

**PENRITH BUILDING SOCIETY
TERMS AND CONDITIONS
FOR INVESTMENT ACCOUNTS**



**TERMS AND CONDITIONS FOR PENRITH BUILDING SOCIETY
INVESTMENT ACCOUNTS: INFORMATION SECTION**

How to Contact Us

You can contact us by:

- visiting our office at 7 King Street, Penrith;
- telephoning us on 01768 863675 or by fax on 01768 891275; or
- visiting our website www.penrithbuildingsociety.co.uk

Please note that ways of contacting us may be restricted in relation to certain products. If so, this is mentioned in the product leaflet and terms and conditions of the particular account.

Opening an Account

To open an account with the Society, you will need to let us have:

- a completed application form;
- at least the minimum investment amount for the type of account; and
- proof of your identity and your address.

Please note that we can refuse to open an account without giving any reason. There will not be any contract between us until we have opened an account.

Identification Requirements

We are required by law to check the identity and address details of all account holders. A schedule listing the types of acceptable documents is issued with these terms and conditions.

If you already have an account with the Society, and the details we have about you have not changed, then we may not need to check your name and/or address. Please enquire for further details.

We reserve the right to carry out any further checks on your identity if we think we need to do so in order to comply with our legal obligations. You will need to let us have additional evidence if you change your address. For further details, see the terms and conditions mentioned below.

As part of these checks, we may make searches with credit reference agencies.

Terms and Conditions

The terms and conditions that apply to all our savings accounts are set out on pages 10 to 26 of this booklet. Special conditions may apply to particular types of account. You will find them in the product leaflet dealing with these individual accounts.

Charitable Assignment

We require that, when you open an account, you agree to give to the Charities Aid Foundation any windfall benefits to which you might become entitled on any conversion or takeover. Please see the application form for further details.

This requirement does not apply to you if you have been a member of the Society continuously since before 1st October 2000 or a borrowing member at the time the account is opened.

Changing Your Mind

If you open a new account and then change your mind, then as long as you tell us by writing to us at our Principal Office within 14 days after the contract is entered into (or, if later, 14 days from the day you first receive, on paper or electronically, the terms and conditions and other information relating to it) you can:

- have your money back; or
- switch to another available account.

In this case, you will not have to

- give any period of notice;
- lose any interest on the account you are closing, or
- pay any other charges.

Tax

Interest on your account will be paid “net” (after taking off tax at the basic rate), unless you are entitled to receive it “gross” and you complete and let us have HM Revenue and Customs Form R85. Even if interest is paid net, you may be liable to pay additional tax depending on your income. For further details, please see the booklet “Taxation of Building Society Interest”, a copy of which is available on request.

If you are under 16, the Form R85 (if appropriate) must be completed and signed by a parent or guardian. On reaching the age of 16, a new Form R85 (if appropriate) must be signed by you. If we do not receive this, interest will be paid net of tax.

Tax treatment depends on your individual circumstances and may be subject to change in the future.

Joint Accounts

Unless the special conditions for a particular account specify otherwise, accounts can be opened in the names of two or more people (up to a maximum of 4). Although joint accounts can be convenient, it is very important that you understand the consequences of having an account in more than one name.

These are set out in condition 14 of the terms and conditions on pages 20 to 21 of this booklet. A booklet “You and Your Joint Account” is available on request.

Data Protection and Confidentiality

Under data protection laws you have the right to see the personal records we hold about you. You will have to pay a fee (currently £10) if you want to exercise this right. Please contact us at our Principal Office for more details.

Data held by us about you will be kept while you are a customer and may be held for six years after your relationship with us as a customer has ceased. You must always let us know if information we hold about you has changed, so that we can make sure it is updated.

More details of the information we hold about you, and what we use it for, are contained in the application form.

We will treat all your personal information as private and confidential (even when you are no longer a customer). We will not give your details to anyone unless:

- we have to give the information by law;
- there is a duty to the public to disclose it;

- you request us to disclose it, or we have your permission to do so; or
- our interests require us to give the information (for example, to prevent fraud). We will not use this as a reason for giving information for marketing purposes.

Marketing of Services

To help you keep up to date with our products and services, we may tell you about these. We may also tell you about another company's products or services. Should you not wish to receive this information you can let us know at any time. Our account application forms have boxes that you can tick to say you do not want to receive this information.

We will write to you at least once every three years to remind you that you can ask not to receive this information. This reminder may be contained in the Summary Financial Statement or other literature that we regularly send you.

Complaints

We always try to provide a first-class service. Occasionally, however, things can go wrong. If they do, we will try to put them right.

If you have a complaint you should:

- Write to our Principal Office and initially your complaint will be dealt with by either the Branch Manager, Mrs S J Askew, or the Secretary, Mr P Richardson.
- If the complaint involves financial loss, material distress or material inconvenience, and cannot be resolved by the close of business on the business day following the receipt of the complaint, then the Chief Executive, Mr C Hayward, will then handle the complaint from that point. You will be sent an acknowledgement of your complaint within 5 days of us receiving it. Included with that letter will be a copy of this leaflet which sets out our internal complaints procedures.
- If the Chief Executive is unable to resolve the complaint to your satisfaction or in the opinion of the Chief Executive the complaint is of such a serious nature, you will be advised that your complaint is being referred to the Society's Board of Directors and the date of the Board Meeting at which it will be discussed.

- Within 4 weeks of receiving your complaint the Chief Executive will:
 - a) advise you in writing of the Board's final response; or
 - b) if it has not been possible for the Board to consider the complaint within that time, then you will be informed that this is the case and also when you will be contacted again by the Society.
- You will receive a final response within 8 weeks unless you are satisfied to allow the Society further time to arrive at its final response.

It is our aim to ensure that all complaints are dealt with as speedily as possible and whenever practicable within 4 weeks of receiving the complaint.

If we do not deal with your complaint to your satisfaction, you can refer it to the Financial Ombudsman Service. Details of this service will be issued to you in acknowledging receipt of your initial complaint.

Financial Services Compensation Scheme

Important information about compensation arrangements

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a building society is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £50,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors the maximum amount that could be claimed would be £50,000 each (making a total of £100,000). The £50,000 limit relates to the **combined** amount in all the eligible depositor's accounts with the building society, including their share of any joint account, and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website www.FSCS.org.uk or call 020 7892 7300 or 0800 678 1100.

Accounts held by the following are not covered by the Financial Services Compensation Scheme:

- a large company
- a large partnership
- a large mutual association
- a local, provincial or municipal authority
- a credit institution
- an overseas financial services institution
- an operator or trustee of a collective investment scheme
- a pension and retirement fund or a trustee of such a fund
- a supranational institution
- a government, or central administrative authority
- a person whose claim arises from transactions relating to a conviction they have received for money laundering.

Membership Rights

Individuals holding share accounts with the Society are members of the Society and are bound by our Rules. You can get a copy of the Rules by asking at any of our offices.

The Rules set out the rights and obligations attaching to membership. While joint account holders are all members, only the first-named can exercise any membership rights (for example, the right to vote at meetings) arising from the account. Please see the terms and conditions for more details.

A booklet “Your Rights as a Building Society Member” is available on request.

What You Can Do to Protect Your Accounts

You can help prevent misuse of your account by:

- taking care of your passbook and other account information, letting us know as soon as possible if your passbook is lost. The best way to let us know is by telephoning us on 01768 863675.
- letting us know as soon as possible of any change in your name, address or telephone number or if you do not receive any information that you were expecting to receive from us.
- checking your statements or passbook regularly.

- taking care when getting rid of information about your account (people who commit fraud use many methods such as “bin raiding” to get this type of information – you should take simple steps such as shredding printed material).
- co-operating with us (or the Police) in investigating transactions.
- never giving your account details or security information to anyone unless you know who they are and why they need them.

Please also see Condition 17 on pages 22 to 23 of this booklet.

Cheques made payable to the Society must also include details of the account holder(s) or the account number (for example, “Penrith Building Society, account J Smith”); otherwise we will not accept them for payment into an account. This is to protect against fraud.

Cheque Clearing

The central clearing cycle for cheques (and automated payments, including those over the telephone or internet) is three working days. Our normal practice is to allow withdrawals against a cheque 6 working days after it has been paid in. Interest on a cheque paid in will be calculated from the day following the date of receipt. For more details, please see conditions 7.2 and 10 of the terms and conditions on pages 13 and 18 of this booklet.

GENERAL TERMS AND CONDITIONS FOR PENRITH BUILDING SOCIETY SAVINGS ACCOUNTS

1 Introduction

1.1 These terms and conditions (referred to as the “Conditions”) apply to all savings accounts with the Society, except if they are inconsistent with special conditions for particular accounts (in which case, those special conditions will apply). The Conditions apply to successive operations or a series of operations of the same nature to be performed over time in respect of your accounts.

1.2 In the Conditions:

- “the Society”, “we”, “us” and “our” refer to Penrith Building Society; and
- “you” and “your” refer to holders of savings accounts; and
- “working day” means a day other than a Saturday, Sunday or bank holiday.

1.3 If you are a company, other form of corporation, partnership or unincorporated body (such as a club), please refer to Condition 22.

2 Membership

2.1 If these Conditions apply to your account you will (except where the account is a deposit account) be a member of the Society and therefore our Rules will apply. However, these Conditions, or any relevant special conditions for a particular account, will override the Rules in case of any inconsistency. A copy of the Rules is available on request at our Principal Office.

2.2 If you have a deposit account, you are not a member of the Society by virtue of that account. You are, however, bound by some of our Rules, including [4(4) to (6), 5, 6(1) to (3), 8(4) and (5), 12(5) and 44].

2.3 All new savers from 1st October 2000 are subject to the Society’s Charitable Assignment Scheme, full details of which are set out in the application form.

- 2.4 If your account becomes overdrawn then, unless we have consented to the amount of the overdrawing, you will stop being a member in respect of the account from the date we decide.

3 Opening an Account

- 3.1 We will require evidence of identity and address before an account is opened. If we receive money without evidence of identity that is satisfactory to us, then we may return the money or retain it pending instructions from any relevant authority.

- 3.2 Once you have opened an account, you have 14 days after the contract is entered into (or, if later, 14 days from the day you first receive, on paper or electronically, these terms and conditions and other information relating to the account) to notify us in writing at our Principal Office that you want to change your mind. If you notify us within this time, we will help you switch to another of our accounts or (assuming we have received cleared funds) give you back your money together with any interest it has earned. We will ignore any notice period and any extra charges.

If you do not exercise your right to change your mind, you will continue to be bound by these terms and conditions and any special conditions that apply to the particular account.

4 Account Details

- 4.1 The address that you provide in the application form for the account will be the registered address for you, and will remain the registered address for you until it is changed in our records.
- 4.2 It is your responsibility to notify us of any change of address. You should also notify us of any change of name.
- 4.3 You agree to produce evidence of any new name or address, if we ask to see it. If your account has a passbook, you must send or produce it to us so that we can note the change of details.
- 4.4 You agree to provide us with specimen signatures, if we ask for them.
- 4.5 If you have more than one savings account with us, you must make sure that the registered address we have for you is the same in respect of each account.

4.6 If:

- you lose your passbook; and
- at or about the same time you notify us of a change of address,

then we will not issue any cheques from the account payable to anyone other than you for a period of 7 days from the date we receive the notification. This is to protect you against possible fraud.

4.7 Your account will have a unique number. Please quote this in correspondence with us. You will also need this when paying money in or withdrawing it.

5 Minimum and Maximum Account Balances

5.1 The minimum and maximum amounts that can be held in any particular account are set out in the special conditions for that account.

5.2 We can close an account if the amount in it is below the minimum for that account. We will give you at least 30 days notice before doing this. During this period, you can pay in more money to bring the balance up to the minimum. Instead of closing the account (or during any period when it is below the minimum amount) we may pay a reduced rate of interest.

5.3 The overall maximum holding by any one person in respect of all savings accounts with the Society is £130,000.

6 Paying Money into Your Account

6.1 Unless special conditions for a particular account specify otherwise, you can generally pay money into your account at our branch office or by bank transfer or post. However, for security reasons we do not recommend that cash is sent by post. Please see Condition 7.2 regarding when interest becomes payable.

6.2 If money is paid in by bank transfer or by BACS, it is your responsibility to make sure that all the account details are provided correctly.

6.3 For security reasons, we reserve the right to refuse to accept large sums of money in notes or coins.

6.4 You can pay money into your account by standing order (although you will need to set this up direct with your bank). We cannot accept payments by direct debit.

- 6.5** Cheques made payable to the Society will only be accepted for payment into an account if they contain additional details (such as the name(s) of the account holder(s) or the account number), so that it is clear who the money is intended for.
- 6.6** When paying in money by cash, you will need to produce your passbook or provide your account number.
- 6.7** Money paid into your account by cash or electronic transfer will be available for withdrawal as soon as we receive it, subject to Condition 9. Any sums received by us outside normal business hours or on a non-working day will be treated as having been received when we are next open for business on a working day. Please see Condition 10 regarding cheques.

7 Interest

7.1 We will tell you the interest rate that applies to your account (and when it is paid or credited) when you open it. This information is also available:

- in our Interest Rates leaflet;
- on our website;
- by asking our staff; and
- by looking at notices in our office.

7.2 On our accounts we generally:

- calculate interest on a sum deposited from the day we receive it. Any sums received by us outside normal business hours or on a non-working day will be treated as having been received when we are next open for business on a working day.
- calculate interest on a sum withdrawn up to and including the day before the day you make the withdrawal.
- give you the choice of having the interest added to the account, paid into another account with us, or paid into your bank account.

However, this may vary depending on the type of account. You should check the special conditions for particular accounts. Further details of how and when interest is payable is contained in literature relating to particular accounts.

7.3 We will give you information regarding the interest rates paid on your account, and a comparison with your other accounts annually

We will give you information regarding your account, as follows:

- To help you compare interest rates on our different accounts, we will send you, at least once a year, a summary of these accounts (including accounts no longer available) and their current interest rates.
- We will tell you, at least once a year, about the different rates that have applied to your account during the year and any changes in the Bank of England base rate.
- If you have an account with more than £250 in it, and the interest rate has fallen by 0.25% or more relative to the Bank of England base rate over the previous 12 months, we will contact you within a reasonable period after this has occurred to:
 - tell you that this has happened; and
 - give you details about how you can switch accounts or withdraw the money in your account, notice period and “penalty free”. You will then have 60 days in which to effect the switch or withdrawal.

7.4 Subject to any special conditions that apply to particular accounts we can change interest rates as set out in Conditions 7.5 to 7.7 below.

7.5 We may change interest rates at any time, if we reasonably believe that the change is needed, for any of the following reasons (which may relate to circumstances existing at the time or those that are expected to apply in the near future):

- to respond to changes in the Bank of England base rate or mortgage or interest rates generally (including the interest rates paid on similar accounts by other providers of financial services);
- to respond to changes in the law or the decision of a court or ombudsman;
- to meet relevant regulatory requirements;
- to respond to new (or changes to) statements or codes of practice or industry guidance designed to enhance consumer protection;

- to respond to changes to our costs, including administration costs and costs of providing services or facilities.

Any change we make to interest rates will be proportionate to the circumstances giving rise to the change.

7.6 We can also change the rate of interest for any valid reason (other than a reason mentioned above) where we reasonably believe the change is appropriate.

7.7 Except where the account is a fixed term account, we can also change the rate of interest by notifying you personally not less than 30 days before the change comes into effect.

7.8 Changes may include the introduction or alteration of “bands” under which:

- interest is not paid where the amount in the account is below a certain level; and/or
- different rates apply depending on the amount in the account.

7.9 Where the change is an increase in the interest rate and is made under Condition 7.5 or 7.6, we will tell you about it:

- by placing notices in our Principal Office, on our website and in the Cumberland and Westmorland Herald newspaper within three working days of the change; or
- within 30 days of the change, by letter, or other personal notice.

7.10 Where the change is a reduction in the interest rate and is made under Condition 7.5 or 7.6, we will give you written notice of the change within a reasonable time before it comes into effect.

This does not apply to:

- interest rate tiers applicable to balances below the minimum operating balance for the account (provided we have clearly told you about the minimum balance requirements); or
- if the change is not material.

7.11 If we give you notice of a change in the interest rate under Condition 7.6 or 7.7 then we will tell you that this is the case and, at any time up to the date the change comes into effect, you have the right to switch the account or close it without having to lose any interest or pay additional charges.

7.12 If you do not notify us that you object to a change before the date on which it comes into effect, you will be deemed to have accepted it.

7.13 The information on our website will be updated within three working days of an interest rate change.

8 Account Charges

8.1 The only charges we make to your account are;

- If any cheque paid into your account is returned by the bank a charge of £5 will be debited.
- If you wish to pay a cheque into your account by “special clearance”. The amount can vary and you will be advised of the charge on application.

8.2 If we introduce or increase a charge relating to the day-to-day running of your account, we will give you at least 30 days notice by letter or other personal notice, before the charge comes into effect. If we do introduce a charge it will be for any of the following reasons:

- to respond to changes to our costs, including our administrative costs;
- to respond to changes in the law or the decisions of a court or ombudsman;
- to meet relevant regulatory requirements; or
- to respond to new (or changes to) statements or codes of practice or industry guidance designed to enhance consumer protection.

Any charge we make will be proportionate to the circumstances giving rise to the charge.

9 Withdrawals

9.1 Withdrawals may be made during our normal business hours on working days, subject to the special conditions for particular accounts and to our withdrawal limits which are set out in our account brochures and these Terms & Conditions.

9.2 No withdrawal will be allowed:

- if it would cause the account to be overdrawn; or
- from a passbook account, unless you produce the passbook at the time of withdrawal.

9.3 We may refuse to allow a withdrawal:

- if we are not satisfied that we have the proper written authority for the withdrawal, in accordance with the mandate you have given us; or
- against uncleared funds (see Condition 10).

9.4 We can restrict at any time the amount which can be withdrawn from any account.

We will only do this if:

- (a) we reasonably believe that there may be fraudulent activity or other financial crime affecting the account;
- (b) we are required to do so by any law, regulation or court order;
- (c) there is a dispute (which we reasonably believe may be genuine) about the ownership of, or entitlement to, the money in the account;
- (d) circumstances beyond our reasonable control prevent us from offering a normal service (such as in the event of terrorist threat, computer systems failure or strikes); or
- (e) circumstances exist which lead us reasonably to believe our financial stability is under threat (such as where rumours cause actual or potential abnormal levels of cash withdrawals).

In the case of (d) and (e) above:

- (i) we will act proportionately to the circumstances in question;
- (ii) we will take all reasonable steps to ensure that the restrictions are lifted as soon as practical and to minimise the inconvenience to you;
- (iii) we will take into account the interests of the Society's membership as a whole;

- (iv) we will, if practical, give advance notice; and
- (v) we may consider exceptions to the restrictions if we are reasonably satisfied that extreme hardship would otherwise be caused.

Where the restrictions on withdrawals affect accounts generally, we will notify the restriction by notices on our website and in our Principal Office. If the restriction affects your account only, we will write to you to notify you. You can contact us to discuss any restriction in person at our Principal Office, or by telephoning us on 01768 863675.

9.5 If a withdrawal is made by a cheque in favour of someone other than you, we will not stop payment of the cheque unless we have clear evidence of fraud, or that the cheque has been lost, stolen or destroyed.

9.6 Please also note that:

- we do not permit withdrawals to be made by direct debit or standing order.
- if a large cash withdrawal is required a minimum of 24 hours notice is required. For this purpose a large cash withdrawal is deemed to be more than £500.

10 Uncleared Funds

10.1 Subject to any special conditions for particular accounts, and to Condition 9, we will allow withdrawals against a cheque 6 working days after it has been deposited with us, provided we have not received notice that it has not been cleared. If the cheque is not cleared then you will have to repay us the amount of the withdrawal to the extent that there is not enough other money in the account to cover it. However, we will not take money from your account, or require you to repay us, in respect of a cheque that has not cleared unless:

- you agree otherwise;
- you are knowingly a party to a fraud in respect of the cheque; or
- the money is reclaimed from your account before close of business at 5pm on the sixth day after it was deposited with us.

If a cheque that is deposited by you is not cleared, we will tell you about this by writing to you.

10.2 For the purpose of Condition 10.1, the day of deposit of the cheque is the day it is paid at the branch counter or the day we receive the cheque by post, except that in each case if the time of payment in or receipt by post (as the case may be) is not before 5pm on a working day, then the day of deposit is the next following working day.

11 Closing Your Account

11.1 You can close your account at any time, subject to any special conditions that apply to particular accounts and to normal administration requirements.

11.2 We can close all or part of your account at any time without giving any reason, but (except in exceptional cases);

- we will give you at least 30 days notice; and
- we will not close your account, or threaten to do so, as a response to a valid complaint that you have made.

The exceptional circumstances mentioned above are:

- you have deliberately given us any false information in relation to your account;
- you were not entitled to open the account;
- you do not comply with any of your obligations under these terms and conditions, and do not put this right within a reasonable time of our asking you to do so;
- the contract between us is void or unenforceable at law; or
- we have a legal obligation to close the account.

11.3 If we close the account, we will pay interest at the agreed rate up to and including the date of repayment. We may make repayment by sending you a cheque.

11.4 If we close the account in full and make repayment to you, in person or by post, then you will have no further right or interest in the account.

12 Statements

We will send you a statement of account at least annually. You should check all statements carefully. If there is an entry which seems to be wrong, you should tell us as soon as possible.

13 Tax

Where required by legislation, interest will be paid or credited after deduction of income tax at the appropriate rate see "Taxation of Building Society Interest" for further details.

14 Joint Accounts and Trusts

- 14.1** If an account is held in more than one person's name, then only the holder whose name appears first in our records will be entitled to membership rights (such as the right to receive notices of, and to attend and vote at, meetings). This is subject to any rights given to other holders by any legislation.
- 14.2** You can choose the order in which the names appear in our records. Any change in the order will happen when our records are actually changed. We will make the change within a reasonable time after you tell us about it.
- 14.3** For tax purposes only, we will treat joint account holders as being entitled to the money in the account in equal shares. This does not affect the operation of Condition 14.4, which takes precedence.
- 14.4** Where one account holder dies, we will, on receipt of satisfactory evidence of the death, treat the surviving holder(s) as being entitled to the account. We do not accept accounts on any other basis. The other terms of the account will remain unchanged. If we have this authorisation, then any of the account holders can withdraw all of the money in the account.
- 14.5** Withdrawals and other transactions on a joint account need the signatures of all account holders, unless all of them have authorised us to accept the signature of any one of them or (if there are more than two holders) any combination of them. If we have this authorisation, then any of the account holders can withdraw all of the money in the account.
- 14.6** Any authorisation given under Condition 14.5 can be stopped by any account holder.

- 14.7** If we have reason to think that there is a dispute between account holders we may (but will not be obliged to) require the signatures of all account holders, despite any authorisation that has been given to us previously under Condition 14.5.
- 14.8** If there is a relationship between the account holders which ceases, you will need to inform us if the account is to be closed or you want any name to be removed from the account. If you do not inform us then, even if we know about the relationship breakdown, we will continue to operate the account in accordance with the instructions that you have given us. This may mean that withdrawals and/or closure of the account will be permitted on one signature.
- 14.9** We may (in accordance with Condition 9.4) freeze the account if we have reason to think that there is a dispute in relation to the money in the account. However, we will not be obliged to do this, unless we are ordered to do so by a court.
- 14.20** Any correspondence relating to the account will be sent to the address of the first named account holder, unless you instruct us otherwise.
- 14.21** The liability of joint account holders is joint and several. This means that each of you is separately responsible to us for the performance of all the obligations of the account holders, and not just a share of them.
- 14.22** We do not have to recognize the interest or claim of any person other than the account holder(s) in respect of any money held in the account (and we will not have any liability for failing to do so), except as may be required by law.

(Further details about the rights and responsibilities of joint account holders are contained in the leaflet “You and Your Joint Account”. A copy of this is available on request.)

15 Transfers

Unless the special conditions for a particular account say otherwise, you may ask us to transfer your investment to another person. We do not have to agree to this and if we do agree, it may be subject to conditions and/or payment of a charge.

16 Unclaimed Balances

16.1 If no payment into or withdrawal from your account is made:

- for a period of 3 years (where the amount in the account is less than £100); or

- for a period of 5 years (in other cases).

and we cannot trace you (after having made reasonable efforts to do so), then we may close the account. However, any money in it will remain yours, and if you contact us later (and provide any necessary evidence of identity) we will repay the money from the closed account to you, together with interest at a rate that we reasonably consider to be appropriate.

We may close your account if –

- (a) you cannot be traced after reasonable enquiry; and
- (b) for a period of five years (or three years if the amount in your account is less than £100) no money is paid into, or withdrawn from, your account.

If you contact us at a later date and provide us with satisfactory proof of your identity, we will re-open the account and credit it with the amount we owe you in respect of the account (which will be equal to the balance that was in the account when we closed it, after adjusting it for the interest we would have paid and for any fees or charges we would have deducted if the account had remained open).

16.2 Condition 16.1 is subject to any rules that may be made under any legislation.

17 Account Documents

17.1 We may issue you with a passbook, certificate or other similar document relating to your account. If we do:

- the document will belong to us;
- you agree to return it to us for updating, or for any other purpose we reasonably require;
- you agree to keep it safe, and to tell us as soon as you discover it has been lost or stolen. The best way to do this is by telephoning us on 01768 863675; and
- the document must be produced to us before any withdrawal from the account is made.

17.2 We may issue a replacement for lost or stolen documents but this may be subject to payment of a charge and/or other conditions. These conditions may

include:

- providing us with reasonable evidence of the loss or theft;
- notifying, and co-operating with, the Police; or
- signing any form of indemnity that we may reasonably require.

17.3 If someone other than you produces your account document to us, pretends to be you or to be authorised by you, and is therefore able to withdraw money from the account, you will be liable for the first £50.00 of the unauthorised withdrawals. You will be liable for the amount of all withdrawals if you have acted fraudulently or you have, intentionally or with gross negligence, failed to comply with your obligations under these Conditions or failed to take all reasonable steps to keep your account document or any personal account or security information safe. However, you will not be liable for any withdrawals after you have told us of the loss, theft or unauthorised use of your account document, unless you have acted fraudulently.

17.4 You should check your passbook regularly. If there is an entry which seems to be wrong, you should tell us as soon as possible, so that we can resolve the matter. Subject to Condition 17.3, we will be liable for unauthorised transactions on your account.

18 Changing These Conditions

18.1 We can change these Conditions and/or terms on which your account is held for any of the following reasons (which may relate to circumstances existing at the time or those which are expected to apply in the near future):

- to respond to changes in the law or the decisions of a court or ombudsman;
- to meet relevant regulatory requirements;
- to make the terms clearer or fairer;
- to provide you with extra benefits or services;
- to respond to new (or changes to) statements or codes of practice or industry guidance designed to enhance consumer protection.
- (except in relation to fixed term investments) for any other reason that we reasonably consider appropriate.

- 18.2** Except where the account is a fixed term account, we can also change these Conditions by notifying you personally not less than 30 days before the change comes into effect.
- 18.3** Any change we make under Condition 18.1 will be proportionate to the circumstances giving rise to the change.
- 18.4** A change which is not to your disadvantage may be made immediately and without prior notice. We will tell you about the change within 30 days.
- 18.5** A change which is to your disadvantage and which is made under Condition 18.1 will be effective only after at least 30 days' written notice is given to you.
- 18.6** If we give you notice of a change under Condition 18.2 then we will tell you that this is the case and, for a period of 60 days from the date of the notice you have the right to switch the account or close it without having to lose any interest or pay additional charges.
- 18.7** If you do not notify us that you object to a change before it comes into effect, you will be deemed to have accepted it.
- 18.8** Notices under Condition 18.5 will be sent by individual letter. Notices under Condition 18.4 may be given in this way, or instead be given by general notice in our Principal Office and website in conjunction with an advertisement in The Cumberland and Westmorland Herald newspaper.
- 18.9** This Condition 18 does not apply to changes to interest rates or charges, which are dealt with in Conditions 7 and 8.
- 18.10** If we have made a major change or a lot of minor changes in any one year, we will give you a copy of the new terms and conditions or a summary of the changes and tell you where you can find a full copy.

19. Notices

- 19.1** You will be taken to have received any letter or e-mail or other personal notice 72 hours after we have sent it to you.
- 19.2** If we, accidentally, fail to:
- send to you a communication intended for our investors generally or a category of investors of which you are one; or
 - display a notice in our principal office

- this will not make the notice invalid.

19.3 If an error is made in a notice, but this is corrected shortly afterwards by a subsequent notice, the notice period will run from the date of the original notice.

20 Matters Beyond Our Control

We will not be liable to you if we are unable to provide any service in connection with your account because of strikes, power failures or other causes beyond our reasonable control.

21 Set Off

We may use the money in your account towards payment of any money that you owe us which is due for payment but has not been paid. We will notify you if we do this. No interest will be earned on money used in this way.

22 Companies, etc

22.1 If you are a limited company or other type of corporation, you will need to authorise officers to operate the account. The application form has further details. We will also require evidence of identity and address for these persons.

22.2 Accounts in respect of unincorporated organisations, such as English partnerships and clubs, can be held in the name of the organisation but the named individuals on behalf of the organisation will be the legal entities who “own” the account.

22.3 If you are a limited company or other type of corporation, or an unincorporated association, then you must provide us with such information regarding your business and/or your constitution as we may reasonably request from time to time.

23 Law

These Conditions are governed by the laws of England and Wales. Those laws are also taken as the basis for the establishment of relations with you prior to the conclusion of any contract between us.

24 Language

All communications between you and us will be in English.

Penrith Building Society
Authorised and regulated by the Financial Services Authority
Entered on the Financial Services Authority Register,
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