



**Terms of Business for Intermediary Partners**

**Introduction**

At **Clydesdale Bank** our aim is to build strong relationships with our **Intermediary Partners** that are focussed on delivering the best outcomes for you and your **Customers**. Being clear about what you can expect from us and what we expect from you is the foundation for achieving this.

These are our terms of business with you and it is important that you read them. They will apply to every **Application** for a **Virgin Money Product** or a **Clydesdale Bank Product** submitted by you through any of our **Application Processes**.

These terms set out how we will pay **Procurations Fees**.

These terms replace any previous agreement that you may have had with us for submitting **Applications**.

**Meanings of words and phrases**

Throughout these terms and this agreement the following words or phrases in **bold** have the meanings given to them in this section:

**Advisor** means any individuals authorised to submit Applications to us (and whether they are employed or appointed by your firm).

**Advisor credentials** means any password, user name or other unique identifier (or combination of them) that is issued by us to enable your Advisors to submit Applications by any Application Process and which allows us to identify your Advisor.

**Applicable Regulation** means all laws, regulations, orders, directions and industry codes of practice in the UK that relate to advice and the sale of an

applicable Clydesdale Bank Product including, without limitation, FSMA, Mortgage Credit Directive Order 2015, the FCA Handbook, the Money Laundering Regulations 2007 and UK data protection laws.

**Appointed Represented** means an authorised person (within the meaning of section 31 of the FSMA), who or which has entered into an agency contract with the Mortgage Network Partner and / or any legal entity or person which is an appointed representative (as defined in section 39 of FSMA) of the Mortgage Network Partner.

**Application** means any application that is sent to us on behalf of a Customer for any Clydesdale Bank Product by any Application Process under these terms.

**Application Process** means any of the methods, platforms, software applications, websites or application forms that we (or a third party on our behalf) may specify and make available to you from time to time as the means of submitting Applications to us.

**Club** means a mortgage club of which You are a member and which Clydesdale Bank has existing arrangements with for the payment of Procurations Fees.

**Clydesdale Bank** means Clydesdale Bank PLC (trading as both Virgin Money and Clydesdale Bank), a company registered in

Scotland with company registration number SC001111 and whose registered office is at 30 St Vincent Place, Glasgow, G1 2HL.

**Clydesdale Bank Products** means any of the Clydesdale Bank branded financial services products that we either provide, promote or intermediate and make available for distribution through our Networks, Clubs and Intermediary Partners from time to time. These include:-

- Regulated Mortgage Contracts
- Buy to Let Mortgage Contracts
- Consumer Buy to Let Mortgage Contracts
- Retention Products

**Customer** means the individual or individuals who have appointed you to make an Application on their behalf.

**Data Protection Laws** means to the extent applicable to the performance of obligations under this agreement, the Privacy and Electronic Communications (EC Directive) Regulations 2003, the retained version of the General Data Protection Regulation 2016/679 as it applies in the UK from time to time and all national implementing legislation including the Data Protection Act 2018 and all other Applicable Legislation relating to data protection and privacy.

**Data Controller,  
Process, Processor,  
Processing and**

**Personal Data** shall have the meanings set out in Data Protection Laws.

**FCA** means the Financial Conduct Authority (or any successor body).

**FCA Handbook** means the FCA's handbook of rules and guidance made under FSMA.

**FSMA** means the Financial Services and Markets Act 2000.

**Intermediary Partner** means a sole trader, partnership, limited liability partnership or limited company who is an intermediary that is directly authorised by the FCA in accordance with Section 31 FSMA and who we have agreed can submit Applications to us.

**Lending Policy** means the Clydesdale Bank lending criteria from time to time and that we make available to Intermediary Partners and their Advisors.

**Network** means a network of Appointed Representatives for whom the network takes responsibility and which Clydesdale Bank has existing arrangements with for the payment of Procurement Fees.

**Nominated Payment Route** means the Club or the Network that you have nominated to receive your Procurement Fee through.

<b>Our Materials</b>	means all materials including branding, logos trade marks, specifications or data supplied by us to you.	<ul style="list-style-type: none"> <li>- Regulated Mortgage Contracts</li> <li>- Buy to Let Mortgage Contracts</li> <li>- Consumer Buy to Let Mortgage Contracts</li> </ul>
<b>Permissions</b>	means any permissions, consents, authorisations, registrations or licenses required under FSMA, the Mortgage Credit Directive 2015 or any other Applicable Regulation.	<ul style="list-style-type: none"> <li>- Retention Products</li> </ul>
<b>Procuration Fee</b>	means any fee, commission or other amount that we may pay to you for any Application that is accepted by us and we proceed to provide the Customer with a Clydesdale Bank Product.	
<b>Tools and Sales Aids</b>	means any of the information, guides, applications, calculators or similar that we provide or make available from time to time to Intermediary Partners and their Advisors and which are intended to provide you with information, assistance and guidance to you in making Applications for Clydesdale Bank Products.	
<b>Virgin Money Products</b>	means any of the Virgin Money branded financial services products that we either provide, promote or intermediate and make available for distribution through our Networks, Clubs and Intermediary Partners from time to time. These include:-	
		<p><b>Vulnerable Customer</b> means someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.</p> <p><b>We, our and us</b> means Clydesdale Bank.</p> <p><b>You and Your</b> means you acting as our Intermediary Partner under these terms.</p> <p><b>1. Our relationship with You</b></p> <p>1.1 We are pleased to appoint you to our panel of Intermediary Partners. This means that you may submit and we may accept Applications to us for Clydesdale Bank Products and Virgin Money Products subject to these terms. Your appointment is on a non-exclusive basis and we and you are free to enter into similar arrangements with others.</p> <p>1.2 These terms will apply and be agreed to each and every time you or any of your Advisors submit any Application.</p> <p>1.3 These terms do not oblige us to accept any Application from you, or your Advisors and we may decline to accept any Application at any time for any reason.</p> <p>1.4 These terms shall not be deemed to constitute or evidence any partnership or joint venture between Us and You or any agency on either party.</p> <p>1.5 We may vary or replace these terms and this agreement by giving you written notice (including by email) or by a notice on our intermediary website at any time.</p> <p>1.6 You can find the up to date Terms of Business for Intermediary Partners on our intermediary website.</p> <p><b>2. Your general responsibility for all Applications submitted</b></p>

2.1 In relation to any Application submitted to us you are agreeing with us that:-

(a) You have and will maintain all necessary Permissions to submit the Application on behalf of the Customer.

(b) Your Advisor is authorised by you to submit the Application.

(c) You and your Advisors are instructed and authorised by the Customer to make the Application as agent of the Customer.

(d) You have verified and obtained evidence of the identity of the Customer in accordance with all Applicable Regulation and will supply us with evidence of this upon request and whether or not we also take steps ourselves to verify this.

(e) You have assessed the particular Clydesdale Bank Product or Virgin Money Product in an unbiased manner as suitable for the needs of the Customer and having regard to their best interests. You will have processes and procedures for identifying customers which are consistent with any FCA expectations.

(f) You are responsible for any advice given to the Customer in relation any Application.

(g) You have not withheld any information or documentation that may be reasonably considered material to any Application and any information or documentation supplied is true and accurate to the best of your belief.

(h) You have or will have carried out your obligations in relation to any Application in accordance with Applicable Regulation and have exercised the reasonable skill and care expected of an Intermediary Partner in accordance with good industry practices.

(i) You have complied with our requirements under any Application Process and any specific requirements we have under these terms in relation to particular Clydesdale Bank Products or Virgin Money Products.

(j) You will ensure that card payments made to us on behalf of a customer are processed in accordance with PCIDSS standards or any standards which replace these from time to time.

(k) Where applicable you will disclose to the Customer the existence and amount of any Procurement Fee we may pay for any Application.

2.2 In relation to any Advisors you agree that:-

(a) You have taken appropriate steps to verify the background, experience and qualifications of all Advisors.

(b) All Advisors are adequately trained, skilled and competent to submit business in accordance with Applicable Regulation, good industry practices and any written procedures you have provided to them.

(c) All Advisors will submit Applications in accordance with these terms of business.

(d) We will issue Advisor Credentials to those individual Advisors whom you confirm are authorised to conduct business on your behalf under these terms and in accordance with our Advisor registration processes from time to time.

(e) You will advise us immediately if you terminate your relationship with any Advisor to whom we have issued Advisor Credentials.

(f) You will advise us if any particular Advisor is not authorised by you to submit Applications for any particular category of Clydesdale Bank Product or Virgin Money Product.

### **3. Your responsibility for particular categories of Applications**

3.1 In addition to your general responsibilities for all Applications under clause 2 of these terms you agree that in relation to the following categories of mortgage Applications you have or will have complied with the following requirements :-

#### **Regulated Mortgage Contracts (RMCs)**

(a) Identify that the Customer requires an RMC having regard to their circumstances and the intention of the Customer or a related person to occupy the property as a dwelling;

(b) Identify that the Application is consistent with our published Lending Policy having regard to any Tools or Sales Aids we make available;

(c) Issue the Customer with all documentation and information you are required to provide under the FCA Handbook in connection with the Application;

(d) Complete the Application fully and in accordance with our Application Process including obtaining any signed declarations we require.

#### **Buy to Let Mortgage Contracts (BTL MCs)**

(a) Identify that that the Customer requires a BTL MC having regard to their circumstances and the intention of the Customer for the property to be occupied as dwelling on the basis of a rental

agreement and not to be occupied as a dwelling by the Customer or a related person;

(b) Identify that the Application is consistent with our published Lending Policy having regard to any Tools or Sales Aids we make available;

(c) Complete the Application fully and in accordance with our Application Process including obtaining any signed declarations we require.

#### **Consumer Buy to Let Mortgage Contracts (CBTL MCs)**

(a) Identify that that the Customer requires a CBTL MC having regard to their circumstances and

the intention of the Customer for the property to be occupied as a dwelling on the basis of a rental agreement and not to be occupied as a dwelling by the Customer or a related person;

(b) Identify that the Application is consistent with our published Lending Policy having regard to any Tools or Sales Aids we make available;

(c) Issue the Customer with all documentation and information you are required to provide in connection with the Application under Schedule 2 to the Mortgage Credit Directive Order 2015;

(d) Complete the Application fully and in accordance with our Application Process including obtaining any signed declarations we require.

#### **Retention Products**

We may make available from time to time a range of products and Application Process that is intended to give you the option of making an Application for a further product for any Customer who holds an existing Clydesdale Bank Product or Virgin Money Product. Where we make Retention Products available you will:

(a) Identify that the Customer requires the Retention Product having regard to their continuing circumstances and intentions;

(b) Identify that the Application is consistent with our published Lending Policy having regard to any Tools or Sales Aids we make available;

(c) Issue the Customer with all documentation and information you are required to provide under any Applicable Regulation in connection with the Application

(d) Complete the Application fully and in accordance with our Application Process including obtaining any signed declarations we require.

3.2 We may add to, remove or vary any of our requirements under any Application Process at any time by giving notice to you.

#### **4. Payment of Procurement Fees**

4.1 We will pay you a Procurement Fee for each Application that is accepted by us and which proceeds to legal completion of a Clydesdale Bank Product.

4.2 We will notify you of the current amounts or rates of Procurement Fees we may pay for any Application. We will also notify you in advance of any change to the amounts or rates. Any such amount or rate is inclusive of value added tax ("VAT") if applicable and, in the event that VAT becomes chargeable, you will be responsible for correctly charging and accounting for any VAT liability to HMRC.

4.3 Procurement Fees for Clydesdale Bank Products and Virgin Money Products are paid through your Nominated Payment Route.

4.4 If your Nominated Payment Route is a Club, we will make payment to the bank account nominated by the Club for the purpose of receiving these on your behalf. The Club will be responsible for accounting to you for the Procurement Fee less any deductions you have agreed with the Club.

4.5 If your Nominated Payment Route is a Network, we will make a payment to the bank account nominated by the Network for the purpose of receiving these on your behalf. The Network will be responsible for accounting to you for the Procurement Fee less any deductions you have agreed with the Network.

4.4 We will be entitled to set off any unpaid Procurement Fee against any debt you may owe us.

#### **5. Working together**

5.1 We will help you and your Customers by providing:-

(a) accurate and up to date information about Clydesdale Bank Products, Virgin Money Products, our Lending Policy and our Procurement Fees and advance notice of any changes we make to them or to these terms;

(b) Tools and Sales Aids;

(c) support, information and guidance in relation to our Application Processes;

(d) the opportunity to participate in relevant promotions, initiatives and events we may organise and advise to you from time to time;

(e) timely information about our current service levels.

5.2 You will help us by:-

(a) Complying with your responsibilities under clauses 2 and 3 above;

(b) Making and retaining full and accurate records in relation to every Application for every Customer and in accordance with all Applicable Regulation;

(c) Advising us promptly of any error made by us in paying or failure to pay any Procurement Fee;

(d) notifying us immediately in writing of any changes to your circumstances such as change of address, trading name or style or reorganisation of your business or any change or restriction to your Permissions;

(e) notifying us immediately if you receive any instruction, direction or request from the FCA in relation to any of the activities of you or any Advisor have carried out under this agreement.

5.3 We will help each other by:-

(a) dealing promptly and openly with any issue or question that arises between us in relation to this agreement;

(b) complying with our respective obligations under this agreement and the Applicable Regulation, working together where necessary to ensure compliance.

## 6. Confidentiality

6.1 We and you shall only disclose such Confidential Information to the other party as is necessary for the exercise of that party's rights, or the performance of its obligations, under this Agreement.

6.2 Each party undertakes that it shall not during the term of this agreement or at any time thereafter use, divulge or communicate to any person, except its employees, professional representatives or advisers or as may be required by law or any legal or Relevant Authority, any Confidential Information concerning the other party which may have or may in future come to its knowledge and each of the parties shall use its

reasonable endeavours to prevent the publication or disclosure of any Confidential Information.

6.3 For the purposes of this clause, "Confidential Information" means, in relation to a party to which this clause applies, all information relating to this agreement and its existence and to the business, customers, financial or other affairs of that party which is not in the public domain.

## 7. Data Protection

7.1 Some information that you and we hold in relation to any customer or Advisor will be Personal Data for the purposes of UK Data Protection Laws. You and we are each separate Data Controllers in relation to the Personal Data we each hold and process in relation to our respective activities. You and we undertake to comply with the UK Data Protection Laws in all respects as it relates to the Personal Data we both hold and Process as Data Controllers. You and we will keep any information including Personal Data you provide to us or we provide to you as confidential and will not disclose this to any other person unless required to do so by law or where the information is required to be disclosed to our agents or third parties involved in the processing or administration of any Application or the administration of the activities envisaged by this agreement.

7.2 Where either of us is responsible for collecting and transferring Personal Data to the other, each of us shall ensure that (i) we are not subject to any prohibition or restriction which would prevent or restrict us from disclosing or transferring the Personal Data to the other and (ii) that we maintain a record of all processing activities under this agreement.

7.3 You and we will ensure that Personal Data is adequate, relevant and limited to what is necessary for the purposes of performing our obligations under this agreement and you and we will both maintain appropriate technical, security and organisational measures to guard against unauthorised or unlawful access to, or accidental loss of, personal data or confidential information and notify each other without due delay of the occurrence of any such event.

7.4 Each party will provide Customers with information about how they will use their Personal Data as part of the Application process for a Mortgage Product in accordance with UK Data Protection Laws.

7.5 We will use the information provided to us about you and your Advisors for all administrative

purposes associated with the activities envisaged by this agreement including allocating, monitoring and managing Advisor credentials; verification, analysis, and auditing of any Application submitted to us; conducting market research, statistical analysis and marketing plans; keeping you and your Advisors informed about changes to our Products, Processes and Policies; fraud and money laundering prevention; verification and searches against you and your Advisors against public and other databases (including Credit Reference Agencies). Further detail about how we will use Personal Data information is set out in our published privacy policies.

7.6 If you are required to Process any Personal Data as a Processor on our behalf you and we shall enter into an appropriate Processing agreement in compliance with Data Protection Laws

## 8. Intellectual Property Rights

8.1 We grant you a non-exclusive, non-transferable, royalty free licence during the term of this agreement to use Our Materials for the purposes of providing the services set out in this agreement.

8.2 You shall not use Our Materials:

- (a) in a form, lay-out, positioning or context or on or via any medium not specifically approved by us;
- (b) in relation to any goods or services not specifically comprising the services set out in this agreement; or
- (c) in any way other than as specifically provided for under this agreement.

8.3 You shall stop using, or as the we may direct, modify the use of, any or all of Our Materials in relation to any part or parts of the services as soon as reasonably practicable following receipt of written notice us.

## 9. Indemnity, Liability and Insurance

9.1 The parties agrees to indemnify each other in respect of any direct liability, losses, damages or costs (excluding special, indirect or consequential damages or losses or loss of profit or business opportunity) they may suffer or incur arising from any breach by the other (the indemnifying party) of its obligations under or in relation to this Agreement or by reason of any misrepresentation or negligent, tortious or fraudulent act or omission. This is a continuing obligation.

9.2 Nothing in this Agreement shall limit or exclude either party's liability:

- (i) for death or personal injury;
- (ii) for fraud including fraudulent misrepresentation or any criminal act;
- (iii) for liability which may not otherwise lawfully be limited or excluded; or
- (vi) for any breach of Clause 6 (Confidentiality) or Clause 8 (Intellectual Property).

9.3 Subject to Clause 9.2, in no event shall the aggregate liability of us to you under or in connection with this agreement exceed the annual amounts paid or payable by us under this agreement.

9.4 Subject to clause 9.2, in no event shall the maximum liability from you to us for any liability that arises from any breach of clause 7 (Data Protection) exceed £10 million pounds.

9.5 Subject to clauses 9.2 and 9.4, in no event shall your liability to us under this agreement or in connection with the subject matter of this agreement in respect of any event (or series of connected events) of this agreement exceed the greater of : i) £500,000; or ii) 2 times the amounts paid or payable by the Lender under this agreement.

9.6 Subject to clause 9.2, in no event shall either party be liable to the other party under or in connection with this agreement (whether in contract, tort or delict (including negligence) or otherwise) for any consequential loss or indirect loss (including indirect loss of profits, indirect loss due to business interruption, indirect loss due to loss of sales, indirect loss of turnover, indirect loss of opportunity and indirect loss of anticipated savings).

9.7 Throughout the term of this agreement and for six years following termination you will put in place and maintain adequate professional indemnity insurance cover with a reputable insurer to insure all of your liabilities under this agreement. You will provide us with copies of the policy document and evidence of payment of the premium if we request you to do so.

## 10. Audit Rights

10.1 You will allow our representatives, professional advisors or any employee or agent of the FCA (or any other regulatory body) to have access to your files and records and other

information relating to this agreement or any Application for the purposes of quality assurance, compliance monitoring, audit or investigation purposes. In all cases we will give you reasonable notice of our requirements and you will provide all reasonable cooperation and facilities to facilitate such request including allowing copies of information to be made. You will comply at all times with any reasonable request made by us to produce for inspection any information that relates to this agreement.

## **11. Termination**

11.1 This agreement and your appointment to our panel of Intermediary partners may be terminated:

- (a) by mutual agreement at any time; or
  - (b) by either you or us on giving the other 30 days written notice (including by email); or
  - (c) in accordance with clause 10.2 or 10.3 below.
- 11.2 We have the right to cancel this agreement with immediate effect in the case of:
- (a) any material breach of any of these terms by you or your Advisors;
  - (b) any dishonesty, malpractice or fraud committed under the Fraud Act 2006 or otherwise;
  - (c) you engage in any conduct that we reasonably consider to be prejudicial to us or our business;
  - (d) you take any step or action (or are subject to an action) in connection with you entering administration, provisional liquidation or any composition or arrangement with your creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of your assets;
  - (e) you take any step or action (or is subject to an action) analogous or substantially similar to those described in (d) above; or
  - (f) you suspend, or threaten to suspend, or cease or threaten to cease to carry on all or a substantial part of your business

11.3 This agreement will automatically come to an end in the event of.

- (a) your death (if a sole trader);
- (c) (if an individual) you become resident outside the United Kingdom;

(d) (if a company) your ownership or control is materially altered without prior notification to us.

11.4 The provisions of clauses 5.2 (e), 5.3, 6.1, 7, 8, 9 and 10 shall survive after the termination of this agreement.

## **12. Anti-corruption**

12.1 You will comply with all anti-corruption laws and anti-slavery laws, and will put in place and maintain procedures to ensure that you comply with such laws, and will provide details of such procedures to us if we ask for them. You shall promptly provide us with such information, and take such steps, as we may reasonably require to enable us to comply with anti-corruption laws and anti-slavery laws, as these relate to the terms of this agreement.

## **13. Corporate Social Responsibility**

13.1 You acknowledges that our commitment to corporate social responsibility, our commitment to providing an inclusive environment for our workforce and its commitment to maintaining carbon neutrality extends to our global supply base and, accordingly, you agree to conduct your operations at all times in an environmentally and socially responsible manner.

## **14. Vulnerable Customers**

- 14.1 You acknowledge our commitment to ensuring that Vulnerable Customers are treated fairly because Vulnerable Customers are at greater risk of harm and the harm is likely to have a greater impact on them.
- 14.2 You agree to consider the impact on Vulnerable Customers when performing the services under this agreement.

## **15. General**

15.1 If there is a conflict between these terms and the provisions of any other intermediary agreement between you and us, the terms of this agreement will prevail.

15.2 This agreement is governed by and construed in accordance with English law and you and we agree to the exclusive jurisdiction of the English courts.

15.3 Nothing in this agreement confers any rights on a person who is not a party to this agreement by



virtue of the Contracts (Rights of Third Parties) Act 1999.

15.4 This agreement is personal to you and you may not assign, sub contract or transfer all or any of your rights or obligations under it without our prior written consent.

Clydesdale Bank PLC (trading as Clydesdale Bank and Virgin Money). Registered in Scotland (Company No. SC001111). Registered Office: 30 St Vincent Place, Glasgow, G1 2HL. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Clydesdale Bank PLC (trading as Virgin Money). Registered in Scotland (Company No. SC001111). Registered office: 30 St Vincent Place, Glasgow, G1 2HL. Financial Services Register Number 121873. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Credit facilities other than regulated mortgages and regulated credit agreements are not regulated by the Financial Conduct Authority.