



**OFFSET TERMS 2021  
AND  
MORTGAGE CONDITIONS 2020**  
Scotland



# Accord Mortgages: Offset Terms 2021 and Mortgage Conditions 2020

## Scotland

Your terms and conditions are made up of 3 parts.

**Part 1** is made up of two sections. Together they are the offset terms.

Section A is the loan terms. These set out the terms applicable to the money we have loaned to you, including its repayment and how we will charge you interest and charges on your offset loan.

Section B is the savings terms. These set out how the savings account will operate and when we may charge you for services related to a savings account.

**Part 2** is the mortgage conditions. These set out the terms applicable to the security we have taken over the property, including what we may do with the property if you do not repay. Part 2 also sets out the criteria on which the property must be let where the mortgage is a buy to let mortgage.

**Part 3** sets out some general terms applicable to the relationship between you and us.

Below is a summary of some of the key terms in this booklet. It is important that you read and consider all of the terms and conditions which apply along with your mortgage offer and any other documents we have provided to you. In the event that there is any inconsistency between the standard conditions contained in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970 and any terms and conditions contained in this booklet which are applicable to our security, the applicable terms and conditions will apply and in the event there is any inconsistency between the terms and conditions contained in this booklet and the provisions of your mortgage offer, the terms contained in your mortgage offer will apply.

## CONTENTS

	Glossary	Page 2
	Summary of Parts and Key Terms Table	Page 2
<b>PART 1 SECTION A - LOAN TERMS</b>		
1	Payments	Page 3
2	Interest charged on you loan	Page 3
3	Changing the Interest rate	Page 3 & 4
4	When we can ask for repayment of everything you owe us	Page 4
5	Incurring charges on your loan	Page 4
6	Changing our charges	Page 5
7	Telling you about changes to our charges	Page 5
<b>SECTION B - SAVINGS ACCOUNT TERMS</b>		
1 - 6	General account Information	Page 5
7	Joint accounts	Page 5
8	Interest	Page 5
9	Incurring charges on savings accounts	Page 5
10	When we can make changes to charges	Page 5
11	When we can make changes to savings terms	Page 5
12	Additional reasons we can make changes to savings terms	Page 6
13	Telling you about changes	Page 6
14	Payments on your account	Page 6
15	Electronic payments	Page 6
16	Payments out	Page 6
17	Payments in	Page 7
18	Cheques	Page 7
19	Cancelling a payment	Page 7
20	Restrictions on transactions	Page 7 & 8
21	Responsibility for incorrect, late or failed payments	Page 8
22	Unauthorised transactions	Page 8 & 9
23	Additional requirements for keeping your security details safe where you have an internet enabled account	Page 9
24	Right to Set Off	Page 9
25	Your responsibilities	Page 9 & 10
26	Communicating with you	Page 10
27	Trustees	Page 10
28	Right to close the account	Page 10
29	Use of the internet service	Page 10
30	Tax	Page 10
31	Payment information	Page 10

<b>PART 2- MORTGAGE CONDITIONS</b>		
1	Security	Page 11
2	Looking after the property	Page 11
3	Use and occupancy of the property	Page 11
4	Insuring the property	Page 11 & 12
5	Action we may take	Page 12
6	When we can act on your behalf	Page 12
7	Compensation from third parties	Page 12
<b>ADDITIONAL CONDITIONS FOR BUY TO LET PROPERTIES</b>		
8	Additional conditions for Buy to Let properties	Page 12
9	Consent to letting	Page 12
10	Tenancy requirements	Page 13
11	Unacceptable tenancies	Page 13
12	Tenants	Page 13
13	Children over 18	Page 13
14	Prior written agreement	Page 13
15	If the Property is Untenanted	Page 13
16	Repair and Maintenance	Page 13
17	Health and Safety	Page 13
18	Deposits	Page 13
19	Insurance	Page 13
20	Information for tenants	Page 13
21	Other statutory and legal requirements	Page 13
22	Registered Landlord	Page 14
23	Letting Agents and Property Factors	Page 14
24	Tenancy Agreement	Page 14
25	Energy Efficiency	Page 14
26	Lettings to Companies	Page 14
27	Tenancy not Binding on us	Page 14
28	No Sale or Rentback	Page 14
29	Valuations	Page 14
<b>PART 3 - GENERAL TERMS</b>		
1	Joint borrowers	Page 15
2	Transferring the Standard Security	Page 15
3	Notices	Page 15
4	Other terms to be aware of	Page 15
	Important information about compensation arrangements	Page 16
	Not happy with our service?	Page 16
	Contact us	Page 16

## SUMMARY OF KEY TERMS

MONTHLY PAYMENTS	CHARGES
<p>It is important that you pay us on time the amount of the monthly payments.</p> <p>The monthly payments are set out in your mortgage offer and can be varied in certain circumstances. Refer to term 1.4 of your loan terms for further details.</p> <p>If your mortgage loan is a repayment mortgage, your monthly payments will include capital (the money loaned to you) and interest.</p> <p>If your mortgage loan is an interest only mortgage, your monthly payments will be made up of interest and you will still have to repay all of the capital at the end of the mortgage term. It is very important that you make arrangements to repay the amount of capital at the end of the mortgage term and regularly check to ensure that you will be in a position to repay the capital by the end of the term.</p>	<p>These terms also allow us to give you three month's notice to repay your mortgage in full. The reasons why we may do this are set out in term 4.3 of your loan terms.</p> <p>Please make sure that you understand these reasons because if we ask you to repay under one of these terms and you do not, then we could take further action against you. This could mean repossessing your property.</p>
CHARGING INTEREST ON YOUR LOAN	OUR RIGHT TO SET OFF
<p>We will charge you interest on the amount that you have borrowed at the interest rate set out in your mortgage offer.</p> <p>Unless your mortgage offer states that your interest rate is fixed, we can vary the interest rate that applies to your mortgage loan for a number of reasons. These reasons are set out in term 3.3 of your loan terms. Please ensure that you have considered those reasons and understand that the amount you pay on your mortgage loan will increase if we increase the interest rate.</p> <p>We will give you notice either by advertisement or personally of any increase in the interest rate either before or as soon as possible after the increase takes effect. If you would prefer to repay your mortgage loan at that point you can, but you may have to pay an early repayment charge and other charges. The charges are as set out in your mortgage offer. We do not have to give you notice if we decrease the interest rate.</p>	<p>We can change these charges and the reasons why we may do this are set out in term 6 of your loan terms and term 10 of your savings terms.</p>
OFFSETTING SAVINGS	PROPERTY OBLIGATIONS
<p>You must have at least one offset savings account.</p> <p>No interest will be paid on any savings.</p> <p>Any money held in the offset savings account is deducted from your loan balance before calculating the interest payable on your loan.</p> <p>We will work out the difference at the end of each day between the loan balance and the savings you have in an offset savings account. If the loan balance exceeds the savings we will charge interest on the difference. .</p>	<p>Your mortgage loan will be secured over the property set out in your mortgage offer.</p> <p>It is important that the property is kept in a good state of repair. Your mortgage conditions sets out some obligations on you in relation to maintaining the property, for example completing building work. You must also obtain our permission before you carry out certain actions in relation to the property, such as altering, extending, or letting the property. Where the mortgage is a buy to let mortgage the Mortgage Conditions set out the criteria on which the property must be let.</p> <p>You are responsible for insuring the property. The property must be insured against the usual risks to a property (fire and flood for example) and for an amount that is sufficient to fully re-instate the property in the event that it is destroyed. Please refer to the mortgage conditions and your mortgage offer for further details about insuring the property.</p>
IMMEDIATE REPAYMENT	ACTION WE MAY TAKE
<p>In certain circumstances we can ask you to repay immediately all the outstanding money under the mortgage, such as if you are in arrears by a certain amount of your monthly payments. The full set of circumstances in which we may do this is set out in term 4.1 of your loan terms.</p>	<p>We can take certain action in relation to the property if you breach these terms, such as you fail to make your monthly payments. These actions are set out in your mortgage conditions. They include selling the property.</p> <p><b>For further copies of these Terms, our Loans Administration Fee Tariff, or Offset Account Charges and Fees Information leaflet, call 0345 1 200 872 or look on our website at <a href="http://www.accordmortgages.com">www.accordmortgages.com</a>.</b></p>

## GLOSSARY

Certain words used in Parts 1 to 3 of this booklet have a special meaning. These are set out below:

<b>Account Document</b> means a passbook, certificate, or similar item that we designate to be an account document.	<b>Property</b> means a property which is security for a Loan and where appropriate includes all or any part of a Property.
<b>Interest Rate</b> means the rate of interest shown in the Offer or the new rate of interest if we change it in accordance with these Terms.	<b>Saver</b> means an individual and, in the case of joint accounts, includes all Savers who have a Savings Account. A Saver must also be a borrower.
<b>Internet Enabled Account</b> means a Savings account that you have opened with us or can otherwise, once you have registered with us to do so, access or manage through our website or mobile application, via the internet (our internet banking service)	<b>Savings</b> means savings (if any) in a Savings Account.
<b>Loan</b> means any individual amount of money we have lent to you or may lend to you, as set out in an Offer, on the security of a Property. This may include, for example, any additional Loan and any other money you owe us at any time such as interest and unpaid fees and charges. You may have more than one Loan.	<b>Savings Account</b> means an account with the Society in our name as trustee for a Saver, where we have agreed that the Savings are to be set off against the Loan.
<b>Login Password</b> means the internet service access password used by you to access your Internet Enabled Account	<b>Savings Terms</b> means the terms in Part 1, Section B and the Glossary of this booklet.
<b>Mortgage Conditions</b> means the terms in Parts 2 and 3 and the Glossary of this booklet and which together are the Mortgage Conditions 2020 Scotland.	<b>Security Details</b> means any passwords, selected personal information or other information used in connection with the internet service, and includes your Login Password.
<b>Offer</b> means any written offer of a Loan sent to you which results in a Loan being made.	<b>Society</b> means Yorkshire Building Society.
<b>Offset Account</b> means the Loan account and a Savings Account.	<b>Tariff</b> means our Loans Administration Fee Tariff of mortgage charges which applies to your Loan. You will receive the current version with the Offer. The Tariff states the current amount of the charges which we may make under these Terms. The Tariff is subject to change from time to time in accordance with these Terms and you can always obtain the latest version on our website or by telephoning our Customer Contact Centre.
<b>Offset Account Charges and Fees Information leaflet</b> means the leaflet which contains the current amount of the standard charges in relation to a Savings Account referred to in Savings Term 9. You will receive the current version with the Offer. It is subject to change from time to time in accordance with Savings Term 10. You can obtain the latest version from our website or from our Customer Contact Centre.	<b>Terms</b> means all the terms and conditions set out in this booklet. Where the Terms are issued with an additional Loan or product transfer, Terms means Parts 1 and 3 and the Glossary of this booklet.
<b>Offset Terms</b> means the terms in Parts 1 and 3 and the Glossary of this booklet.	<b>working days</b> means Monday to Friday excluding bank and public holidays in England and Wales.
<b>our, us and we</b> refer to Accord Mortgages Limited and includes our successors in title and any party our interest in the Loan and standard security is transferred to under Part 3, Term 2 of these Terms.	<b>you and your</b> in these Terms refer to a person who is a borrower except for in the Savings Terms, where you and your refer to a person who is a Saver.

## PART 1: SECTION A - LOAN TERMS

### 1 Payments

- 1.1 You must repay the Loan to us by the end of the term set out in your Offer.
- 1.2 You will make the monthly payments set out in your Offer until your Loan is repaid. These payments will start in the month after the Loan is advanced to you and will be due on the first day of the month if no other date has been arranged. The monthly payments should be made by Direct Debit. If you wish to change the date on which your monthly payments are made or change the method by which you make your monthly payments, you should contact us by telephoning our Customer Contact Centre.
- 1.3 If you have a repayment mortgage you will have to make monthly payments that are made up of interest and the capital loaned to you. Your payments will be calculated so that the whole Loan plus interest is repaid by the end of the term. If you have an interest only mortgage, your monthly payments will be made up of interest. You will need to make a lump sum payment at the end of the term to repay all of the capital.
- 1.4 In certain circumstances we may vary the monthly payment amount. We may do this, for example, if:
  - (a) there are changes in the Interest Rate;
  - (b) there are changes in the amount of any insurance premiums that we may pay on your behalf;
  - (c) payments are being made later or earlier than expected;
  - (d) we lend you more money;
  - (e) there is a change to your mortgage term;
  - (f) you switch your repayment type from interest only to repayment or repayment to interest only;
  - (g) we need to recover any unpaid costs or charges (including unpaid ground rent and service charges) added to your Loan;
  - (h) there is any compulsory change in law or regulation;
  - (i) we need to take into account the way in which we administer (or any person appointed by us administers) our Loan accounts. We may only do this to ensure repayment of the Loan within the term of your Offer;
  - (j) there is a change to the date on which you make your monthly payments;
  - (k) the Savings balance in your Savings Account to offset your Loan balance changes.For any change that we make to your monthly payment, we will tell you about this in advance and when the first amended payment is due. If your Loan is subject to the annual account review we may not change your monthly payment to take account of account changes in the previous 12 months until the annual account review takes place. In that case we will tell you about any changes in your monthly payment because of changes to your account at the time of your annual account review. Your Offer tells you whether your Loan is subject to the annual account review and where you can find more information about how it works.
- 1.5 Where these Terms are issued with an additional Loan or a product transfer which is made after your first Loan, the Offset Terms will apply to the additional Loan or product transfer.

### 2 Interest charged on your loan

- 2.1 The way we calculate interest on your Loan balance is set out in your Offer.
- 2.2 You must have at least one Savings Account. The balance of any Savings held in a Savings Account is deducted from your Loan balance before calculating the interest payable on your Loan.
- 2.3 We will work out the difference at the end of each day between the Loan balance and the Savings. If the Loan balance exceeds the Savings balance we will charge you interest on the difference.
- 2.4 If you have different parts to your Loan, in calculating the interest to be charged on your Loan, we will offset any Savings against the different parts in the following order:
  - (a) if your Loan has different Interest Rates, the highest Interest Rate through to the lowest;
  - (b) if your Loan has different Interest Rate types, variable Interest Rates before fixed Interest Rates;
  - (c) if parts of your Loan were completed at different times, the more recent through to the oldest;
  - (d) if parts of your Loan have different methods of repayment, the repayment (capital and interest) method before the interest only method; and
  - (e) in part number order, the highest number to the lowest.
- 2.5 If you do not make a payment on time, you will also be charged interest at the Interest Rate on the unpaid interest that forms part of your outstanding Loan balance.

### 3 Changing the Interest Rate

- 3.1 A mortgage loan can last for a long time, so the levels of our interest and charges may change during the term. Unless your Interest Rate is stated in your Offer as being fixed, we have the power to vary the Interest Rate for certain reasons.
- 3.2 We may reduce the Interest Rate on the Loan without notice to you at any time, although if that results in a different monthly payment we will tell you before it is due.
- 3.3 Subject to any specific terms in your Offer, we can increase the Interest Rate at any time where we reasonably believe that the increase is needed for any one or more of the following reasons listed below:
  - (a) to take account of any change in the costs reasonably incurred by us in managing our mortgage business and in particular providing and administering our mortgage accounts, which may include changes in the technology and systems we use;
  - (b) to take account of changes or anticipated changes in the law or the interpretation of the law, due to regulatory requirements, decisions or recommendations of an ombudsman, regulator or similar person, any code of practice or industry guidance applicable to the conduct of our business;
  - (c) to take account of changes in the Bank of England base rate or the nearest equivalent rate set by the Bank of England or any body which may, in the future, take over responsibility for interest rate setting from the Bank of England;
  - (d) to respond to increases in our costs of raising funds to finance our lending these costs include:
    - (i) interest paid to our investors;
    - (ii) the cost of money which we borrow; and
    - (iii) interest rates we need to pay in order to attract and retain savers.Any increase in the Interest Rate we make for any of the reasons stated above will be reasonable and proportionate.
- 3.4 In addition to the reasons set out above, we can increase Interest Rate in exceptional economic or financial circumstances which we reasonably believe have had or are likely to have a significant effect on the United Kingdom financial system or a significant effect on building societies operating in the United Kingdom, to allow us to manage our business prudently and in accordance with regulatory requirements. If we use this power to increase the Interest Rate we will always:
  - (a) respond proportionately to the circumstances giving rise to the change;
  - (b) give you personal notice before we make such a change. The period of notice will be a period which we consider is reasonable in the circumstances;

- (c) tell you that the Interest Rate is being changed under this particular power and explain why the change is being made; and
- (d) reduce the Interest Rate again when and as far as the relevant circumstances and the need to manage our business prudently, permit.

#### 4 When We Can Ask For Repayment of Everything You Owe Us

- 4.1 In certain circumstances you will have to pay to us everything you owe all at once. We will only ask you to do this if:
- (a) you have failed to make payment of an amount of two or more of your monthly payments on any Loan or any other sums are due to us and you have not paid them;
  - (b) you materially or persistently do not comply with any of your obligations (other than payment of the monthly payments) to us;
  - (c) you are made bankrupt or are sequestrated;
  - (d) you enter into an arrangement with or make a trust deed for the benefit of your creditors or you propose to do so; or
  - (e) the Property is compulsorily acquired (for example, a local authority forces you to sell your Property to them).
- 4.2 If you do not repay the outstanding balance when requested and we get a judgment or decree against you for that amount or part of it, you will pay interest on the amount of that judgment or decree at the Interest Rate or a rate set by the Court.
- 4.3 We may also ask you to repay everything that you owe on three months' personal notice in certain circumstances, which are:
- (a) any information given by you or on your behalf was, at the time it was provided, materially incorrect or misleading and would have affected our decision to provide a Loan to you;
  - (b) we have a good reason to believe that you have been involved in fraudulent or serious criminal behaviour;
  - (c) we have good reason to believe that the relationship between us has irretrievably broken down, such as physical, threatening or abusive behaviour to our staff;
  - (d) we reasonably consider that something that you have done or not done has put our security interest in the Property at risk in a material way; or
  - (e) where we reasonably consider it necessary due to regulatory or tax reasons (we would not rely on this reason without reference to and acceptance by our regulator).

#### 5 Incurring Charges on your Loan

- 5.1 We may charge you for services we provide and costs we incur. There are a number of specific charges which are set out in your Offer and Tariff and which form part of the price for your Loan. These will usually (but not always) be connected to specific costs for the operation of the Loan or standard security and where you ask us to provide a document or service in connection with the Loan or standard security, whether to you or anyone else.
- 5.2 Additionally, there are a number of more general costs which may arise through the life of the Loan. These are usually incurred because you ask us to do something or you do not keep to your obligations to us.
- 5.3 Examples of charges include (but are not limited to):
- (a) **Operation costs:** Charges may be incurred when we:
    - (i) supply or copy deeds or documents to you or anyone acting for you;
    - (ii) discharge our security or release the Property or any related rights from our security;
    - (iii) release any title deeds;
    - (iv) process any request for any change in the terms of the Loan or the standard security;
    - (v) give you or anyone authorised by you any assistance or information in connection with the Property, the Loan or the standard security;
    - (vi) incur third party charges in dealing with the standard security or its discharge, such as Land Register fees.
  - (b) **Legal costs:** Before the first Loan is made we will have to set up a standard security over the Property to secure this and any future Loans. You will be responsible for paying the legal costs of any conveyancer who undertakes our legal work in relation to the standard security. The Offer will state whether we are paying the whole or part of the legal costs involved in setting up the first Loan.
  - (c) **Costs to safeguard our security:** You must pay us all reasonable costs which we incur to safeguard our security or because you fail to fulfil any obligations you have under the Loan or the standard security. Where we are able to make a genuine pre-estimate (based on our mortgage lending activities as a whole) of the expenses we are likely to incur, the amount of the charge will be set out from time to time in our Tariff and will be limited to this amount. Where we cannot make a genuine pre-estimate we will charge a reasonable amount and any external costs which we may incur. Examples of activities that we may incur costs for are (but are not limited to):
    - (i) any legal proceedings and costs relating to the Loan or the standard security (this applies whether or not you are a party to the proceedings);
    - (ii) exercising any of the rights or powers given to us by law, these Offset Terms or your mortgage conditions;
    - (iii) recovering any of the outstanding Loan;
    - (iv) insuring the Property or checking that any insurance of the Property which you have arranged is adequate for our purposes.
  - (d) **Arrears Charges:** If your Loan account falls into arrears, then we will charge you arrears administration fees. The time from when we start charging these fees and the amount of these fees will be set out in our Tariff. Arrears administration fees are calculated to cover our administrative costs in dealing with those arrears. Where arrears administration fees are charged, they will be added to your Loan balance each month. Legal costs may also be charged and will be added to your Loan balance if we have to take further action.
  - (e) **Savings Charges:** We may also make charges in relation to a Savings Account. Details are in the Savings Terms.
- 5.4 We can add charges or costs to your Loan. If costs or charges are added to your Loan balance:
- (a) we will charge interest on the charge or cost from the time it is added to your Loan until it is repaid at the Interest Rate or, where there is more than one such rate, at the highest rate;
  - (b) for any change that we make to your monthly payment as a result of costs or charges being added to your Loan account, we will tell you about this in advance and when the first amended payment is due. If your Loan is subject to the annual account review we may not change your monthly payment to take account of costs or charges being added to your Loan in the previous 12 months until the annual account review takes place. In that case we will tell you about any change in your monthly payment because of this at the time of your annual account review. Your Offer tells you whether your Loan is subject to the annual account review and where you can find more information about how it works.



## 6 Changing Our Charges

We may change our charges at any time. Where the change is not to your advantage (for example, if we increase a charge or introduce a new one), we will only make the change for one or more of the following reasons:

- (a) to take account of, in a proportionate manner, changes in the expenses which we reasonably incur (including our reasonable management, administrative and external costs) in respect of the particular product or service provided to you, which may include changes in the technology and systems we use; or
- (b) to take account of, in a proportionate manner, changes or anticipated changes in the law or the interpretation of the law, due to regulatory requirements, decisions or recommendations of an ombudsman, regulator or similar person or any code of practice or industry guidance applicable to the conduct of our business.

## 7 Telling you about changes to our charges

If we make a change to our charges in the Tariff:

- (a) the new charge will be set out in the Tariff which will be provided to you personally at least once a year when changes are made;
- (b) we will tell you when you ask us to do something which incurs a charge; and
- (c) the Tariff will be available from our website, or from our Customer Contact Centre.

## PART 1: SECTION B - SAVINGS ACCOUNT TERMS

1 The Offset Account must include at least one Savings Account.

2 You are not required to hold a minimum amount of money in a Savings Account but a Savings Account cannot be overdrawn.

3 The maximum number of Savings Accounts is three. These must be held by a borrower named in the Offer.

4 All Savings Accounts will be opened with the Society in which we will hold Savings as trustee on behalf of a Saver. **A Saver will not be a member of, or have any membership rights in, Yorkshire Building Society.**

5 The sole obligation to repay any Savings is that of the Society. Although the Society has a direct responsibility to a Saver for the repayment of Savings all dealings on the Savings Account will be through us as trustee of the Savings Account.

6 Any deposit a Saver makes into the Savings Account by post must be sent to us and made payable to "Accord Mortgages Limited a/c [Savings Account number] [your name]". If you wish to withdraw money from a Savings Account by post you must instruct us in writing and we will arrange for payment to be made. We also provide an internet service for Internet Enabled Accounts.

## 7 Joint accounts

7.1 If there is more than one of you:

- (a) the Savings Terms apply to all of you together and to each of you on your own; and
- (b) each of you can be held fully responsible for any liability that you may have.

7.2 We will accept instructions from, or rely on the signature of, any one of you for all transactions on a Savings Account. This includes withdrawals, transfers, the closure of a Savings Account and moving to a different product. This term applies:

- (a) unless agreed otherwise at the time a Savings Account is opened (other than Internet Enabled Accounts where each of you will operate the Savings Account individually);
- (b) other than for the exception in (a) above, until we are told otherwise by any one of you; or
- (c) unless there is a dispute between joint Savers in which case Savings Term 7.3 will apply.

7.3 From the time we are aware of a dispute between you (for example, if we are informed that the relationship between the parties has ended):

- (a) we may require the authority or the signatures of all of you for any further transactions on a Savings Account, including withdrawals and Savings Account closure; and
- (b) any regular internal transfers on Savings Accounts will be cancelled

7.4 A maximum of two of you can hold any one Savings Account.

7.5 You can only hold a joint Savings Account with another borrower named on the Offer.

7.6 A notice given on a joint Savings Account can be given to all Savers by giving that notice to the first named Saver on our records.

7.7 If one of you dies the survivor should tell us and provide us with the appropriate proof of death. We will then change the Savings Account so that it can be operated by the survivor and the survivor owns the Savings Account and only the survivor is able to operate it.

## 8 Interest

Interest will not be paid by the Society on any Savings.

## 9 Incurring Charges on Savings Accounts

9.1 Charges may be made for opening and administering a Savings Account and for services provided in connection with it and those charges will be deducted from the balance in a Savings Account. Details of the standard charges are contained in our leaflet "Offset Account Charges and Fees Information".

9.2 You will be told about a charge which affects a particular product or service before you use it or at any other time you ask.

## 10 When changes can be made to charges

We may need to make a change to charges applicable to Savings Accounts at any time, including adding new ones, for one or more of the following reasons:

- (a) to take account of, in a proportionate manner, changes or anticipated changes in the law or the interpretations of the law, due to regulatory requirements, decisions or recommendations of an ombudsman, regulator or similar person, any code of practice or industry guidance applicable to the conduct of our business; or
- (b) to take account of, in a proportionate manner, changes in the expenses we reasonably incur (including our reasonable management, administrative and external costs) in respect of the particular product or service provided to you, which may include changes in the technology and systems we use.

## 11 When we can make changes to savings terms

We may need to make a change to charges or terms applicable to Savings Accounts at any time, including adding new ones, for one or more of the following reasons:

- (a) to take account of legitimate cost increases or reductions of more efficiently operating and administering your account, which may include changes in technology and the systems we use;
- (b) to give extra benefit to savers, including making the terms of the accounts easier for you to understand, or to make them fairer;
- (c) to correct mistakes if it is reasonable to do so; or
- (d) if it is to your advantage.



## 12 Additional reasons we can make changes to savings terms

- 12.1 We may also need to make changes to charges (including to add new ones) or to the terms applicable to your savings account, in exceptional economic or financial circumstances which we reasonably believe have had or are likely to have a significant effect on the United Kingdom financial system or a significant effect on building societies operating in the United Kingdom to allow us to run our business prudently, for example to reflect changes to the way we run our business and savings accounts, including in accordance with regulatory requirements, even if the requirements themselves have not changed. If we use this power to make changes to terms we will always:
- respond proportionately to the circumstances in question; and
  - tell you that the change is being made under this particular power and explain to you why the change is being made, when we give you notice of the change.
- 12.2 Any changes we make to charges or any of the terms applicable to your account, for any of the reasons stated in these terms will be reasonable and proportionate to the circumstances giving rise to the change.

## 13 Telling you about changes

Where we make a change applicable to a Savings Account we will notify you of any such changes giving you at least 2 months advance personal notice of the change. Unless you notify us to the contrary before the change comes into effect you will be treated as having accepted any change we make. At any time before then you may, without notice, switch your money to another savings account with the Society or withdraw all the money from the Savings Account without having to pay any charge for doing so, subject to Savings Terms 1 and 20.

## 14 Payments on your account

- 14.1 The types of payments we allow into and out of a Savings Account are shown in the tables below.
- 14.2 You will need enough cleared funds in a Savings Account to carry out any transaction.
- 14.3 All payments into and withdrawals from a Savings Account must be in Sterling.

## 15 Electronic payments

You can make the following types of electronic payments to and from a Savings Account:

- Faster Payments.** If you ask us to make a payment in Sterling to a person with an account in the UK that can receive these payments, the Faster Payments Service will be used. If the payment exceeds the Faster Payment limit we have set or the destination account is unable to accept payments through the Faster Payments Service we will tell you at the time you try to make the payment that it cannot be made through the Faster Payments Service. The payment can then either be sent by CHAPS (for which there will be a charge) or by cheque;
  - CHAPS payments.** Payments out of a Savings Account are subject to separate terms. There is a charge for this service; and
  - Internal transfers.** This is a transfer of money made from one Savings Account to another Savings Account;
- The following electronic payments can only be made into a Savings Account:
- Debit card** payments through our website;
  - BACS** payments.

## 16 Payments out

- 16.1 Before asking us to set up an electronic payment transfer you must:
- provide us with your account number and any other information we may require in order to carry out the transaction for you including the payee's name, their account number and sort code. You must make sure you give us the correct sort code and account number. If you don't, it is unlikely the payment will reach the intended payee, even if the payee's name is correct; and
  - complete the request or authority in the form we require depending on the type of transaction you are requesting;
  - If you give a payment instruction using the internet service we may ask you to confirm this by means of an automated message service asking you to confirm that you have instructed the payment to be made. If we are unable to get confirmation from you in this way to verify the instruction for a payment, it will not be made.
  - where we allow you to provide your instructions by telephone, once we have identified you and you have provided all the payment information we require, we will confirm the instructions to you. If you agree the information is correct you will need to confirm this and this will be your consent to make the payment.
- 16.2 It is important that you understand when money on a Savings Account is available to you as we will not allow a payment where there is not enough money in a Savings Account.
- 16.3 Details of the time of day we need to receive your instructions to pay and the maximum time it will take for the payment to be available to the payee are in the Payments out table. With the exception of Faster Payments instructions received via our website at weekend or on public or bank holidays, if you ask for a payment to be made on a non-working day, we will start to make payment on the next working day.

### Payments out

Payment Type	Latest time to make request	latest time available to Payee's bank or building Society	Notes
Faster Payments	<b>Branch</b> Opening hours <b>Website/Internet banking service</b> - Midnight	By the end of the next day  Paper Instructions - 2 days after receipt of request	Subject to a maximum limit
CHAPS	<b>Branch</b> Opening hours	Same working day as the request is received	You will be charged for this service. Refer to our leaflet "Offset Account Charges and Fees Information. Separate terms apply.
Internal transfers	<b>Website/Internet banking service</b> - Midnight <b>Branch</b> Opening hours	Immediately unless advised at the time of the transaction  Same day as request is received	

## 17 Payments in

Payments made into a Savings Account are available for withdrawal as set out in the table below.

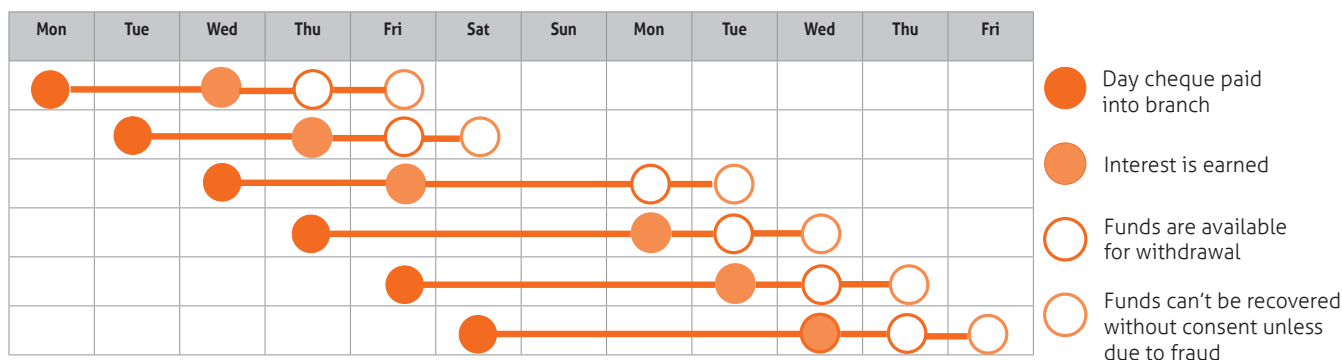
### Incoming payments

Payment Type	Latest time for us to receive payment	Time taken to reach your account	On reaching the account, when the money is available	Notes
Faster Payments	Available 24/7	Within 2 hours of receipt of payment from our clearing bank	Immediately	For the bank details you need to use for payments into your Savings Account within the UK, look on our website or contact us.
BACS	Monday - Friday 9am	Usually 3 working days once the payer has instructed their bank	Immediately	We do not accept non-sterling payments into savings products. A payment sent to your account in a currency other than sterling will be returned to the sending bank in the same currency. The amount returned will be equivalent to the sterling conversion that was received by YBS
CHAPS	Monday - Friday 5pm	Usually the same working day	Immediately	
Debit Card Payment	Via the Website - 24/7	Same day as payment is processed	2 working days after deposit	
Internal transfers	<b>Website/Internet banking service</b> - 24/7	Same day as the transfer	Immediately	
Cheques	See separate table for cheque clearing timescales			

## 18 Cheques

18.1 The cheque clearance timescales applicable to Savings Accounts are set out in the table below.

### Cheque clearance timescales



18.2 Withdrawals can be made against the cheque deposit on the 3rd working day following the day of receipt. For example cheques deposited on Monday will be available for withdrawal on Thursday.

18.3 Cheques paid in on a non-working day will be treated as received on the next working day and will clear in line with the table above.

18.4 Cheques that are returned unpaid may be automatically represented for payment a further two times. If this happens to a cheque you deposit, we will write to you and let you know.

18.5 Cheques drawn on a bank with an address outside the UK cannot be deposited to your account.

18.6 If a cheque is returned unpaid before the end of the 3rd working day following the day of receipt, interest will be adjusted and we will debit your account with the amount of the cheque even if we have allowed withdrawals against it. A cheque that has been returned unpaid after the 3rd working day following the day of receipt will not be taken from your account without your consent unless we reasonably believe that you are a knowing party to fraud.

18.7 We can only stop a cheque we've written if you report it lost or stolen. If you request a replacement cheque, it will be issued with exactly the same details as the original cheque. If you want to cancel a cheque made payable to someone else and you do not want a replacement, you must provide us with the cheque itself or the written consent of the payee.

## 19 Cancelling a payment

19.1 If you have given us your instructions to carry out an electronic payment, and we have accepted your request, you cannot cancel it.

19.2 If you have given us your instructions to carry out an electronic payment for a date in the future, you can cancel it provided you tell us by 5pm on the last working day before the day on which the payment is due to be made. You can ask us to cancel it by calling our Customer Contact Centre.

19.3 In all other circumstances we will make all reasonable efforts to cancel the payment but cannot guarantee this. In such circumstances we may also charge you our reasonable costs.

## 20 Restrictions on transactions

20.1 We will not allow a withdrawal where:

- there is not enough money in the Savings Account to cover a payment; and/or
- you have not provided us with the correct information, or you have given us insufficient information to carry out your request (see Savings Term 16).

We will tell you we have done this no later than the end of the next working day following receipt of your payment request. We will attempt to contact you by telephone first but if we cannot contact you in this way we will write to you. You can contact us to find out how to rectify any errors or omissions.

20.2 At any time the Society can restrict the amount which can be withdrawn from a Savings Account, refuse or delay carrying out an instruction you have given us, contact you to confirm an instruction received or suspend use of any payment facilities or the operation of a Savings Account, as appropriate, if any of the following apply:

- they reasonably believe that there may be fraud or some other unlawful activity affecting the Savings Account;

- (b) they are required to do so by law, regulator or order of the court;
  - (c) there is a dispute (which they believe may be genuine) about the ownership of, or entitlement to the money in the Savings Account;
  - (d) circumstances beyond their reasonable control prevents them from offering a normal service (such as an act or threat of terrorism, computer failure or industrial action); or
  - (e) circumstances exist which lead them reasonably to believe their financial stability may be at risk (such as actual or potential abnormal levels of withdrawals or deposits).
- 20.3 Provided it would not be unlawful to tell you why they refused to carry out a transaction we will tell you and (where possible) give you the reason at the earliest opportunity. You can also ask directly for details of the reason and the procedure for correcting any factual errors causing the transaction not to be made or to satisfy them that the instruction came from you.
- 20.4 If the Society suspends the use of any payment facilities on your Savings Account we will tell you that they intend to do this and tell you the reasons for doing so. If we are unable to inform you before they are suspended we will do so immediately after. We may be unable to let you know the reasons for doing so if this would compromise reasonable security measures or we consider this to be unlawful.
- 20.5 Where they suspend the operation of a Savings Account in the case of Savings Term 20.2 (a) to (c) you will be unable to make any withdrawals from, or pay any money into, the Savings Account until they are satisfied (acting reasonably) that there is no longer any potential fraud or other unlawful activity affecting the Savings Account or that any dispute has been resolved.
- 20.6 In the case of Savings Term 20.2 (d) and (e) the Society will:
- (a) respond proportionately to the circumstances in question;
  - (b) take all reasonable steps to ensure that the restrictions are lifted as soon as practicable so that the inconvenience to you is minimised; and
  - (c) consider exceptions to the restrictions if they are reasonably satisfied that substantial hardship would otherwise be caused.
- 20.7 You may be charged for reasonable costs incurred in informing you of any action they have taken under Savings Term 20.2.
- 20.8 The Society also has security controls in place to enable account verification for transactions such as large withdrawals or transfers from a Savings Account to another account. If they prevent a transaction in these circumstances then you will be informed of this at the time.

## 21 Responsibility for incorrect, late or failed payments

- 21.1 It is your responsibility to ensure that any instructions that you give us in respect of a Savings Account are clear and accurate. You should double check any details in any payment instruction you provide to ensure we can carry them out correctly.
- 21.2 When you ask us to make an electronic payment and provide us with the correct information we are responsible for ensuring it is made correctly.
- 21.3 If we fail to carry out a payment instruction, carry it out late or if the Society carry out the instruction incorrectly, then the Society will without undue delay refund to you the amount of the incorrect payment and, where applicable, restore the Savings Account to the position it would have been in had the error not taken place. The Society will be liable to you for any charges for which you are responsible or any interest you must pay as a result of our or their failure to follow your payment instruction properly.
- 21.4 This general rule does not apply:
- (a) if a payment is made correctly and on time and the Society can prove that the payment was actually received by the other financial institution. In this case the payee's account provider is responsible for ensuring that the payment is available to the payee;
  - (b) your payment instruction was incorrect. In this case the Society will make reasonable efforts to recover the payment but we may ask you to pay the Society's reasonable costs for doing so. Where they are unable to recover the payment for you, if you write to us the Society will provide you with all the available and relevant information they have and which can be lawfully provided to you so that you can make a claim for repayment; or
  - (c) if your payment was carried out late or was delayed due to circumstances outside the Society's reasonable control, for example, the need for us or them to make further checks or, obtain further information or because of abnormal or unforeseeable circumstances the consequences of which could not have been avoided despite all our or their efforts to the contrary; or because of compliance with legal or regulatory obligations.
- 21.5 If you believe a payment has been made incorrectly or it has failed in some way, please contact us. The Society will make immediate and reasonable efforts to trace the payment without charge and you will be advised of the outcome.
- 21.6 Neither we nor the Society shall have any liability under this Savings Term 21 if you fail to notify us without undue delay on becoming aware of a failed, late or incorrectly executed payment and in any event within 13 months after the date on which the payment was made or due.
- 21.7 If the Society is informed by another building society or bank that a payment has been made into the Savings Account by mistake and they reasonably believe it is a genuine mistake, the Society may take an amount up to the value of the payment from your Savings Account. We will tell you if this happens and what you need to do in order to dispute the claim.
- Where the payment was made within 2 months of the Society being told of the error, if you tell us you do not wish to dispute the claim, or you do not contact us within the time we tell you to in order to dispute the claim, the Society will return the money to the bank or building society that sent the payment.
- If the payment was made more than 2 months from the Society being told of the error, they will not return the money without your agreement.
- You will not have access to this money from the time the Society is notified of the mistake until the time they are satisfied the payment was not made in error.
- 21.8 The Society will be required to co-operate with the bank or building society whose customer made the payment incorrectly in its efforts to recover mistaken payments. This includes a requirement for the Society to provide them with all relevant information they need to collect the payment. If the payer's bank or building society is unable to recover the funds from the Society and the payer asks them to do so they will provide all relevant information they have to the payer so they can claim repayment. This information will include your name and contact address.

## 22 Unauthorised transactions

- 22.1 You should check the Savings Account regularly. If you become aware that a transaction on a Savings Account has been carried out which is either unauthorised or has not been paid correctly or you become aware that an Account Document has been lost or stolen or any of your Security Details become known to anyone else you must tell us without delay by telephoning us on 0345 1 200 872.
- 22.2 The Society will usually refund you by no later than the end of the working day following the day on which they are notified of the unauthorised transaction. Where appropriate, will be refunded charges to put the Savings Account into the position it would have been in had the unauthorised payment not taken place.

- 22.3 The Society will not refund you immediately if:
- they have good reason to believe that you have deliberately or with gross negligence failed to comply with any requirements to keep a Savings Account Document or any Security Details safe; or
  - the transaction was by cheque; or
  - they have reasonable grounds to suspect that you are a knowing party to fraud.
- When this happens, the Society will need to investigate the matter further which they will do as quickly as they can and once complete they will, if necessary, adjust the Savings Account.
- 22.4 If the Society needs to investigate the matter further they will need you to co-operate with them, their agents and with the police if they need to involve them. In some cases, you will be required to give written confirmation or evidence that you have not authorised a transaction. If they or we ask for such co-operation, or written confirmation and you do not co-operate, they will reapply the transaction to the Savings Account. If there is a decision not to refund you, we will provide you with evidence of why this decision was made if we are lawfully able to do so.
- 22.5 The Society will not be obliged to investigate any unauthorised transaction under this Savings Term 22 or make any refund, unless you tell us within 13 months of the day on which the transaction is stated to have taken place.
- 22.6 Subject to Savings Terms 22.7 to 22.10, where any loss resulting from an unauthorised transaction or transactions arises from the unauthorised use of an Account Document or any Security Details, you will be liable for up to a maximum of £35 of that loss.
- 22.7 You will be liable for all losses arising where you have acted fraudulently. Savings Term 22.6 will not apply in this case.
- 22.8 Where losses arise as a result of you deliberately or with gross negligence failing to comply with any of the requirements to keep an Account Document or Security Details safe, Savings Term 22.6 will not apply. You will be liable for all losses arising, subject to Savings Term 22.9.
- 22.9 Except where you have acted fraudulently, you will not be liable for any losses arising:
- where the loss or theft was not detectable by you before the unauthorised transaction was made;
  - after you have notified us of any loss or unauthorised use of any Account Document or any Security Details;
  - where you have not been provided with a notification process for reporting the loss or theft of an Account Document or the compromise of any Security Details; or
  - where insufficient levels of security checks required by relevant laws or regulations, were made relating to the payment.
- 22.10 You will not be liable for any losses arising where the loss was caused by something we or the Society (including any employee or agent of ours) did or failed to do.
- 22.11 Where you have pre-authorised a payment from a Savings Account:
- which did not specify the exact amount of the payment; and
  - the amount of the payment exceeds the amount you could have reasonably expected to pay (taking into account your previous spending pattern, the terms of the Savings Account and the circumstances of the case); and
  - you provide such information as is reasonably necessary to check whether the terms of Savings Term 22.9 have been satisfied;
- then the Society will refund the full amount of the payment, or give a reason for refusing a refund, within ten working days of us receiving your request for a refund or, where applicable, within ten working days of receiving further information.
- 22.12 You will not be entitled to a refund under Savings Term 22.11:
- where you have given consent for the specific payment to be carried out and we, the Society, or the payee gave you specific information about the payment in question at least four weeks before the payment was due; or
  - if you do not request this refund within eight weeks of the payment date.
- 22.13 If you receive a refund you are not entitled to, you must pay it back when we ask you to.
- 22.14 Following loss of an Account Document and after you have:
- provided such evidence as we require regarding the loss;
  - completed such forms as we require regarding the loss; and
  - paid any fee as we may reasonably require;
- we may transfer the amount in the Savings Account to a new Savings Account and afterwards will give you a new Account Document.

## **23 Additional requirements for keeping your Security Details safe where you have an Internet Enabled Savings Account**

- 23.1 You must take all reasonable steps to keep your Security Details secret and safe at all times.
- 23.2 It is your responsibility to ensure that your computer or other device and software you use meet the requirements for the internet service. You must take reasonable steps to ensure that:
- the computer or other device that you use to access our internet service is safe and secure; and
  - the manner in which you access our internet service is safe and secure. For guidance on these requirements please refer to the security section of our website.
- 23.3 If you fail to take reasonable steps as required and as a result the safety and security of your Security Details are breached you may be responsible for any losses that arise subject to Savings Term 22.
- 23.4 You must notify us as soon as possible if your Security Details become known to, or if you think they may be known by, anyone else or if you become aware that someone else has used or attempted to use them. You can notify us by calling 0345 1200 872, or in writing to us at Yorkshire Drive, Bradford BD5 8LJ. However, you may be liable for all losses that arise before notification and you are, therefore, advised to use the telephone notification service. For 24hr assistance please use the Security Issue link on the 'Login' section of our website.
- 23.5 When using our internet service you will need to quote specific security information which will include random characters from your Login Password. Your full Login Password should be kept secret and only partially disclosed to helpline staff. We will never ask you for your full Login Password.

## **24 Right of Set-off**

- 24.1 You agree that all money we hold on your behalf in any Savings Account from time to time may if we decide at any time be set-off against any loan, guarantee or any other sums you owe to us and which have not been paid when due.
- 24.2 On completion of your Loan we will notify the Society of this right of set-off and you authorise us to require the Society at any time to pay us all or part of any Savings in or towards satisfaction of any sums which are due to us and you have not paid. We will advise you personally when we have done this. Until we enforce our right of set-off under this Savings Term 24 you may continue to ask us to make withdrawals from your Savings Account in accordance with these Savings Terms.

## **25 Your responsibilities**

- 25.1 It is your responsibility to advise us of any changes to your personal information and keep your personal details up to date (for example, name, address, telephone number or email address).

- 25.2 When we give you an Account Document:
- (a) it will remain our property;
  - (b) you agree to return it to us to be brought up to date whenever we ask or for such other purposes as we may reasonably require; and
  - (c) you must produce the relevant Account Document before making a withdrawal or carrying out any other transaction on a Savings Account.

## 26 Communicating with you

- 26.1 If we have to tell you something we will do so in one of the ways set out in Part 3, Term 3 of these Terms.
- 26.2 For Internet Enabled Accounts, it is very important that you notify us if your email address changes.
- 26.3 All our communications with you will be in English.
- 26.4 All communications with us will be monitored/recorded to improve the quality of our service and for your protection and security.
- 26.5 If we or the Society suspect or detect fraud or security threats in relation to the Savings Account we will contact you using the contact details we have for you. Whenever possible, you will be contacted by telephone using the telephone numbers we have for you. If we cannot contact you in this way we will then either write to you or contact you through the secure message service using the internet service.

## 27 Trustees

We hold Savings as trustee on behalf of a Saver. Any laws which give beneficiaries under a trust any rights relating to the appointment or retirement of trustees do not apply to trusts created under these Offset Terms.

## 28 Right to close the account

- 28.1 A Savings Account will continue until it is either closed by you or us as set out below.
- 28.2 You can close a Savings Account at any time without giving any reason and without notice or charge, subject to Savings Terms 1, 20 and 24.
- 28.3 We can close a Savings Account, repay any part of Savings immediately or transfer the Savings to another instant access account with the Society in the same names which allows a Saver to withdraw money throughout the UK if:
- (a) the Loan has been paid off and the mortgage on the Property has been discharged; or
  - (b) the Loan has been transferred to another of our mortgage products which does not include the offset feature; or
  - (c) the only Savings Account is held by a Saver who is not also a borrower; or
  - (d) there is a change in law, HM Revenue & Customs practice or interpretation, or a decision or recommendation of a regulator, ombudsman or similar person as a result of which:
    - we are required to deduct or account for income tax in respect of any Savings; or
    - we are no longer able to offer the Savings Account as part of an Offset Account.
- 28.4 If at any time there is no Savings Account or the circumstances set out in Savings Term 28.3 (c) or (d) above apply:
- (a) the Loan will be transferred to a mortgage account on whichever of our then available mortgage products is most similar to the terms of the Loan; or
  - (b) you will be able to pay off the Loan immediately subject to you paying any charges set out in your Offer.
- 28.5 We can close a Savings Account at any time without giving any reason. If we do this we will normally keep one of your Savings Accounts open and give you 2 months advance notice before we do this. We may, however, repay all your Savings and close all your Savings Accounts immediately if any of the circumstances set out in Savings Terms 28.3 or 28.6 apply.
- 28.6 We can close your account immediately in the following circumstances:
- (a) the relationship between you and us has irretrievably broken down (for example, you have been threatening or abusive to our staff); we will not close your account, or threaten to do so, as a response to a valid complaint that you have made;
  - (b) you have deliberately given us any false information in relation to your mortgage or the Savings Account or there is (or we reasonably suspect there is) fraudulent or other unlawful activity on the Savings Account;
  - (c) the agreement between us is void or unenforceable at law; or
  - (d) we have, or we reasonably consider that we have a legal obligation to close the account.
- 28.7 If we close the Savings Account in full and make repayment to you then you will have no further right or interest in the Savings Account.

## 29 Use of the internet service

It may be an offence to import or use the encryption technology used in our internet service in some countries. As this service uses sophisticated cryptography to ensure the safe transit of data across the Internet, you should check with the appropriate consulate or embassy of the country concerned before using our internet service outside of the UK. Accessing this service from outside the UK is at your own risk.

We cannot guarantee continuous, uninterrupted access to our internet service. On occasions we may need to interrupt the service to carry out maintenance of it, for other operational reasons or for reasons beyond our control. We will not, therefore, be liable to you for a failure to provide a continuous, uninterrupted service.

## 30 Tax

It is possible that taxes and costs may exist that are not paid via or by us.

## 31 Payment Information

- 31.1 If you instruct us to make an electronic payment we will provide you with a payment confirmation after the transaction has completed.
- 31.2 Where electronic payments on the Savings Account in any month are payments into the Savings Account, we will make Savings Account information available to you to obtain online or you can contact us by telephone to request it.



## **PART 2 – MORTGAGE CONDITIONS**

### **1 Security**

- 1.1 You have given us security over the Property to protect us in case you do not keep to your obligations under these Terms. This Part 2 describes the circumstances in which we may enforce the security. This Part 2 also describes your obligations in relation to dealing or not dealing with the Property in a certain way whilst it forms part of our security.
- 1.2 The security over your Property may be for more than the amount that you owe us under the Loan. It will also be security for any other money that you owe to us under any other agreement, or will owe to us in the future, other than any agreements that are stated to be regulated by the Consumer Credit Act 1974.
- 1.3 Unless we agree otherwise with you, the security will not be released until all money you owe to us (whether due or not) under any agreement has been paid. This will not affect your right to repay any agreement regulated by the Consumer Credit Act 1974.

### **2 Looking after the Property**

- 2.1 As we have an interest in the Property, it is important that you maintain the value of it. There are certain actions that you must take, or must not take, unless we agree to them.
- 2.2 You must:
  - (a) keep the Property in a good condition at all times and carry out any necessary repairs;
  - (b) ensure that any unfinished building or works on the Property are completed without delay and are built to a proper standard;
  - (c) if you hold the Property under a lease, comply with all of the tenants' obligations in the lease;
  - (d) pay all existing and future rents, taxes, outgoing and common charges affecting the Property;
  - (e) comply with all laws, regulations, obligations and conditions affecting the Property and its use which are in force from time to time (including all real burdens, obligations under factoring arrangements and, where the Property is a tenement, obligations regarding contributing to the repair and maintenance of tenements);
  - (f) send us a copy of any notice or other document affecting the Property within 14 days of receiving it from:
    - (i) a landlord (if the Property is leasehold);
    - (ii) anyone claiming a legal right over the Property;
    - (iii) any government department, local or other authority;
  - (g) allow us (by our employees or agents) to enter the Property after giving you reasonable notice so that we may:
    - (i) carry out a valuation of the Property;
    - (ii) inspect the state of repair and condition of the Property;
    - (iii) carry out or complete any work which is needed to put right any failure by you to comply with these Mortgage Conditions;
  - (h) tell us before you apply to a local authority or other similar body for any loan or grant for the repair or improvement of the Property. This is because the loan or grant may be subject to conditions requiring the whole or part of the grant to be repaid, for example, if you do not live in the Property for a certain period. You cannot accept any such loan or grant unless we agree in writing.
- 2.3 You must not do any of the following without getting our written consent first:
  - (a) convey, transfer, assign, mortgage, grant security over, obtain an extended lease of or otherwise deal with or give away the Property;
  - (b) accept the surrender or renunciation of any lease or tenancy of the Property other than any tenancy we have agreed to under these Mortgage Conditions;
  - (c) alter or extend the Property.

### **3 Use and Occupation of the Property**

- 3.1 You must use the Property for residential purposes as a single private dwelling and must not change the use of the Property, or allow the Property to be used for a trade or business, without getting our consent in writing first.
- 3.2 Unless your Offer states that the Property purpose is "buy to let" or "consumer buy to let", or otherwise states that the mortgage is a buy to let (or consumer buy to let) mortgage, you must occupy the Property yourself and must not, unless we have agreed in writing, grant or agree to grant or renew any lease or tenancy of the Property or give to any person any contractual or other licence or right to occupy or live in the Property.
- 3.3 We will not refuse our agreement to let the Property where you and the Property satisfy the conditions we reasonably require for letting of properties at that time.
- 3.4 As a condition of allowing you to let the Property we may impose reasonable conditions including an increase in the Interest Rate (an authorised lettings loading) while the letting or occupation continues. Where you let the Property or allow it to be occupied without our consent, or where you fail to observe our conditions of letting, we may impose a higher increase in the Interest Rate (an unauthorised lettings loading) while the unauthorised letting or occupation continues. Any increase in the Interest Rate under this mortgage condition is to reflect the increased risk to our security as a result of the letting or occupation. A full explanation of the loadings and of how they are applied is set out in our Lettings Information Factsheet which is available at any time upon request from our Customer Contact Centre. The current Interest Rate loadings are also in our Tariff which is available on our website.

### **4 Insuring the Property**

- 4.1 You must insure the Property. The Property must be covered by buildings insurance for as long as it is security for money that you owe us.
- 4.2 As it is your obligation to insure the Property:
  - (a) you must maintain a comprehensive policy against all usual house insurance risks. When we refer to "usual house insurance risks" this includes (but is not limited to) fire, explosion, earthquake, storm, flood, escape of water or oil, subsidence, heave, landslip and malicious damage. The policy must be for the cost of full reinstatement of the Property, including clearing the site and paying all fees and expenses. This means that the amount of the policy must be enough to put the Property back to its original state following any amount of damage or destruction. Further details about your insurance obligations are in your Offer;
  - (b) you will tell the insurer of our interest in the Property as heritable creditor and will arrange for our interest to be noted on the policy or you will insure the Property in your and our joint names;
  - (c) you will give us proof of payment of the premiums if we ask for this.



- 4.3 If the Property is leasehold or part of larger subjects and the terms of the lease or the title conditions provide for the Property to be insured along with other properties, then the Property will not need to be insured separately as stated above provided that:
- you tell the insurer of our interest in the Property as heritable creditor and arrange for our interest to be noted on the policy;
  - we or our legal advisers have approved the policy and confirmed that the insurance is in force; and
  - you must ensure that the Property remains insured against all usual house insurance risks and for the cost of full reinstatement of the Property.
- 4.4 You will not do anything or allow anything to be done or not done which may make the insurance void or voidable (invalid) or which makes the insurance more difficult or expensive to obtain or maintain or affects the ability to make a claim.
- 4.5 We may settle and adjust any claims against the insurers of the Property. In the event of a payout following a claim on the policy (whether arranged by you or us), we may receive any money paid out under the claim or, if you receive it, you must hold it on our behalf and keep it separate from your other funds. We can choose whether to use any money paid under the insurance policy either to rebuild or repair the Property or reduce or pay off the sum secured by the standard security (as long as we act reasonably, for example we will use the money to rebuild or repair the Property if this is needed to ensure the Property continues to be habitable).

## 5 Action We May Take

- 5.1 If you:
- fail to pay any of your monthly payments to us; or
  - fail to pay any other money you owe to us; or
  - are in breach of any of the terms or obligations in (a) the Offer, (b) these Terms or (c) the standard conditions referred to below,
- then we may call up the standard security (which means we can insist you pay in full the Loan and any other money that you owe to us under any other agreement which is secured against your Property, failing which can sell your Property) or otherwise deal with the Property as though a default within the meaning of standard condition 9(1)(b) of the standard conditions, contained in schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970, had occurred.
- 5.2 If we call up the standard security, you must remove all furniture and other moveable property (personal items) from the Property within 14 days and must not remove any fixed items without our agreement in writing as these form part of the Property.
- 5.3 If all furniture and moveable items are not removed within 14 days then you agree that we may:
- deal with them as your agents and at your expense;
  - sell or otherwise dispose of anything which belongs to you (we will give you any proceeds received less all expenses of the sale); and
  - remove and store anything which we know does not belong to you.

## 6 When We Can Act On Your Behalf

- 6.1 Sometimes we may need to take certain action (such as to sign documents) on your behalf to protect our security. You therefore appoint us to be your attorney to take such action where necessary. This means we are legally entitled to act on your behalf. We are appointed for as long as the standard security remains in force securing any money you owe to us.
- 6.2 If there is more than one of you then you agree that we will be attorney for one of you and a person or persons authorised by us may act as attorney for the other(s) as necessary.
- 6.3 You give us a power of attorney authorising us to act on your behalf to take any action which you are obliged to take under these Mortgage Conditions, including but not limited to:
- signing and completing any document which is needed to make good any defect in your title to the Property or in the standard security;
  - transferring your share or interest in any residents' society or management company, when we exercise our powers as heritable creditor to sell or lease the Property;
  - entering into any variation of your title to the Property in order to protect or enhance our security; and
  - settling any claim made by your landlord (if your Property is leasehold) or management company if we think it reasonable for us to settle it in order to protect our security or maintain its value, even though you may dispute the sum claimed.

## 7 Compensation from Third Parties

- 7.1 You may at some time be entitled to recover money or damages:
- to correct or compensate for defects or damage relating to the Property or the title to it; or
  - for any breach of contract or wrongful act or omission which may have caused damage to the Property or to the title to it or caused you to accept the Property or the title to it in a damaged or defective condition.
- 7.2 If you do, you must use the money or damages recovered either towards making good the damage or defects or towards payment of the money secured by the standard security.

## ADDITIONAL CONDITIONS FOR BUY TO LET PROPERTIES

### 8 Additional Conditions for Buy to Let Properties

- 8.1 Conditions 9 to 29 below apply where your Offer states that the Property purpose is "buy to let" or "consumer buy to let", or otherwise states that the mortgage is a buy to let (or consumer buy to let) mortgage.

### 9 Consent to Letting

- 9.1 We consent to the Property being let. Following completion of your Loan, if the Property is not already let you must use your best endeavours to find a suitable tenant and to let the Property on the open market in accordance with the Mortgage Conditions set out below. You are not allowed to occupy the Property yourself and you must not, without our prior consent, allow the Property to be occupied by any person other than a tenant in accordance with these Mortgage Conditions.

## 10 Tenancy Requirements

- 10.1 In relation to the letting of the Property any tenancy must:
- (a) be set out in writing between you and the tenant(s);
  - (b) be a private residential tenancy (for a minimum period of six months) or a short assured tenancy (for a minimum period of six months and a maximum period of three years);
  - (c) where the tenancy is a short assured tenancy for a term of more than one year, contain a provision (a "break clause") permitting you to terminate the tenancy after expiry of the first twelve months of the term and at any time prior to the term end date by giving to the tenant at least two months' notice in writing;
  - (d) be in respect of the whole of the Property;
  - (e) state that the tenancy cannot be assigned or the Property sublet without your consent;
  - (f) where the tenancy is a short assured tenancy, include a condition that the tenancy can be terminated under Ground 2 and Ground 8 of Schedule 5 of the Housing (Scotland) Act 1988;
  - (g) where the tenancy is a short assured tenancy, be on the basis that a notice under section 32 of the Housing (Scotland) Act 1988 must be served on the tenant(s) prior to commencement of the tenancy. This notice must be a separate document to the tenancy agreement. Any notice which is contained in the tenancy agreement is not acceptable;
  - (h) not contain any terms which could adversely affect our interest as lender in the Property;
  - (i) where the tenancy is a short assured tenancy, not contain any provision which would allow the tenant to renew the tenancy on a perpetual basis;
  - (j) be for the purpose of using the Property as a private dwelling house only and not for any other purpose;
  - (k) include a provision that no alterations are allowed to the Property without your consent; and
  - (l) where the tenant is a company, meet the conditions of condition 26 below.

## 11 Unacceptable Tenancies

- 11.1 We will not accept the following:
- (a) Holiday lets.
  - (b) Any letting in respect of which a mandatory licence for the Property must be obtained from the Local Authority for any reason (other than any requirement to be entered on the register of private landlords maintained by a Local Authority).
  - (c) A letting to any of the following:
    - (i) a member of your family (i.e. your spouse or civil partner, a person (whether or not of the opposite sex) whose relationship with you has the characteristics of the relationship between husband and wife, or your parent, brother, sister, child, grandparent or grandchild);
    - (ii) an asylum seeker;
    - (iii) a person having the benefit of diplomatic immunity;
    - (iv) a local authority; or
    - (v) a housing association.

## 12 Tenants

- 12.1 All occupiers of the Property aged 18 or over must be tenants and, where there is more than one tenant, they must all be parties to one single tenancy agreement. There can be no more than two tenants to such a tenancy agreement.

## 13 Children over 18

- 13.1 Any child who is 18 or over and is to reside at the Property must be a party to the tenancy.

## 14 Prior Written Agreement

- 14.1 Unless we provide our prior written agreement, you must not:
- (a) give consent to any alterations to the Property by the tenant;
  - (b) give consent to any assignation of the tenancy or subletting of the Property by the tenant.

## 15 If the Property is Untenanted

- 15.1 You must notify us immediately if the Property is untenanted for longer than one month.

## 16 Repair and Maintenance

- 16.1 You must comply with all statutory and other legal requirements relating to the repair and maintenance of the Property, including but not limited to fire and health and safety and, where the Property is let partly or fully furnished, requirements relating to furnished lettings.

## 17 Health and Safety

- 17.1 You must comply with all relevant health and safety legislation applicable from time to time to landlords of residential property. You must seek independent advice if you require further assistance in relation to this. Examples include:
- (a) the Electrical Equipment (Safety) Regulations 2016;
  - (b) the Gas Safety (Installation and Use) Regulations 1998;
  - (c) the Furniture and Furnishings (Fire) (Safety) Regulations 1983 as amended; and
  - (d) the repairing standard under the Housing (Scotland) Act 2006.

## 18 Deposits

- 18.1 You must ensure that any deposit taken by you in relation to the tenancy is held in an approved Tenancy Deposit Scheme as defined in the Housing (Scotland) Act 2006 (or any amending or replacement legislation).

## 19 Insurance

- 19.1 Letting the Property may affect buildings and/or contents insurance cover. You must ensure that any buildings insurance cover will continue during any letting of the Property in accordance with your obligations regarding insurance of the Property contained in these Mortgage Conditions.

## 20 Information for Tenants

- 20.1 Where the tenancy is a private residential tenancy, you must comply with the Private Residential Tenancies (Information for Tenants) (Scotland) Regulations 2017 (or any amending or replacement regulations) which require you to provide the tenant with the Easy Read Notes for the Scottish Government Model Private Residential Tenancy Agreement or the Private Residential Tenancy Statutory Terms Supporting Notes.
- 20.2 Where the tenancy is a short assured tenancy, you must serve a notice on the tenant(s) under section 32 of the Housing (Scotland) Act 1988 in compliance with condition 10.1(g).

## 21 Other Statutory and Legal Requirements

- 21.1 You must comply with any other statutory and legal requirements to provide the tenant(s) with information about the tenancy. Examples include: giving the tenant(s):
- (a) an Energy Performance Certificate for the Property;
  - (b) a copy of the current Gas Safety Certificate for the Property;
  - (c) a copy of the current Electrical Installation Condition Report for the Property.

## **22 Registered Landlord**

- 22.1 You must be registered as a landlord (or have an application pending) with the Local Authority for the area in which the Property is located at all times when the Property is let.

## **23 Letting Agents and Property Factors**

- 23.1 If you intend to instruct a letting agent or a property factor to manage the Property on your behalf, then you must ensure that the letting agent is properly registered on the Scottish Letting Agent Register and fully adheres to the Letting Agent Code of Practice and that the property factor is properly registered on the Scottish Property Factor Register and fully adheres to the Code of Conduct for Property Factors.

## **24 Tenancy Agreement**

- 24.1 We do not require to see the tenancy agreement. If we request it, you must provide us with:
- (a) where the tenancy is a short assured tenancy, a certified copy of any form AT5, receipted by the tenant(s) acknowledging receipt of the form AT5; and/or
  - (b) a certified copy of the tenancy agreement.

## **25 Energy Efficiency**

- 25.1 You must comply with all statutory and other legal requirements relating to the energy efficiency of the Property. In particular you must not let the Property where the valid Energy Performance Certificate in respect of the Property states an energy performance indicator (rating) which is below any minimum standard of energy efficiency which applies to the Property from time to time unless one or more of the exemptions as set out or referred to in applicable regulations applies.

## **26 Lettings to Companies**

- 26.1 In addition to conditions 9 to 25 above (other than condition 10.1(b), 10(c), 10.1(f), 10.1(g) and 10.1(i) under condition 10, condition 18 (where applicable), condition 20 and paragraph (a) of condition 24.1) and in addition also to conditions 27 to 29 below the following conditions apply to lettings to companies:
- (a) the letting must be for a maximum term of two years and the tenancy agreement must state that the tenancy cannot be assigned or the Property sublet;
  - (b) the letting must state that it is capable of being terminated at any time on 6 months' notice by or on behalf of the landlord;
  - (c) occupation of the Property must not be limited by the tenancy agreement to a named individual employee. Occupation should be available to any employee of the tenant Company, subject to your prior approval of the selected employee and subject to the tenancy agreement providing that any employee who resides in the Property is permitted to do so on a service occupancy basis only;
  - (d) you must not be connected to or associated with the tenant Company; and
  - (e) the letting must not contain any provision which would allow the tenant Company to renew the tenancy on a perpetual basis.

## **27 Tenancy not Binding on Us**

- 27.1 For the avoidance of doubt, if any tenancy is granted which does not comply with Mortgage Conditions 9 to 26, it will not have our consent and will not be binding on us.

## **28 No Sale and Rentback**

- 28.1 You must not be acquiring (or have acquired) the Property from the seller on terms which mean that the Property is rented back to the seller and the seller must not have acquired the Property on such terms. Our legal adviser must make all reasonable enquiries to ensure that there are no sale and rentback arrangements and must report to us if any such arrangement exists or is to be put in place in relation to the Property.

## **29 Valuations**

- 29.1 You agree that we can carry out valuations of:
- (a) the Property; and
  - (b) any other property that you have granted us security over to secure any amount you owe to us from time to time after giving you reasonable notice (but not more than once in respect of any such property in any one period of 12 months). We may also carry out a valuation of any such property following a notice from you that you intend to repay the money specifically lent to you for any such property. This is so we can check the loan to value ratio applicable to the Property or properties from time to time held as security for the amounts you owe us.
- 29.2 We can choose what type of valuation is appropriate to carry out for example physical inspection or a desk top valuation. Any valuation we carry out will be for our sole benefit and you are not entitled to a copy
- 29.3 You will pay the cost of each valuation. The applicable fee is stated in the Tariff. You can always find out the fee applicable by contacting us.

## **PART 3 – GENERAL TERMS**

### **1 Joint Borrowers**

If there is more than one of you:

- (a) these Terms apply to all of you together and to each of you on your own;
- (b) each of you can be held fully responsible for keeping to these Terms.

### **2 Transferring the Standard Security**

- 2.1 We may transfer our interest in the Loan and the standard security to another party at any time on such terms as we may decide. This will not reduce your rights under the standard security.
- 2.2 Unless the terms of the transfer state otherwise, a transferee of the Loan and the standard security will be able to exercise all the rights, powers and remedies which we could exercise before the transfer. You will have to do everything that you have to do under these Terms for our benefit for the transferee's benefit instead (such as making payment to them).

### **3 Notices**

- 3.1 If we have to tell you something we may do so either:
  - (a) personally, which means:
    - (i) by post to your last known address (which unless you have told us otherwise means the Property); or
    - (ii) by email to any email address you have given us for this purpose; or
  - (b) by advertisement, which means advertisements in national newspapers of our choice (you can find out the current newspapers we use by telephoning our Customer Contact Centre).
- 3.2 If we give you such notice either personally or by advertisement then it will be considered as given on the following days:
  - (a) Post: The second working day after date of posting (regardless of class of post).
  - (b) Email: The day the email is sent;
  - (c) Press advertisement: The day on which the advertisement first appears in the newspapers we use.

### **4 Other Terms To Be Aware Of**

- 4.1 All communications between us may be monitored or recorded to improve the quality of our service and for your protection and security.
- 4.2 Where the Property is in Scotland or Northern Ireland and it is our policy to do so we require that we hold the title deeds to that Property. Where we hold the deeds to the Property you may ask us to send them to your legal representative or to supply extracts from or copies of the deeds to you or your representative. We can impose conditions in doing so and you may have to pay a charge for these services.
- 4.3 Each of the provisions of these Terms are distinct from each other. If one or more provisions becomes illegal, invalid or unenforceable, this will not affect any of the remaining provisions.
- 4.4 Laws and regulations imply certain terms into our agreement with you. For example, as well as the powers set out in these Terms, we and you both have some other legal rights. Unless these Terms explicitly disapply those rights, they will be applicable to you or us.
- 4.5 If we decide not to enforce any part of these Terms or delay enforcing it on a particular occasion, this will not affect our right to enforce the same part at a later date.
- 4.6 No person other than a party to these Terms may enforce any rights under these Terms or under any other agreement made in connection with the Loan or the standard security under the Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017. These laws allow certain people to use the rights of an agreement even though they are not a party to it, so they are excluded to ensure that this cannot happen. A party to these Terms and any related agreements includes anyone we transfer our rights to.
- 4.7 These Terms are governed by the laws of that part of the United Kingdom where the Property the subject of the Offer is situated.

### Important information about compensation arrangements

Yorkshire Building Society is 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. An eligible depositor is entitled to claim up to £85,000. 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 £85,000 each (making a total of £170,000). The £85,000 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.

Yorkshire Building Society (YBS) also operates under the trading names of Chelsea Building Society (CBS), Norwich & Peterborough Building Society (N&P) and Egg. YBS is a participant of the FSCS. Therefore, depositors with any of YBS, CBS, N&P and Egg have an overall limit of £85,000 under the FSCS. Any total deposits you hold above the £85,000 limit between these brands are unlikely to be covered.

Accord Mortgages Limited is a wholly owned subsidiary of YBS. Accord has offset mortgage products where the customer's deposits are held on behalf of Accord by YBS. Accord offset depositors are therefore also covered (along with CBS, N&P and Egg depositors) by YBS being a participant in the FSCS. There is no additional protection for depositors with Accord Mortgages Limited.

For further information please call us on 0345 1200 872, ask at your local branch, visit the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk)

### Not happy with our service?

If at any time you're not satisfied with the service you've received, please let us know. We have a simple process enabling you to do this, the details of which are in our leaflet "We're here to help you - our complaints process", which you can obtain by calling us on 0345 1200 872. If we cannot come to a resolution to your satisfaction, you may have the right to refer the matter to the Financial Ombudsman Service, of which we are a member.

### Contact Us

 Call our Customer Contact Centre on: **0345 1200 872**

 Visit [accordmortgages.com](http://accordmortgages.com)

 Write to us at: **Accord Mortgages, Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ**

Accord Mortgages Limited is registered in England No. 2139881. Registered Office: Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ. Accord Mortgages Limited is authorised and regulated by the Financial Conduct Authority. Buy to let mortgages for business purposes are not regulated by the Financial Conduct Authority. Consumer buy to let mortgages are regulated by the Mortgage Credit Directive and supervised by the Financial Conduct Authority. Accord Mortgages Limited is entered in the Financial Services Register under registration number 305936

Communications with us may be monitored/recorded to improve the quality of our service and for your protection and security. Calls to 03 numbers are charged at the same standard network rate as 01 or 02 landline numbers, even when calling from a mobile. Buy to Let Mortgages are not regulated by the Financial Conduct Authority.

Our printed material is available in alternative formats e.g. large print, Braille or audio. Please call us on **0345 1200 872**.

