

**first direct**

# **Important changes**

to our Individual Savings Accounts  
(ISAs) Terms and Conditions

**Which take effect on 13 January 2018**

## What's in this brochure

We're letting you know about some important changes we're making to the terms for our Individual Savings Accounts (ISAs) and our Banking on the go App Terms and Conditions which will take effect on **13 January 2018**. This brochure explains the changes – please read it carefully and keep it with the terms documents we've already sent you for future reference.

If you'd like a copy of the new terms you'll be able to view or download them from **13 January 2018** by visiting **[firstdirect.com/terms-and-conditions](http://firstdirect.com/terms-and-conditions)** or if you prefer paper, give us a call on the number below after this date and we'll send you one in the post.

## What's changing

Most of these changes cover legal requirements including some changes that apply to all banks around introducing new technology, opening up banking to more competition and helping protect you and your money.

We're also updating some of the names we use so from **13 January 2018**:

- 'Telephone Banking' will be known as 'Phone Banking'
- 'Internet Banking' will be known as 'Online Banking'
- our 'Banking on the go App' will be known as 'Mobile Banking' or 'our App.'

We'll also be moving some of the information around to make our terms simpler and shorter so from **13 January 2018**:

- we're renaming our 'Regular Saver ISA' to 'Cash ISA' so the Cash ISA Terms and Conditions will now apply to this account
- you'll find details about our Online and Mobile banking in our new combined Digital Banking Terms.

## What you need to do

If you're happy with the changes you don't need to do anything, they'll happen automatically. If you don't accept them, you have the option to close your ISA before the changes happen with no charge but we hope you don't need to. Just so you know, if you close your ISA and withdraw your money without transferring it to another provider you'll lose the tax benefits.

## We're here to help

If you have any questions, please give us a call on **03 456 100 100†** and we'll be happy to help.

†Text-phone **03 456 100 147** or if calling from abroad **+44 113 234 5678** (Text Relay **+44 151 494 1260**). For more information on contacting us via BSL video relay service visit **[firstdirect.com/contact-us](http://firstdirect.com/contact-us)**

Because we want to make sure we're doing a good job calls may be monitored and/or recorded, we hope you don't mind.

## Changes to our Individual Savings Account (ISA) Terms

What's changing and where you'll find this in our current terms	How it's changing
<p><b>Contacting you (new)</b></p>	<p>We may record phone numbers you call us from and may use them if we need to contact you urgently.</p>
<p><b>How we'll contact you in an emergency (currently in section 26)</b></p>	<p>We'll make it clearer how we'll use your contact details if we suspect or find fraud or if we have a security threat eg we may try to send you text messages instead of calling you if we think that's the fastest or best way of reaching you.</p>
<p><b>Opening up access to other companies (aka Third Party Providers) (new)</b></p>	<p>We'll include new terms that explain you'll be able to use 'Third Party Providers' (through an App or other online service) to make payments from your account(s), or combine and display information about your account(s) with us and other banks or building societies. If you do, you'll need to keep us informed of any incorrect or unauthorised transactions that happen so we can take steps to stop further misuse of your accounts and arrange any refund you're entitled to.</p> <p>Before you give a Third Party Provider access to your account, it's important you check the information they give you to make sure they're authorised by law.</p> <p>We can refuse access to a Third Party Provider if we're concerned it isn't authorised or we believe it's fraudulent. If that happens, we'll explain why, in whichever way we think is most appropriate at the time ie via text, letter, phone etc unless we believe that would compromise our security or it would be unlawful.</p>
<p><b>Giving you more choice about how you get information like statements (currently in section 25)</b></p>	<p>You can currently find information about your payments, interest and charges via Online, Mobile and Phone Banking, and we can provide regular statements. In our new terms, we'll make it clearer that you'll be able to choose whether you want us to continue as you are or for us to provide a monthly statement.</p>
<p><b>How we'll deal with some international and foreign currency payments and how they can be paid for (currently in section 13)</b></p>	<p>Currently there are different rules and ways you're protected when you make payments in the EEA and in EEA currencies. Our new terms will make it clear when these will also apply to payments you make to other places and in other currencies.</p> <p>We'll also explain that you'll no longer be able to pay charges for anyone you're making a payment to within the EEA.</p> <p><b>European Economic Area (EEA)</b> means all the member states of the European Union, Iceland, Norway and Liechtenstein.</p>
<p><b>Making clear how we deal with foreign cheque payments into your account (currently in section 23)</b></p>	<p>When we apply a foreign cheque payment to your account, we'll convert the amount into sterling using the <b>first direct</b> Exchange Rate. If the foreign bank returns the cheque or asks for the money to be returned, we'll take enough money from your account to cover the payment in the foreign currency, again using the <b>first direct</b> Exchange Rate</p>

## Changes to our Individual Savings Account (ISA) Terms

What's changing and where you'll find this in our current terms	How it's changing
<b>Managing payments into your account (currently in section 5)</b>	<p>We're making it clear that we may refuse to accept a payment into your account where it is reasonable for us to do so, for example if we reasonably believe doing so might cause us to breach a legal requirement.</p> <p>We're also clarifying when payments into your account will count for interest calculation purposes.</p>
<b>Managing payments out of your account (currently in section 12)</b>	<p>We won't make a payment if:</p> <ul style="list-style-type: none"><li>• you've failed to provide any extra identification that we've reasonably asked for</li><li>• you've asked us to make a payment using a method that the recipient's bank does not accept</li><li>• you haven't given us the account or reference details or we know the details you have given us are incorrect</li><li>• we reasonably believe that doing so would cause us to breach a court order that we have to comply with or our legal or regulatory obligations.</li></ul> <p>We'll only refuse to make a payment due to your breach of your terms if we consider the breach to be serious or repeated.</p>
<b>Putting right any mistakes with payments into your account (currently in section 28)</b>	<p>We're clarifying what we'll do when a payment has been made into your account by mistake and introducing changes to reflect new industry standards that help customers who use incorrect payment details to send a payment.</p> <p>If you tell us a payment made from a bank within the EEA was intended for you but the payer says it was made into your account by mistake, we're legally required to share all relevant information including your name and address and transaction information with the bank the payment came from, if they ask us, so that the payer may contact you directly. We're including a term to make this clear.</p> <p><b>European Economic Area (EEA)</b> means all the member states of the European Union, Iceland, Norway and Liechtenstein.</p>
<b>Fixing any mistakes we've made when sending a payment (new)</b>	<p>We'll include a new term to make it clear that if a payment you asked us to make within the EEA doesn't arrive when it should have (normally the business day after we send it from your account), you can ask us to contact the receiving bank and ask them to treat it as if it was made on time.</p>
<b>What happens when you give us the wrong payment details (currently in section 28)</b>	<p>If you give us the wrong details for a payment or you tell us about an incorrect payment more than 13 months after it was made, we won't give you a refund but we'll try to trace it for you if you ask us to. The new terms will make it clear that we may make a reasonable charge to cover the costs of doing this.</p>

## Changes to our Individual Savings Account (ISA) Terms

<b>What's changing and where you'll find this in our current terms</b>	<b>How it's changing</b>
<b>When we might restrict or block access to accounts if we're concerned about security (currently in section 28)</b>	<p>We'll make it clearer that we may need to restrict or block access to your account(s) to protect you and us from unauthorised use. This could include if you haven't taken reasonable steps to protect your account, payment device(s) (any device you can use to make a payment), or security details (eg passwords etc).</p> <p>If you find a payment device or cheques after you've reported them lost or stolen, or you think someone's used or tried to use them, please contact us before you use them. Where relevant we may ask you to destroy them and/or return them to us.</p>
<b>Making it clear when you're protected against unauthorised payments made from your ISA (currently in section 28)</b>	<p>We're updating how we deal with unauthorised payments so our new terms will explain that you won't have to pay anything towards an unauthorised payment unless you've been extremely careless (legally known as 'acted with gross negligence') or fraudulent.</p> <p>Even if you have been 'extremely careless', you won't have to pay anything towards unauthorised payments after you tell us about the security risk on your ISA.</p> <p>As long as you haven't acted fraudulently, you won't have to pay anything towards an unauthorised payment if we didn't properly check you'd authorised it before sending it.</p> <p>If you're due a refund for an unauthorised payment, we'll make sure you receive this no later than the end of the next working day.</p>
<b>Adjusting refunds where circumstances change (currently in section 28)</b>	<p>We'll take back refunds (after giving reasonable notice) where:</p> <ul style="list-style-type: none"><li>• for unauthorised payments, we can prove that you acted fraudulently, intentionally or with a very significant degree of carelessness; or</li><li>• for incorrect payments, where we can show that the payment was received by the other person's bank within the correct timescales.</li></ul>
<b>Introducing cheque imaging (currently in section 23)</b>	<p>We're updating the authorisation process for cheques (aka the clearing cycle) to show the faster times for processing sterling cheques received as digital images rather than physical copies. This is being phased in across the banking industry from 30 October 2017. After this date, payments made by cheques that have been imaged will be added to your account on the working day after, whatever time it's paid in and once that happens, the cheque can't be returned.</p>

## Changes to our Individual Savings Account (ISA) Terms

What's changing and where you'll find this in our current terms	How it's changing
<p><b>Making changes where we need to and telling you about them (currently in section 32)</b></p>	<p>We'll make changes to respond proportionately to things we don't control or to reflect a change we're making to our business. The reasons for making changes will vary depending on the nature of the change. For example, we'll also make changes to charges and interest rates for other reasons provided it is reasonable (or 'valid') for us to do so. We'll also make changes to any terms without giving a reason but we'll always explain the impact of the change and you'll be able to close your account before the change takes effect without charge.</p> <p>We're also making clear that the <b>first direct</b> Exchange Rate is a reference rate and we can change this immediately without giving notice to you.</p>
<p><b>Reasons we can close an account (new)</b></p>	<p>We'll now do this if:</p> <ul style="list-style-type: none"> <li>• your behaviour is improper, for example you act in a threatening or violent manner towards staff;</li> <li>• you weren't entitled to open your account or to the service, or are no longer entitled to have the account or the service;</li> <li>• you have provided us with inadequate information in relation to your tax liability;</li> <li>• you've provided false or inaccurate information;</li> <li>• you're involved in any criminal activity (or it's reasonable for us to believe you are) even if it isn't linked to your account or your relationship with us.</li> </ul>
<p><b>Dealing with what happens when you close your account (currently in section 34)</b></p>	<p>We're making it clear that your right to close your account is not dependent on outstanding transactions but that we'll take any payments authorised but not yet charged to the account before we pay what is left to you (along with any interest and charges not yet applied).</p>
<p><b>Being clearer about how we use and protect your Personal Information and your rights (currently in section 36)</b></p>	<p>By opening your account you agree to us accessing, processing and keeping your Personal Information to help us provide services to you, but this doesn't affect any rights or obligations you or we have under data protection legislation. If you choose to close your account, we'll stop using your data for this purpose.</p> <p>The safety and security of your Personal Information and your privacy are very important to us. There are more details about how we collect, use, disclose, transfer and store your Personal Information in our Privacy Policy which also explains your rights. This will no longer be included as part of our terms but you'll be able to find it by visiting <b>firstdirect.com</b> or give us a call on <b>03 456 100 100†</b> and we'll send you a paper copy.</p>
<p><b>Changing some of our charges (currently in 'Our Charges')</b></p>	<p>We'll no longer charge for stopping, or asking for special presentation of, a cheque.</p>
<p><b>Telling you about applying interest and charges</b></p>	<p>We'll give you at least 14 days' notice before taking any interest, fees or charges from your account.</p>

## Changes to our Digital Banking Terms

What's changing and where you'll find this in our current terms	How it's changing
<b>Telling you about services provided by another company through Online Banking (new)</b>	<p>We'll add some terms that explain we may give you information about another company if we believe they can provide you with a product or service you may be interested in, but we don't offer eg a link on our website, but we'll also explain that:</p> <ul style="list-style-type: none"><li>• when we do this we aren't making a recommendation or advising that it's suitable for you</li><li>• we won't normally charge for this type of referral unless we've agreed this in advance, but the other company may charge to provide the product or service</li><li>• we may receive payment from the other company for referring you to them and we can provide you with information about this if you ask us to</li><li>• if you have a problem with any referrals, you may be eligible for compensation via the Financial Services Compensation Scheme up to the investment business limit.</li></ul>