

Savings

Savings terms and conditions

Effective from 12 December 2011

**PRINCIPALITY
BUILDING SOCIETY**

Savings Terms and Conditions ('General Terms')

Please read these **General Terms** together with the **Account Terms**, **Account Brochures** and **Information Leaflets** for your **Account**. If you are applying online, you should read the equivalent information on our **Website**.

These **General Terms** include the **Payment Services** and **Account Specific Terms and Conditions** but do not include the Additional Information section at the end of this booklet. The Additional Information section does not form part of either the **General Terms** or the **Account Terms**.

We strongly advise you to read these General Terms and all applicable Account Terms as you will be legally bound by them.

Definitions

Throughout these terms and conditions, where a word is **emboldened** (including plurals), it means it is defined in the definitions below.

Account means any account you hold with us including any account described as a Bond and any ISA.

Account Brochure means any leaflet or other literature which is intended for retention by actual and potential **Account Holders** and which sets out any features, terms or conditions of an **Account** but shall not include posters, banner advertisements or other similar promotional items or literature.

Account Condition means a term or condition within any set of **Account Terms**.

Account Document means a passbook, certificate, card or any similar item which we designate as an **Account Document**.

Account Holder means a person who is a named holder of an **Account** and **includes Bond Holders** and **ISA Holders**.

Account Information means for any **Account** these **General Terms** together with the **Account Terms**, **Account Brochures** and **Information Leaflets**.

Account Rate means the **Interest** rate applicable to your **Account**.

Account Terms means the terms applicable to an **Account** which are made up of any **Account Specific Terms & Conditions** for that **Account**, any terms & conditions contained in the **Account Brochure** and other terms & conditions specific to that **Account**.

Account Year means a 12 month period commencing on the date your **Account** opens (see **General Condition 1**) and ending at 23:59 on the day before the anniversary of that date.

Annual Interest means **Interest** paid annually.

Bank means a provider of **Payment Services** (including building societies), whether or not the particular provider is legally a bank or building society.

Bank Rate means the Bank of England Repo rate or if that rate ceases to be available any rate we may select to replace it.

Bond means an account where you invest your money for a fixed length of time, which may have a fixed interest rate, a variable rate or a combination of both types of rate.

Bond Holder means a person who is a named holder of a Bond.

Business Day means Monday to Friday excluding any Bank Holidays or other public holidays in Wales.

Charges means **Service Charges** and **Cost Related Charges**.

Cost Related Charges means charges for certain cost-related transactions relating to your **Account**.

Customer Contact Centre means our centre through which we can be contacted and the details of which are set out in the 'Contacting Us' section of 'Additional Information', page 44.

Dormant means the status of an Account which has not had any payment made to it, or withdrawal from it, for a period of 5 years and where the **Account Holder** cannot be traced as set out in **General Condition 101-103**.

Framework Contract means the Payment Services Terms and any other terms in these General Terms that relate to **Payment Services**.

General Condition or **General Term** means any term or condition of these **General Conditions** and **General Terms**.

Gross Interest means **Interest** paid without income or other tax being deducted from it.

HMRC means Her Majesty's Revenue and Customs and any successor body or bodies responsible for the levying and/or collection of tax in the United Kingdom.

Includes means a statement that provides example(s) but does not cover every possibility, eventuality or example and shall be read as if followed by the words 'but not limited to'.

Individual means a natural person and does not include any incorporated bodies or unincorporated associations including clubs, societies or charities.

Information Leaflets means the supplementary leaflets containing information about operation of **Accounts** including our 'Your Savings Guide', 'Savings Rate Guide', 'Tariff of Charges' and 'Customer Complaint Procedure' leaflets.

Interest means interest earned on your **Account** balance.

Internet Account means **Accounts** where transactions can only be operated online or by secure message.

Investment means a payment into your **Account**.

ISA means an Individual Savings Account as set out in the ISA Regulations.

ISA Holder means a person who is the named holder of an ISA.

ISA Regulations mean the Individual Savings Account Regulations 1998 (as amended) together with any associated Regulations and any applicable rules, guidance or notes produced by **HMRC** or other government body from time to time.

ISA Year means the year from 6 April to the following 5 April and is the same period as the tax year.

Joint Account means an **Account** held jointly by 2 or more **Account Holders**.

Member means a Member of Principality Building Society.

Monthly Interest means **Interest** paid on a monthly basis (see **General Condition 39**).

Net Interest means **Interest** paid after deduction of income tax and any other applicable taxes.

Payee means the person to whom a payment is intended to be made.

Payee's Bank means a **Bank** that holds the account that the **Payee** intends to be credited.

Payer means a person making a payment to you.

Payer's Bank means the **Bank** from which a Payer's payment is made.

Payment Account means an **Account** offering **Payment Services**.

Payment Instrument means your **Account Document** or any other personalised means of making or collecting payments to or from your **Account** (including a personalised set of procedures we have agreed with you, such as a password).

Payment Order means an instruction from you to us to carry out a **Payment Transaction** relating to your **Account**.

Payment Services means services such as paying cash into and drawing cash out of your **Account** and making electronic payments into and out of your **Account** with your authority given by electronic means but does not include payments authorised by cheque, banker's draft, a paper-based voucher or a paper postal order.

Payment Term means a term or condition of the Payment Services Terms.

Payment Transaction means a payment, transfer or withdrawal of funds to or from your **Account**.

Principality Agency means an agent of ours who is authorised to undertake business including accepting **Investments** on our behalf.

PSR means the Payment Services Regulations 2009 as amended or superseded from time to time.

Reference Rate means a rate of interest or other applicable rate specified in a publicly available source which you and we can both verify.

Required Investment means amount(s) you are required to invest into a Regular Saver Bond or other similar **Account** designed for and requiring regular **Investment**.

Reversion Rate means an **Account Rate** equivalent to the **Account Rate** applying to the bottom tier of our Instant Access Account or the nearest equivalent **Account** then available. Where an **Account** is an ISA Account the **Reversion Rate** will be the **Account Rate** applying to the bottom tier of our Variable Cash ISA or the nearest equivalent ISA then available.

Rules means our Membership rules, copies of which can be requested from our branches, **Customer Contact Centre** or **Savings Department** and are available on our **Website**.

Savings Department means our Members' Services Savings Department and the details of which are set out in the 'Contacting Us' section of 'Additional Information', page 44.

Service Charges means charges we make for additional services on your Account that you request.

You/your refers to an **Account Holder**.

We/us/our refers to Principality Building Society.

Website means our website at www.principality.co.uk or such other address as we may notify to you.

General Terms

Opening Accounts

1. **Accounts** will only be opened once we are satisfied with any proof of address and/or identity we may require and when any other **Account** opening requirements we may have are satisfied.
2. We reserve the right to refuse at any time and without giving notice or reasons for our refusal any application to open an **Account** and/or any further deposits into or withdrawals from an existing **Account**.

Membership of Principality

3. To open an **Account** you must be resident in the United Kingdom (excluding the Channel Islands and the Isle of Man) for tax purposes, or if not a resident you must be a Crown employee serving overseas or married to or in a civil partnership with a Crown employee serving overseas.
4. If you are an **Individual** when you open an **Account** you will become a **Member**.
5. Your Membership will cease if you no longer hold any **Accounts**.
6. When you open a **Joint Account** only the first named **Account Holder** will be the representative joint shareholder as set out in the **Rules**.
7. Where an **Account** is opened by anything other than an **Individual** it will not confer any Membership rights.
8. Our **Rules** contain the terms which govern the relationship between us and you as a **Member** including your rights and obligations as a **Member**.

Charitable Assignment

9. Since 6 June 2000, new investors opening an **Account** which entitles them to Membership have been required to assign any future windfall benefits they are entitled to, to the Charities Aid Foundation (a charity).
10. Once you have been a continuous **Member** for 7 years, you will no longer be required to assign any windfall benefits to the Charities Aid Foundation and any benefits will revert directly to you.
11. If at any time after you have completed the 7 year qualifying period, you cease to become a **Member**, **General Condition** 10 will no longer apply to you. Your previous period of Membership will not be counted when calculating your length of Membership if you become a Member again at a later date.

Joint Account Holders

12. Where the **Account Terms** allow it you may open an **Account** as a **Joint Account** with up to 3 other people.
13. Unless the **Account Terms** say otherwise any maximum or minimum balance for an **Account** will be the same whether you hold that **Account** in your name alone or as a **Joint Account**.
14. When opening a **Joint Account** the **Account Holders** must tell us whether the **Account** can be operated by any one **Account Holder** alone or whether it must be operated by two or more joint **Account Holders** acting together. This arrangement cannot be changed once the **Joint Account** is operational unless all joint **Account Holders** agree to the change and tell us about it in writing.
15. Unless the **Account Terms** say otherwise money in a **Joint Account** belongs to all the **Account Holders** jointly and unless you have told us otherwise any one **Account Holder** can withdraw the entire balance in the **Joint Account** on their own. Where entitled by law or regulation to do so, we may also use money held in a **Joint Account** for set-off against any amount due to us from any of the individual **Joint Account Holders**. Please see **General Condition** 96 for further details.
16. Further to **General Condition** 6 the joint **Account Holder** who is named first in our records will be the joint representative shareholder for the purposes of the Principality's Rules.
17. Joint ownership of a **Joint Account** and the original instructions for its operation will continue regardless of any divorce or separation of or dispute between the joint **Account Holders**, unless this is changed by a court order. We will only agree to freeze a **Joint Account** for withdrawal purposes if you send us a written instruction that is signed by:
 - 17.1. the number of joint **Account Holders** who are required to sign to make withdrawals; or
 - 17.2. one joint **Account Holder** if withdrawals from the **Joint Account** can be made with a single signature.
18. Subject to **General Condition** 91 only one annual **Account** statement will be produced each year for a **Joint Account** and that statement will be sent to the address of the first named joint **Account Holder**. Any further statements provided will be treated and charged as copy statements unless the **Account Holders** have previously requested that we provide two or more of them with separate statements and each of those **Account Holders** has a different address registered with us.
19. On proof of the death of any joint **Account Holder** the only interest or ownership in the **Joint Account** we will recognise will be that of the surviving joint **Account Holder(s)** and they will continue to be able to operate the joint **Account** on the same terms as

previously applied to them (subject to any modification in the number of **Account** signatories required as a result of the death of the deceased joint **Account Holder**).

Change of Name or Address

20. You must tell us in writing (but not by email) if you change your name, address, telephone number or email address and produce evidence of the changes if we require it.

Operating your Account

Account Documents

21. If we give you an **Account Document** it will remain our property and must be returned to us (whether to be brought up to date or for any other purpose) whenever we ask for it.
22. Where an **Account** has any **Account Document** you must produce it when requesting any withdrawal (including closure) unless the **Account Terms** permit withdrawal without production of the **Account Document**.
23. You must tell us immediately if you discover that an **Account Document** is missing. Once you have provided us with any evidence of the loss and given us any indemnity and provided any other documentation we may require, we will issue you with new **Account Document(s)**. Please also see **General Conditions** 59 to 62.
24. Only persons expressly permitted by us to do so may make entries in **Account Documents** and you may not do so yourself.
25. You must check your **Account Document** regularly and tell us as soon as possible if there are any entries which appear to be incorrect or which you do not understand.

Paying-in Cash and Electronic Payments

26. When money is deposited into your **Account** by cash payment over the counter or by electronic transfer you will be able to withdraw that money immediately after we receive it.

Paying-in Cheques

27. In most instances we only accept and pay cheques that are less than 6 months old. Some cheques may be valid for a shorter or longer period and, where that is the case, we will apply the appropriate time limit.
28. When you pay a cheque into your **Account** we have to allow for the cheque clearing cycle which is operated centrally between **Banks** and not directly by us. The cycle usually takes 4 **Business Days** but may take longer and so money invested by cheque can be withdrawn from the 6th **Business Day** (excluding the day of deposit) after deposit. Please also see **General Condition** 48 if you have a **Payment Account** and the 'Additional Information' section, page 42.

Making Cheques Payable to Us

29. To help reduce the risk of fraud and assist in ensuring that cheques reach your **Account**, when making cheques payable to us you are required to complete cheques as follows:

Principality Building Society, re [your name], Account Number [your account number].

e.g. 'Principality Building Society, re John Smith, Account Number 123456789'.

30. It is particularly important to comply with **General Condition** 29 when you ask a third party to pay in a cheque on your behalf.

Minimum and Maximum Balances

31. Unless the **Account Terms** say otherwise, if your **Account** balance falls below any minimum required balance, we will close the **Account** and we reserve the right to refuse any withdrawal request that reduces your balance below any minimum required balance or at our option to reduce any requested withdrawal so that the minimum required balance is maintained.
32. We reserve the right to refuse to accept or to limit any **Investment** that would result in your **Account** balance exceeding any maximum balance permitted for the **Account**.
33. Unless the **Account Terms** expressly allow you to do so you are not permitted to overdraw any **Account**.

Interest

34. Unless the **Account Terms** say otherwise you will earn **Interest** from the day we receive your **Investment** in cash. If you make an **Investment** by cheque, you will earn **Interest** from, and including, the 2nd **Business Day** (excluding the day we receive your **Investment**) after we have received your **Investment**.
35. We pay **Interest** on money invested with us up to but excluding the day you withdraw it.
36. Different **Accounts** have different **Interest** payment options and depending on the **Account Terms** you may be able to choose to have **Interest** added to your **Account**, to be paid into another Principality **Account** or to be transferred by direct credit into another UK building society or bank that is able to accept payments by electronic transfer. Please see individual **Account Terms** for details of the **Interest** payment options available with that **Account**.
37. Unless the **Account Terms** say otherwise **Interest** on all **Accounts** is calculated daily.
38. When **Interest** is paid annually for the year ended 31 December, we will pay it on the following 1 January. If other **Interest** payment dates apply this will be stated in the **Account Terms**.

39. If **Interest** is paid monthly we will pay **Interest** either:

39.1. one month after your **Account** being opened and then monthly after that; or

39.2. on the 1st **Business Day** following the end of the first complete calendar month after your **Account** is opened (in which case we will include **Interest** for any period between your **Account** opening and the start of that first calendar month) and on the 1st **Business Day** of each calendar month after that.

Please see the **Account Terms** for details of which monthly payment arrangement (if any) applies to an **Account**.

40. Where you choose to have your **Monthly Interest** paid by direct credit transfer to an account with another UK bank or building society this payment will be subject to a minimum of £5 being payable. Where less than £5 is due to you the amount due will become payable to you at the next **Interest** payment date where the total **Interest** then due to you is more than £5.

41. We normally pay **Interest** as **Net Interest** as required by **HMRC**. We may be able to pay **Gross Interest** but this is subject to that being allowed, a completed Form R85 and any required certification being provided to us and/or any other requirements for payment of **Gross Interest** being fully complied with.

42. Where the requirements for payment of **Gross Interest** are complied with, we will pay you **Gross Interest** unless and until you or **HMRC** tell us that income or other tax must be deducted from your **Interest** before it is paid to you.

43. Each year we will supply **HMRC** with details of the **Interest** we have paid you and in order to determine whether there is any liability for tax at the higher rate, the amount of **Interest** actually paid or credited to you must be included in your annual income tax return.

Withdrawals and Account Closure

44. Subject always to **General Condition** 33 unless the **Account Information** says otherwise and provided there is sufficient money in your **Account**, you can withdraw up to £500 in cash or £120,000 by cheque each day from any of our branches. If you want to withdraw more than £120,000, this will require written confirmation from you and will be dealt with via our **Savings Department**.

45. Other withdrawal methods, where available, may be subject to **Service Charges**. Withdrawal/closures may be made by same day CHAPS (telegraphic transfer) payments and will incur a **Service Charge** the amount of which will be set out in our 'Tariff of Charges' leaflet current at the time of request.

46. When you make a withdrawal, you must produce your **Account Document** if it is requested (see **General Condition** 22).

47. You must provide an example of your signature when we ask for it and we are entitled to refuse to complete any transaction if you fail to do so or where we consider that the signature provided does not match any record we may have of the signature for the **Account** on which the transaction is requested.

48. Withdrawal of money invested by cheque will be allowed on the 6th **Business Day** after receipt of your cheque (not including the day we receive it) unless the cheque is paid into a **Principality Agency** or the cheque is returned unpaid or otherwise not honoured by the **Payer**.

49. We can only stop payment of a cheque we have provided to you at your request if we receive written authority from the **Payee** and the **Account Holder**.

50. We will return to you a cheque you received but which was returned unpaid after reducing your **Account** balance to take account of the unpaid cheque, where necessary.

51. If you send us written notice of a withdrawal or closure of your **Account**, the notice period for that withdrawal or closure begins when we receive the notice. If you do not withdraw money or close your **Account** within 14 days of the notice expiring, a further period of notice will be required.

52. You might not receive the advertised **Account Rate** for your **Account** if you make a withdrawal.

53. We reserve the right to refuse or limit any withdrawal request made in circumstances where the **Account Terms** do not permit or limit withdrawals.

54. Provided you give us any notice required by the **Account Terms** you can close your **Account** at any time and without giving any reason unless the **Account Terms** do not permit this.

55. Where your **Account Terms** allow the **Account** to be closed or withdrawals from the **Account** made by giving up **Interest** instead of providing the required period of notice and you have chosen to give up **Interest** but the **Interest** you have earned or which has been credited to your **Account** is less than the amount of **Interest** you are required to give up, we may deduct the difference between the **Interest** earned and the **Interest** you are required to give up from the amount in your **Account** prior to that withdrawal or closure. If the balance in your **Account** is less than the total of all **Charges** and/or **Interest** due to us and you hold other **Accounts** with us, we may at our option exercise set-off under the terms of **General Condition 96** or where you do not hold any **Accounts**, we may retain the balance in your **Account** until such time as sufficient **Interest** has accrued to your balance so that the total will cover the **Charges** and/or **Interest** due to us and you will not be permitted to make further withdrawals.
56. In the event that a withdrawal request is subject to a deduction under **General Condition 55** and the remaining balance in your **Account** after that deduction is such that either withdrawal of the amount you requested will reduce your remaining balance below any minimum balance required for the **Account**, or the resulting **Account** balance is less than the withdrawal amount requested, we will advise you of the fact and if you wish to proceed with the transaction, we will make the deduction, pay you the remaining balance and then close your **Account**.
57. Provided that we give you such notice as we consider reasonable in the particular circumstances, we can repay all or any part of your **Account** balance at any time, without giving any reason, where we consider that it is reasonable to make that repayment.
58. Where **Bank Rate** changes and 30 days after that change the gross **Account Rate** on your **Account** is more than 3% below **Bank Rate** and continues to be so at the date when you close the **Account**, then provided your **Account** has a variable **Account Rate** and requires a period of notice to close or does not allow closure, you can close that **Account** without notice or loss of **Interest** even where this would not usually be permitted.

Payments

Please also see the '**Payment Services Terms**' section, page 23.

Your Liability - Payment Instruments

59. Unless **General Conditions 60** or **61** apply, your liability for losses in respect of unauthorised payments from your **Account** is limited to a maximum of £50 where:
- 59.1. your **Payment Instrument** has been lost or stolen; or
 - 59.2. you have failed to keep the personalised features of your **Payment Instrument** safe and it has been taken, lost, used without your agreement or otherwise used in ways you have not agreed to.
60. You are liable for all losses if you have acted fraudulently.
61. Except where **General Condition 62** applies, you are liable for all losses if you have intentionally or with gross negligence failed to comply with your obligations to keep the personalised features of your **Payment Instrument** safe.
62. Unless you acted fraudulently, you are not liable for losses in respect of unauthorised payments:
- 62.1. made after you have told us about a loss, theft or unauthorised use; or
 - 62.2. if we have failed to provide appropriate means for you to tell us about such matters.

Our Liability - Payment Transactions

63. If we have carried out a **Payment Transaction** in connection with your **Account** that you did not authorise, we must, within a reasonable period:
- 63.1. refund the amount of the payment to you; and
 - 63.2. restore your **Account** to the state it would have been in if we had not made the payment (for example, by making up **Interest** lost or removing charges).
64. Subject to **General Condition 67**, if you ask us to make a payment from your **Account** and it is not properly made (so that the payment is not received by the **Payee**), we must without undue delay:
- 64.1. refund the amount of any payment made to you; and
 - 64.2. restore your **Account** to the state it would have been in if we had not made the payment (for example, by making up **Interest** lost or removing charges) unless we can prove that the amount of the payment was received by the **Payee's Bank**.

65. If we can prove that the **Payee's Bank** did receive a payment we will not be liable to you under **General Condition 64** or otherwise in respect of that payment and the **Payee's Bank** must then take steps to correct the mistake.
66. Subject to **General Condition 67**, if a **Payer** gives their **Bank** an order to make the payment to your **Account** but that **Payment Transaction** is not carried out properly, we are not liable to you unless that **Payer's Bank** can prove that we received the amount of the payment. In that case we must:
- 66.1. immediately make the amount of the payment available to you; and
- 66.2. credit the amount of the payment to your **Account**.
67. When you ask us to make a **Payment Transaction**, you must ensure that you provide the information we have asked you to provide and that the information you provide is correct so that we can carry out the **Payment Transaction** properly. If the information is not correct, **General Conditions 64 to 66** do not apply but:
- 67.1. we must make reasonable efforts to recover the money involved; and
- 67.2. we may make a reasonable charge for the costs of doing so and any such charge will reasonably correspond to our actual costs.
68. We are not liable to you for failing to carry out a **Payment Transaction** properly if this was because of abnormal and unforeseeable circumstances beyond our control, the consequences of which we could not have avoided.

Changes to your Account

69. We can change any terms and conditions, **Charges** and **Account Rates** applying to particular **Account(s)** at any time, except where the **Account Terms**, these General Terms or the **Account Brochure** say otherwise. A change in the terms and conditions may mean that a term is added, removed or altered and a change in **Charges** or **Account Rate** may mean an increase to or reduction of **Charges** or **Account Rate**.

Changes to Terms & Conditions

70. We may change the terms and conditions applicable to any **Account** (other than those relating to changes in **Account Rates** where **General Conditions 73 to 79** apply and changes to **Charges** which are dealt with in **General Conditions 80 to 87**) for any one or more of the following reasons:
- 70.1. to reflect, in a reasonable way, changes in the practice of other financial institutions which offer savings accounts to customers;
- 70.2. so that we are better able to attract and retain savers and borrowers;
- 70.3. to improve efficiency (which may include reducing costs);

- 70.4. to take account of changes in technology;
- 70.5. to reflect changes that we reasonably make in the way we look after your **Account(s)** or in the way we offer savings services and facilities to our **Members** generally;
- 70.6. because our administrative costs and charges have increased or reduced or we reasonably believe they are likely to do so;
- 70.7. so that we can meet the requirements of our regulator;
- 70.8. to reflect the law, regulatory guidance or the regulatory system governing us, any applicable code or decision by an ombudsman or any changes to any of the same;
- 70.9. to make our terms and conditions easier to understand and to correct errors;
- 70.10. to allow us to harmonise terms and conditions should we acquire the investment accounts of or take over or merge with another provider of investment accounts; or
- 70.11. if it is necessary for us to make changes to maintain our financial soundness and/or to protect the overall interests of our **Members**.
71. In addition to the reasons listed in **General Condition 70**, we may also change the terms and conditions applicable to any **Account** for any other valid reason where we reasonably believe it is appropriate to do so.
72. Changes made pursuant to **General Conditions 70 or 71** may be made in the following ways:
- 72.1. if we think the change improves a service or provides an additional service or benefits you in any other way, it may be introduced with immediate effect and without notice. We will publish the details in our branches within 3 **Business Days** of the change. They will also be available from our **Customer Contact Centre** and on our **Website**. We will publish the details of a change which is neither to your advantage nor to your disadvantage in a similar way; or
- 72.2. if the change is to your disadvantage, we will tell you about it by personal written notice at least 30 days before we make the change. At any time up to 60 days from the date of the notice you can switch your **Account** or close it without giving us notice in advance and without having to pay any extra charges or without losing any **Interest** due up to the date of switching or closure.

Changes to Account Rates

73. We may reduce any **Account Rate** for any one or more of these reasons:
- 73.1. because there has been or we reasonably believe there is likely to be a reduction in the **Bank Rate** or in interest rates generally offered by other providers of savings accounts with whom we compete;
 - 73.2. because the cost to us of borrowing funds has increased or we reasonably believe it is likely to do so;
 - 73.3. because we need to reduce the interest rate charged on our mortgages to attract and retain business from borrowers;
 - 73.4. because our administrative costs and charges have increased or we reasonably believe they are likely to do so;
 - 73.5. so that we can meet the requirements of our regulator;
 - 73.6. to reflect the law, regulatory guidance or the regulatory system governing us or any decision by an ombudsman or any changes to any of the same;
 - 73.7. to allow us to harmonise the interest rates we pay to all **Members** should we acquire the investment accounts of or take over or merge with another provider of investment accounts; or
 - 73.8. if it is necessary for us to make changes to maintain our financial soundness and/or protect the overall interests of our **Members**.
74. Subject to **General Condition 75**, we will give you personal notice of a reduction in any **Account Rate** made for one of the reasons listed in **General Condition 73**:
- 74.1. a reasonable time before the change takes effect, if the change is material; or
 - 74.2. in any other case, as soon as we can.
- We will regard a change as material if it involves a reduction of more than 0.25% or more on an **Account** balance of £500 or more on one occasion or a reduction of more than 0.50% in any 12 month rolling period.
- In deciding what a reasonable time is, we will take account of the period of notice you would have to give to close your **Account**. In deciding whether a change is material we will have regard to the size of the balance on your **Account**, the size of the change in the **Account Rate** and any industry guidance approved or confirmed by our regulator.
75. We are not obliged to give you advance notice of a reduction in an **Account Rate** if the **Account Rate** is calculated by reference to a **Reference Rate**. In that case we may make a change resulting from a change in the **Reference Rate** immediately, but we must still tell you about it as soon as we can.

76. In addition, we may also reduce any **Account Rate** for any other valid reason, where we reasonably believe that it is appropriate to do so. If we do, we will give you notice a reasonable time before the change takes effect (as explained in **General Condition 75**) and if the change is to your disadvantage, we will tell you about it by personal written notice at least 30 days before we make the change. At any time up to 60 days from the date of the notice you can switch your **Account** or close it without giving us notice in advance and without having to pay any extra charges or without losing any **Interest** due up to the date of switching or closure.
77. Where we reduce any **Account Rate** for one or more of the reasons set out in **General Conditions 73** or **76**, we will ensure that the reduction is no greater than is justified by the reason or reasons for making it.
78. We will give notice of any increase in any **Account Rate**:
- 78.1. by general notice published within 3 **Business Days** of the change in our branches and through our **Customer Contact Centre**, together with advertisements in The Times, The Western Mail, The South Wales Evening Post, South Wales Echo, South Wales Argus and Daily Post and/or such other newspaper(s) or media as we consider appropriate; or
 - 78.2. by letter or other personal notice.
79. All changes will appear on our **Website** within 3 **Business Days** of the change.

Changes to Charges

80. We may charge you **Cost Related Charges** and/or **Service Charges** where appropriate and deduct those **Charges** from the amount in your **Account(s)**. If there are insufficient funds in your **Account** to pay the **Charge(s)**, we may close the **Account** or if you have funds in another **Account** we may deduct those **Charges** from that other **Account** in accordance with **General Condition 96**.
81. The **Cost Related Charges** will reflect our business expenses and costs which may include:
- 81.1. the cost of staff employed for the work in question;
 - 81.2. a reasonable proportion of our total costs of our:
 - 81.2.1. directors' time;
 - 81.2.2. property, computer and operating costs;
 - 81.2.3. central costs; and
 - 81.2.4. branch network costs.

82. We may introduce new **Cost Related Charges** or increase existing **Cost Related Charges** because our administrative costs and charges for doing the work or providing the service concerned, have increased or we reasonably believe that they are likely to do so.
83. We are not obliged to provide you with the services for which we charge **Service Charges** and we may change the list of services charged for or the **Service Charges** from time to time. In exercising the power to change a **Service Charge**, we will give you notice of any change at least 30 days before the change takes effect and only increase a **Service Charge** if we reasonably need to do so in order to:
- 83.1. manage our business prudently and/or reasonably profitably by responding to changes or expected changes in other costs which are outside our control and/or external circumstances affecting our business;
- 83.2. fund steps to maintain or improve our competitive position overall against other financial service providers and/or our ability to attract and retain customers generally;
- 83.3. meet an increase in our costs which we reasonably decide to take into account;
- 83.4. to reflect the law, regulatory guidance or the regulatory system governing us or any decision by an ombudsman or any changes to any of the same;
- 83.5. allow us to harmonise the **Service Charges** charged to all **Members** if we acquire the investment accounts of or take over or merge with another provider of investment accounts;
- 83.6. make changes to maintain our financial soundness and/or protect the overall interests of our **Members**.
84. If we do introduce a new **Charge** or increase an existing **Charge**, we will tell you about the change not less than 30 days before it takes effect by letter or other personal notice.
85. If we introduce a new **Charge** or increase an existing **Charge** we will ensure that the new **Charge** or the increase is no greater than is justified by the reason(s) for introducing or increasing the **Charge**.
86. If we make a change that abolishes a **Charge** or reduces the amount of an existing **Charge**, we may do so with immediate effect and without notice.
87. For a full list of **Service Charges** and **Cost Related Charges** (also referred to as 'Other Charges') please refer to our 'Tariff of Charges' leaflet available on request in all our branches, on our **Website** or directly from our **Customer Contact Centre**.

Cooling-off Period

88. If you are not happy about your choice of **Account** and you tell us so within 14 days (as set out in **General Condition 89**) we will help you switch your **Account** to another **Account** or close your **Account**. We will ignore any notice period or extra charges and if you close the **Account** we will give you your money back together with any **Interest** it has earned.
89. To exercise your right under **General Condition 88**, you must give us written notice or notice in another way which enables us to store it and reproduce it within a 14 day period starting on the day you open your **Account** or the day you receive your **Account Terms** and other pre-contract information from us, if later. Your notice will be in time if you send it within the 14 day period.
90. **General Condition 88** does not apply to **Accounts** with an **Account Rate** which is fixed for a period of time unless the **Account** is an ISA with an **Account Rate** which is fixed for a period of time.

Annual Statements

91. We will only send you annual statements if your **Account** is not operated by a passbook, if the **Account Terms** say that we will or in any other case if you specifically ask us to do so.
92. If your **Account** is operated by a passbook, the passbook will be updated with details of any **Net Interest** earned if paid into this **Account** following the end of the **Account Year** or as specified in the **Account Terms**. Passbooks can be updated in any branch or by sending them to our **Savings Department** (please see the 'Contacting Us' section in 'Additional Information', page 44).
93. If you do not usually receive an annual statement, you may request one by providing details of your **Account** at any branch, by calling us on 0845 0450 452 or by writing to our **Savings Department** (please see the 'Contacting Us' section in 'Additional Information,' page 44).
94. If you ask us for a copy of a statement we will provide you with one within a reasonable time and we may agree with you to provide statements at more frequent intervals than annually, but in either case we may charge you for doing so. Any such **Charge** will reasonably correspond to our actual costs.

Other Interests in the Account

95. Other than the interest of the **Account Holder(s)** we do not have to recognise any interest in or claim to any money held in an **Account** nor will we be liable in any way for failing to recognise such an interest or claim, unless we are required to do so by law.

Retention and Set-Off

96. The law gives us a right of 'set-off' over all **Accounts** you hold with us. This means that where you owe us money (whether under a mortgage, loan, guarantee or otherwise) but have not paid it when it has become due, we can take money from any **Account** you hold with us (including, in some circumstances, any **Joint Account**) and use that money to pay off some or all of what you owe to us. We will usually write and tell you when we intend to apply set-off to your **Accounts** unless we reasonably believe that you will take steps to prevent us from doing so. Any money used for set-off will no longer belong to you and so you will not be entitled to have that money repaid to you.

Availability of Accounts

97. We reserve the right to stop making any **Account** or **Accounts** available to new customers and/or to suspend or cancel the ability to make further **Investments** in an **Account** or **Accounts** at any time and without notice.

Death of an Account Holder

98. For conditions applicable to **Joint Accounts** please see **General Condition 19**.

99. Where an **Account** has only one **Account Holder** and that **Account Holder** dies the **Account** may be closed without notice or penalty.

100. **Interest** accruing after the date of the **Account Holder's** death will be subject to deduction of tax at the appropriate rate.

Dormant Balances

101. If you cannot be traced after reasonable enquiry and you have not made any payment to, or withdrawal from, your **Account** and we have not otherwise heard from you for a period of 5 years commencing from the end of any fixed rate period for the **Account**, your **Account** will be treated as **Dormant** and you will no longer receive statements.

102. Treating your **Account** as **Dormant** can prevent fraud and protect your privacy, by not letting confidential information go to an address you have left, but the money in your **Account** remains yours. You will find information about tracing **Dormant Accounts** in the 'Lost Savings? - How Building Societies help you find your lost savings' leaflet at any of our branches. You can also find further information on our **Website** or at www.mylostaccount.org.uk

103. We participate in the statutory scheme for 'Lost accounts' which allows unclaimed balances to be used for the public good. That means that after 15 years the money in a **Dormant Account** may be transferred to a company that administers such funds and it will no longer belong to you. However, if you contact us you can still reclaim through us a sum equivalent to the amount that was in your **Dormant Account**.

Service of Notices

104. You will be taken to have received any letter or other personal notice 4 **Business Days** after we have posted it to you.

105. If we accidentally fail to:

105.1. send you a communication intended for our **Members** generally or a category of our **Members** including you; or

105.2. display a notice in any of our branches or make it available via our **Customer Contact Centre**; or

105.3. otherwise fail to comply (whether fully or in part) with **General Condition 78** this will not make the notice invalid.

Viewing your Accounts online

106. You may by going to our website at www.principality.co.uk, register to view any of your **Accounts** online even if those **Accounts** are not **Accounts** which may be operated and managed online.

107. If you do this, you must:

- Keep any activation code, password or memorable word secret and not write down or record this information.
- Keep any activation codes in a safe place.
- Notify us immediately on 0845 1307 630 if you believe that the security of your information has been compromised.
- Not access your **Account** information online in a public place, where it can be seen by others.

108. We reserve the right to suspend use of any of your **Accounts** without giving you a reason (if to give you a reason would compromise our security measures or be unlawful) if we have reasonable belief that the security of any of your **Accounts** has been compromised by use of this facility.

Account Information – Order of Precedence

109. The **Account Information** for an **Account** is to be read and applied in the following order:
- a. **General Terms**;
 - b. **Payment Services Terms**, page 23;
 - c. **Information Leaflets**;
 - d. **Account Terms**, page 32; and
 - e. **Account Brochure**
110. The elements of **Account Information** for an **Account** shall apply in the order they appear in **General Condition** 109 commencing with the **General Terms** and in the event of any conflict between any parts of the **Account Information** each element shall prevail over the elements that precede it (e.g. **Payment Services Terms** shall prevail over **General Terms** and **Account Terms** shall prevail over both the **Payment Services Terms** and the **General Terms**).

Applicable Law and Language

111. The law governing our contractual relationship with you is the law of England and Wales.
112. The language in which we have supplied the terms and conditions of your **Account** is English. During the life of your **Account** we will communicate with you in English and/or Welsh (where possible), if you ask us to.

Payment Services Terms - Introduction

We offer **Payment Services** as a feature of some of our **Accounts** which are **Payment Accounts** (listed below). This section of the **General Terms** sets out the terms and conditions which apply to **Payment Services** ('**Payment Services Terms**') and gives some information about those **Payment Services**.

These **Payment Services Terms** apply to all **Payment Accounts**.

These **Payment Services Terms** give effect to the Payment Services Regulations (**PSR**) 2009 which are intended to ensure that you receive clear information about **Payment Services** and your and our rights and obligations. They set out what the **PSR** calls a **Framework Contract** for **Payment Services**.

The **Payment Services Terms** will apply if we provide you with **Payment Services**, even if your **Account** is not one of the **Payment Accounts** listed below.

The following **Accounts** are **Payment Accounts**:

- Instant Access Account,
- e-SAVER Account,
- Postal Account,
- Children's Account (unless the **Account** is for a fixed period and/or has limited withdrawals).

This list is non-exhaustive and we may introduce new **Accounts** with **Payment Services** in the future.

Payment Services Terms - General

1. These **Payment Services Terms** apply to **Payment Services** (as defined in the **PSR**).
2. These **Payment Services Terms** apply as set out in **General Condition** 109.
3. The **Framework Contract** governing the **Payment Services** we offer is set out in these **Payment Services Terms** together with the terms relating to **Payment Services** elsewhere in the **General Terms**.
4. If there is a conflict between the **General Terms** and these **Payment Services Terms**, these **Payment Services Terms** shall apply.
5. In these **Payment Services Terms** '**Payment Term**' means a term or condition of these **Payment Services Terms**.
6. These **Payment Services Terms** and all **Payment Instructions** and **Payment Transactions** are subject to **General Conditions** 2, 32, 44, 53 and 96.

Operating your Account

7. A person takes the first step in a particular **Payment Transaction** by giving a **Payment Order** for that transaction to take place (whether or not it is part of a series of **Payment Transactions** already authorised by the other party to the transaction).
8. When money is transferred into your **Account** by a cash payment over the counter or is paid in electronically, we must ensure it is available to you immediately we receive it.
9. You authorise a **Payment Transaction** in relation to your **Account** when you consent:
 - 9.1. to that **Payment Transaction** being carried out; or
 - 9.2. to a series of **Payment Transactions** being carried out, if the particular **Payment Transaction** is one of the series.
10. You must consent to a **Payment Transaction** before it is carried out, unless you and we agree afterwards that you consented to it. The consent must be given in an agreed form and by an agreed procedure.
11. You may withdraw your consent to a particular **Payment Transaction** at any time before the point at which you lose the right to revoke a **Payment Order**.
12. You may revoke a **Payment Order** at any time before we receive it, except that:
 - 12.1. you may not revoke a **Payment Order** for a Direct Debit after the end of the **Business Day** before the day for making the payment;
 - 12.2. where we have agreed with you a future day for payment (as explained in **Payment Term 20.3**), you may not revoke a **Payment Order** after the end of the **Business Day** before the day agreed for payment.
13. You may revoke a **Payment Order** after the time set out in **Payment Term 12** if we agree and, where the **Payee** takes the first step in the transaction, the **Payee** also agrees.
14. We may make a reasonable **Charge** if you revoke a **Payment Order**.
15. You must use an agreed form and an agreed procedure which we will advise to you to revoke a **Payment Order**.
16. Any **Charges** we make in connection with **Payment Transactions** are set out in our 'Tariff of Charges' leaflet applying at the relevant time.

Time for carrying out Payment Transactions

17. Except where **Payment Term 18** applies, if you give us a **Payment Order** requiring us to make a payment from your **Account** to a **Payee**, we must ensure that it is credited to the relevant account at the **Payee's Bank**:
 - 17.1. by the end of the **Business Day** following the time of receipt of the **Payment Order**.
18. If you give us a **Payment Order** on paper, we have an extra **Business Day** in which to make the payment. (For example, this **Payment Term 18** will apply if you write to us with your instructions).
19. If you have an **Internet Account**, then where you instruct us to transfer money from your linked account by Direct Debit to credit your **Account**, the following timeline will apply:
 - Day 1 - we receive notification of your request (subject to **Payment Term 20**).
 - Day 3 - we request the funds from your paying **Bank**.
 - Day 5 - we receive funds and credit your **Account** immediately.
20. The time of receipt of a **Payment Order** is the time when we actually receive it, except that:
 - 20.1. if that is not on a **Business Day**, the **Payment Order** will be treated as received on the next **Business Day**;
 - 20.2. if we have agreed with you in advance that we will act on the **Payment Order** on a specific day, or on the last day of a certain period, or on the day on which you have put funds at our disposal, the time of receipt is treated as the day agreed. If that day is not a **Business Day**, the order is treated as received on the following **Business Day**;
 - 20.3. we have a cut-off time for **Payment Orders**, meaning that a **Payment Order** received after the cut-off time is treated as received on the following **Business Day**. The cut-off time for branch-based transactions is 15:30 and the cut-off time for online transactions is 16:30.

Information about Payment Transactions

21. If you have a passbook, it will be updated with information about individual **Payment Transactions** when you visit a branch or if you post it to our Head Office address which can be found in the 'Contacting Us' section of 'Additional Information', page 44.

22. If you have an **Internet Account**, you can access an online transactional statement which includes information about particular payments by clicking on the 'Account activity' heading when logged into your **Account**.
23. We will also give you information about individual **Payment Transactions** if you request this in a branch or by contacting our **Customer Contact Centre**.
24. The additional information we provide will:
 - 24.1. enable you to identify each **Payment Transaction** and the person to whom the payment was made or from whom it was received;
 - 24.2. specify the amount of the payment, the amount of any related **Charges** and **Interest** and the date of the payment; and
 - 24.3. give you any further details we are required to give under the **PSR**.
25. If you ask us, we will provide duplicate information about past **Payment Transactions** but we may make a reasonable **Charge** for the costs of doing so.
26. If you ask us before taking the first step in a **Payment Transaction**, we will tell you the maximum time we will take to carry out the **Payment Transaction** and will give you details of any **Charges**.

Use of Payment Instruments

27. You must use your **Payment Instrument** as set out in the **General Terms** and take all reasonable steps to keep its personalised features safe.
28. You must tell us without undue delay and in the manner set out in the **General Terms** if you become aware of the loss, theft, misappropriation or unauthorised use of your **Payment Instrument**.
29. Subject to **Payment Term 30**, we may stop your use of a **Payment Instrument** if we reasonably suspect this is necessary:
 - 29.1. to protect its and/or your security; or
 - 29.2. because of suspected unauthorised or fraudulent use of it.
30. We will tell you if we intend to stop your use of a **Payment Instrument** before we take steps to do so or (if we cannot do so) immediately afterwards and give our reasons, unless **Payment Term 31** applies.
31. We are not obliged to give you the information referred to in **Payment Term 30** if to do so would compromise reasonable security measures or would be otherwise unlawful.
32. If we do stop your use of a **Payment Instrument**, we must allow you to use it again or replace it with a new **Payment Instrument** as soon as practicable after the reasons for stopping its use cease to exist.

Refusal of Payment Orders

33. We may refuse to carry out a **Payment Order** if:
 - 33.1. any term or condition of this **Framework Contract** has not been satisfied;
 - 33.2. **General Conditions 2, 32, 44, 53 and 96** apply; or
 - 33.3. it would be unlawful to carry it out.
34. If we refuse to carry out a **Payment Order**, we must tell you, as set out in the **General Terms** as soon as possible, and in any event before the time for carrying out the order specified in **Payment Terms 17 to 20**:
 - 34.1. that we refuse the order and, if possible, the reasons for doing so;
 - 34.2. how to correct any factual mistakes which led us to refuse the order.
35. If we refuse to carry out a **Payment Order**, the **Payment Order** is treated as not having been received, so that we will not be liable to you under **Payment Terms 37 to 45** for not carrying it out properly.

Your Liability on Payment Instruments

36. The terms, conditions and requirements of **General Conditions 59 to 62** which relate to unauthorised payments from your **Account** apply equally to unauthorised **Payment Transactions** made using your **Payment Instrument**.

Our Liability on Payment Transactions

37. If we have carried out a **Payment Transaction** you did not authorise and you comply with **Payment Term 38**, we must immediately:
 - 37.1. refund the amount of the payment to you; and
 - 37.2. restore the debited **Account** to the position it would have been in if we had not made the payment (for example, by making up **Interest** lost or removing **Charges**).
38. You must tell us without undue delay when you become aware of an unauthorised **Payment Transaction** and in any event within 13 months of the date on which the payment was debited.
39. **Payment Term 38** does not apply if we have failed to comply with an obligation under the **PSR** to provide you with information or to make it available to you.

40. Subject to **Payment Term 45**, if you give us a **Payment Order** requiring us to make a payment and it is not carried out properly (so that the **Payee** does not receive the specified amount) and you comply with **Payment Term 43**:
- 40.1. if you ask us to do so, we must make immediate efforts to trace the **Payment Transaction** and tell you what we find out; and
- 40.2. we must without undue delay:
- 40.2.1. refund the amount of any payment made to you; and
- 40.2.2. restore the debited **Account** to the position it would have been in if we had not made the payment (for example, by making up **Interest** lost or removing **Charges**) unless we can prove to you and, if relevant, to the **Payee's Bank**, that the **Payee's Bank** received the payment in accordance with **Payment Terms 17 to 20**;
- 40.3. if we can prove that the **Payee's Bank** did receive the payment in accordance with **Payment Terms 17 to 20**, we have no liability to you (the **PSR** then require the **Payee's Bank** to take steps to correct the mistake).
41. Subject to **Payment Term 45**, if a **Payee** takes the first step in a **Payment Transaction** and their **Payment Instruction** is not carried out properly, we have no liability to you unless the **Payee's Bank** can prove that their **Payment Instruction** was transmitted correctly to us and we made a mistake. In that case, if you have complied with **Payment Term 43** we must, where appropriate and without undue delay:
- 41.1. refund to you the amount of any payment made in error; and
- 41.2. restore the debited **Account** to the position it would have been in if we had carried out the **Payment Transaction** as instructed (for example, by making up **Interest** lost or removing **Charges**).
42. Subject to **Payment Term 45**, if a person who wants to make a payment to you gives their **Bank** an order to make the payment but the **Payment Transaction** is not carried out properly, we have no liability to you unless that person's **Bank** can prove that we received the amount of the payment when we should have done. In that case, if you have complied with **Payment Term 43** we must:
- 42.1. immediately make the amount of the payment available to you; and
- 42.2. credit the amount of the payment to the **Account** into which it should have been paid.
43. You must tell us without undue delay when you become aware of a **Payment Transaction** which has not been carried out properly and in any event within 13 months of the date on which the payment was debited.

44. **Payment Term 43** does not apply if we have failed to comply with an obligation under the **PSR** to provide you with information or to make it available to you.
45. When you give us a **Payment Order**, you must ensure that you provide correctly the information we have asked you to give us to enable us to carry out the **Payment Transaction** properly. If the information is not correct, **Payment Terms 40 to 44** do not apply but:
- 45.1. we must make reasonable efforts to recover the money involved;
- 45.2. we may make a reasonable **Charge** for the costs of doing so.

Changes to the Framework Contract

46. If we make any changes to the terms of the **Framework Contract** other than changes to the **Account Rate** for your **Account**, we will tell you about the changes by personal written notice at least 60 days before the changes take effect.
47. We will also give you 60 days' personal written notice of any reduction in an **Account Rate** for a **Payment Account** unless **Interest** is calculated by reference to a **Reference Rate**. In that case we may make a change resulting from a change in the **Reference Rate** immediately, as set out in the **General Terms**, but we must tell you about it as soon as possible.
48. We will also give you 60 days' personal written notice of any changes in the information we have given you about the **Framework Contract**.
49. You will be treated as accepting any changes we tell you about in accordance with **Payment Term 46** unless you tell us you do not agree before the changes take effect. If you do so, you may terminate the **Framework Contract** and close your **Account** at any time before the changes take effect.
50. We will not charge you for exercising your right under **Payment Term 49**.

Terminating the Framework Contract

51. You may terminate the **Framework Contract** and close your **Payment Account** by giving the period of notice required to close your **Payment Account** under the **General Terms**, or one month's notice if shorter.
52. Subject to **Payment Term 53**, we may terminate the **Framework Contract** and close your **Payment Account** on giving you at least two months' notice.
53. We may terminate the **Framework Contract** and close your **Payment Account** immediately if you commit a breach of contract giving us the right to end our agreement to provide you with **Payment Services** or you use your **Payment Account** to carry out fraudulent activity or if the **Framework Contract** is otherwise unenforceable or void under the general law.

Unavoidable Contraventions of the PSR

54. We are not liable to you for failing to comply with any requirement of the PSR:
- 54.1. which results from abnormal and unforeseeable circumstances beyond our control, the consequences of which we could not avoid;
 - 54.2. which results from other obligations we have under European or national law.
55. **Payment Term 54** overrides any other provisions of the **Framework Contract**.

Further Information about Payment Services

This further information is correct from 1 November 2009.

Information about Payment Services

Details of the **Payment Services** offered with a particular type of **Account** are set out in the **Account Terms** for that **Account**. The **Account Terms** also tell you what details you have to provide in order for a **Payment Order** to be properly executed, how you have to consent to a **Payment Transaction** and how you can revoke a **Payment Order** while you have the right to do so.

Charges and Rates

Except as set out in the **Payment Services Terms**, the details of our **Charges** in connection with **Payment Services** and details of our **Account Rates** are contained in the 'Savings Rate Guide', **Information Leaflets** or **Account Brochures** (as applicable) and the 'Tariff of Charges' leaflet as referred to in the **General Terms**. Our **Charges** in connection with **Payment Services** reasonably correspond to our actual costs in providing those services. Our **Payment Services** are carried out in sterling unless we agree otherwise. If we do so, we will provide you with all relevant information, including information as to exchange rates, at the time of agreement.

Communications

Communications between us in relation to **Payment Services** will be by the means of communication specified in the **General Terms**. The **General Terms** also contain further information about the way in which and how often we provide information, or make it available, to comply with the **PSR**.

The **Framework Contract** will be concluded in English. We will communicate with you in the language(s) set out in the **General Terms**.

You are entitled at any time while the **Framework Contract** continues to ask us to provide you with the information contained in this 'Further Information' section and with the terms of the **Framework Contract**.

Safeguards

The terms and conditions relating to any **Payment Instrument** you have are contained in the **General Terms**. The **General Terms** also set out how to notify us on becoming aware of the loss, theft, misappropriation or unauthorised use of a **Payment Instrument**.

Duration of Framework Contract

The **Framework Contract** will continue until your **Payment Account** is closed under the **General Terms**, **Account Terms** or the **Payment Services Terms**.

Redress

As set out in the **General Terms**, the law of England and Wales applies to the **Framework Contract**. Details of how to find out about complaints procedures are also given in the 'Additional Information' section, page 42.

Account Specific Terms & Conditions ('Account Terms')

These **Account Terms** must be read in conjunction with any **Account Brochure** applicable to an **Account** and any terms and conditions in such **Account Brochure** will be deemed to form part of the **Account Terms** for that **Account**.

For details of the order of precedence for applying Terms to an **Account** please see **General Condition 109**.

We reserve the right to withdraw any **Account** at any time and without notice. We are not under any obligation to offer any **Account** and inclusion below of **Account Terms** for an **Account** does not guarantee the availability of that **Account**.

Account Terms applicable to all Accounts including Bonds and ISAs

Unless the **Account Terms** say otherwise **Account Conditions 1 to 6** below will apply to all **Accounts**.

1. **Accounts** can only be opened by **Individuals** and are not available to companies, other incorporated bodies, clubs, societies or charities.
2. Where there are any age conditions for **Account Holders** these will be specified in the **Account Terms**.
3. Unless your **Account** is an **ISA** or an **Internet Account** or the **Account Terms** say otherwise you can hold an **Account** either in your name only or as a **Joint Account** but if you hold an **Account** as a **Joint Account** (in which case **General Conditions 12 to 19** will apply) the maximum investment will be the same as the maximum investment that sole **Account Holders** can make.
4. You cannot have your salary paid into any of our **Accounts**.
5. All **Interest** will be calculated daily unless the **Account Terms** say otherwise.
6. **Interest** earned by non-ISA **Accounts** will be paid as **Net Interest** unless **General Condition 42** applies. Provided your **ISA** complies with the **ISA Regulations**, **Interest** earned by it will be paid **Gross**.
7. Subject to the **Account Terms**, **Annual Interest** payments may be added to your **Account**, be paid into another **Principality Account** or paid by direct credit transfer to another UK bank or building society account.
8. Where available **Monthly Interest** can be paid into another **Principality Account** or paid by direct credit transfer to another UK bank or building society account. **Monthly Interest** cannot be added back to the **Account** that produced it.

9. Credit transfers of **Monthly Interest** are subject to a minimum of £5 being payable. Where your **Monthly Interest** is less than £5 that **Interest** will be paid to you in the monthly payment where the total **Interest** due to you is more than £5.
10. Where withdrawals from or closure of your **Account** are permitted on giving a period of notice you must give us the notice specified or where we allow you to give up **Interest** instead of giving the required period of notice you must give up the required amount of **Interest** and the terms of **General Conditions 56 and 57** will apply.
11. **General Conditions 59, 73.2, 77, 89 and 100** and **Payment Terms 49 and 51** apply to all relevant **Accounts** including those where the **Account Terms** state that no closure is permitted.
12. We reserve the right to change the **Account Terms** and **Account Rates** offered for new **Accounts** or to cease offering any **Account** at any time and without notice.
13. **Accounts** will only be **Internet Accounts** where they can only be operated online or by telephone. **Accounts** that you apply for online but which must be opened and/or operated other than online or by secure message are not **Internet Accounts** and will not be subject to the **Internet Account Terms** below.
14. We will write to inform you about your **Account** reaching Maturity. In order to help you decide what to do with your maturing funds, we may inform you about appropriate savings accounts we have available. We will do this even where you have opted not to receive marketing information from us because we believe this is a service you would expect from us.

Instant Access Accounts

(**Accounts** where you can access your money at any time and without having to give notice).

1. Instant Access Accounts can be opened and operated in-branch or by post.
2. You can open an Instant Access Account either in your name or as **Joint Account** with a maximum of four **Account Holders**.
3. Please see the applicable **Account Brochure** for the minimum balance required and maximum balances permitted in Instant Access Accounts.
4. Provided that you keep at least the minimum balance in your Instant Access Account and do not exceed the maximum balance there is no limit on the amount of deposits or withdrawals you can make, subject to our daily withdrawal limit as set out in **General Condition 44**.
5. **Interest** on Instant Access Accounts will be calculated daily and paid annually on 1 January of each year.

Internet Accounts

(**Accounts** where transactions can only be operated online or by secure message).

1. **Internet Accounts** must be opened online and all transactions on them must be online or by secure message. **Accounts** which may be applied for but not operated online are not **Internet Accounts**.
2. **Internet Accounts** are only available to **Individuals** aged 16 or over who are UK resident for tax purposes.
3. **Internet Accounts** can only be held by **Individuals** as sole **Account Holder** and are not available:
 - 3.1 as **Joint Accounts**; or
 - 3.2 for operation by trustees or under any Power of Attorney; or
 - 3.3 If we are unable to confirm your identity and/or current address.
4. It is your responsibility to ensure that your logon details (which are part of your **Payment Instrument**) are kept safe and secure at all times. If you disclose these details to a third party (whether intentionally or unintentionally) you may be liable for any fraudulent activity on your **Internet Account**.
5. We will never ask you to disclose logon details either by phone or email.
6. To operate an **Internet Account** you must have another UK bank or building society account from and to which payments can be made to your **Internet Account**.
7. Please see the applicable web pages for the minimum balance required and maximum balance permitted in **Internet Accounts**.
8. The initial deposit into your **Internet Account** must be made by cheque or direct credit (where available) drawn from an account in your name. This payment must be received by us within 30 days of the application to open your **Internet Account** and if it is not received in that time your **Internet Account** will be closed.
9. Payments into your **Internet Account** may be made by BACS transfer, by CHAPS (telegraphic transfer), by cheque or by setting up a Direct Debit.
10. Withdrawals from your **Account** may be made using either the Faster Payments Service or CHAPS. Faster Payment transfers will only be made to a verified linked account. Withdrawals made by Faster Payments are limited to a maximum of £10,000 per transaction up to a daily limit of £100,000 per **Internet Account**. Single payment transactions over £10,000 or in excess of the £100,000 daily limit will be sent by CHAPS and will be subject to a charge (please see our 'Tariff of Charges' leaflet for details) which will be deducted from your account balance before the transfer is made. If the balance in your Account is less than the total amount of the transfer charge and the withdrawal you have requested, the amount of the withdrawal will be reduced to cover the transfer charge.

11. To send a CHAPS payment you must send us a secure message and we will then contact you to confirm your instructions and verify the **Payment Order**. We will not send the payment until it has been verified.
12. If you request a single **Payment Order** over £10,000, it will be treated as having been received on a Business Day even if you request it on a non-Business Day. If you request a single **Payment Order** in excess of £10,000 after 12 noon, it will be treated as having been received the following Business Day.
13. Personal data provided by **Account** applicants who are declined will be deleted after 30 days.
14. **Internet Accounts** can only be operated online at www.principality.co.uk and you may contact us by secure message or telephone. You cannot carry out transactions on **Internet Accounts** in our branches and some **Internet Account** transactions may only be available by phone.
15. We may send any communication relating to your **Internet Account** including but not limited to variations to the **Account Term** or **Account Rate** applicable to your **Internet Account**, via the secure area of our **Website**.
16. **Internet Account** statements will be provided annually and will be available to download from the secure area of our **Website**. Details of transactions since the date of your last statement will be available at any time via the secure area of our **Website**.
17. Requests to close your **Internet Account** can only be made via secure message. A cheque for the closing balance (including any **Interest**) will be sent to you at the address registered for the **Account** and confirmation of closure will be sent via secure message.
18. Where you hold your **Internet Account** in an **ISA** the **ISA Account Terms** will also apply to it and in the event of any conflict between the **Internet Account Terms** and **ISA Account Terms**, the **ISA Account Terms** will take precedence over the **Internet Account Terms**.

Accounts for Children

(**Accounts** for Individuals aged under 18 excluding any Junior ISAs offered by us from time to time, which for the avoidance of doubt will not be subject to Conditions 1-9 set out below).

1. **Accounts** for children can be opened and operated in-branch or by post. Please see the **Account Brochures** for further details of the additional **Account** opening requirements applicable to **Accounts** for children.
2. **Accounts** for children are only available to **Individuals** under 18 years old.
3. **Accounts** for children must be held in the name of the child who is the beneficiary of the **Account** as a sole **Account Holder**. It can be run by adult signatories on behalf of the **Account Holder** or where the **Account Holder** is aged between 14 and 17 by the **Account Holder**.
4. Please see the applicable **Account Brochure** for the minimum balance required and maximum balance permitted in **Accounts** for children .
5. Any withdrawals should be in the name of the **Account Holder** or shown to be for their benefit.
6. **Interest** on **Accounts** for children can be paid as **Gross Interest** but a Form R85 will need to be provided to us before we can do so. The Form R85 should be completed by a parent or guardian of the **Account Holder** if the **Account Holder** is under 16 or by the **Account Holder** if they are aged 16 or over. Where an **Account Holder** is under 16 and has previously provided a Form R85 they will need to complete and provide to us a new Form R85 when they reach the age of 16.
7. Where the child who is the **Account Holder** is under 14 years old their **Account** must be managed on their behalf by an adult. Where the child is 14 or over they may manage their **Account** on their own.
8. Unless the **Account Terms** say otherwise, **Accounts** for children will transfer into our Instant Access Account (or its nearest equivalent) on the **Account Holder's** 18th birthday if there is £1 or more in their **Account** and we will write to the **Account Holder** to notify them of that fact at least 14 days before their 18th birthday.
9. Unless the **Account Terms** say otherwise **Interest** on **Accounts** for children will be paid annually on 1 January and will be added to the **Account**.

Postal Accounts

(**Accounts** where transactions may only be undertaken by post).

1. Postal Accounts may be opened by post or at any of our branches but transactions on Postal Accounts can only be undertaken by post.
2. Unless the **Account Terms** say otherwise, there is no minimum age for Postal **Account Holders**.
3. You can open your Postal Account either in your name or as a **Joint Account** with a maximum of four **Account Holders**.
4. You can only hold one Postal Account.
5. Deposits into your Postal Account must be made by cheque, direct credit transfer or transfers from another Principality **Account**.
6. Please see the applicable **Account Brochure** for the minimum balance required and maximum balance permitted in Postal Accounts.
7. You can make withdrawals by sending us a signed withdrawal or transfer request form and your **Account Document**.
8. The Postal Account offers both **Annual** and **Monthly Interest** payment options.
9. Unless the **Account Terms** say otherwise, **Annual Interest** will be paid into your Postal Account on 1 January each year.
10. Unless the **Account Terms** say otherwise, **Monthly Interest** will be paid on a calendar month basis as set out in **General Condition 39.2**.
11. Requests to close your Postal Account can only be made by post.

Notice Accounts

(**Accounts** where notice of withdrawal is required or withdrawals are limited).

Unless the **Account Terms** say otherwise **Account Conditions 1** to 5 below apply to all Notice Accounts.

1. Notice Accounts can be opened and operated in-branch or by post.
2. You can open a Notice Account either in your name or as **Joint Account** with a maximum of four **Account Holders**.
3. Please see the applicable **Account Brochure** for the minimum balance required and maximum balance permitted in your Notice Account.

4. Provided you keep at least the minimum balance in your Notice Account and do not exceed the maximum balance there is no limit on the amount of deposits or withdrawals you can make, subject to our daily withdrawal limit as set out in **General Condition 44** and any applicable **Account Terms**.
5. Where your Notice Account allows immediate withdrawal or closure by giving up **Interest** the terms of **General Conditions 55** and **56** will apply.

Bonds

Account Terms applicable to all **Bonds**.

1. Your **Bond** will begin on the date that your application to open it is accepted by us and will continue until the date specified in the **Account Terms** ('Maturity'). After that the **Account Rate** and **Account Terms** applicable to your **Bond** will be the **Account Rate** and **Account Terms** applicable to our Instant Access Account or its nearest equivalent then available.
2. Please see the applicable **Account Brochure** for the minimum balance required and maximum balance permitted in your **Bond**.
3. Unless the **Account Terms** say otherwise no withdrawals will be permitted prior to the date of Maturity.
4. On Maturity, we will write to ask you what you would like to do with the money in your **Bond**. Until we hear from you the money in your **Bond** will accrue **Interest** at the **Reversion Rate**.
5. All **Bonds** have limited availability and we reserve the right to withdraw them at any time and without notice.
6. Where you operate a **Bond** via our **Website** the **Internet Account Terms** will also apply to it and/or where you hold your **Bond** in an **ISA** the **ISA Account Terms** will also apply to it.

Bonds (Fixed Rate Bonds & Variable Rate Bonds)

(**Bonds** where the term of the **Account** is fixed for a specified period of time).

1. A **Bond** can be opened in-branch, online or by post but can only be operated in-branch or by post.
2. The initial payment to open your **Bond** must be made by cash, cheque, direct credit transfer from another UK bank or building society or by transfer from another **Principality Account** (where allowed by the terms and conditions of that **Account**).
3. After you have opened your **Bond** and while the **Bond** generally remains available for new applications you may make additional payments into your **Bond** as long as the balance in your **Bond** does not exceed the maximum amount allowed. Once the **Bond** is closed to new applications no further deposits may be made into your **Bond**.

4. The **Account Terms** will say when you may receive **Interest** on your **Bond**. Depending on your **Bond** you may be able to choose from various options including monthly, annually or on Maturity.
5. Where the **Account Terms** give you the option of receiving your **Interest** monthly, **Interest** earned in any month will be paid to you either in the following month on the same day of that month as the day of month on which you opened your **Bond** as set out in **General Condition 40.1** or in the following calendar month as set out in **General Condition 40.2** as specified in the **Account Terms**.
6. Where you choose to have **Interest** paid annually or on Maturity it can be added to your **Bond**, paid into another **Principality Account** or be paid to another UK bank or building society by direct credit transfer.

Regular Saver Bonds

(**Bond** requiring regular investment).

1. Regular Saver Bonds can be opened and operated in-branch or by post.
2. In order to qualify for the **Account Rate** as advertised in the **Account Brochure** for your **Bond** you will be required to make between the minimum and maximum **Required Investment** into your **Bond** each month between the date of your **Bond** opening and its Maturity. The amounts of the minimum and maximum **Required Investments** will be set out in the **Account Brochure**.
3. The initial **Investment** into your **Bond** must be made by cash, cheque or by transfer from another **Principality Account** (where allowed by the terms and conditions of that **Account**).
4. Each **Required Investment** after the initial **Investment** must be made by cash, cheque, standing order or transfer from another **Principality Account** (if permitted by the terms of that **Account**).
5. The minimum **Required Investment** needed and the maximum **Required Investment** permitted will be specified in the **Account Terms** and will be the same whether your **Bond** is held in your name alone or as a **Joint Account**.
6. In each calendar month provided that the total monthly **Investment** you make into your **Bond** that month, is at least the minimum **Required Investment** and does not exceed the maximum **Required Investment** in that month, you may make as many **Investments** in your **Bond** as you wish and subject to the minimum and maximum **Required Investments** you may vary the total amount invested each month.
7. If you miss any **Required Investment** or make an **Investment** that is less than the minimum or more than the maximum **Required Investment** you will receive **Interest** calculated at the **Reversion Rate** for the full period between the opening of your **Bond** and Maturity and you will not receive the **Account Rate** set out in the **Account Brochure**.

8. We will provide you with a form to authorise your **Bank** to pay your **Required Investment** by standing order. You must complete and forward this to your **Bank** and it is your responsibility to ensure that your standing order is set up correctly to make the **Required Investments**.
9. If you choose to make your **Required Investment** by standing order it must be set up so that payments leave the paying account on or before the 20th of each month. If a payment is missed as a result of your failure to complete and arrange the standing order mandate with your **Bank**, or as a result of any error on the part of your **Bank**, that payment will be treated by us as a missed payment and **Account Condition 7** of these **Account Terms** will be triggered.
10. The terms of **Account Condition 9** above will not apply if your **Bank** can prove that the **Payment Order** for the **Required Investment** was set up correctly and correctly transmitted to us so that it not being properly credited to your **Bond** was because of our mistake. In that case the **Required Investment** will be treated as having been properly made and we will put your **Bond** back into the state it would have been in, if we had not made the mistake.
11. **Interest** on your **Bond** will be calculated on the daily balance in your **Bond** so that **Interest** on each **Required Investment** will be calculated over the period for which it is actually invested and not the entire period of your **Bond**.
12. **Interest** will be added to your **Bond** on Maturity.
13. No withdrawals from your **Bond** will be permitted prior to Maturity.
14. If you close your **Bond** prior to Maturity (where permitted) you will receive **Interest** calculated at the **Reversion Rate** for the full period between the opening of your **Bond** and Maturity and you will not receive the **Account Rate** set out in the **Account Brochure**.

ISA Account Terms

1. **ISAs** are regulated by central government and the rules governing them (including the applicable investment limits) and/or continued availability may be changed by the government from time to time so the favourable tax treatment may not be maintained. Where there is any conflict between these **Account Terms** and any mandatory provision of the **ISA Regulations** the **ISA Regulations** will take precedence over the **Account Terms**.
2. We will operate all **ISAs** in accordance with the **ISA Regulations** and any subsequent amending regulations.
3. A Cash **ISA** can be opened by anyone who is over 16 years of age and ordinarily resident in the United Kingdom for tax purposes (excluding the Channel Islands and the Isle of Man), or, if not so resident, is either a Crown employee serving overseas or is married to or in a civil partnership with a Crown employee serving overseas.

4. You can only hold an **ISA** as a single **ISA Holder** and **ISAs** cannot be held jointly.
5. You may only subscribe to one Cash **ISA** each **ISA Year** but if you subscribe to a Cash **ISA** you may also be able to subscribe to a Stocks and Shares **ISA** in the same **ISA Year**. Please see the **ISA Regulations** and applicable leaflets and the **ISA Regulations** (which shall prevail over any leaflet) for further information.
6. The maximum **Investment** you are permitted to make in an **ISA** is set by the **ISA Regulations** and may change each **ISA Year**. Please see the applicable **Account Brochure** for the **Investment** permitted and/or required (whether by the **ISA Regulations** or by us) for your **ISA Account**.
7. Your **ISA** will close if you are made bankrupt.
8. Your **ISA** will open on the date we have received both your initial **Investment** and a properly completed **ISA** application form.
9. You may cancel your **ISA** within 14 days of agreeing to open it. If you cancel, we will help you switch to another of our **Accounts** or we will give you all your money back with any **Interest** it has earned.
10. Unless the **Account Terms** say otherwise **Interest** for each **ISA Year** will be added to your **ISA** on the day following the end of that **ISA Year**.
11. Where specified in the **Account Terms** or where you have asked us to do so we will send you an annual **ISA** statement within 30 days of 6 April each year.
12. Provided that you operate any **ISA** in accordance with the **ISA Regulations** and **HMRC** rules **Interest** on it is exempt from income tax and does not need to be included in your annual income tax return.
13. None of the rights you may have in respect of an **ISA Account** may be assigned and these rights cannot be used as security for a loan. Your **ISA Investment** must remain in your beneficial ownership.
14. On your instructions and within the time stipulated by you, an **ISA**, or part of an **ISA**, shall be transferred to another **ISA** manager in accordance with the **ISA** regulations relating to transfers. On your instructions and within the time stipulated by you, all or part of the investments in your **ISA** and the proceeds arising from those investments shall be transferred or paid to you.
15. We will notify you, if by any reason of any failure to satisfy the provisions of the **ISA** regulations, an **ISA** has or will become void.
16. If your **ISA** becomes void, we will transfer it to our Instant Access Account (or its nearest equivalent) and **Interest** will be paid after income tax is deducted. Subject to the required certification being provided by you, **Interest** can be paid **Gross**.
17. If you die, your **ISA** must close. Any **Interest** that is earned after the date of death will be subject to tax at the appropriate rate.

Additional Information

This Additional Information does not form part of the General Terms.

Cheque Clearance Cycle

Refer to the grid below to find the day of the week on which the cheque was invested and then find the next square with an identical pattern and shading to establish when the funds will be available for withdrawal.

Monday paid in	Tuesday paid in	Wednesday paid in	Thursday paid in	Friday paid in	Saturday paid in (not a Business Day and will be banked Monday)	Sunday paid in (not a Business Day and will be banked Monday)
Monday	Tuesday cleared for withdrawal	Wednesday cleared for withdrawal	Thursday cleared for withdrawal	Friday cleared for withdrawal	Saturday	Sunday
Monday cleared for withdrawal	Tuesday cleared for withdrawal	Wednesday	Thursday	Friday	Saturday	Sunday

Interest & Tax Consequences

Receiving **Interest** may affect the special tax relief available to investors aged 65 or over. If you have any concerns about this please consult a specialist tax adviser.

Data Protection

You have the right under the Data Protection Act to see the personal records we hold about you on payment of a fee. Please refer to our 'Tariff of Charges' leaflet. You may obtain a copy of this by visiting any of our branches or by telephoning our **Customer Contact Centre** on 0845 0450 452.

Complaints

We always try to provide an excellent standard of service but if you have cause to make a complaint, details of how you may do this are set out in our 'Customer Care Complaints procedure' leaflet. You may obtain a copy of this by visiting any of our branches or by telephoning our **Customer Contact Centre** on 0845 0450 452. Any complaints we cannot resolve may be referred to the Financial Ombudsman Service.

Investor Protection

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 **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**.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, or refer to the FSCS (website www.FSCS.org.uk) or call 0800 678 1100.

As a customer of Principality Building Society your **Account(s)** are covered unless you are in one of the categories that is ineligible for the scheme. The categories include:

- A large company
- A large partnership
- A large mutual association
- A local, provincial or municipal authority
- A credit institution
- An overseas financial institution
- A pension retirement fund or a trustee of such fund
- A government or central administrative authority
- A firm within the Principality Building Society group
- A person holding 5% or more of the capital of Principality Building Society or any firm in the Principality Building Society group
- The auditors of Principality Building Society or its group
- A person considered responsible for the default of Principality Building Society which triggers the FSCS
- A person whose claim arises from transactions in relation to a conviction they have received for money laundering.

Contacting Us

Depending on your **Account Terms** you may contact us via the following:

Telephone

Customer Contact Centre: Telephone 0845 0450 452

Website

www.principality.co.uk

Writing

Head Office: Principality Building Society, Principality Buildings, Queen Street, Cardiff, CF10 1UA.

Savings Department:

Member Services Savings Dept, Principality Building Society, Principality Buildings, Queen Street, Cardiff, CF10 1UA.



This leaflet is available in large print, Braille and audio tape on request by calling 0845 0450 452.

To help us maintain our service and security standards, telephone calls may be monitored or recorded. Principality Building Society is authorised and regulated by the Financial Services Authority (Authorisation No. 155998). Principality Building Society, Principality Buildings, Queen Street, Cardiff, CF10 1UA. www.principality.co.uk.