

HBL



TERMS AND CONDITIONS FOR PERSONAL ACCOUNTS

With effect from 1st April 2010



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Terms and Conditions – Personal Accounts

These terms and conditions are a contract between you and us - Habib Allied International Bank plc (trading as Habib Bank UK). Please read them carefully and retain them for future reference. When you apply to open an account you accept these terms and conditions. They:-

- apply to any account you have with us;
- explain our obligations to you and your obligations to us; and
- apply to all our services provided to you although these terms and conditions may be added to or varied by specific terms and conditions for certain services.

Please note that certain of these terms and conditions may **NOT** be relevant to a savings account or a fixed/term deposit account, for example:

- those terms relating to cheque books or payments by standing order or direct debit will not apply as these services are not available for savings accounts or fixed/term deposit accounts; or
- those terms relating to borrowing or overdrafts will not apply as you may not borrow on a savings account or a fixed/term deposit account.

Please refer to your branch if you are uncertain as to what services are available in respect of your account.

1. Definitions

In these terms and conditions:

"account" means each or any personal account held by you with us and "accounts" means all of them including payment accounts.

"branch" means a place of business of the Bank.

"Schedule of charges" means the separate

schedule setting out our charges from time to time. The current schedule of charges is displayed in our branches and on our website (www.habibbankuk.com) and is available upon request.

"Payee" means a person who is intended recipient of funds, which have been the subject of a payment transaction.

"Payment order" means any instructions by you to us requesting execution of a payment transaction.

"Payment transaction" means an act, initiated by you, of placing, transferring or withdrawing funds, irrespective of any underlying obligation between you and payee.

"We", "us" and "our" means Habib Allied International Bank plc (trading as Habib Bank UK) and our successors in title and/or assignees.

"working day" means any day from Monday to Friday, except for a public holiday.

"You", "your", "payer" or "consumer" means you, the person or persons in whose name(s) your account is opened.

The following ways of making payments are referred to in these terms and conditions and are briefly defined below:

- **Standing order** — this is an instruction you have given to your branch to make payments from your current account for a specified amount on named dates, to a stipulated account.
- **Direct debit** — means a payment service for debiting the payer's i.e. your payment account where a payment transaction is initiated by the payee on the basis of consent given by you to the payee, to the payee's payment service provider (bank) or to the payer's own payment service provider (us). The amount(s) and date(s)

can either be fixed or they can vary.

"Habib Bank Group" Habib Allied International Bank plc is a subsidiary of Habib Bank Limited. Habib Bank UK Group means Habib Bank Limited and each of its subsidiaries (including Habib Allied International Bank plc).

2. Revisions to the Terms and Conditions

We may, at our discretion, change these terms and conditions by giving you at least 30 days prior written notice before we make the change. If we make a change, which is to your disadvantage, at any time up to 60 days from the date we notify you of the change, you may switch any account affected or close such account(s). You will not have to pay any additional charges or interest for doing this during this period beyond what you would have had to have paid had we not made the change.

Where changes have been made to your advantage, we will make the changes immediately and will notify you of the change by notices displayed in our branches and/or on our website (www.habibbankuk.com) and/or by other means as we deem appropriate (which may include messages contained in your statement) within 30 days of the change taking effect. The changed terms and conditions will apply from the date specified in the notice.

If we make a major change or a large number of minor changes in any one year, we will give you a copy of the new terms and conditions and/or a summary of the changes.

We may also agree separate terms with you in writing.

3. Services

Our branches will generally be open between

9.15 am to 4.30 pm each working day. These timings may vary at some branches, and will be displayed at each branch. Please refer to your branch for full details of their opening hours.

4. Contacting each other

We may contact you by post, telephone, fax or email by using the latest mailing address and telephone number(s) or email address that you have given us. It is your responsibility to ensure that we have your current contact details.

In the case of any joint account, we will normally contact only the joint account holder named first in our records subject to any legal requirements or unless you request otherwise. The first named account holder is responsible for passing on any information we send to the other account holder(s).

You can contact us at the appropriate address, telephone number or email address we give you.

We may record or monitor telephone calls between us to check instructions and to ensure we are meeting our service standards.

5. Opening an account / documentation required

When you apply to open an account with us, we will ask you for certain information (including, without limitation, proof of your identity, proof of address and source of funds) to help protect you, us and third parties against fraudulent use of the banking system. You must tell us of any variation to any of these documents or the facts contained in them after you have provided them to us. For further details, please see the appropriate application form, refer to our website (www.habibbankuk.com) or ask at any branch.

We will check the validity of any identification document you provide to prove your identity,

with the Issuing Authority of that document. We may also conduct credit reference checks on you. We will also tell you of any enquiries we may make with credit reference agencies. We reserve the right to decline your application to open an account with us.

To open a current/savings or term deposit account, the account holder must be at least 18 years old. We can open a savings or term deposit account for a child if he/she is under 18 but only if you are his/her parent or legal guardian, who will be the signatory for operating the account. On reaching the age of majority, i.e. 18 years old, the title of the account will be changed into the name of the minor subject to providing satisfactory up to date identification verification.

5.1 Term Deposit Account:

Term deposits are for a fixed period and therefore (subject to the provisions stated below) you should not place your funds in such an account if you may need to have access to them before the term ends.

The term of your deposit is fixed for the period selected by you on the application form (and as subsequently agreed in any rollover). The term will start on the day agreed and as advised to you in writing by us and will continue for the period selected by you on the application form (and as subsequently agreed in any rollover).

You CANNOT withdraw your money from your term deposit account until the term ends unless we, on your written request, in our sole discretion agree to allow you to break the term in which case it will be subject to payment of interest and charges as stated in the Bank's Schedule of Charges.

5.2 Notice Term Account

Notice Term deposits require such notice as has been selected by you in the application form (or as subsequently agreed in writing) before any

withdrawal can be made. Therefore (subject to the provisions stated below) you should not place your funds in such an account if you may need to have access to them on shorter notice or immediately.

You CANNOT withdraw your money from your Notice Term account until the agreed notice ends unless we, on your written request, in our sole discretion agree to allow you to break the term in which case it will be subject to payment of interest and charges as stated in the Bank's Schedule of Charges.

6. Operating your account

6.1 Sole Account

We will ask you for a specimen of your signature so that we can pay cheques and other items from your account.

6.2 Joint Account

If you are opening a joint account, we will ask for a specimen signature from each of you.

Unless otherwise agreed in writing, and until any of you cancels this authority, you authorise us to:

- pay all cheques and accept other instructions for payment, or to stop such payments, signed or given by any one of you, whether the account is in debit or credit;
- deliver any item held by us in safe keeping in your names against receipt of any one of you; and
- accept instructions signed or given to us by any one of you to act on your behalf in all other transactions with us, including providing a loan or overdraft or other facility and opening further accounts in your joint names.

We will accept such authority until it is cancelled by any one of you (unless otherwise agreed in writing), or treated by us as cancelled

if we are notified of a dispute between any of you (as in the following paragraph), or by law. If any one of you tells us of a dispute between you, we may treat this as notice of cancellation of the authority. If we do, any further transactions, including any payments by standing order or direct debit we will need the authority of all of you. We may also ask for the return of any unused cheques.

In the event of the death of any of you, the survivor(s) has/have the authority to operate on your accounts (or any number of them) and to instruct us to deliver to him/her/them any items held in safe keeping, subject to any rights we, or a third party, may have. In cases where operation instructions given had been "Joint Operation" i.e. under joint signatures of all of you, the death of one of you will make the account inoperable and the account holding branch should be contacted for further guidance.

6.3 Third Party Mandate

You can authorise another person to operate your account. If you wish to do so, we will ask you and the nominated third party to sign a third party mandate. We will also ask for proof of the third party's identity and address. Please ask at your branch for details.

You can also authorise another person to operate your account by issuing a power of attorney. This is a legally binding document and you should take independent legal advice before entering into any power of attorney.

6.4 Giving us instructions

We will accept instructions given in accordance with the relevant account mandate (as referred to above). You can give us instructions either in person by visiting a branch or in writing.

You may also give us instructions by telephone, by fax or by email provided that you have completed our standard form of indemnity (this is a document under which you accept

responsibility for any instructions received by us by telephone, fax or email which we have verified by way of the security procedures referred to below regardless of whether such instruction was in fact given by you). Generally we cannot change or stop an instruction you give by telephone, fax or email (except in certain limited circumstances) because we start processing instructions when we receive them. If we are able to cancel your instruction we may make a charge.

Before we can act on instructions given to us by telephone, you will be asked specific personal questions relating to you and the activity upon your account. If you give us an instruction by telephone, fax or email we can ask you to confirm it in writing.

With regard to instructions received by fax or email, we may call you using the contact telephone number(s) held in our records to verify the authenticity of the instructions received.

We may respond and/or communicate with you in respect of any instructions by the same means and by using the same fax or telephone numbers or email address (as applicable) as you used to communicate with us or by using the latest fax or telephone numbers or email address that you have provided to us as we deem appropriate.

You must keep your cheque books, cards, Personal Information Numbers (PINs) and other security details secure. You must tell us immediately if you think someone else may know the security procedures/details including personal and/or account details. If you fail to do so, you will be liable for all instructions that we receive and act on even if the instruction was not given by you.

Unless we can show that you have been fraudulent, grossly negligent or have not complied with condition above, we will refund

your account with any payments we make which you can demonstrate were not authorised by you. We will have no further liability to you. We can ask you for all the information you have about the misuse of security procedures/details, which we may pass to the Police if we think that will be useful.

We will do all that we reasonably can to prevent a breach of security, resulting in unauthorised access to your accounts and the information we hold about you. As long as you have not breached the above conditions we will accept liability for any loss or damage to you resulting from any breach of security.

We can act on instructions given by you:

- on a document bearing your original signature(s); or
- by telephone, fax or email whether or not they were given by you as long as we have followed the security procedures referred to above. As long as we have followed your instructions correctly, we can deduct the amount of any payment from your account. You agree that we may rely on any information quoted in an instruction as correct.

We can refuse to act on any instruction if:

- we have a good reason for thinking that you did not give us the instruction; or
- the instruction is not clear or is incomplete; or
- we believe that by carrying out the instruction we might break a law, regulation, code or other duty which applies to us.

We can also freeze your account and seek consent from the Serious Organised Crime Agency (or any successor to such body) ("**SOCA**") if we believe that by carrying out an instruction we might break a law, regulation,

code or other duty which applies to us and your account will remain frozen until we have received consent from SOCA in relation to your instructions.

We may apply financial and/or other limits to telephone and computer instructions from time to time. We may vary these limits at any time with immediate effect. We will tell you if your transaction exceeds any of the limits.

7. Statements

If your account with us is a current account we will send you a statement once every three months free of charge.

If your account with us is a savings or deposit account we will send you a statement once in a year free of charge.

If your account with us is a term deposit account we shall provide you with roll over confirmations at the time of each roll over of deposit.

On request, we will send you statements more frequently. Depending on the required frequency of each statement we may charge you for this service. Please consult your branch for further details.

On receipt, please scrutinise your statement/confirmation and notify us immediately of any discrepancy. If you have any questions about a transaction on your statement, please contact your branch immediately so that the matter can be resolved.

The statements should be kept in a safe place in case you need to check/refer to any transaction later on.

8. In-house account transfers

You may make transfers between your savings account(s) and your current account(s). We will normally deduct or add transfers from and to the relevant accounts on the same day so long as we receive instructions to do so before 3.00 PM. Instructions received after this time will be dealt with next working day. Similarly, your instructions to debit your account and credit another payee account maintained with our same branch or another branch of our bank will be done simultaneously i.e. debit to your account and credit to payee account and vice versa will be in the same value date.

9. Minimum Balance

We may, at our discretion, require you to maintain a minimum balance in any or all of your account(s) at anytime. Currently there is a minimum balance requirement of £1,000 on accounts held in Sterling and an equivalent of £1,000 sterling for accounts held in other currencies. We reserve the right to impose a minimum balance requirement and/or to increase or decrease any existing minimum balance requirement.

Minimum balance for a term deposit account is £5,000 for accounts held in sterling and an equivalent of £5,000 for accounts held in other currencies.

If we impose or amend any minimum balance requirement, we shall notify you of such change in accordance with the section of these Terms and Conditions headed Revisions to the Terms and Conditions.

10. Paying into your account

We accept cash, cheques and other items that are payable to you for payment into any of your accounts.

You can pay cheques into any account by post, or pay cash and cheques over the counter at any of our branches. We can only accept responsibility for such items after we have received and checked them. Please do not send us cash by post. If you send us cash by post, we advise you to use registered post or Royal Mail special delivery or a recognised courier company. Please note that if you choose to send cash by post this will be at your own risk and responsibility and we accept no liability for it regardless of how it is sent to us.

If you have incorrectly entered the total amount of the items being paid into your account on the paying-in slip (otherwise known as a "bank giro credit"), we will correct the error and add the revised amount to the relevant account. We will tell you we have done this unless the amount is £1.00 or less.

If items are paid into an account on a working day we will normally deal with them that day so long as we receive them before 3.00 pm (save in the case of cash deposits which will normally be dealt with on the same day provided they are received before 4.30 pm) or such other time as may be displayed in our branches. Items paid in after this time will be dealt with on the next working day.

11. The Clearing Cycle

The "**clearing cycle**" is the time it takes for money paid from or into your account to be deducted or added to your account balance. This section applies to our normal clearing cycles for sterling cash paid in or taken out, and sterling cheques (other than those drawn on banks abroad) paid into branches of English or Scottish banks in England, Scotland, Wales, and Northern Ireland. Different procedures apply to foreign cheques. Please see the section of these Terms and Conditions headed *Foreign Payments* for further information or ask your branch for details.

11.1 Cash

When you pay cash into your account at any of our branches, you will normally be able to withdraw the money the same day but not before the amount is shown on your account. The cash is treated as "cleared" for interest calculation purposes on the day it is paid in. When you pay cash into your account at other banks, you will have to wait five working days before withdrawing the money. This is because it takes time for the credit to reach us. In this case, the cash is treated as "cleared" for interest calculation purposes five working days from the day it has been paid in.

11.2 Cheques you issue

When you issue a cheque, the amount will normally be deducted from your account one to three working days after the beneficiary pays it into their account. For example, a cheque paid into an account with another bank on Monday by the person to whom the cheque is made payable will normally be debited to your account on Wednesday or Thursday. More time will be needed for a cheque paid into any bank outside United Kingdom. However, a cheque paid into your own branch, in settlement of a bill, for example, will be deducted from your account on the same day. If you cash a cheque at your own branch, the amount will be deducted from your account on the same day.

If your current account goes overdrawn without an agreed overdraft facility or if you exceed your existing overdraft limit as a result of our deducting a cheque from your account, we will charge you interest from the day the cheque is deducted from your account. The rate of interest on such overdrafts is higher than the interest rates applicable to arranged overdrafts. For details of our interest rates on unagreed overdrafts, please refer to our schedule of charges displayed on notice boards in our branches or our website (www.habibbankuk.com).

Please only make cheques payable in sterling

unless you have an account in the relevant currency. If you need to pay in a currency other than sterling, we may be able to advise you on the best way to do so.

If we make payments in a currency other than sterling, we will tell you the rate of exchange and the fees we may charge before we make such payment.

11.3 Cheques you credit to your account

In the normal circumstances, the following terms apply for clearance of cheques deposited up to 4 p.m. at the counters of any of our branches.

When you pay a cheque into an account, you will normally have to wait five working days after it has been paid in before you can withdraw the money unless we agree otherwise. For example, the proceeds of a cheque paid in on Monday before clearing cut-off time (3.00 pm unless stated otherwise) will normally be available for withdrawal on Friday. However, the amount shown on the cheque will be included in your account balance before you can withdraw the money. When working out any interest that should be paid, either by us to you or you to us, we treat cheques as being cleared for interest calculation purposes five working days from when they have been paid in, that is, using our example, Friday for cheques paid in on Monday. If you withdraw money that is not cleared, for interest calculation purposes, you may be charged interest even though your account shows a credit balance.

Please note that cheques paid in after 3.00 p.m. on any working day will count as deposited on next working day. Similarly, cheques deposited on a non-working day will count as if deposited on the next working day.

If you want to know whether a cheque will be paid you may ask for it to be specially presented. Special presentation of a cheque means that we will contact the bank upon

which the cheque is drawn and ask them to confirm whether or not they will pay the cheque. Please let us know if you want a cheque to be specially presented when the cheque is paid in. You will be charged a fee for this service - please refer to our [schedule of charges](#) for details. If the bank upon which the cheque is drawn confirms that it will be paid then we may release payment against it earlier than normal clearing but it also be subject to fee. Please ask your branch for further details.

If you want to pay in a cheque that has been made payable to someone else, the person to whom it is made payable must sign it on the back. We may ask for further details before we agree to accept such a cheque. If a cheque or other item is marked on the front "not transferable" or "account payee", we reserve the right not to accept its payment into any account other than the account of the person to whom the cheque is made payable. In the case of joint accounts, cheques made payable to one of the joint account holders may be paid into the joint account. If a cheque is made payable to joint names i.e.: to "Mr. and Mrs. Khan" or "J. Khan and M. Khan" we may not allow you to pay such a cheque into a sole account.

If a cheque, which is paid into your account, is returned unpaid, the amount shown on it will be deducted from your account. We will tell you that this has been done. Depending on why the cheque was returned unpaid, we will either ask for payment again from the bank of the person who issued it, or we will return it to you. Please note that different procedures apply to foreign cheques (as defined below) and these are set out below in the section headed *Foreign Payments*.

11.4 Unpaid Cheques

Please note it is possible that the bank on which a cheque is drawn may later return the cheque unpaid. Because of this we may, at our discretion, require you to wait until we are

certain that the cheque has been paid before you are able to draw against it. This will normally be five working days after the cheque has been paid in, but it may be longer. If a cheque that you have paid into an account is returned unpaid, the sum shown on it will be deducted from the relevant account. If you withdraw against a cheque which is subsequently returned unpaid and the relevant account goes overdrawn, or your existing overdraft increases beyond any agreed overdraft limit, you will have to pay interest (if applicable) and/or any charges as per our [schedule of charges](#).

12. Foreign Cheques

By "**foreign cheques**" we mean cheques drawn in a foreign currency (whether on a bank in the UK, Channel Islands, the Isle of Man or abroad) or Sterling cheques drawn on a bank abroad.

If you want to pay in cash or a foreign cheque of one currency into an account in another currency to said payment (i.e.: a cheque drawn in US Dollars into a sterling account) we will convert the amount at our applicable rate of exchange on the relevant date. We will tell you the exchange rate and, where applicable, the fees we will charge for negotiating or collecting the cheque. Please see below for further details on paying in foreign cheques.

When you present a foreign cheque for payment into an account we may negotiate it or send it for collection. These processes are explained below. Please let us know when the foreign cheque is presented whether you want it to be negotiated.

12.1 Foreign Cheques for Negotiation

We may agree to negotiate a foreign cheque although we are not obliged to do so. This means we will credit the relevant account immediately with the full amount (if the cheque is drawn in sterling) or the converted amount (if

the cheque is drawn in a foreign currency and converted at our applicable rate of exchange).

If the cheque is subsequently returned unpaid, we will have "recourse" against you (as well as against anyone who has signed or endorsed the cheque). This means that we will be entitled to deduct from the relevant account either the amount we added or, if we converted the cheque into another currency, the amount reconverted at the exchange rate applicable on the date we make the deduction. This means that, if the rate of exchange has changed, the amount we deduct could vary from the amount we originally added to your account.

Please ask at your branch for details of how and when interest is calculated and applied in relation to amounts added to or deducted from your account following negotiation of a foreign cheque.

For a foreign cheque that we negotiate, we will deduct fees at the time that you pay it in. If a cheque is subsequently returned unpaid, we will also deduct a further fee at the time it is returned. Agents' fees may also be payable whether the cheque is paid or not. Please refer to our published [schedule of charges](#) for details of our fees.

12.2 Foreign Cheques for Collection

We may agree to send a foreign cheque for collection although we are not obliged to do so. This means that we will add the amount to your relevant account only when we have received the money from the bank on which it is drawn.

For a cheque that we collect, we will deduct a fee from the proceeds at the time we receive them or, if the cheque is returned to us unpaid, we will charge a fee at the time we receive the cheque back unpaid. We will also pass on any charges made by our agents and/or the bank on which it is drawn and will deduct these from the proceeds or (if there are none) from the relevant account. Please refer to our [schedule](#)

[of charges](#) for details of our fees.

12.3 General

You must endorse any foreign cheques you pay into the personal account. This means that you must sign on the back. Your signature must be in the same form as your name on the front of the cheque, for example, if it is payable to "M Khan" please sign it "M Khan"; if it is payable to "Muhammad Khan" please sign it "Muhammad Khan".

Whilst we take care in choosing our agents when negotiating or collecting any foreign cheques, we do not accept liability for any loss, damage or delay, which is not directly due to our own negligence. If exchange restrictions or some other cause result in us receiving payment in a currency different from that of the cheque, neither we nor our agents will be liable for any loss in exchanging the proceeds into the currency of the relevant account.

Because of difficulties that occur from time to time with foreign cheques drawn on banks abroad, for example exchange restrictions, we may not always be able to negotiate or collect cheques for you.

When we refer to foreign cheques, we mean also other forms of foreign payment. The Uniform Rules for Collections, as published by the International Chamber of Commerce from time to time, also apply to any negotiation or collection of foreign cheques or other forms of foreign payment. Please ask your branch for further details.

13. Payments from your account

We will make a payment from an account if:

- you authorise it in any of the ways set out in the section of these Terms and Conditions headed *Operating your account*; and
- there are enough cleared funds in that

account to cover the payment or, in the case of current accounts only, the amount due is covered by an overdraft limit we have agreed with you.

We will take into account any electronic payments such as direct debits or any other transactions you have already made or which we have authorised from that account in assessing whether there are enough cleared funds in such account to cover the payment. This will be regardless of whether or not these transactions have already been deducted from the relevant account.

We may, at our absolute discretion, allow you to make a payment from a current account that may cause you to go overdrawn or go to beyond an overdraft limit we have agreed with you. This does not mean we will allow you to do so another time nor are we under any obligation to allow you to do so.

13.1 Stopping payments

If you want to stop a cheque, or cancel a standing order or direct debit instruction on your account, you should advise your branch (or such other person(s) as we tell you) in writing, or by telephone (followed by written confirmation). You will not be able to stop a cheque or cancel a standing order or direct debit if you do not advise us before we are committed to pay the cheque or make the payment from your account. You must include the following details:

- (a) Cheque – cheque number and date of issue, your account number, amount and name of payee;
- (b) Standing Order – name of recipient, amount and frequency;
- (c) Direct debit – name of recipient, amount and frequency.

You cannot stop a cheque that has been guaranteed by your card.

We may make a charge for stopping a payment instruction. Please refer to our [schedule of charges](#).

If your cheques are lost or stolen, or if you think someone else has signed one of your cheques without your permission, you must tell us immediately in accordance with the provisions of the section of these Terms and Conditions headed *Operating your account*.

When writing a cheque, you must take all reasonable precautions to prevent anyone else altering it or making a forgery.

You should not write a future date on any cheque you issue as this will not prevent the payee from presenting it for payment into their bank before the date of the cheque. The cheque will not be paid if it is presented before the date of the cheque and you may incur cheque returning charges.

If we receive a cheque issued by you for payment that is dated more than six months before the date on which it is presented, we do not have to pay it, and it will be returned unpaid.

14. Bank Charges

The charges we make for operating your accounts from day to day will vary according to the volume of transactions you make through such account. Please see our [schedule of charges](#) or ask at your branch for further details of our charges. If you ask us to deal with a transaction that needs the services of an agent abroad, you may have to pay their additional charges - such charges may not be calculated in the same way as our [schedule of charges](#). Our [schedule of charges](#) varies from time to time and each new edition of our [schedule of charges](#) will be displayed on our website (www.habibbankuk.com) and the notice boards in our branches banking halls.

We shall be pleased to offer guidance on any aspect of your banking relationship with us. Often no fee will be charged, but, if we spend a significant amount of time on a specific area, we reserve the right to charge a fee based upon the time spent. We shall tell you the amount of any fee before deducting it from your account.

15. Borrowing from us

Borrowing can be arranged either by an overdraft on your current account or by way of a separate loan. The most suitable form of borrowing will be agreed between you and us. In some cases, we may need security for the borrowing, for example a mortgage.

You cannot go overdrawn on your savings account.

You should always keep your current account in credit unless we have agreed an overdraft with you. If we have agreed an overdraft limit with you must not exceed this limit. We understand that on occasions you may accidentally overdraw your current account or exceed an agreed overdraft limit. We will determine, at our absolute discretion, whether we will permit such unauthorised overdrafts and the amount we may allow for such accidental overdrawing. If we have allowed you to go overdrawn without an agreed overdraft previously, this does not mean we will do so in the future and we may decide not to pay a cheque or other item if it would make the account go overdrawn or go over an agreed overdraft limit. This may include standing orders, direct debits or bill payments that you had previously instructed us to make.

If we pay a cheque or other item you issue or make any payment on previous instructions from you and, as a result, your account goes overdrawn or goes over your agreed overdraft limit, this does not mean that we have agreed an overdraft or an increased limit. You must immediately pay enough money into the relevant account to cover the overdrawn

amount or the amount that is over your agreed limit, or contact us to discuss the matter.

If your current account is overdrawn, we will expect you to make regular payments into your current account. Please let us know as soon as possible if you are unable to do so.

If an overdraft limit on your current account is agreed, the interest rate payable on debit balances will be shown in the facility letter that sets out the terms of the overdraft.

You must not go over any overdraft limit that is agreed unless you get our agreement first.

If your account goes overdrawn without an agreed limit, we reserve the right to charge interest on the unarranged amount at a rate higher than interest rates applicable to overdrafts within agreed limits. We will continue to charge a higher rate until:

- we have agreed a formal borrowing arrangement; or
- the cleared balance on your account is back within your agreed overdraft limit; or
- there is a cleared credit balance on your account if there is no agreed limit.

The higher interest rate may vary but will be contained in our schedule of charges which is available on display in our branches and on our website (www.habibbankuk.com).

In addition to charging interest for unarranged overdrafts at a higher rate, we may also charge a daily fee for administration relating to your unarranged overdraft, which will be advised in our schedule of charges. We may also elect to charge you management fees either instead of or in addition to the daily excess fee, and the amounts will be advised on your statements.

We may reduce or increase your overdraft limit but we will write to you before doing so.

We will tell you the amount of:

- any arrangement fee we may charge for agreeing your overdraft; and
- any fee for reviewing your overdraft.

We will calculate the interest you owe on the cleared debit balance on any account daily on the basis that there are 365 days in a year and will compound such interest monthly. Interest calculated on this basis will be payable for the duration of the overdraft in respect of each of the 365 days in a calendar year (366 days in leap years). The amount of interest payable will be deducted from the relevant account monthly in arrears on the last business day of each month or if we have to make demand, on such demand.

Unless we have agreed other terms with you in writing, we may at any time withdraw your overdraft limit and demand that you repay any money you owe us immediately. If we make demand for repayment, we may debit interest and/or accrued fees and charges to your account on the day demand is made and include such sums in the demand. We may also change the date on which charges are applied to your account. After demand, you will still have to pay interest until you have repaid us in full, at the same rates as before demand, on the amount demanded, and on any other sums debited to your account, unless we agree otherwise with you.

If any accounts you hold with us are in credit, we may use such credit balances to reduce or repay any amounts you owe on other accounts you hold with us in the same name (including any joint accounts). If we do so, we will tell you why and when it was done.

If you have a foreign currency account, different arrangements apply to overdrafts. Please ask your branch for details.

16. Responsibility for borrowing

16.1 Account in your own name only

You are personally responsible for any money you owe us, whether this arises from your own actions, or from actions of someone authorized by you.

16.2 Joint Account

Joint account holders are together and individually responsible for any money owed to us on the joint account.

Where a joint account holder also has an account with us in their sole name, and that account has a credit balance, we can set-off any money owing to us on the joint account against this credit balance.

16.3 Financial Difficulties

If you have any difficulty in repaying us, please let us know as soon as possible.

17. Credit Interest

You will receive interest, if any, at the rate(s) applicable to your account. We may at our discretion vary our rates at any time by giving 30 days notice of the change. Such notice will be displayed at our branches, and/or sent to you by post (which includes messages contained on your statement).

Please note that:

- information about our current interest rates is available in our branches; and
- no interest is paid on balances held in current accounts.

In the case of savings and deposit accounts, we will calculate the interest on the minimum credit balance maintained on such account during a calendar month and credit the interest to such account half yearly on the last working day of June and December.

In the case of term deposit accounts, we will calculate interest on a daily basis on the cleared credit balance on such account, on the basis that there are 365 days in a year. Interest calculated on this basis will be payable for the term of the deposit in respect of each of the 365 days in a calendar year (366 days in leap years).

In the case of foreign currency term deposit accounts whilst credit interest will still be calculated on a daily basis on the cleared credit balance on the personal account by convention, it is quoted and calculated on the basis that there are 360 days in a year. Interest calculated on this basis will be payable for the term of the deposit in respect of each of the 365 days in a calendar year (366 days in leap years).

Interest on term deposit accounts will be credited on roll over, monthly, quarterly or half yearly depending on interest/charging period agreed with you or as per our [schedule of charges](#).

You may be able to register with us to receive interest gross. Otherwise interest will be paid net of income tax at the prescribed rate. Contact your branch for further information.

18. Closing your account

If you wish to close or switch your accounts (or any of them) all account holders must instruct us to do so in writing.

We reserve the right not to close your account(s) until you have returned any unused cheques to us.

If we wish to close your account(s), we will give you at least 30 days notice in writing unless there are circumstances that justify us in closing your account(s) on earlier notice.

We will repay any credit balance and you must

repay any money owed to us, including the amount of any cheques you have issued and any charges you have incurred.

19. Disclosure of Confidential Information

We will treat all your personal information as private and confidential (even when you are no longer a customer). Nothing about your accounts nor your name and address will be disclosed to anyone, other than in exceptional cases permitted by law or where disclosure is made at your request or with your consent including:

- where we are legally compelled to do so;
- where there is a duty to the public to disclose;
- where our interests require disclosure; or
- where disclosure is made at your request or with your consent, e.g. under these terms and conditions.

We may use credit searches when considering your application to open an account and also when operating your account or making lending decisions.

In the same circumstances, we may search the files of credit reference agencies, which may keep a record of the search. We may pass credit reference agencies details of any non-payment where we make demand but receive no satisfactory proposal for repayment. Information about people held by credit reference agencies is used by lenders and others to make credit decisions about those people or members of their household, for occasional fraud prevention and for tracing debtors.

Information about your personal debts owed to us may be disclosed to credit reference agencies where:-

- you have fallen behind with your payments; and

- the amount owed is not in dispute; and
- you have not made proposals satisfactory to us for repayment of your debt following formal demand; and
- you have been given at least 28 days clear notice of our intention to disclose.

We will not give any other information about you to credit reference agencies without your consent.

We may share information about you and the conduct of your accounts with:-

- our parent banks, other members of the Habib Bank UK Group or other financial institutions if this is necessary to enable us to provide you with, without limitation, any service or facility or otherwise which you applied for. It is clarified that in order to process any application, we may in compliance with our policy(ies) and procedure(s) require your application to be reviewed and analysed by our parent banks, in Pakistan and in such case will need to transfer such relevant information to our parent banks in Pakistan, which is a country which does not provide the same level of protection for personal information (which means any information obtained by us from you or from a third party in connection with a service or product provided to you) or data as within the EU. However, all personal information transferred to our parents banks will be afforded a high level of protection against any authorised or accidental disclosure, access or deletion;
- other third parties if this is necessary to enable us to provide you with the service you applied for; or
- for purposes of fraud prevention, audit or debt collection.

If you are applying for a joint account, we may also disclose any of the information that you provide to us to the other joint account holder(s).

We may contact you with information about the services of Habib Allied International Bank plc (trading as Habib Bank UK) which we feel may be of interest to you, unless you have asked us not to do so.

Under the Data Protection legislation you can ask in writing (addressed to Head of Audit & Compliance at the address below) for a copy of any personal records we hold about you. We may make a charge for this service.

If a banker's reference about you is requested, we will ask you for your written consent before it is given.

If you have any questions about your personal data held by us, please contact Head of Audit & Compliance, 63 Mark Lane, London EC3R 7NE.

20. Complaint Handling

A copy of our Complaints Handling policy and procedure is available upon request at any of our branches and a summarised version is placed on the notice boards in each of our branches. If you wish to make a complaint please contact your branch who will provide you with a copy of our complaints handling policy and procedure and will inform you of the relevant person to whom your complaint should be directed.

20.1 Financial Services Compensation Scheme (FSCS)

Important information about compensation arrangements.

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank 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 £50,000. 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 £50,000 each (making a total of £100,000). The £50,000 limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim), please ask at your local branch, refer to the FSCS's website (<http://www.fscs.org.uk>) or call 020 7892 7300.

22. General

We shall not be liable to you for any loss you may suffer if we are prevented from or delayed in providing you with any banking or other services due to strikes, industrial action, failure of supplies or equipment or other causes beyond our reasonable control.

Habib Allied International Bank plc is a subsidiary of Habib Bank Limited. Habib Bank UK Group means Habib Bank Limited and each of its subsidiaries (including Habib Allied International Bank plc).

23. Governing Law and Jurisdiction

The laws of England and Wales govern these terms and conditions. You and we submit to the exclusive jurisdiction of the Courts of England and Wales.



Branches

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London - Green Street

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Autorised and Regulated by the Financial Services Authority