



Direct Access Savings Accounts

Terms & Conditions

Please read these carefully and keep them for future reference.

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version 2



direct line

A GOOD DEAL BETTER

These Terms and Conditions apply to Direct Line Direct Access Savings Accounts, referred to as 'Accounts'. They contain information about opening, operating and closing your Account, how you can pool your savings with other people, how we apply and pay interest on your Account, when payments can be made into and out of your Account and when they cannot. The Terms & Conditions form the Contract between you and us.

In these Terms and Conditions 'we', 'us' and 'our' mean The Royal Bank of Scotland plc (trading as Direct Line), whose business address is 339 Southbury Road, Enfield, Middlesex EN1 1TW, and whose registered office is 36 St Andrew Square, Edinburgh EH2 2YB.

'You' and 'your' mean you, the Account holder or, if you hold the Account jointly with another person, 'you' and 'your' mean both of you.

When you open an Account we will ask you to sign a form saying you have read and agree to these Terms & Conditions. This will be proof of our contract with you. We want you to understand the Conditions and have made them as straightforward as possible. If there is something here you do not understand, please ask us and we will explain.

OPENING YOUR ACCOUNT

What is a Direct Access Account?

A Direct Access Account is a savings account which does not limit the amount or frequency with which you can make payments into or out of it. You can have a number of Direct Access Accounts. When you open

an Account we will give you details about the interest rates we will pay on different sums of money.

Who can open a Direct Access Account?

Any private individual who is aged 16 or over and who is resident in the UK can open an Account. A Trust Account can be opened for an individual aged under 16. We do not open Accounts for business purposes.

An Account can be opened in your name only or jointly with another person. If it is jointly with another person, these Terms and Conditions form the contract between us and both of you.

Confirming your identity

All banks are required by law, when opening an Account for someone for the first time, to confirm the identity of that person. This is to prevent fraud or improper use of the banking system. When you ask us to open an Account for you, we may ask you to send us certain everyday documents which confirm your identity. If we cannot confirm your identity, we will not open an Account for you.

'Pooling' your Accounts

All Accounts are held within a Savings Plan and you can 'pool' your Accounts with other people in your plan. Up to 20 Accounts can be held in one plan. You can be part of a plan with up to five other people, and each of you can have Accounts in a number of different plans. All the Account holders in your plan may ask for and be given details of the total amount held in the plan, but you can only ask us to make actual payments into or out of an Account if that

Account is in your own name, or you hold that Account jointly with another person. If you wish, you can keep a particular Account apart from other Accounts you hold by opening a separate plan. The reason behind the 'pooling' idea is to help you earn more interest on your savings, because we pay interest on the combined total of all the Accounts in a plan, and we pay a higher rate of interest on larger sums of money. The higher interest rate will be applied to Direct Access Accounts and also to ISAs. If you would like to know more about our ISAs, please ask.

Taking care of your security information

When you open an Account we will ask you to fill in a form giving us some personal details about you, for example your place of birth or mother's maiden name, so that when you phone us about your Account we can be sure we are taking instructions from you and nobody else. We will also ask you to choose a password for your Account and a PIN (personal identification number). This is your security information.

You should not write down any of this information and you should take care not to share it with anyone else. If you do tell someone else any of your security information and, as a result, money is paid out of your Account without your permission, we will not be liable for your loss. If you think someone else knows your security information you must tell us immediately.

Recording telephone calls

Calls may be recorded and monitored. This helps us improve our service to you.

Changing your personal details

You should contact us and tell us straight away if you change your name, address, telephone number or email address.

YOUR INFORMATION

Who we are

Your account is with The Royal Bank of Scotland plc trading as Direct Line. We are a member of The Royal Bank of Scotland Group (the Group). For information about our group of companies please visit www.rbs.com and click on 'About us' or for similar enquiries please telephone 0131 556 8555 or Textphone 0845 900 5960.

Your electronic information

If you contact us electronically, we may collect your electronic identifier (e.g. Internet Protocol (IP) address or telephone number), supplied by your service provider.

How we use your information and who we share it with

Your information includes information about your transactions.

We may use and share your information with other members of the Group to help us and them:

- assess financial and insurance risks;
- recover debt;
- prevent and detect crime.

- understand our customers' requirements;
- develop and test products and services

We do not disclose your information to anyone outside the Group except:

- where we have your permission; or
- where we are required or permitted to do so by law; or
- to other companies who provide a service to us or you; or
- where we may transfer rights and obligations under this agreement.

We may use transfer your information to other countries. If we do this we will ensure that anyone to whom we pass it provides an adequate level of protection.

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object to the change within 60 days, you consent to that change.

If you would like a copy of the information we hold about you, please write to: The Data Protection Manager, Direct Line, 250 St Vincent Street, Glasgow G2 5SH. A fee may be payable.

Fraud prevention agencies

If false or inaccurate information is provided and fraud is identified or suspected, details may be passed to fraud prevention agencies.

Law enforcement agencies may access and use this information.

We and other organisations may also access and use this information to prevent fraud and money laundering, for example when:

- checking applications for, and managing credit or other facilities and recovering debt;
- checking insurance proposals and claims;
- checking details of job applicants and employees.

We, and other organisations that may access and use information recorded by fraud prevention agencies, may do so from other countries.

We can provide the names and addresses of the agencies we use if you would like a copy of your information held by them. Please write to the Data Protection Manager, Direct Line 250 St Vincent Street, Glasgow, G2 5SH. The agencies may charge a fee.

Online services

Our Internet address is www.directline.com. The website gives up to date information on all our products and services and our current interest rates.

OPERATING YOUR ACCOUNT

Giving us instructions

You must give us your instructions by telephone only, so that we can confirm your security information. You can give us instructions at any time during our normal business hours. If you hold a joint Account, we will accept instructions from either of you without asking for the other person's consent.

Making payments into your Account

When you open an Account with us, we will ask you to give us details of an account you hold with another bank or building society (your 'chosen external account'), to and from which you will make payments to your Account. You may ask us to change your chosen external account at any time, but you can only have one chosen external account at any one time.

You may also move your savings between Accounts held by you in any one plan.

Making your opening deposit

To open your Account you must send us a personal cheque for your opening deposit. We will pay interest from the day 'cleared' funds are received into your Account.

Clearing of funds

When you make a deposit your funds need to go through the central clearing cycle before they reach your Account. The same thing happens when you need to make a withdrawal. This process is called clearing. The amount of time that it takes for funds to clear depends on different factors, including whether the

funds are drawn on a bank in Scotland, or England and Wales, however normally it will take three working days. Our internal processes also add some time onto the time it takes for your funds to start to earn interest and for your funds to be available for withdrawal – the following paragraphs explain what the total time periods are, including the clearing cycle.

For your initial deposit, interest will start being earned on the fourth working day after we receive your cheque. For subsequent deposits, interest will start being earned:

- on the fourth working day after we receive your instruction to collect a one-off deposit by Direct Debit from your chosen external account. For example, if you instruct us on a working day that is a Friday the funds will start to earn interest in your Account on the following Thursday.
- on the next working day after we receive your instruction to transfer money into your Account from another Account in your plan.
- on the next working day after the date of your regular Direct Debit payment (or the next working day after that if the date of your regular payment is not a working day).

You will be able to withdraw money paid into your Account:

- by cheque on the ninth working day after we receive the cheque (remember only the initial deposit is paid by cheque);

- by one-off Direct Debit on the ninth working day after we receive your instructions;
- by regular Direct Debit on the ninth working day after the regular payment date (if your regular payment date is not a working day, the time period will start on the next working day after it) and;
- by transfer from another Account in your plan on the next working day after we received your instructions.

Your right to cancel

Your Account has a 14 day cancellation period – this means that you have 14 days from the date we activate your Account to change your mind and cancel your application. Your Account is activated on the date when we receive your initial deposit funds – this will be shown in your opening statement as the date of the initial deposit. You can cancel by telephoning us on **0845 300 1230** or by writing to us at 339 Southbury Road, Enfield, Middlesex EN1 1TW.

If you cancel we will close the Account and return all your money to your chosen external account together with interest (from the date your initial deposit funds cleared) no later than 30 days after the date of cancellation. Or if you wish we can transfer the funds into another type of Account with us.

Making subsequent deposits

After your opening deposit, all other deposits must be made by Direct Debit from your chosen external account. Once you set up the Direct Debit Mandate – and remember it will take up to ten complete working

days to do so – you may instruct us at any time to collect funds from your chosen external account using the Mandate. We will only collect funds when you specifically instruct us to do so. You can make one-off deposits when it suits you or you can arrange to make regular deposits every month, every three months, every six months or every twelve months.

If the date of your regular payment is not a working day, we will collect the deposit on the next working day.

If a Direct Debit Mandate is not used at all within 36 months, it will expire.

Making transfers between your Accounts

You can also instruct us to transfer funds between Accounts which are held in your name in the same savings plan.

Sending you statements for your Account

We will send you a statement when we receive your first payment and once every three months after that. In addition, you may check the balance on any Account in your savings plan or ask us to send you a statement at any time during our normal business hours.

Payments out of your Account

You can make withdrawals from your Account when it suits you, or you can arrange to make regular withdrawals every month, every three months, every six months or every twelve months. If the date of your regular withdrawal is not a working day we will transfer the funds on the next working day.

You can withdraw any amount you wish as long as you do not overdraw your Account, and provided the funds in your Account are 'cleared'.

We will transfer the funds you withdraw to your chosen external account. You should instruct us to arrange the transfer at least three complete working days before you need the funds in your chosen external account. We will continue to pay interest on your funds during the three days it takes to complete the transfer.

No overdrafts

You cannot draw out more money than you currently hold in 'cleared' funds in your Account.

When we might make charges

There is normally no charge to open and operate an Account.

However, we may charge you if, for any reason, we incur costs in operating your Account. We will let you know if there will be any charges before we proceed with your instructions.

When we might change the Terms & Conditions

From time to time we may need to alter these Terms & Conditions, perhaps because of a change in the law or market conditions. If so, we will give you at least a month's prior notice and will tell you how and when the change will affect you. That change will then become part of these Terms & Conditions and part of our contract with you. If the change puts you at a disadvantage, you may close your Account or switch to a different type of Account.

HOW WE APPLY AND PAY INTEREST

Interest rates

We will pay interest on the balance in your Account at the rates we have set for that type of Account at any given time. We will tell you what our current interest rates are when you open an Account. Our rates can also be found in press and television advertisements and on our Internet site www.directline.com.

Variable rate

Interest on a Direct Access Account is variable. That means we may change the interest rate at any time. This will usually be due to a change in market conditions. A variable rate of interest can go up or down. If we decide to change the interest rate on the type of Account you hold, we will write and tell you so within 30 days of the change.

Once a year we will write and tell you the interest rates we have applied to your Account throughout the year.

When interest is paid to you

We pay interest on funds paid into your Account from the day we receive credit for them. We calculate the interest that we will pay you on a daily basis, but you can choose when you open the Account to have the interest paid to you either monthly (after close of business on the third Monday of each month) or annually (after close of business on the third Monday in March). If you wish, you can change your mind about when you want the interest paid. In that case we will pay the interest due to you on the next payment date you have chosen.

Where interest is paid to you

We can pay interest into your Direct Access Account, into a different Direct Access Account within the same plan, into your Direct Line cash mini ISA, if you have one (subject to certain investment limits), or into your chosen external account. If you ask us to pay the interest into your chosen external account, it will normally take three complete working days for the interest to reach your account.

Interest paid 'Net' after income tax

We normally pay interest to you after we have deducted lower rate income tax. You can claim income tax back from the Inland Revenue if we deduct more than you have to pay, for example if your circumstances change during the year and you are no longer liable to pay tax.

Interest paid 'Gross' before income tax

If you wish to have interest paid to you without deduction of income tax, for example if you are not required to pay tax, you should complete the appropriate Inland Revenue form (R85). We can give you a copy of the form if you wish.

If you have a joint Account we can arrange to pay interest net or gross to either one of you. We can also let you have an annual tax certificate for any of your Accounts, giving details of the interest we have paid to you and any income tax deducted. We will send you a tax deduction certificate when you close your Account.

What does 'Annual Equivalent Rate' mean?

You will see 'AER' or 'Annual Equivalent Rate' in advertisements for savings accounts. The AER is an illustration of what the interest rate would be if the

interest was paid and compounded every year. All advertisements for deposit interest rates must contain an AER, so that customers can easily make comparisons between savings accounts offered by different financial institutions. The interest rate you will actually receive is the 'Gross' or 'Net' rate in the advertisement.

CLOSING YOUR ACCOUNT

When you can close your Account

You can close your Account at any time without charge. When you close your Account we will pay the balance, together with interest earned up to the date of closure, into your chosen external account. We will also send you a closing statement and a certificate showing the amount of income tax we have deducted from the interest paid to you.

When we can close your Account

We can close your Account at any time by giving you one month's written notice if we are not satisfied with the way in which it is being operated.

We can close your Account without notice if we believe it is not being operated according to these Terms & Conditions by you or by someone else, or if it comes to our attention that you are not or will not be resident in the UK, for example because you have moved or are moving abroad.

We can freeze the money in your Account, that is we can prevent you or anyone else using the Account, if a Court orders us to do so, or while there is any disagreement about who owns the money in the Account. When we close your Account we will pay the balance, together with interest earned up to the date of closure, into your chosen external account.

Death of an Account holder

If an Account holder dies their personal representative may close the Account, by giving us the evidence of their authority that we ask for, and withdraw the funds, together with interest earned up to the date of closure. If a joint Account holder dies, we will accept that the surviving Account holder owns all of the funds in the Account.

General

We will make every effort to provide a complete savings service at all times. However, we will not be liable to you for any loss of earnings or profit if we cannot provide the service due to events which are beyond our control, for example, failure of equipment or power supplies, industrial action, or natural disaster.

Governing Law

The Law that applies to these Terms & Conditions is the Law of England and Wales, and, if we choose, any proceedings which may arise out of our contract with you will take place in an English Court.

INFORMATION FOR YOUR GENERAL PROTECTION

Financial Services Compensation Scheme

The Royal Bank of Scotland plc is a member of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. In respect of deposits with the UK office, payments under the Scheme are limited to 100% of the first £2,000 of a depositor's total deposits with the bank and 90% of the next £33,000, resulting in a maximum payment of £31,700. Most depositors, including

individuals and small firms, are covered. Deposits denominated in all currencies are treated alike. Further details of the scheme are available on request.

The Direct Debiting Scheme

The payment scheme we use is based on a Direct Debit instruction, signed by you giving us authority to collect variable or different amounts at different times from your chosen external account.

We will not use the Direct Debit instruction you have signed to transfer funds into your Account with us unless you specifically ask us to.

Under the Scheme you are protected against payments being made by mistake, error or fraud by us or by your external bank or building society, by means of indemnities. This means that we must only act on your specific instructions and if any payment is made in error, you will be reimbursed by us or by your bank or building society. You should phone and tell us if you think a payment has been made in error.

You may cancel your Direct Debit instruction at any time by writing to your bank or building society and sending us a copy of your cancellation notice.

The Banking Code

We follow the Banking Code, which is observed by banks, building societies, charge card and credit card companies. If you ask us, we will send you a copy of the Banking Code to keep.

Complaints

If possible we will sort out all verbal complaints on the phone but if we cannot do this you can write to Customer Feedback, Direct Line, 339 Southbury Road, Enfield, Middlesex EN1 1TW. When we acknowledge your written complaint, we will tell you about our complaints procedures.

The Financial Ombudsman Service

We will try to resolve any complaint in a reasonable and professional way. However, if you are still not satisfied with our handling of the matter, you can refer the complaint to the Financial Ombudsman at the following address: The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Enquiries: 0845 080 1800. Switchboard: 020 7964 1000. Email: enquiries@financial-ombudsman.org.uk

We will send you further details of the Financial Ombudsman Service if you ask us to.

MEANINGS OF WORDS OR BANKING TERMS

While we have tried to keep these Terms & Conditions as simple and jargon-free as possible, we have used some legal or banking terms to avoid long or wordy explanations in the text. We have explained some of these terms below.

Bank giro credit

The bank giro system is an arrangement used by all banks and building societies in the UK to enable you to transfer money, in the form of cash or cheques, from an account with one bank or building society to an account with another.

Direct Debit

A Direct Debit is an instruction to your bank to make payments out of a specified account with your bank to an account you hold elsewhere, in this case the Account you hold with us. The instruction is a general one. It need not specify any date when payment is to be made or any amount to be paid. You may specify the date and amount when you telephone us. We then use the Direct Debit instruction to collect the money from your chosen external account. If you prefer, your Direct Debit instruction can specify an amount to be paid into your Account on a regular basis, for example every month or every six months. Please read the paragraph headed 'The Direct Debiting Scheme' for an explanation of how the Scheme protects you against loss due to error or fraud.

Working day

When we refer to a working day we mean every day except Saturday, Sunday and English Bank Holidays. Although we are open on Saturday and Sunday, the English and Scottish Clearing Banks do not provide a Saturday and Sunday service, so funds cannot be transferred between banks on Saturdays. If the day you give us your instructions is not a working day, we will carry out your instructions on the next working day.



For further information call our Helpline:

0845 300 1230

Textphone 0208 344 5705

8am-8pm Monday to Friday, 9am-5pm Saturday.

Maximum call charge from a BT landline is 4p per minute. Calls from other networks may vary.

or go on-line at: **www.directline.com**

CUSTOMERS WITH SPECIAL REQUIREMENTS

Direct Line has a variety of facilities in place so that as many customers as possible can use our services. Direct Line supports the **Typetalk** service for people with specific communication requirements. To use **Typetalk**, please prefix the number 18001 before the number you wish to dial. For example: 18001 + [area code] + [number]. Alternatively, Direct Line will deal with anyone who has Power of Attorney for you, should you be unable to contact us yourself. Direct Line shall also be happy to send you this booklet and any of our other brochures, letters or statements in **Braille, large print or audio**, upon request.

Direct Line is a trading name of The Royal Bank of Scotland plc.

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