

**NORTH EAST  
SCOTLAND  
COLLEGE**



**Board of Management**  
**FINANCE AND GENERAL PURPOSES COMMITTEE**  
**Meeting of 18 November 2014**





## **NOTICE OF MEETING**

There will be a meeting of the Finance and General Purposes Committee on Tuesday 18 November 2014, 0900-1000 hours in Room G10, Aberdeen City Campus.

### **MEMBERS OF THE BOARD OF MANAGEMENT**

Mr. I Gossip (Chair)  
Prof. J Harper  
Ms. D Michie  
Mr. K Milroy  
Mr. D Rennie  
Mr. A Smith  
Mr. R Wallen

### **IN ATTENDANCE**

Mr. R Scott, Vice Principal Finance  
Ms. P May, Secretary to the Board of Management  
Ms. P Kesson, Minute Secretary

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## **Meeting of 18 November 2014**

### **AGENDA**

#### **1. Apologies for Absence**

#### **2. Minute of Previous Meeting**

- 2.1. Meeting of 16 September 2014 (paper enclosed)

#### **3. Matters arising from Minute of Previous Meeting**

- 3.1. To be raised at meeting

#### **4. Report by the Principal (paper enclosed)**

#### **5. Matters for Discussion**

- 5.1. Reclassification (paper enclosed)
- 5.2. Procurement (paper enclosed)

#### **6. Matters for Decision**

- 6.1. College Banking Arrangements (paper enclosed)

#### **7. Summation of Business and Date and Time of Next Meeting**

#### **Reserved Items of Business**

#### **8. Matters for Discussion**

- 8.1. Financial Monitoring

#### **9. Matters for Decision**

- 9.1. Charging Arrangements
- 9.2. Lease of Premises, Gordon Centre

#### **10. Summation of Business**

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## **Draft Minute of Meeting of 16 September 2014**

The meeting commenced at 0900 hours.

**PRESENT** – I Gossip (Chair), D Michie, D Rennie, R Wallen

**IN ATTENDANCE** – R Scott, P May, P Kesson

### **1. Apologies for Absence**

Apologies were received from J Harper, K Milroy, and A Smith.

### **2. Minute of previous Meeting**

The Minute of Meeting held on 15 July 2014 was approved.

### **3. Matters arising from previous Meeting**

There were no matters arising.

### **4. Report by the Principal**

Members noted a report providing information on Audited Financial Statements for 2013-14 for the former Banff and Buchan College; Audited Financial Statements for 2013-14 for North East Scotland College; College budget; Financial reporting date; Banking; and the Over-clad and re-roof at Aberdeen City Campus.

Mr Wallen provided an update on an issue highlighted by Audit Scotland which had the potential to lead to a Section 22 report being laid before the Scottish Parliament. He commended the time and effort spent by Board Members, members of the SMT, and Ms MacDonald of Audit Scotland to ensure that the issue was drawn to a satisfactory conclusion.

Mr Wallen also provided an update on the proposal to change the financial reporting date for colleges.

In response to a query from Members on recent problems experienced with the over-clad work at the Aberdeen City Campus, Mr Scott advised that a lack of proper management during the summer period could have led to slippage in the work on the installation of the new doors at the main entrance, but that the issue was promptly addressed and the work subsequently completed within the timescale. Mr Wallen commended the work undertaken by Mr Scott and members of the Facilities Team to ensure that the over-clad and re-roof project is completed on schedule and within budget.

### **5. Matters for Discussion**

#### **5.1 Reclassification**

The Committee considered a paper providing information on matters related to the reclassification of colleges as central government bodies.

Information was provided on the Scottish Funding Council's Financial Memorandum; Scottish Funding Council returns; insurance; and proceeds of property sale.

Mr Scott provided additional information on the SFC Financial Memorandum and the strong business case for colleges continuing to carry insurance. He commented that changes to financial reporting requirements are likely to impact on the workloads of finance staff and auditors.

The Committee were also informed that the secondment of the Scottish Government official to the SFC to support transitional arrangements had been extended to December 2014.

### 5.2 Financial Systems

The Committee considered a paper providing information on work undertaken to implement unified financial systems for the College, and Mr Scott advised that the project was now in its consolidation phase.

Mr Scott provided additional information on work being undertaken on the linkage of payroll and HR systems, and the impact of recent IT issues on the production of management reports.

The Committee noted the smooth progression on work to unify financial systems for the College and acknowledged the additional related workload of finance staff. Mr Wallen commended the very good team ethos of those undertaking the work.

### 5.3 Procurement

The Committee considered a report providing information on recent procurement activities.

Members noted the information provided on contracts awarded since the last meeting of the Finance and General Purposes Committee and competitive tender processes underway to select professional advisors for the project to develop the Fraserburgh Masterplan, and for the appointment of a provider of internal audit services to the College.

### 5.4 Insurances

The Committee considered a report providing information on the insurance arrangements established by the College for the year to 31 July 2015.

Mr Gossip and Ms Michie declared an interest in this item by virtue of their roles as Directors of ASET and acknowledged the risk relating to kidnap and ransom of ASET staff working overseas.

Members noted the insurance covers currently in place for AY2014-15. Mr Wallen commented on the strong business case, prepared by Colleges Scotland on behalf of the FE sector, regarding the retention of insurance from AY2015-16 onwards.

### 5.5 Payment of Taxes

The Committee considered a report providing information on the payment of taxes and national insurance to Her Majesty's Revenue and Customs (HMRC).

Mr Scott advised that Board Members have a duty as governors to ensure that the College fulfils its requirements in relation to tax, and confirmed that the College's auditors will continue to provide assurance on this.

Members noted the report and Mr Gossip commented that it was good to note all of the arrangements that are in existence.

Mr Wallen acknowledged Mr Scott's work in relation to the recovery of VAT.

## 6. Summation of Business and date and time of next Meeting

The Secretary gave a summation of the business conducted. The next meeting of the Finance and General Purposes Committee is scheduled to take place on Tuesday 18 November 2014 at 0900 hours.

**Reserved Items of Business**

**7. Matters for Discussion**

**7.1 Financial Monitoring**

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The meeting concluded at 0935 hours.



## **Report by the Principal**

### **1. Introduction**

1.1. The purpose of this report is to provide information to the Committee.

### **2. Year-end returns to the Scottish Funding Council**

2.1. The audited financial statements of North East Scotland College for the 8 months to 31 March 2014 and associated audit and Board papers have been submitted to the Scottish Funding Council (SFC) within the deadlines set by central authorities.

2.2. Henderson Loggie has undertaken and completed audit work to certify the correctness of a number of (academic) year-end statistical and financial returns that the College is required to submit to the SFC. The auditor has certified the College's returns on the level of student activity for the year (the wSUMs count); the disbursement of student support funds provided to the College by the SFC and Student Awards Agency Scotland (SAAS); and Education Maintenance Allowances (EMAs) paid on behalf of the Scottish Government.

2.3. The auditor has expressed 'unqualified' opinions on the data submissions.

### **3. College Budget**

3.1. The College budget for 2014-15 is in the course of being revised. The outcome of that revision and a forward projection to 2015-16 will be presented to the meeting of the Board of Management scheduled to take place in December 2014.

### **4. Financial Reporting Date(s)**

4.1. As noted at the last meeting of the Committee, central authorities have changed the financial reporting date for Scottish colleges from 31 March to 31 July. Consequently the next set of audited financial statements for the College shall be for the 16-month period 01 April 2014 to 31 July 2015. Thereafter, audited financial statements shall be prepared for the year to 31 July.

4.2. The reclassification of colleges means that colleges will continue to be required to prepare and report annual accounting statements, in the format required by the Scottish Government, at 31 March.

4.3. In short, colleges are now required to complete 2 different 'financial year-ends'.

4.4. It is understood that appointed external auditors have met with officials of the SFC and Audit Scotland to consider audit reporting requirements arising from operating to financial reporting dates that are separated by 4 months. At the time of writing, no information has been made available to colleges on the matters discussed or reporting requirements.

### **5. Internal Audit**

5.1. The Audit Committee, at its meeting later today, shall set the internal audit programme to be undertaken in respect of the financial reporting period of 16 months to 31 July 2015.

5.2. Wylie and Bisset, the appointed internal audit service provider, will undertake the programme in 3 visits (January, March and May 2015). Reports on the reviews undertaken during these visits will be presented to the Audit Committee at its meeting in March, May and July 2015.

### **6. Recommendation**

6.1. It is recommended that the Committee note the contents of this report.

**Rob Wallen**  
Principal



## **Reclassification**

### **1. Introduction**

- 1.1. The purpose of this paper is to provide information to the Committee on matters related to the reclassification of colleges as central government bodies.

### **2. Financial Memorandum with the Scottish Funding Council**

- 2.1. The Financial Memorandum between the Scottish Funding Council (SFC) and the colleges sets out the financial stewardship and control arrangements that apply to colleges as part of the conditions of grant funding.
- 2.2. In May 2014, the SFC issued an addendum to its Financial Memorandum for colleges as a transitional arrangement pending the introduction of a revised Financial Memorandum on 01 August 2014. (The purpose of the revised Financial Memorandum is to give effect to the requirements of the Scottish Public Finance Manual (SPFM) and to set out agreed delegated limits of authority for colleges.)
- 2.3. The SFC has delayed the introduction of the revised Financial Memorandum. It is understood that discussions continue to take place within central authorities on the possibility of relaxing some of the compliance requirements of the Financial Memorandum. In the meantime, a small number of the financial thresholds have been increased.
- 2.4. North East Scotland College is operating with Financial Regulations that are compliant with the extant version of the Financial Memorandum (as of 04 November 2014).

### **3. Scottish Funding Council Returns**

- 3.1. At the time of writing, the College has submitted monthly cash flow forecast returns for each of the first 8 months of the year in accordance with the requirements set by the SFC. It is indicative of the challenges facing the SFC that there have been 8 versions of the cash flow forecast template in that period.

### **4. Differences in Reported Financial Outcomes**

- 4.1. Scottish colleges now operate in a financial environment where there are 2 different sets of financial accounting requirements to be followed in reporting financial performance to stakeholders.
- 4.2. The Scottish Government's financial accounting requirements on colleges, which are consequent upon reclassification, drive colleges to achieve a 'zero' balance of income and expenditure in the financial reporting year to 31 March. In the case of the College, this is achieved by transferring any surplus of income over expenditure to the NES FE Foundation immediately prior to 31 March.
- 4.3. However the financial accounting requirements imposed on colleges as a result of the Statement of Recommended Practice (SORP) issued by the UK Financial Reporting Council (and the associated Accounts Direction issued by the SFC) make it mandatory upon colleges to continue to prepare and publish financial statements in a format that is compliant with UK accounting standards, which are soon to change again to be compliant with international financial reporting standards (IFRS). A registered auditor, who expresses an opinion on whether the statements show a 'true and fair view', must certify these statements. (In the case of the College, the statements are audited by Audit Scotland.)
- 4.4. Therefore it is the case that the same set of financial transactions will result in different financial outcomes being reported because of the different accounting treatments that colleges are required to follow.

4.5. The overriding requirement to follow Scottish Government financial accounting rules leads to the distortion of the financial outcomes reported in the financial statements prepared in accordance with the SORP. It is therefore difficult for stakeholders and 'users' of colleges' published financial statements to derive meaningful information from those statements.

### 5. Insurance

5.1. The SFC had confirmed earlier this year that colleges were allowed to renew insurances on the expiry of current insurance cover on 31 July 2015.

5.2. In September 2014, representatives of Colleges Scotland met with officials of the Scottish Government and presented a business case in support of colleges carrying insurance as they do currently. Officials have granted a 3-year derogation from the Scottish Public Finance Manual in respect of the continued use of commercial insurance. The 3-year period will run from 01 August 2015 to 31 July 2018.

5.3. The key points to emerge from the meeting with officials were:

- insurance in respect of statutory covers was accepted unequivocally as necessary;
- insurance arrangements required by banking or commercial contracts should continue; and
- greater value for money should be demonstrated over the three year period by a reduction in premium costs as a result of economies of scale and improved procurement.

### 6. Meeting with Officials of the SFC

6.1. Officials of the SFC visited the College and met with Finance staff on 06 November 2014 to gather information on the challenges that the College has faced and expects to face in achieving compliance with the requirements arising from reclassification of Scottish colleges as public bodies.

6.2. It is understood that the meeting is part of a programme of visits that officials are making to colleges to gather information on the impact of reclassification.

### 7. Recommendation

7.1. It is recommended that the Committee note the information provided in this paper.

**Rob Wallen**  
Principal

**Roddy Scott**  
Vice Principal Finance

## Procurement

### 1. Introduction

1.1. The purpose of this report is to provide information to the Committee on recent procurement activities.

### 2. Background

2.1. At its meeting on 10 February 2014, the Board of Management considered matters relating to procurement and in particular the role of the (former) Contracts Committee.

2.2. The Board decided that the Contracts Committee be dissolved and that, as part of the Board's arrangements for effective governance and oversight, the results of procurement processes for the award of contracts over £50,000 in value shall be reported to the Finance and General Purposes Committee.

### 3. Contracts Awarded

3.1. A number of contracts have been awarded since the last meeting of the Finance and General Purposes Committee. These are set out in the table below:

	Procurement	Contractor	Contract Value £
1)	Human resources system and payroll consolidation project	Bond Teamspirit3	46,600
2)	Design team services, Fraserburgh Campus development	CDA Architects	65,200
3)	Quantity surveyor services, Fraserburgh Campus development	WI Talbot	293,005
4)	Internal Audit Service	Wylie and Bisset	91,950
5)	Project management services, Fraserburgh Campus development	Mitie TFM	87,500

### 4. Current and Forthcoming Procurements

4.1. The current contracts for the provision of facilities management and occupational health services end on 31 July 2015. The procurement of these services for the new contract period will begin shortly.

4.2. Contracts for the provision of printing and reprographics services are being consolidated to a common end date of 31 July 2015. The procurement of these services for the new contract period is being co-ordinated with the introduction of 'smart cards' for students and staff to increase the use of electronic access arrangements across the College.

### 5. Recommendation

5.1. It is recommended that the Committee note the contents of this report.

**Rob Wallen**  
Principal

**Roddy Scott**  
Vice Principal Finance



## **College Banking Arrangements**

### **1. Introduction**

- 1.1. The purpose of this paper is to enable the Committee to consider amendment of banking arrangements to allow new services to be added to the range of services provided to North East Scotland College by Clydesdale Bank.

### **2. Background**

- 2.1. Clydesdale Bank provides transactional banking services to the College. The use of electronic systems for payment transactions is increasing and the Bank has introduced changes to its 'Business Online' system, which supports CHAPS and international payments. The College makes use of these systems to pay its suppliers and creditors.
- 2.2. The Bank requires its customers to approve formally, at Board level, the adoption of the revised terms and conditions of business associated with these new services. These are attached as an appendix to this report.
- 2.3. The revised terms and conditions are acceptable to the College.

### **3. Recommendation**

- 3.1. It is recommended that the Committee:
  - 3.1.1. consider and, if so minded, adopt the revised terms and conditions of business for the services provided under the business online system; and
  - 3.1.2. authorise the Chair of the Committee and Principal to sign any documentation as might be required by the Bank.

**Rob Wallen**  
Principal

**Roddy Scott**  
Vice Principal Finance



# BusinessOnline Terms and Conditions



This is an important legal agreement which covers significant matters affecting the way your bank accounts will be operated. You should read this agreement carefully and ask us for further information if there is anything you do not understand before signing the application form (if you are the customer) or before first using the service online. When delegating authority to conduct online banking, risks such as fraud, misuse, the need for security precautions and dual/multiple authentication have to be carefully considered. If you have any concerns we recommend that you seek independent legal advice before proceeding.

## 1 Introduction

- 1.1 This Agreement between you and us sets out the terms and conditions which apply to the use of BusinessOnline by you and any other User.
- 1.2 By signing the BusinessOnline application form and returning it to us, or by first using BusinessOnline, you agree to be bound by the terms of this Agreement.
- 1.3 When you apply for BusinessOnline you must nominate at least one Corporate Administrator and select the accounts which you wish to access using BusinessOnline. We may limit the number of accounts that you can access using BusinessOnline and we will tell you how many accounts can be accessed when you apply for BusinessOnline. Certain accounts cannot be accessed using BusinessOnline – please ask us for details. Subject to any transaction limits set by us and to any approval limits you set when you apply for BusinessOnline (see Condition 3), when BusinessOnline is activated the Corporate Administrator will have:
  - 1.3.1 full access to, and control of, your selected Accounts;
  - 1.3.2 authority to nominate Users and delegate various levels of access and/or powers to operate the Accounts to other Users (see Condition 3);
  - 1.3.3 authority to set and vary payment approval limits above which dual or multiple User authorisation is required; and
  - 1.3.4 authority to agree on your behalf any matter relating to the Functionalities selected by you.
- 1.4 We may place a limit on the number of Corporate Administrators, and/or Users that may be nominated. We will advise you of these limits when you apply for BusinessOnline.
- 1.5 Unless your Corporate Administrator specifically restricts Users' individual authorities, all Users will have access to all Functionalities for all your Accounts, subject to Conditions 2.1, and 2.2 and to any limits set by you under Condition 3.2. This Agreement authorises us (and any other members of the NAG Group where any of the Functionalities are provided by or involve other members of the NAG Group) to:
  - 1.5.1 add all of your selected Accounts to BusinessOnline; and
  - 1.5.2 accept and act on Valid Electronic Instructions.
- 1.6 Subject to Condition 1.7, our authority under Condition 1.5 overrides the terms of any other mandates, agreements, indemnities, application forms, terms and conditions relating to any Account, service or other Functionality or other authorities given by you to us at any time relating to your Accounts or business.
- 1.7 Where at the time you applied for BusinessOnline you were already a registered user of another business internet banking service provided by the Bank, Condition 1.6 shall not apply in relation to your use of such other service to access and operate your Accounts.
- 1.8 This Agreement is in addition to the terms and conditions for the Accounts and other Functionalities. Subject to Condition 1.9, if there is any conflict, the terms of this Agreement override all others.
- 1.9 Electronic Instructions may be processed using external payment systems such as CHAPS, Bacs Faster Payment Service, SWIFT and SEPA and, subject to Condition 7.4, will be processed according to the terms and conditions applying to the use of those systems.
- 1.10 BusinessOnline is only available to customers which (in the case of Limited Companies or Limited Liability Partnerships) are registered or (in the case of all other eligible businesses) have their main place of business in the United Kingdom (unless we have expressly agreed otherwise, and subject to such further terms and conditions as may be necessary or desirable).
- 1.11 If you are a Large Enterprise you agree that certain provisions of the Payment Services Regulations 2009 will not apply to this Agreement. Please refer to Condition 11.7 and 11.11 which set out the different approach we take in relation to unauthorised use of BusinessOnline and incorrectly executed payment transactions.
- 1.12 In this Agreement the terms listed below have the following meanings:
  - 1.12.1 **"Account"** means the business bank accounts in your name accessible through BusinessOnline from time to time, this may include a Sterling Account.
  - 1.12.2 **"Account Pool"** means an agreed group of Accounts held in the same customer name.
  - 1.12.3 **"Account Sweeping"** means the functionality allowing the transfer of funds between your Accounts using an Account Sweeping Instruction.
  - 1.12.4 **"Account Sweeping Instruction"** means a series of Electronic Instructions based on rules around a Sweep Account balance to transfer funds from a Sweep Account to a Target Account (or vice versa) dependent on the cleared balance on that Sweep Account.
  - 1.12.5 **"Agreement"** means this agreement, including any User Guides and where the context requires, any additional or ancillary terms and conditions which apply for the provision of BusinessOnline or any of the Functionalities all as varied and in force from time to time.
  - 1.12.6 **"Bank"** "we", "us", and "our" means Clydesdale Bank PLC trading as Clydesdale Bank if you are a Customer with Clydesdale Bank, or Clydesdale Bank PLC trading as Yorkshire Bank if you are a customer of Yorkshire Bank.
  - 1.12.7 **"Banking Business Day"** means any day with the exception of Saturdays, Sundays and days when the banks in the City of London are normally closed for business.
  - 1.12.8 **"BusinessOnline"** or **"the Service"** means the Bank's 'BusinessOnline' internet banking system for business customers.
  - 1.12.9 **"BusinessOnline Helpdesk"** means the helpdesk operated by us for Users.
  - 1.12.10 **"BusinessOnline Supported Browser"** means a web browser of a type and version that we have advised is on our current list of supported browser versions. We will provide you with the list when you apply for Business Online.
  - 1.12.11 **"Business Partner"** means each designated Business Partner, Payment Partner, Senior Business Adviser or such other person as is allocated by us to look after the relationship between you and us.
  - 1.12.12 **"Corporate Administrator"** means the person or persons nominated by the Customer to access and operate on selected Accounts and undertake all tasks in connection with the administration and maintenance of BusinessOnline for the Customer.
  - 1.12.13 **"Customer", "you", "your", and "yours"** means the Bank's business customer entering into this Agreement.
  - 1.12.14 **"Delegated Authorities"** means the options available (i) to you to set transaction and single User authorisation limits and to delegate authority to your Corporate Administrator, and thereafter (ii) to your Corporate Administrator to delegate various powers, permissions and levels of authority to, and impose limits on, Users pursuant to Condition 3.
  - 1.12.15 **"Electronic Instruction"** means any request or instruction received by us through BusinessOnline.
  - 1.12.16 **"European Economic Area"** means the countries in the European Union plus Norway, Iceland and Liechtenstein.
  - 1.12.17 **"Functionalities"** means any function, banking product or service provided from time to time through BusinessOnline including all or any of the functionalities referred to in Condition 2.
  - 1.12.18 **"International Sanctions"** means the sanctions which the UK, the European Union and/or the United Nations (and, where applicable, the USA or other countries having relevant jurisdiction) have in place from time to time to deny a range of named individuals and organisations, as well as nationals from certain countries, access to the financial services sector.
  - 1.12.19 **"Large Enterprise"** means a sole trader, partnership, company or other organisation who, when the Account was opened had 10 or more full time employees and an annual turnover of more than €2,000,000 (or a sterling equivalent).
  - 1.12.20 **"NAG"** means National Australia Group Europe Limited (Company Number 02108635) which is registered in England and Wales and has its registered office at 88 Wood Street, London EC2V 7QQ.
  - 1.12.21 **"NAG Group"** means NAG, each subsidiary or holding company thereof from time to time, and each subsidiary from time to time of any such holding company, and references to "members of the NAG Group" shall be references to NAG, a subsidiary or holding company or each subsidiary or holding company of NAG as the context may require.
  - 1.12.22 **"NAG Group Site"** means any web-site of any members of the NAG Group, including the Clydesdale Bank and Yorkshire Bank web-sites, allowing Users to access BusinessOnline.
  - 1.12.23 **"Password"** means any confidential password, phrase, code, letters or numbers, memorable data, or any other identification of any kind (including where the context requires any User ID) given to, or chosen by, you or any User which may be used in combination with any Security Device or other means to access any of the NAG Group Sites, BusinessOnline and the Functionalities, or to provide Electronic Instructions. A Password is part of the Security Details.
  - 1.12.24 **"Regulatory Requirement"** means any obligation:
    - 1.12.24.1 we have to comply with any law or regulation (including any rules made by the Financial Conduct Authority, or other regulatory body), or as a result of a decision by a court, ombudsman or similar body; or
    - 1.12.24.2 under any industry guidance or codes of practice which we follow.
  - 1.12.25 **"Secure Messaging Service"** means the service which allows us to send you secure messages through BusinessOnline.
  - 1.12.26 **"Security Details"** means the details that are used to verify a User's identity and help maintain the security of Electronic Instructions and information exchanged through BusinessOnline between us and a User. These include Passwords, User IDs and Security Devices.
  - 1.12.27 **"Security Device"** means any device (including software and/or hardware), token, card, digital certificate or procedure in any format or media as may be upgraded and substituted which we or our agents issue to Users and which may be used alone or in conjunction with any Password, User ID or other means to access any of the NAG Group

Sites, BusinessOnline or the Functionalities, to provide Electronic Instructions or to generate any Password. A Security Device is part of the Security Details.

- 1.12.28 **“Sterling Account”** means the current or savings account opened in sterling which you maintain with us.
- 1.12.29 **“Sweep Account”** means the Account to which account balance rules underlying Account Sweeping Instructions will be applied.
- 1.12.30 **“Target Account”** means the Account to which funds will be transferred from the Sweep Account, or from which funds will be transferred to a Sweep Account, as a result of the application of Sweep Account balance rules underlying an Account Sweeping Instruction.
- 1.12.31 **“Tariff”** means our Business Banking Tariff which sets out our charges in force from time to time for the provision of banking services including BusinessOnline. Copies of the up to date Tariff are available online at [www.cybusinessonline.co.uk](http://www.cybusinessonline.co.uk) Copies are also available in branches or from your Business Partner.
- 1.12.32 **“User”** means you and any of the Corporate Administrator(s), or person(s) (including any third party) appointed from time to time by a Corporate Administrator to use BusinessOnline.
- 1.12.33 **“User Guides”** means the Rules of Use for any NAG Group site, operational guidelines, manuals, welcome pack, technical support literature, on-line help and training tools and all similar material issued by us to Users at any time in any format for use with BusinessOnline or any of the Functionalities.
- 1.12.34 **“User ID”** means a unique identification number which we allocate to each User for the purpose of accessing and using BusinessOnline. A User ID is part of the Security Details.
- 1.12.35 **“Valid Electronic Instruction”** means an Electronic Instruction made in accordance with the Delegated Authorities and given where BusinessOnline has been accessed using the appropriate Password, User ID and Security Device.
- 1.12.36 **“Yorkshire Bank”** means Clydesdale Bank PLC trading as Yorkshire Bank.

## 2 Functionalities

- 2.1 BusinessOnline allows all Corporate Administrators to:
  - 2.1.1 view information on your Account(s), including transactions and standing instructions;
  - 2.1.2 instruct us to transfer funds to and from any of your Accounts;
  - 2.1.3 instruct us to make transfers to third parties' accounts including by standing order or by direct debit;
  - 2.1.4 instruct us to cancel instructions, including standing instructions, to transfer funds to and from your Accounts.
  - 2.1.5 instruct us to make international payments (if you are eligible for this service);
  - 2.1.6 instruct us to make payments in foreign currency from any currency Accounts (if you are eligible for this service);
  - 2.1.7 instruct us to create Account Pools and view consolidated balances on Accounts within the Account Pool in a single selected currency;
  - 2.1.8 manage the balances on your Sterling Accounts using Account Sweeping (if you are eligible for this service);
  - 2.1.9 use any other products, services or facilities available through BusinessOnline which you have requested;
  - 2.1.10 nominate Users and delegate to them various levels of access and/or powers to operate the Accounts; and
  - 2.1.11 carry out administrative, security and maintenance functions in relation to Accounts, Security Details and Users as set out in detail elsewhere in this Agreement.
- 2.2 BusinessOnline allows Users having the appropriate delegated authorities to:
  - 2.2.1 view information on your Account(s), including transactions and standing instructions;
  - 2.2.2 instruct us to transfer funds to and from any of your Accounts;
  - 2.2.3 instruct us to make transfers to third parties' accounts including by standing order or by direct debit;
  - 2.2.4 instruct us to cancel instructions, including standing instructions, to transfer funds to and from your Accounts.
  - 2.2.5 instruct us to make international payments (if you are eligible for this service);
  - 2.2.6 instruct us to make payments in foreign currency from any currency Accounts (if you are eligible for this service);
  - 2.2.7 instruct us to create Account Pools and view consolidated balances on Accounts within the Account Pool in a single selected currency;
  - 2.2.8 manage the balances on your Sterling Accounts using Account Sweeping (if you are eligible for this service); and
  - 2.2.9 use any other products, services or facilities available through BusinessOnline which you have requested.
- 2.3 We may add, amend or withdraw Functionalities from time to time. Where we are amending or withdrawing existing Functionalities we will give you at least 2 months' advance personal notice under Condition 15.

## 3 Limits set by us and Delegated Authorities

### Limits set by us

- 3.1 We may set and vary from time to time any limit on the amount which may be transferred in a transaction (or in different types of transaction), or in a series of transactions instructed through BusinessOnline. We set these limits to protect your Accounts and us. We may require authorisation by two or more Users having appropriate authorities for transactions in excess of any limit set by us from time to time.  
Approval limits set by you
- 3.2 When you apply for BusinessOnline you can set:
  - 3.2.1 the maximum value of payments according to transaction type which can be made from your Accounts using BusinessOnline; and
  - 3.2.2 a limit on the amount which any User may transfer in a transaction, or in a series of transactions instructed by that User through BusinessOnline.
- 3.3 Any limit you set under Condition 3.2 cannot exceed a limit set by us under Condition 3.1.

- 3.4 If you wish to change the limits you set when you applied for BusinessOnline please contact your Business Partner.

### Individual User authorities set by a Corporate Administrator.

- 3.5 A Corporate Administrator's powers to set, vary and remove each User's authorities and to set any payment limits above which dual or multiple User authorisation is required, are subject to any limits set by either us or you under Conditions 3.1 or 3.2.
- 3.6 A Corporate Administrator cannot nominate, remove, or vary the authorities of other Corporate Administrators. Only you can do this.
- 3.7 Users nominated by a Corporate Administrator can be third parties who are not part of your organisation.

## 4 Security requirements

- 4.1 You must not allow any person who is not a User to use BusinessOnline on your behalf.
- 4.2 You will have sole responsibility for establishing, maintaining and reviewing your internal security arrangements concerning access to, and use of BusinessOnline.
- 4.3 You should use dual or multiple User authorisation of transactions wherever practical and only dispense with this after taking account of the risks of single User authorisation.
- 4.4 You will ensure that Users will:
  - 4.4.1 comply with the terms of this Agreement and with the User Guides and any other guidelines, security guidance and warnings, instructions or recommendations we may issue to you or publish through BusinessOnline or on other NAG Group sites regarding the security aspects of BusinessOnline;
  - 4.4.2 only access BusinessOnline using a computer or similar device which is free from viruses and similar malicious devices, and is protected by anti-virus and anti-spyware software, firewalls and security patches which comply with and are maintained in accordance with good practice;
  - 4.4.3 not access BusinessOnline using any computer or other device available to the public;
  - 4.4.4 be responsible for the security of all data held as hard copy, or on computers, laptops or other systems;
  - 4.4.5 take all reasonable steps to keep the Security Details secure and secret at all times and take precautions to avoid them being lost, damaged or used in any unauthorised way, including keeping Security Details secret from other Users;
  - 4.4.6 not allow any Security Details to be re-allocated to another User; and
  - 4.4.7 change Passwords regularly (and at any time that a suspected breach of security has occurred) using a mixture of numbers and letters, never record Passwords or write them in a way that can be easily understood and accessed by someone else or make them available to any other person.
- 4.5 You will ensure that you will inform us immediately if you, or a User, suspects or knows that:
  - 4.5.1 there has been any unauthorised use of a User's Security Details; or
  - 4.5.2 any unauthorised person knows a Password or User ID or has access to any Security Device; or
  - 4.5.3 a Security Device has been lost or stolen; or
  - 4.5.4 there has been any wrongdoing by a User relating to the use of BusinessOnline.

Details of how to give us notice are set out in Condition 20.

- 4.6 You agree to provide us and, where appropriate, the police or our regulators with your full co-operation to investigate any possible breaches of security and/or recover any losses arising from any such breach. You will ensure other User(s) also provide their full co-operation.
- 4.7 If a User leaves your business or is otherwise to be removed as a User, you must either contact the BusinessOnline Helpdesk immediately to ensure that the User's access to BusinessOnline is terminated, or ensure that a Corporate Administrator takes immediate action to ensure this is done. If a sole Corporate Administrator leaves your business or is otherwise to be removed as a Corporate Administrator you must take immediate steps to nominate a new Corporate Administrator.
- 4.8 You will ensure that all Users will use a BusinessOnline Supported Browser and operating system that is supported by BusinessOnline. You will be responsible for the performance and protection of any browser and should consider installing browser security software which we may recommend from time to time. We shall not be liable for any impairment, damage to or reduction in the performance of any computer system or any part of it by the installation of or use of any browser version, Security Device or other matters required to access BusinessOnline.

## 5 Security Devices and Security Details

- 5.1 Access to BusinessOnline requires the User to enter a number generated by a Security Device. Each Security Device is issued to a named User. We retain ownership of these Security Devices. On our request, and on termination of this Agreement, you will return them to us in the same condition that you received them (other than fair wear and tear).
- 5.2 We will cancel or suspend access to BusinessOnline which is being gained using any lost or stolen Security Details as soon as a Corporate Administrator has informed us of the loss or theft.
- 5.3 We will also cancel or suspend access to BusinessOnline which is being gained using a particular User's Security Details where you or a Corporate Administrator request this.
- 5.4 New Security Devices to replace lost, damaged, faulty or malfunctioning Security Devices must be requested by a Corporate Administrator through the BusinessOnline Helpdesk. We may charge a reasonable fee for each replacement Security Device.

## 6 Secure Messaging Service

- 6.1 You may receive secure messages from us through BusinessOnline if the Secure Messaging Service is available to you. Secure messages will be sent to the Corporate Administrator. You must ensure that the Corporate Administrator makes other Users aware of information regarding the use of BusinessOnline contained in secure messages.
- 6.2 We reserve the right to withhold at any time and without giving any prior notice, access by you to the Secure Messaging Service and, if made available, to withdraw all or any part of the Secure Messaging Service generally from you.

## 7 Electronic Instructions

- 7.1 To instruct a payment through BusinessOnline the User must provide the payee's bank sort code and account number (for payments in the UK), or the payee's name and address and international bank account number (IBAN) and bank identification code (BIC) or routing code (for payments outside the UK), and any other relevant account number or information as we may require.
- 7.2 You will be deemed to have given consent to a Valid Electronic Instruction. We may rely on and act upon a Valid Electronic Instruction without having to check the authenticity of that instruction or the authority of the person or persons giving it.
- 7.3 An Electronic Instruction to make a payment is deemed to have been received by us on a Banking Business Day, provided it is given before the cut-off time. Our cut-off times are different from the hours when BusinessOnline is available for use. Cut-off times will vary depending on factors such as:
- the payment system used, for example SWIFT, CHAPS, Bacs, SEPA and Faster Payment Service each operate separate cut-off times as do our internal systems;
  - the currency of the payment;
  - the location of the recipient of the payment;
  - whether the payment is to be same day or at a future date; and
  - if there are Bank or other public holidays either here in the UK or in a country of payment.
- Information about execution and cut-off times for payments made through the Faster Payment Services are detailed in your Account terms and conditions, information about execution and cut-off times for all other payment types are detailed in the documentation relating to the relevant service.
- Where we receive an Electronic Instruction after the relevant cut-off time, or on a day which is not a Banking Business Day, the instruction will be deemed to have been received by us on the next Banking Business Day.
- 7.4 Subject to Condition 8.4 in relation to Account Sweeping Instructions, Electronic Instructions to make a payment on a future date will be deemed to have been received by us on that future date. If that date is not a Banking Business Day the payment will be made on the next Banking Business Day. These future dated payments will be debited to your Account prior to the start of business on the Banking Business Day when the payment is made.
- 7.5 An Electronic Instruction to make a payment cannot usually be cancelled after it has been received by us unless it is for a future date, in which case a User (with the appropriate authority) can cancel the Electronic Instruction through BusinessOnline at any time before midnight on the last Banking Business Day before the day on which the funds are due to be taken from your Account.
- 7.6 We may, in our absolute discretion and without liability, refuse to act on or delay acting on an Electronic Instruction if:
- 7.6.1 there are insufficient funds in your Account (or your Accounts where we have agreed group limits) to allow us to carry out the request;
- 7.6.2 it would result in a credit limit or a transaction or approval limit set by us or the Delegated Authorities being exceeded or breached;
- 7.6.3 a breach of the terms and conditions for an Account has occurred;
- 7.6.4 we reasonably suspect, or know that it might place a User or us in breach of any rules or regulations designed to counter money laundering or similar activities (For more details please see Condition 16);
- 7.6.5 we reasonably suspect, or know of a breach of security relating to BusinessOnline, or the operation of any of your Accounts or the Functionalities generally;
- 7.6.6 we reasonably consider that a payment is unusual compared to your normal Account usage; or
- 7.6.7 we are required by law or a court or other authority to refuse or delay in acting.
- 7.7 Where we can lawfully do so, if we do not act on or delay acting on an Electronic Instruction to make a payment, we will notify you as soon as we can, and in any event by the end of the next Banking Business Day following receipt of the Electronic Instruction.
- 7.8 All payments from your Account(s) instructed through BusinessOnline will be listed on the statements for the Account(s).

## 8 Account Sweeping

- 8.1 If you are eligible for Account Sweeping you or other Users having appropriate authorities can give us Account Sweeping Instructions for the Sterling Accounts in your sole name. Account Sweeping Instructions can only be set up where the Sweep Account and Target Account are held in the same customer name.
- 8.2 Account Sweeping Instructions can be used to fix the Sweep Account balance at a specified level or to maintain that balance within a specified range. By giving us an Account Sweeping Instruction you are instructing us to check the Sweep Account balance at the selected frequency and, if the balance on the Sweep Account:
- 8.2.1 falls below a minimum specified level, to transfer funds to the Sweep Account from the Target Account to restore the Sweep Account balance to the minimum specified level; and/or
- 8.2.2 exceeds a maximum specified level, to transfer funds from the Sweep Account to the Target Account (which need not be the same as the Target Account at Condition 8.2.1) to restore the Sweep Account balance to the maximum specified level.
- 8.3 Account Sweeping Instructions will be processed in the order which you have specified. It is your responsibility to ensure that Account Sweeping Instructions have been ordered correctly and achieve your intended purpose.
- 8.4 We will only carry out Account Sweeping Instructions on Banking Business Days. If an Account Sweeping Instruction is scheduled to be carried out on a day which is not a Banking Business Day we will follow the instruction given when the Account Sweeping Instruction was made and either skip the payment, or carry it out on either the previous or the next Banking Business Day.
- 8.5 We will not carry out an Account Sweeping Instruction which would cause either a debit balance on an Account where no borrowing limit has been agreed, or if a borrowing limit has been agreed, the debit balance to exceed that limit (see also Condition 7.6.2).
- 8.6 If after we have carried out an Account Sweeping Instruction one or more cheques or payments previously paid into an Account (and forming part of the funds transferred) is/are returned unpaid, recalled or reversed, we may deduct

the amount of the unpaid cheque or the recalled or reversed payment either from the Sweep Account or the Target Account concerned, even though we had previously treated these payments as cleared funds.

- 8.7 If you close a Sweep Account or a Target Account we will not process any Account Sweeping Instruction affecting that account.

## 9 Suspension of access to BusinessOnline

- 9.1 We may suspend access to BusinessOnline, or any of the Functionalities accessible by using specific Security Details, if we reasonably consider this necessary for reasons relating to:
- 9.1.1 the security of the Security Details;
- 9.1.2 suspected fraudulent or unauthorised use of the Security Details; or
- 9.1.3 a significantly increased risk that you may be unable to fulfil your liability to pay any overdraft or borrowing facility available on your accounts.
- 9.2 If we suspend access to BusinessOnline under Condition 9.1 we will phone you to tell you in advance of the suspension and our reasons for doing this, unless we believe it would compromise our security measures or otherwise be unlawful. If we are unable to tell you in advance, we will tell you immediately after we have suspended access.

## 10 Fees and charges

- 10.1 Our charges for use of BusinessOnline are published in the Tariff. These charges are in addition to our charges for the provision of particular Accounts or Functionalities. Such charges are also published in the Tariff. Charges for any special services not included in the Tariff are available on request.
- 10.2 You agree to pay any charges we may levy in accordance with the Tariff and agree that these may be debited against the Account you specified when you applied for BusinessOnline.
- 10.3 You are liable for any broadband or telephone charges and any charges made by your internet service provider as a result of the use of BusinessOnline.
- 10.4 We reserve the right to make additional charges for any replacement Security Device where such replacement is necessary as a result of any breach by a User of Condition 4.

## 11 Liability for unauthorised and incorrectly executed payment transactions

- 11.1 You must inform us without undue delay once you or another User become aware of an incorrectly executed or an unauthorised payment transaction. Details of how to give us notice are set out in Condition 20.
- 11.2 If we make a refund to you under this Condition 11 and we subsequently discover that you were not entitled to a refund, we may debit the amount of the payment to your Account to restore your Account to the position it would have been in had the refund not been made. This will take effect from the original date the payment was debited to your Account.
- Unauthorised payment transactions**
- 11.3 Subject to 11.4, if you tell us that a payment was not authorised by you we will immediately credit your Account and restore your Account to the position it would have been in had the payment not been made unless we have good reason to believe that you did authorise the payment. In normal circumstances you can only exercise your rights under this Condition if once you become aware of the incorrect payment you tell us without undue delay, and in any event no later than 13 months after the payment was made.
- 11.4 If you have made a payment in a non-European Economic Area currency or to a non-European Economic Area country through SWIFT (under the International Outward Payments Terms and Conditions) and you tell us that a payment was not authorised by you we will within a reasonable period of time credit your Account and restore your Account to the position it would have been in had the payment not been made unless we have good reason to believe that you did authorise the payment. In normal circumstances you can only exercise your rights under this Condition if once you become aware of the incorrect payment you tell us without undue delay.
- 11.5 Until we receive notification that a User's Security Details have been lost, stolen or are liable to misuse, you will be liable for any use of BusinessOnline made using those Security Details. Unless Condition 11.6 or 11.7 applies your maximum liability will be £50.
- 11.6 If the Security Details have been used by a person (other than a User) who acquired those Security Details with a User's consent or a User has acted fraudulently or with gross negligence in connection with the Security Details your liability will be unlimited until you notify us of the loss. Except where a User has acted fraudulently, you will not be liable for any further loss arising from the use of BusinessOnline made using those Security Details once we have been effectively notified. You will be liable for all unauthorised transactions on your Account(s) if a User has acted fraudulently.
- 11.7 If you are a Large Enterprise, Conditions 11.3 to 11.6 shall not apply:
- 11.7.1 Until we receive effective notification that a User's Security Details have been lost, stolen or are liable to misuse you will be liable for all use of the Service made using those Security Details. After we have been effectively notified that the Security Details have been lost, stolen or are liable to misuse you will not be liable for any payment and any associated charges or interest for any subsequent use of the Service made using those Security Details unless the Security Details have been used by a person who acquired them with a User's consent or a User has acted fraudulently or with gross negligence with the Security Details.
- 11.7.2 If you tell us a payment was unauthorised we will, within a reasonable period of time, investigate whether the payment was authorised or not and will require evidence to show if the payment was authorised or not. We may charge you any reasonable costs we incur in doing so. If we establish that the payment was unauthorised, we will immediately credit your Account and restore your Account to the position it would have been in had the payment not been made.

## Incorrectly executed payment transactions

- 11.8 You are responsible for ensuring that all Electronic Instructions are correct and complete. We accept no liability for any loss or delay where the details contained in an Electronic Instruction are incorrect or incomplete, although if your payment has been incorrectly executed as a result of this, we will use reasonable efforts to recover your payment. We may charge you a fee to cover our reasonable costs for doing this.

- 11.9 Subject to Condition 11.10, and 12, when you inform us of an incorrectly executed payment transaction we will refund the payment and any charges or interest you paid as a result of it or pay you interest on the amount of the payment without undue delay unless:
- 11.9.1 you have notified us more than 13 months after the payment was made;
  - 11.9.2 the details contained in the Electronic Instruction to make the payment were not correct or complete when condition 11.8 will apply;
  - 11.9.3 we have good reason to believe you did authorise the payment; or
  - 11.9.4 we can show that the payment was received at the payee's bank,
- 11.10 When you inform us of an incorrectly executed payment transaction made in a non-European Economic Area currency or to a non-European Economic Area country through SWIFT (under the International Outward Payments Terms and Conditions) we will refund the payment and any charges or interest you paid as a result of it or pay you interest on the amount of the payment without undue delay unless:
- 11.10.1 the details contained in the Electronic Instruction to make the payment were not correct or complete when condition 11.8 will apply;
  - 11.10.2 we have good reason to believe you did authorise the payment; or
  - 11.10.3 we can show that the payment was received at the payee's bank. We may charge you a fee to cover our reasonable costs for doing this.
- 11.11 If you are a Large Enterprise Conditions 11.8, 11.9, 11.10 shall not apply. If we fail to make a payment from your Account in accordance with your Electronic Instructions, on request from you we will restore your Account to the position it would have been in had the payment not been made. We will agree with you the reasonable steps which should be taken to recover any payment, and may charge you a fee to cover our reasonable costs in trying to rectify the position, if:
- 11.11.1 you ask us to make a payment from your Account to another bank and that bank says it did not receive the payment; or
  - 11.11.2 the details contained in the Electronic Instruction to make the payment were not correct or complete.
- You can only exercise your right under this Condition if once you become aware of the incorrect payment you tell us without undue delay.

## 12 General Liability

- 12.1 We will not be liable if we are unable to perform our obligations under this Agreement due (directly or indirectly) to:
- 12.1.1 abnormal and unforeseeable circumstances, including (but not limited to) shortages in the availability of personnel caused by epidemic, or the failure of any machine, data processing system or transmission link, the consequences of which would have been unavoidable despite all efforts to the contrary; or
  - 12.1.2 our compliance with a requirement of UK or European Community law or as a result of any local laws in any other jurisdiction which prevent or restrict our ability to perform our obligations.
- 12.2 We will not be liable for any loss of profits or loss of goodwill (including without limitation loss suffered in connection with or as a result of our adherence to crime prevention measures (see Condition 16), any form of special damages, or for any indirect losses (whether or not those losses were reasonably foreseeable).
- 12.3 We will only be responsible for any loss of or damage to your data, software, computer, computer networks, telecommunications or other equipment caused by a User's use of BusinessOnline where such loss or damage is directly and solely caused by our gross negligence or wilful misconduct.
- 12.4 Nothing in this Agreement shall limit our liability to you for fraud or negligence by the Bank or its officers or employees resulting in death or personal injury. All conditions, warranties, terms and undertakings express or implied, statutory or otherwise, in respect of the provision of the Service or otherwise are hereby excluded.
- 12.5 We do not warrant that BusinessOnline will meet your business requirements nor that its operation will be uninterrupted, always accurate, free of error, nor that any information is current and up-to-date at the time it is accessed. It is likely that there will be a short period of down time each day, usually outside normal business hours, when all or part of BusinessOnline may not be available.
- 12.6 Subject to Conditions 11.2 to 11.7, you agree to indemnify us, and the members of the NAG Group, against all claims, actions, proceedings, costs, loss and damage of any kind which we, or any other members of the NAG Group, may suffer as a result of acting on any Valid Electronic Instruction in accordance with this Agreement, or as a result of any User's failure to comply with any of your or any User's obligations under this Agreement.
- 12.7 Where the Customer is a partnership the firm and each partner shall be jointly and severally liable to the Bank.

## 13 Our obligations

- 13.1 In addition to our other obligations under this Agreement we will use reasonable skill and care to protect the integrity and security of BusinessOnline and to prevent any unauthorised access as defined in the Computer Misuse Act 1990 (as amended). If properly used, BusinessOnline is a more secure channel of communication than unencrypted internet emails. However, even then, there is a small risk of unauthorised access and you acknowledge that you accept this risk.

## 14 Your obligations

- 14.1 In addition to your other obligations under this Agreement you will:
- 14.1.1 ensure that all Users are instructed to read the User Guides, and read and make sure they understand the terms of this Agreement before using BusinessOnline; and
  - 14.1.2 ensure that both you and other Users are aware of and adhere to the security requirements set out in Condition 4 and 5.
- 14.2 If BusinessOnline is accessed from outside the UK you will ensure that the User complies with those local laws and regulations as to the use of BusinessOnline.

## 15 Variations

- 15.1 We may:
- 15.1.1 change or withdraw any of the Functionalities;
  - 15.1.2 change any of the terms of this Agreement; and/or
  - 15.1.3 introduce or change charges for the Service (including changes to the frequency or dates of payment).
- We will give you at least 2 months' advance personal notice before making this kind of change unless we are required to make it sooner due to a

Regulatory Requirement.

- 15.2 When we tell you about a change we will tell you the date it comes into effect. As long as notice of a change is given to you at the most recent address we have for you or to your Secure Messaging Service inbox, you will be treated as accepting the change on the date the change is to come into effect unless, before then, you tell us that you do not accept the change. If you do not accept a change either you can terminate this Agreement without charge before the date we tell you the change will come into effect, or our notice of the change will be deemed to be our notice to terminate this Agreement under Condition 17.2.1.

## 16 Data protection

The Bank will share information about you and your business with other members of the NAG Group. The following sections explain how and for what purposes the NAG Group will use your personal information and information relating to your business, your business bank accounts and any associated business accounts but not information relating to any personal accounts that you have with the NAG Group.

- 16.1 Your information:  
We may currently or in the future hold personal information about you or the Users. The information we process about you or the Users will be obtained from various sources including directly from you, from individuals with whom you or the Users are linked, from you or the Users' dealings with any member of the NAG Group and from other organisations including fraud prevention and credit reference agencies.  
Such information may also include sensitive personal data, such as information relating to you or the Users' health, criminal convictions or proceedings, but only where it is needed for the products or services we provide to your business.
- 16.2 The way we use information:  
We may use your or the Users' information for the following reasons:
- 16.2.1 to operate and administer the products and services we provide to your business;
  - 16.2.2 to comply with applicable laws, including without limitation anti-money laundering and anti-terrorism laws and regulations;
  - 16.2.3 for the prevention of fraud and money laundering; and
  - 16.2.4 to make credit decisions about your business.
- We will treat all such information as confidential and will not give information to anyone except where:
- (a) we are permitted to do so by law;
  - (b) we have a public duty to disclose the information;
  - (c) we need to do so to comply with the requirements, codes or recommendations of any of our regulators;
  - (d) we have your consent (which is not necessarily required to be in writing);
  - (e) it is necessary for the performance of any product or service that we provide to you;
  - (f) we have transferred any of our rights or obligations to another party.
- 16.3 Fraud prevention agencies  
If you or the Users provide us with false or inaccurate information and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information.  
We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when checking details on applications for credit and credit related or other facilities, managing credit and credit related accounts or facilities, recovering debt, checking details on proposals and claims for all types of insurance or checking details of job applicants and employees.  
We and other organisations may access and use from other countries the information recorded by fraud prevention agencies. If you would like details of the agencies from which we obtain and record information about you, please write to: Central Refer Unit, 20 Merrion Way, Leeds, LS2 8NZ.
- 16.4 Provision of services and transfer of information  
We may engage service providers, agents and subcontractors to provide services, which may involve processing you or the Users' information on our behalf. We may also need to transfer you or the Users' information to countries where they may not have data protection laws providing the same level of protection as those in the European Economic Area. In each of the circumstances set out in this Condition 16, we will ensure that the information is processed only in accordance with our instructions and under strict obligations of confidentiality.
- 16.5 Individuals are entitled to a copy of the personal information we hold about them on payment of a fee. For further information on individuals' rights under the Data Protection Act, you can contact The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF or visit [www.ico.gov.uk](http://www.ico.gov.uk).
- ## 17 Termination
- 17.1 This Agreement shall continue until terminated in accordance with this Condition 17.
- 17.2 This Agreement may be terminated by us;
- 17.2.1 by giving you at least two months' written notice;
  - 17.2.2 immediately in the event that we close all of your Accounts;
  - 17.2.3 immediately by giving written notice if you have committed a material breach of this Agreement;
  - 17.2.4 immediately by giving written notice in the event of fraudulent activity or unauthorised use of Security Details in connection with your use of BusinessOnline; or
  - 17.2.5 immediately by giving written notice if you are declared mentally incapable, bankrupt, in liquidation, receivership or administration or are otherwise deemed insolvent.
- 17.3 Any rights and remedies available to either you or us before termination will remain and be unaffected by such termination.
- 17.4 You may terminate this Agreement immediately at any time by notifying us. If you do this, access to all your Accounts via BusinessOnline will be terminated.
- 17.5 If you terminate this Agreement you must review any future-dated payments instructed using BusinessOnline which are due to be made after the date of termination. We may process these future-dated payments unless you tell us otherwise.
- 17.6 Where you are a partnership, this Agreement will continue in force and effect until revoked by notice given by any one partner, notwithstanding any change of firm name, the admission of new partner(s) or any partner ceasing to be a partner of the firm.
- 17.7 On termination you must return all Security Devices to us.

## 18 Dispute Resolution

If you are not happy with any aspect of our service, please request a copy of our internal complaint handling procedures from any branch or from your Business Partner. Our aim is to resolve complaints to the satisfaction of our customers. However, if, having followed our published complaint procedures, you disagree with the final decision we have made, you may be eligible to refer the matter to the Financial Ombudsman Service. Details are available on request from any branch or your Business Partner or from [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). Please note that due to the Financial Ombudsman Service's eligibility criteria not all Customers will be covered by this service.

## 19 Prevention of crime

- 19.1 A combination of legislation, regulation, FCA guidelines, International Sanctions and other regulatory requirements ("crime prevention measures") exists both in this country and in other jurisdictions to prevent money laundering, terrorist financing and the breach of international sanctions. We and other members of the NAG Group are required to take account of these crime prevention measures at all times and this may result in our requiring you to provide us with detailed information about you and/or the Users at the outset and again throughout any period you are using BusinessOnline.
- 19.2 Some crime prevention measures may require us to freeze accounts, delay processing payment and may include notification of suspicious transactions to the relevant authorities.
- 19.3 Neither we nor any members of the NAG Group will be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising from any delay or failure by us, or any members of the NAG Group, in processing any transaction or in performing any obligations under this Agreement as a result of our adhering to, or attempting to adhere to any crime prevention measures.

## 20 Notices and Communication

- 20.1 Any notice to be given by us under this Agreement will be communicated to you or the Corporate Administrator either through BusinessOnline, including the Secure Messaging Service where this is available to you, or by post to your registered office or most recent postal address.
- 20.2 Any notice to the Bank under this Agreement, including advising us of any lost or stolen Security Devices, suspected fraud, security risk or improper use of BusinessOnline should be given to us as soon as possible by telephoning our Helpdesk on one of the following numbers:  
From the UK: 0844 736 0011  
From overseas: +44 (0)141 248 4855  
and should be confirmed to us in writing either by post to 30 St Vincent Place, Glasgow G1 2HL (For the attention of: Head of Online Channels) or to your Business Partner.

20.3 The language of this Agreement is English and communications and notices between you and us shall be in English.

20.4 Subject to the applicable laws of evidence, each party agrees not to object to the admission of the records (including computer records) of the other as evidence in legal proceedings.

## 21 Information

If you require a further copy of this Agreement you can obtain a copy online at [www.cybusinessonline.co.uk](http://www.cybusinessonline.co.uk), or in branch, or from your Business Partner.

## 22 Severability

Each term of this Agreement is capable of standing alone and is severable from the others. If term or terms are deemed void, illegal or unenforceable, the remainder will not be affected in any way.

## 23 Intellectual property rights

- 23.1 Nothing in this Agreement transfers, or creates an obligation to transfer, any intellectual property right ("IPR"). Other than as expressly stated in this Condition 23, nothing in this Agreement creates a licence of, or an obligation to grant a licence of, any IPR.
- 23.2 We hereby grant to you a non-exclusive, non-transferable licence to access and use BusinessOnline:
- 23.2.1 using a BusinessOnline Supported Browser for which you must obtain your own licence(s);
- 23.2.2 solely to access and use the Functionalities described in Condition 2.

## 24 Governing law

- 24.1 If the branch of the Bank holding your main business banking connection is in Scotland, Scots law governs the Agreement. If the branch of the Bank holding your main business banking connection is elsewhere, English law governs the Agreement.
- 24.2 Subject to the terms of Condition 18, both parties irrevocably submit to the non-exclusive jurisdiction of the courts of the country in which the branch of the Bank holding your main business banking connection is situated.

**This document is available in large print, Braille and audio. Please speak to a member of staff for details.**

**[cybusinessonline.co.uk](http://cybusinessonline.co.uk)**

**[cbonline.co.uk](http://cbonline.co.uk)**

**[ybonline.co.uk](http://ybonline.co.uk)**



## Online Services Tariff for Business Customers

This tariff should be read in conjunction with the Business Banking Tariff. It sets out details of the fees payable in connection with the use of our online business banking services – BusinessOnline, BusinessOnline Lite and Internet Banking – from 1 January 2014. Details of all other fees and costs payable in connection with business banking services can be found in our Business Banking Tariff, which is available at [www.cybusinessonline.co.uk](http://www.cybusinessonline.co.uk).

### BusinessOnline

BusinessOnline is our online business banking service for those customers with larger, more complex businesses, who may need to set up and control more than three individual Users; or require greater payment flexibility. This may mean you require larger funds transfer and standing order limits; may need to make guaranteed same day payments via CHAPS; and/or may need to process International Payments online.

BusinessOnline Service Fees	
<ul style="list-style-type: none"> <li>Set up and control additional Users</li> <li>Real time reporting on most business accounts</li> <li>External funds transfers*</li> <li>Batching of individual payments</li> <li>Dedicated helpdesk support (8am – 6pm Monday – Friday)</li> </ul>	£20.00 monthly subscription fee
Individual User Fee (Unlimited Users – one must be a Corporate Administrator)	£3.00 monthly fee per User registered
Guaranteed same day CHAPS payment capability	Option available at no extra charge – requires set up
International Payment capability	Option available at no extra charge – requires set up
Additional costs may be incurred for activities such as training	To be advised at the time of your request
* External funds transfers and standing order limits available up to a maximum of <b>£100,000</b> per payment with BusinessOnline.	
BusinessOnline Transactional Fees	
Bacs Payments	£0.18 per payment
Charge for exceeding Bacs credit limit	£40.00 charged separately on a quarterly basis
CHAPS Payments	£17.50 per payment charged separately†
Copies of confirmations / advices	£5.00 per item charged separately
Faster Payments – Auto Debit (single or batch)	As per Auto Debit transaction charge on your Business Tariff, charged separately on a monthly basis. Standard Tariff = <b>£0.30</b> per payment.
International Payments	£17.50 per payment Shared (SHA) / Their (BEN) clause charged separately†† <sup>^</sup> £32.50 per payment OUR clause charged separately†† <sup>^</sup>
Copies of confirmations / advices	£5.00 per item charged separately
† Cancellation, fate enquiries and amendments may attract an additional charge of £18. Fate enquiries or Investigations initiated after 6 months may be charged at £50; and after 12 months may be charged at £100. Additional agent charges may also be applied. Back valuation of payments, where requested, may incur additional charges which will be advised to you at the time of your request. †† Cancellation, fate enquiries and amendments may attract an additional charge of £18 plus any +/- exchange gain/loss. Fate enquiries or Investigations initiated after 6 months may be charged at £50; and after 12 months may be charged at £100. Additional agent charges may also be applied. Further charges will also apply for re-sending the payment at either the applicable BusinessOnline or International Tariff which will be advised to you at the time before making the payment. Back valuation of payments, where requested, may incur additional charges which will be advised to you at the time of your request. ^ The use of OUR clause is limited within the European Economic Area (EEA) to payments involving a currency conversion. Charge clause Their (BEN) is not available for payments within the EEA.	
<b>Note: International Payments may be liable to agents' charges where applicable.</b>	

Continued overleaf

## BusinessOnline Lite

**BusinessOnline Lite** is designed for smaller businesses requiring up to three registered Users with simpler payment needs. It does not include CHAPS or International Payment capability which is only available with BusinessOnline and external funds transfer and standing order limits are restricted to a maximum of £50,000 per payment.

BusinessOnline Lite Service Fees	
<ul style="list-style-type: none"> <li>Set up and control additional Users</li> <li>Real time reporting on most business accounts</li> <li>External funds transfers*</li> <li>Batching of individual payments</li> <li>Dedicated helpdesk support (8am – 6pm Monday – Friday)</li> </ul>	<b>NO</b> monthly subscription fee
Individual User Fee (Maximum THREE Users – one must be a Corporate Administrator)	<b>£3.00</b> monthly fee per User registered
Guaranteed same day CHAPS payment capability	Not available with BusinessOnline Lite
International Payment capability	Not available with BusinessOnline Lite
* External funds transfers and standing order limits available up to a maximum of <b>£50,000</b> per payment with BusinessOnline	
BusinessOnline Lite Transactional Fees	
Bacs Payments	<b>£0.18</b> per payment
Charge for exceeding Bacs credit limit	<b>£40.00</b> charged separately on a quarterly basis
Faster Payments – Auto Debit (single or batch)	As per Auto Debit transaction charge on your Business Tariff, charged separately on a monthly basis. Standard Tariff = <b>£0.30</b> per payment

## Internet Banking

For sole traders and those businesses with a very simple set up and basic payment needs, Internet Banking may be all you require. Internet Banking provides the ability to view accounts and make payments (including internal account transfers, external funds transfer payments; future dated payments and standing orders (subject to applicable limits)) online.

Payment limits are lower than those available via BusinessOnline Lite and Internet Banking does not include the capability to make Bacs, CHAPS or International Payments. Internet Banking also does not support setting up of nominated Users or tailored payment limits for individual Users within a business that both BusinessOnline and BusinessOnline Lite allows.

Internet Banking	
Internet Banking Service Fees	N/A
Internet Banking Transaction Fees	Fees will apply for transactions carried out via Internet Banking as per your Business Banking Tariff.

## Choosing the right online service for your Business's needs

If you are not sure which is the most appropriate online service for your business please refer to our dedicated BusinessOnline website (see below) for further information or speak to your Relationship Manager or Customer Service Centre. The **Simplifying your business finance – Online Business Banking** brochure is available on request and provides further information.

[cybusinessonline.co.uk](http://cybusinessonline.co.uk)