

Changes to your Terms and Conditions

Important Information

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July 2010

Changes to Terms and Conditions for Personal and Private Banking

We have made some changes to the following:

- Our '*Personal and Private Banking – Terms and Conditions*' (our '**Terms and Conditions**'); and
- Our leaflets, '*Personal Banking – Charges and Rates of Interest*' and '*Private Banking – Charges and Rates of Interest*' (our '**Fees Leaflets**').

These changes enable us to stop paying interest on credit balances on our accounts.

As part of these changes, we will no longer pay interest on credit balances on the following accounts:

- Royalties Premier;
- Royalties Gold;
- Royalties;
- Interest Paying Current Account*;
- Student Royalties;
- Graduate Royalties;
- Key Account;
- Cash Account; and
- Private Bank Account.

*Our 'Interest Paying Current Account' will be renamed 'Current Account'.

These changes alter the terms of the contract between you and us, and take effect on **22 September 2010**.

We are also making changes to reflect the Payments Council's decision to make an industry-wide withdrawal of the cheque guarantee facility from 30 June 2011. We will be phasing out our cheque guarantee facility from early 2011. This means you will no longer be able to use your card to guarantee the payment of any cheque or to cash a cheque from 30 June 2011, or any earlier date if we personally notify you.

These changes apply to all our Personal and Private Banking accounts unless otherwise stated.

We are also increasing some of our arranged and unarranged overdraft interest rates with effect from **2 August 2010**. Please see the section headed 'Important Information' for further details. If you would like to review the level of your arranged borrowing or seek to agree your borrowing requirement in advance, then please speak to your local branch.

Please read the information in this leaflet carefully and keep it for future reference.

- Section 1 of this leaflet summarises the main changes to our Terms and Conditions and Fees Leaflets.
- Section 2 of this leaflet provides full details of the changes to our Terms and Conditions.
- Section 3 of this leaflet provides full details of the changes to our Fees Leaflets.

If you have any questions or need any further information on how these changes affect you, please contact your local branch.

The updated version of these leaflets will be available on request in your local branch or on our website **www.rbs.co.uk** from **22 September 2010**.

Section 1: Summary of Changes

Main terms being changed in our Terms and Conditions	Summary of change
General Condition 4.3.1 Section A: Conditions of General Application	This has been amended to clarify that not all of our accounts pay you interest on credit balances.
General Condition 15.5.5 Section C: Card Conditions	We have inserted a new General Condition 15.5.5 to reflect the removal of the cheque guarantee facility in 2011.
Account Specific Condition 4 Interest Paying Current Account	Our 'Interest Paying Current Account' has been renamed 'Current Account'.

Main terms being changed in our Fees Leaflets	Summary of change
Section 2 (The price for your banking services)	This has been amended to clarify that not all of our accounts pay you interest on credit balances.
Section 5 (Interest we pay you)	This has been amended to clarify that not all of our accounts pay you interest on credit balances.

Section 2: Detailed Changes to our Terms and Conditions

At Account Specific Condition 4 and throughout the Terms and Conditions, all references to 'Interest Paying Current Account' have been changed to 'Current Account'.

General Condition 4.3.1 has been amended and now reads:

4.3.1 Not all of our accounts pay interest on credit balances. If your account is eligible for interest, we will pay interest on the daily cleared credit balance in your account unless the Account Specific Conditions for your account provide otherwise. Interest on eligible accounts will be calculated and paid in the manner and at the rates set out in our interest rate leaflets, which can be obtained from any branch (for branch based accounts). You can also call 0800 121 129, look on our website www.rbs.co.uk or ask our branch staff.

A new General Condition 15.5.5 has been inserted and reads:

15.5.5 The Cheque Guarantee Scheme will close industry wide on 30 June 2011. This means that from this date the cheque guarantee facility will no longer be valid on any debit cards (irrespective of whether the card still has the cheque guarantee hologram on it). We may however, remove your cheque guarantee facility from any date before 30 June 2011, by personally notifying you.

Section 3: Detailed Changes to our Fees Leaflets

The following changes apply to our *Personal Banking – Charges and Rates of Interest* and *Private Banking – Charges and Rates of Interest* leaflets:

At section 2 (The price for your banking services), the second bullet point has been amended and now reads:

- the interest rates we may pay you when your account is in credit (section 5);

The following changes apply to our *Personal Banking – Charges and Rates of Interest* leaflet:

All references to 'Interest Paying Current Account' have been changed to 'Current Account'.

At section 5 (Interest we pay you), sub-sections '1. Royalties Premier*' and '2. Royalties Gold, Royalties, Interest Paying Current Account, Student Royalties, Graduate Royalties, R21 Account**, Revolve Account, Key Account and Cash Account' have been deleted and replaced with the following:

1. R21 Account** and Revolve Account

Type of Account	Gross Rate %	AER %	Net Rate %
R21 Account	0.80%	0.80%	0.64%
Revolve Account	0.55%	0.55%	0.44%

2. Royalties Premier*, Royalties Gold, Royalties, Current Account, Student Royalties, Graduate Royalties, Key Account and Cash Account

These accounts do not pay interest on credit balances.

At section 5 (Interest we pay you), the sub-section 'Calculation and application of Interest' has been amended and now reads:

Interest is calculated on a daily basis and paid into your account once a month, usually the day after we send your statement to you.

The following changes apply to our *Private Banking – Charges and Rates of Interest* leaflet:

At section 5 (Interest we pay you), sub-section '4. Private Bank Account' has been amended and now reads:

4. Private Bank Account

The Private Bank Account does not pay interest on credit balances.

Important Information

Our arranged and unarranged overdraft interest rates will be increased, with effect from **2 August 2010**, as follows:

Type of account	Old Nominal monthly rate %	Old Nominal annual rate %	Old EAR % typical variable	New Nominal monthly rate %	New Nominal annual rate %	New EAR % typical variable
Royalties Private						
All amounts	0.97	11.61	12.25	1.16	13.96	14.89
Private Bank Account						
All amounts	1.42	17.09	18.49	1.49	17.94	19.49
Royalties Gold						
All amounts	1.32	15.80	17.00	1.48	17.73	19.24
Royalties						
All amounts	1.40	16.84	18.20	1.49	17.94	19.49
Current Account (previously known as the Interest Paying Current Account)						
All amounts	1.48	17.73	19.24	1.52	18.28	19.89
Accounts which are no longer on sale						
Royalties Premier						
All amounts	1.06	12.73	13.50	1.16	13.96	14.89
Revolving Budget						
All amounts	1.48	17.73	19.24	1.52	18.28	19.89

Our unarranged overdraft interest rates will be increased, with effect from **2 August 2010**, as follows:

Type of account	Old Nominal monthly rate %	Old Nominal annual rate %	Old EAR % typical variable	New Nominal monthly rate %	New Nominal annual rate %	New EAR % typical variable
Accounts which are no longer on sale						
Gold Cheque						
All amounts	1.48	17.73	19.24	1.52	18.28	19.89
Private Banking Current						
All amounts	1.42	17.09	18.49	1.49	17.94	19.49
Personal Current						
All amounts	1.48	17.73	19.24	1.52	18.28	19.89

The Nominal Annual Rate is the simple annual cost of an overdraft not taking into account how often interest is charged over the year. The Nominal Monthly Rate is the simple monthly cost of an overdraft not taking into account how often interest is charged over the month. The Effective Annual Rate of Interest (EAR) is the real annual cost of an overdraft stated as an annual rate, which takes into account how often interest is charged to the account. All other charges, for example, arrangement fees, are shown separately from the EAR.

