cycle for cheques is normally three working days (working days exclude Saturdays, Sundays and Bank Holidays). As the Society is not a clearing bank, the Society will normally treat cheques as cleared on the fifth working day following the day of receipt. Cheques paid in on a non-working day will be treated as received on the next working day.

**Cheque Clearance Timescales**

The Customer Promise was introduced in November 2007 by APACS (now UK Payments Administration Ltd) setting maximum cheque clearance timescales for deposits into current and savings accounts. The promise provides clarity as to when:

- 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 Savings Accounts are as follows:

Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed
●		●					○		○							
	●		●				○		○							
		●		●			○		○							
			●				○		○							
				●			○		○							
					●		○		○							
								○								
									○							

- Cheque paid in
- Funds start being used to offset the mortgage balance
- First day withdrawals can be made against the cheque deposit (even though the cheque could still bounce)
- Funds cannot be reclaimed from the customer's 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, Public and Bank Holidays).

- 8.3.2 If the Saver pays a cheque into a Savings Account and a notice is received through the Cheque Redirection Service that the cheque has been redirected to another bank or building society, the time for clearing the cheque will take longer than stated above as the cheque clearing timescale starts again once the cheque is redirected to the new bank or building society account. If this happens, the Saver will be notified of the new cheque clearance timescale for that cheque.
- 8.3.3 The Society will not regard a cheque drawn on a bank with an address outside the UK as cleared until the Society has received the cleared funds for the credit of a Savings Account. This means that a Saver may not be able to withdraw against such a cheque for a period which is longer than in clause 8.3.1 above and which may be up to 25 working days from the date of receipt of the cheque.

- 8.3.4 Subject to 8.3.2, if a cheque is returned unpaid before the end of the sixth working day following the day of receipt, the Savings Account will be debited with the amount of the cheque even if withdrawals have been allowed against it. A cheque that has been returned unpaid after the sixth working day following the day of receipt will not be debited from a Savings Account without the consent of the Saver unless we reasonably believe that the payee is a knowing party to fraud.
- 8.3.5 The Society can only stop a cheque if the Saver reports it lost or stolen. If the Saver requests a replacement cheque, it will be issued with exactly the same details as the original cheque. If the Saver wants to cancel a cheque made payable to someone else and the Saver does not want a replacement, the Saver must provide us with the cheque itself or the written consent of the payee.
- 8.3.6 If a product term requires that the Saver gives 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.
- 8.4 Cash and automated payment transactions are subject to the following:
- 8.4.1 Automated payments through BACS will be treated as cleared on the day the Society receives them. A payment through BACS will normally take three working days to arrive in a Savings Account. Working days exclude Saturdays, Sundays and Bank Holidays.
- 8.4.2 When the Saver makes a payment from the Savings Account on or after 1 January 2012 the Society will use the Faster Payments Service if the payment is within the Faster Payments limits (please contact our Customer Contact Centre for the limits applicable).
- 8.4.3 If the Saver's payment exceeds the Faster Payments limit or the destination bank or building society account does not accept payments through the Faster Payments Service, then the payment can either be sent by CHAPS which will incur a fee (please contact our Customer Contact Centre for the fee payable) or by cheque.
- 8.4.4 Payments through the Faster Payments Service will be treated as cleared on the day the Society receives them, and will normally be updated to the Savings Account the next working day following receipt of the Saver's instructions and in accordance with Table 1 later in this clause.
- 8.4.5 Payments by debit card (where this method is available to the Saver) will be treated as cleared on the second working day following the day the Society receives them.

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

**Table 1  
Outgoing Payments**

<b>Payment Method</b>	<b>Latest time for a Saver making request to us</b>	<b>Date debited from the Savings Account</b>	<b>Date available to payee</b>
<b>CHAPS</b>	12 noon Monday - Friday	Date we receive Saver's request - provided this is within timescales in previous column	Working Day 1
<b>Faster Payments</b>	5pm Monday - Friday 12 noon Saturday	Date we receive Saver's request - provided this is within timescales in previous column	Day after we have processed a payment

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

**Table 2 - Incoming Payments**

Receipt Method	Latest time for receipt of payment	Date credited to a Saver's Account	When a Saver can withdraw the funds
<b>CHAPS</b>	Up to 5pm on day of receipt	Date received at our clearing bank	Immediately
<b>BACS</b>	By 9am on day of receipt	Date received at our clearing bank	Immediately
<b>Faster Payments received midnight - 8pm</b>	Available 24 hours/7 days	Within 2 hours	Immediately
<b>Faster Payments received 8pm - midnight</b>	Available 24 hours/7 days	Within 2 hours	Next day

- 8.6 If someone other than the Saver pretends to be the Saver or to be authorised by the Saver, and is therefore able to withdraw money from a Savings Account, the Saver will be responsible for the amount of any withdrawals made if the Saver has acted fraudulently. The Saver may be similarly responsible if they have acted without reasonable care.
- 8.7 Sections 19 and 20 (and any amendments or additions) of the Trusts of Land and Appointment of Trustees Act 1996 (or, in Northern Ireland, Sections 35 and 36 (and any amendments or additions) of the Trustee Act (Northern Ireland) 2001) relating to the appointment and retirement of trustees do not apply to the trusts created under these Terms.

## 9 Restrictions on Transactions

- 9.1 The Society can restrict at any time the amount which can be withdrawn from a Savings Account if:
- 9.1.1 the Society reasonably believes that there may be fraud or some other unlawful activity affecting the account;
  - 9.1.2 the Society is required to do so by law, the Society's regulator or order of the court;
  - 9.1.3 there is a dispute (which the Society reasonably believes may be genuine) about the ownership of, or entitlement to, the money in the account;
  - 9.1.4 circumstances beyond the Society's reasonable control prevent the Society from offering a normal service (such as an act or threat of terrorism, computer failure or industrial action); or
  - 9.1.5 circumstances exist which lead the Society reasonably to believe its financial stability may be at risk (such as actual or potential abnormal levels of withdrawals).

In the case of 9.1.4 and 9.1.5 above:

- the Society will respond proportionately to the circumstances in question;
  - the Society will take all reasonable steps to ensure that the restrictions are lifted as soon as practicable so that the inconvenience to you is minimised;
  - the Society will, if practicable, give advance notice; and
  - the Society may consider exceptions to the restrictions if the Society is reasonably satisfied that substantial hardship would otherwise be caused.
- 9.2 The Society can refuse to carry out a transaction the Saver has requested for the reasons stated in clauses 9.1.1 to 9.1.5 above and also where:
- 9.2.1 there is not enough money in a Savings Account to cover the transaction; or

9.2.2 the Saver has not provided us with the correct information, or the Saver has given us insufficient information, to carry out their request.

9.3 The Society will tell the Saver (where possible) if it refuses to carry out a transaction in accordance with clause 9.2 above and give the Saver the reasons at the earliest opportunity and in any event no later than the end of the third working day following receipt of the Saver's payment request. However the Society does not have to tell the Saver at all if it would be unlawful for the Society to do so.

9.4 The Society may charge the Saver its reasonable costs incurred in informing the Saver of its refusal under clause 9.2.

9.5 The Society can suspend the operation of a Savings Account if the Society is informed of, or becomes aware of:

9.5.1 a dispute regarding the ownership of the money in the Savings Account; or

9.5.2 any fraud or some other unlawful activity affecting the Savings Account.

Where the Society does this, the Saver will be unable to make any withdrawals from, or pay any money into, the Savings Account until the Society is 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).

9.6 The Society has security controls in place to enable account verification for transactions such as large withdrawals or transfers from one of the Saver's accounts to another. If the Society prevents a transaction in these circumstances then the Saver will be informed of this at the time.

## **10 Carrying out Automated Payment Transactions - the Saver's responsibilities**

10.1 Before asking us to set up an automated payment transaction, the Saver must provide us with their account number and any other information we may reasonably require in order to carry out the transaction for that Saver including (but not limited to) the payee's name, the account number and sort code.

10.2 The Saver must complete the request or authority for a payment transaction in the form we reasonably require depending on the type of transaction which the Saver is requesting.

10.3 Please refer to Table 1 at clause 8.4 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.

## **11 Carrying out Automated Payment Transactions - our responsibilities**

11.1 When the Saver asks us to arrange for an automated payment to be made and provides us with the correct information, we are responsible for it being made correctly.

11.2 If a payment is made incorrectly and the Society can prove to a Saver (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.

11.3 If the Society cannot prove that the payee's account provider has received the payment, then the Society will without undue delay refund to the Saver the amount of the incorrect payment and, where applicable, restore the Saver's Account to the position it would have been in had the error not taken place.

11.4 In no circumstances will we or the Society be responsible if the Saver provides incorrect information to us when asking us to arrange a payment. In such circumstances the Society will make reasonable efforts to trace the payment but it may ask the Saver to pay the Society's reasonable costs for doing so.

- 11.5 If the Saver asks us to arrange for an automated payment to be made and the Society is notified by the Current Account Switch Service ("the Service") that the payee has changed their account details, they will automatically make the payment and any future payments the Saver has asked us to arrange to be made to the payee, using the new account details that have been provided through the Service. Payments will continue to be made in this way until the Saver either cancels the instruction or they amend the details provided. The Saver will be told if such a notification is received.

## **12 Cancelling a Payment Transaction**

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

## **13 Unauthorised Transactions**

- 13.1 If a Saver becomes aware that a payment transaction on a Savings Account has been carried out which is either unauthorised or has not been paid correctly, the Saver must tell us without delay by telephoning us on 0345 1200 872 so that we can arrange for the Society to investigate the transaction in question. Once the Saver has told us, we will as soon as reasonably possible arrange for the Society to try and recover the payment and let the Saver know the outcome.
- 13.2 If, after the Society has made reasonable enquiries, it is reasonably satisfied that the Saver has not authorised the transaction, the Society will refund to the Saver the amount of the unauthorised payment and restore the Saver's account to the position it would have been in had the unauthorised payment not taken place.
- 13.3 Please note that the Society will not be obliged to investigate any unauthorised transaction under this clause 13 or make any refund unless a Saver tells us within 13 months of the day on which the transaction is stated to have taken place.

## **14 Joint Borrowers and Savers**

- 14.1 If there is more than one Borrower or Saver:
- 14.1.1 these Terms apply to all such persons together and to each of them on their own,
  - 14.1.2 each such person can be held fully responsible for keeping to these Terms.
- 14.2 A notice with regard to a joint Savings Account can be given to all the Savers by our giving notice to whichever Saver is named first in our records.
- 14.3 We will accept instructions from, or rely on the signature of, any one of the people on whose behalf a Savings Account is held for all purposes relating to that account. This includes withdrawals, changes to the Savings Account such as to a Saver's address, or closure of the account. This clause applies:
- 14.3.1 unless agreed otherwise at the time the account is opened; or
  - 14.3.2 until we are told otherwise by a Saver; or
  - 14.3.3 unless the provisions of clause 14.4 apply.

- In the case of 14.3.1 or 14.3.2 the authority or signature of all the Savers will be required.
- 14.4 This clause applies if we become aware of a dispute between joint Savers (e.g. in the event of a relationship breakdown); from that time we may require the authority or

the signature of all the Savers for any further transactions on the Savings Account, including withdrawals and closure.

- 14.5 A maximum of four persons may have a Loan Account and we will hold a Savings Account on behalf of a maximum of four persons. However, a Savings Account may not be held jointly by a Saver who is also a Borrower and a Saver who is not also a Borrower.
- 14.6 If one of the joint holders of a Savings Account dies:
  - 14.6.1 the survivor(s) should tell us of the death and provide us with proof of death;
  - 14.6.2 we will then change our records to remove the name of the deceased;
  - 14.6.3 the survivor(s) will be the only person(s) from whom or from any one of whom we will accept instructions in accordance with clause 14.3.

## **15 Charge over Savings Account**

- 15.1 You agree that all money that we hold on your behalf in any Savings Account from time to time is charged to us as security for the payment of any Indebtedness to us.
- 15.2 On completion of your Loan we will notify the Society of this charge and you irrevocably authorise us to require the Society at any time to pay to us all or part of any Savings in or towards satisfaction of any Indebtedness to us. We will advise you Personally when we have done this. Until we enforce our charge under this clause 15 you may continue to ask us to make withdrawals from the Savings Account in accordance with clause 7.4.2

## **15A Right of Set-off (Scotland)**

- 15A.1 This clause 15A applies in place of clause 15 where the Property is in Scotland.
- 15A.2 You agree that all money we hold on your behalf in any Savings Account from time to time may if we decide at any time be set-off against any Indebtedness to us.
- 15A.3 On completion of your Loan we will notify the Society of this right of set-off and you irrevocably authorise us to require the Society at any time to pay us all or part of any Savings in or towards satisfaction of any Indebtedness to us. We will advise you Personally when we have done this. Until we enforce our right of set-off under this clause 15A you may continue to ask us to make withdrawals from your Savings Account in accordance with clause 7.4.2.

## **16 Right to Close Savings Account**

- 16.1 Subject to clauses 9, 15 and 15A a Saver can close a Savings Account at any time without giving any reason and without notice or charge.
- 16.2 We can arrange for a Savings Account to be closed or any part of Savings to be transferred or repaid to a Saver immediately if:
  - 16.2.1 the Borrowings have been paid off and the legal charge on the Property has been discharged, or
  - 16.2.2 the Borrowings have been transferred to another of our mortgage products which does not include the offset feature in clause 2.2; or
  - 16.2.3 the only Savings Account is held by a Saver who is not also a Borrower; or
  - 16.2.4 there is a change in law, HM Revenue & Customs practice or interpretation, or a decision or recommendation of a regulator, ombudsman or similar person as a result of which:
    - the Society is required to deduct or account for income tax in respect of any Savings;  
or
    - we and/or the Society are no longer able to offer the Savings Account as part of an Offset Account.



- 21.2 These Terms do not affect or exclude any terms and conditions implied by law unless they expressly say so;
- 21.3 Any concession or waiver by us in exercising our rights under these Terms shall not be binding on us and shall not prevent us from subsequently exercising our rights against you;
- 21.4 No person other than a party to these Terms may enforce any rights under these Terms or under any other agreement made in connection with the mortgage by virtue of the Contracts (Rights of Third Parties) Act 1999. A party to these Terms includes anyone we transfer our rights to under clause 22 or anyone we appoint as a receiver.

## 22 Transfer of the Loan by us

- 22.1 We may transfer our interest in the Loan to another party at any time on such terms as we may decide;
- 22.2 Unless the terms of the transfer state otherwise, a transferee of the Loan will be able to exercise all rights, powers and remedies which we could exercise before the transfer.

## 23 Governing Law

These Terms are governed by the laws of that part of the United Kingdom where the Property is situated.

## 24 General

- (a) We will communicate with you in English.
- (b) You receive a copy of these Terms when you open your Loan Account and you can obtain another copy at any time from our Customer Contact Centre.

## 25 Definitions

In these Terms the following words have the following meanings:

**Advertisement** is explained in clause 18

**Borrower** means the borrower or borrowers named in the Offer

**Borrowings** means the total outstanding at any time of all the Loans

**Charges** has the meaning set out in clause 6

**Faster Payments/Faster Payment Service** means the new electronic payment method which speeds up the way a customer can make and receive electronic payments. Under this payment method in most cases the money will be available within one working day of the payment transaction being processed

**Indebtedness to us** means any sums which at any time are due for payment by you to us (whether under a mortgage, loan, guarantee or otherwise) but which have not yet been paid.

**Interest Rate** means the rate of interest shown in the Offer or the new rate of interest if we change it in accordance with these Terms

**Loan** means any individual amount of money we have lent you or may lend you, as set out in an Offer, on the security of the Property where we have agreed that Savings may be set off against the Loan under these Terms before calculating the interest you have to pay. This may include, for example, any additional borrowing and any other money you owe us on an Offset Account at any time such as interest and unpaid fees and Charges. You may have more than one Loan

**Loan Account** means the account which holds all the Loans

**Notice** is explained in clause 18

**Offer** means any written offer of a Loan sent to you which results in a Loan being made

**Offset Account** is defined in clause 1.4

**our, us, we and the Lender refer to Accord Mortgages Limited**

**Personally** as in "We will tell you Personally" is explained in clause 18

**the Property** means the property which is security for the Borrowings and where appropriate includes all or any part of the Property

**Saver** means an individual and, in the case of joint accounts includes all savers, who have a Savings Account. Subject to clause 14.5 of these Terms a Saver may also, but does not have to, be a Borrower

**Savings** means savings (if any) in a Savings Account

**Savings Account** means an account with the Society in the name of the Lender as trustee for a Saver where we have agreed that the Savings are to be set off against the Borrowings under these Terms

**Society** means Yorkshire Building Society

**Tariff** means our Loans Administration Fee Tariff which applies to your Loan Account. You will receive the current version with the Offer. The Tariff states the current amount of the standard Charges which we may make under clause 6. The Tariff is subject to change from time to time and you can always obtain the latest version from our Customer Contact Centre

**Terms** means the terms set out in clauses 1 to 25 of this booklet

**Working Days** exclude Saturdays, Sundays and Bank Holidays in that part of the United Kingdom where the property is situated

**Year** means a year from 1 January to 31 December

**you** and **your** refer to a person who is a Borrower

### **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. 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. Any total deposits you hold above the £85,000 limit between these brands are unlikely to be covered.

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 also 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.

For further information please call us on 0345 1200 872, ask at your local branch, visit the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk)

## **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 by calling us on 0345 1200 872. If we cannot come to a resolution to your satisfaction, you may have the right to refer the matter to the Financial Ombudsman Service, of which we are a member.

 **accordmortgages.com**

Accord Mortgages Limited is authorised and regulated by the Financial Conduct Authority. Accord Mortgages Limited is entered in the Financial Services Register under registration number 305936. Accord Mortgages Limited is registered in England No. 2139881. Registered Office: Yorkshire House, Yorkshire Drive, Bradford, BD5 8LJ. Accord Mortgages is a registered Trade Mark of Accord Mortgages Limited.

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

Calls to 03 numbers are charged at the same standard network rate as 01 or 02 landline numbers, even when calling from a mobile.