

Zempler Bank Overdraft Terms and Conditions

Arranged Overdraft

If we decide not to approve you for an arranged overdraft on the basis of information obtained by us from a credit reference agency, in accordance with our legal obligations, we will tell you this, and we will provide you with the particulars of the relevant credit reference agency.

1. Parties to this agreement

Borrower	[title] [first name] [last name] of [address] and [postcode] (" you ")
Creditor	<i>Company:</i> Zempler Bank Ltd (" Zempler Bank ", " we " or " us ") <i>Address:</i> Cotton Centre, Cottons Lane, London SE1 2QG <i>Telephone:</i> [Zempler Bank UK Customer Services Phone Number]. (Calls to 03 numbers cost no more than a national rate call to an 01 or 02 number and will count towards any inclusive minutes in the same way as 01 and 02 calls. Calls may be recorded) <i>Email:</i> [Email]

2. Your overdraft

- 2.1 This agreement is linked to your Zempler Bank current account terms and conditions.
- 2.2 You may overdraw on your current account within two business days from the date of this agreement, in any sum up to your arranged overdraft limit which is set out in section 2.5. You must manage your account within your arranged overdraft limit. If you try to make a payment that would take your account over your arranged overdraft limit, we may not make that payment.
- 2.3 You may not use this overdraft for the purpose of your business.
- 2.4 This is an open-ended agreement, so it has no fixed duration.
- 2.5 All amounts outstanding under this agreement are repayable in full upon demand by us at any time. This means we can ask you to repay your overdraft (or part of it) at any time. In the event that information comes to our attention which, in our opinion, raises reasonable doubt on your ability to repay to us what you owe, then we may also prevent you from overdrawing further amounts under this agreement. If we do this, we will send you a notice explaining why we have done so.
- 2.6 As at the date of this agreement, your arranged overdraft limit is £[Credit Limit].
- 2.7 All overdrafts are subject to application, affordability and approval. If you want to increase your arranged overdraft limit, please get in touch with us. We will review your arranged overdraft limit regularly and may reduce or remove it based on this review. This might happen, for example, because your personal circumstances have changed. If any changes are to be made to your arranged overdraft limit, we will give you at least 30 days' notice unless we need to take action sooner to protect our interests or for regulatory reasons.
- 2.8 We will monitor your overdraft usage and we will contact you if we think that your overdraft use may result in high avoidable costs or if we think that there are signs that you may be having financial difficulties.

3. **Interest rate and charges**

3.1 ***Interest rate***

- (a) We will calculate interest daily on your overdraft balance and debit it from your account monthly on your statement date (your statement date can be found in Online Banking). We will calculate interest on any part of your overdraft balance that exceeds £5, including any interest previously applied which has not been repaid. This means that we will charge interest on interest (we will compound the interest charges).
- (b) If there is not a positive balance on your account, then any interest will be debited from the overdraft facility. If the statement date falls on a bank holiday or weekend, then the amount will be debited on the next business day.
- (c) Your overdraft interest rate is [Interest Rate]% per annum (variable). For details of when we might vary the interest rate (as well as other terms of this agreement) see clause 6 (Variation) below.

3.2 ***Total charge for credit***

- (a) The total cost of this arranged overdraft facility including interest and any other related cost is £[Total Cost of Credit].
- (b) This cost is calculated on the following assumptions:
 - (i) you borrow up to your arranged overdraft limit immediately and in full for the duration of the overdraft facility;
 - (ii) the duration of the overdraft facility is three (3) months;
 - (iii) you repay the entire overdraft balance in full at the expiry of three (3) months.

3.3 If you ask us to provide any services in connection with this agreement then, apart from those to which you are entitled free of charge by law, we may make a reasonable charge.

3.4 You may have to pay other taxes or costs in relation to this agreement that are not imposed by us or paid through us.

3.5 If you go over your overdraft limit or otherwise breach the terms of your arranged overdraft, we will continue to charge interest at the contractual rate on your balance until you have repaid us in full; and you will have to repay us on demand in respect of any loss reasonably incurred by us (being any costs, claims or expenses reasonably incurred by us or a third party, including reasonable legal costs) in enforcing this agreement or in preserving our rights in relation to it (whether such loss is incurred before or after termination).

4. **Termination**

4.1 This agreement has no fixed duration and it shall remain in force until and unless terminated or cancelled in accordance with clause 16 of the Zempler Bank Current Account terms and conditions.

4.2 Upon expiry of the relevant notice period you must pay to us the outstanding balance owing to us in accordance with the terms of this agreement.

4.3 The agreement will not formally end until you have repaid everything you owe to us under this agreement.

5. Variation

- 5.1 As this agreement has no fixed end date, we cannot predict all of the reasons which could mean that we might change the applicable overdraft interest rate, or other terms of this agreement, but we have set out specific reasons why we might do so below. Any change we make will be reasonably proportionate to the effect of the underlying change to us. We will always ensure that we have a valid reason for making the change (even if it is not one of the reasons set out below). If the change is not to your advantage and you do not want to accept the change, we will let you end the agreement without extra charge.
- 5.2 We may make changes to this agreement, including the interest rates, fees and all other terms, for any of the following reasons:
- (a) to reflect an actual, or reasonably expected, change in our underlying costs so as to ensure that our business is run prudently and maintains a reasonable level of profitability and competitiveness by continuing to earn an acceptable return from providing your account. For example, if the costs to us of providing your overdraft (including how much we have to pay to borrow funds to lend to you when you spend on your account) change, or if we have good reason to expect that they will change, this might mean we review the applicable interest rates;
 - (b) if we reasonably consider that it makes the terms easier to understand or fairer to you or we reasonably consider that the change will benefit you or isn't to your disadvantage;
 - (c) to reflect a change or development in the technology or systems which we or our industry uses;
 - (d) to reflect a change in law, regulation, or industry codes of practice (including where we have a good reason to expect a change) or to reflect a decision by a court, regulator or the Financial Ombudsman Service (or equivalent);
 - (e) where we have good reason to think that a change in your circumstances, or our business circumstances, means that the risk that you might not be able to repay us has increased. We assess this risk by looking at a number of different factors including how you use your overdraft and information we get from credit reference agencies about you; or
 - (f) where we have good reason to think that you are not making sufficient payments to pay your balance down within a reasonable period.
- 5.3 We will tell you about any planned change at least 30 days before we make it, unless the change is not to your disadvantage, when we may give you less notice. We will tell you by including a message in your monthly statement, by writing to or emailing you separately or by sending you a mobile message or via the Online Banking.
- 5.4 If we are increasing the interest rate and you don't want to accept the new rate, you can tell us this within 60 days of us telling you about it. You can then repay what you owe us at the unchanged interest rate, and you will not be able to use your overdraft any further.