

Important Information

Changes to your Terms and Conditions

Contents

- Introduction
- Section 1: Summary of changes 1 – 2
- Section 2: Detailed changes to our Terms and Conditions 3 – 8
- Section 3: Detailed changes to our Fees leaflet 9 – 10

July 2010

Changes to Terms and Conditions for Personal Banking

We have made some changes to the following:

- Our 'Personal – Terms and Conditions' (our '**Terms and Conditions**'); and
- Our leaflet, 'Fees - A guide to personal account fees' (our '**Fees leaflet**').

These changes enable us to stop paying interest on credit balances on our accounts.

As part of these changes, we will no longer pay interest on credit balances on the following accounts:

- Current Plus account;
- Student account;
- Graduate account;
- Cash account; and
- Step account.

These changes alter the terms of the contract between you and us, and take effect on **22 September 2010**.

We are also making changes to reflect the Payments Council's decision to make an industry-wide withdrawal of the cheque guarantee facility from 30 June 2011. We will be phasing out our cheque guarantee facility from early 2011. This means you will no longer be able to use your card to guarantee the payment of any cheque or to cash a cheque from 30 June 2011, or any earlier if we personally notify you.

These changes apply to all our Personal Banking accounts unless otherwise stated.

We are also increasing some of our arranged and unarranged overdraft interest rates with effect from **22 September 2010**. Please see the section headed 'Detailed changes to our Fees leaflet' for further details. If you would like to review the level of your arranged borrowing or seek to agree your borrowing requirement in advance, then please speak to your local branch.

Please read the information in this leaflet carefully and keep it for future reference

Section 1 of this leaflet summarises the main changes to our Terms and Conditions and Fees leaflet.

Section 2 of this leaflet provides full details of the changes to our Terms and Conditions.

Section 3 of this leaflet provides full details of the changes to our Fees leaflet.

If you have any questions or need any further information on how these changes affect you, please contact your local branch.

The updated version of these leaflets will be available on request in your local branch or on our website **www.natwestinternational.com** from **22 September 2010**.

Section 1: Summary of changes

Main terms being changed in our Terms and Conditions	Summary of change
General Condition 4.3.1 Section A: Conditions of general application	This has been amended to clarify that not all of our accounts pay you interest on credit balances.
General Condition 5.1.1, 5.5.1 (a) and 5.5.1 (b). Section A: Conditions of general application	We have amended the wording to clarify what this means to you.
General Condition 7.3.1 Section A: Conditions of general application	This has been amended to clarify that, if your account is a Savings account, you agree that we may convert it to another Savings account in our range of accounts.
General Condition 10 (Changes to the agreement) Section A: Conditions of general application	General Condition 10 has been amended and split into two separate conditions which clarify and simplify when we can make changes to the Terms and Conditions, charges and interest rates. The new General Condition 10 covers changes to the agreement and charges. The new General Condition 11 covers changes to interest rates. Please read General Conditions 10 and 11 for full details.
General Condition 15.5.5 Section C: Card conditions	We have inserted a new General Condition 15.5.5 to reflect the removal of the cheque guarantee facility in 2011.
Account Specific Condition 10 (Reward Reserve account)	We have introduced a 4 day grace period to make it easier for you to receive an annual interest reward. We will now pay you an annual interest reward if you do not make more than three withdrawals and your account balance does not fall below £2,000 for more than 4 days in total during the annual period.
Account Specific Condition 11 (30 Day Bonus Reserve account)	We have clarified when annual bonus interest will be paid. In particular, no annual bonus interest will be paid if your account balance falls below £2,000. We have set out that annual periods commence on the last business day in March and end the last business day before the beginning of the next annual period.

Continued overleaf

Main terms being changed in our Fees leaflet	Summary of change
Arranged and unarranged borrowing on Advantage Cheque	We have changed our arranged and unarranged borrowing rate on Advantage Cheque.
Arranged Credit Zone and overdraft for Current and Current Plus accounts	We have changed our interest rate on Arranged Credit Zone and unarranged borrowing rate for Current and Current Plus accounts.
Arranged overdrafts, unarranged overdrafts, unpaid items and enforcement charges	We have deleted the second paragraph under the heading 'Changes to Charges'. This is to reflect the new General Condition 10 setting out how we may change charges.
Arranged overdrafts, unarranged overdrafts, unpaid items and enforcement charges	We have clarified the operation of the £15 buffer on the paid referral fee. A paid referral fee will only be charged if the unarranged overdraft on your account stands at more than £15 at close of business on the day the transaction is paid or taken from your account (or the next business day if that day is a Saturday, Sunday or Bank Holiday).

Section 2: Detailed changes to our Terms and Conditions

General Conditions

In the last sentence of General Condition 3.1.6, the word ‘also’ has been inserted between the phrases ‘You can’ and ‘obtain information’. This sentence now reads:

- 3.1.6 You can also obtain information about the refusal and, where appropriate, our reason for refusing the payment, along with information on how to correct any errors that led to the refusal, by contacting one of our branches in person or using telephone banking (unless a legal reason or certain other limited circumstances beyond our control prevent us from providing you with this information).

General Condition 4.3.1 has been amended and now reads:

- 4.3.1 Not all of our accounts pay interest on credit balances. If your account is eligible for interest, we will pay interest on the daily cleared credit balance in your account unless the Account Specific Conditions for your account provide otherwise. Interest on eligible accounts will be calculated and paid in the manner and at the rates in our interest rate leaflets, which can be obtained from any branch (for branch-based accounts). You can also look on our website www.natwestinternational.com or ask our branch staff.

The first sentence of General Condition 5.1.1 has been amended and now reads:

- 5.1.1 If the cleared balance on your account (plus any unused arranged overdraft facility) is sufficient, you may carry out transactions on your account and withdraw money at any time.

General Condition 5.5.1(a) has been amended and now reads:

- 5.5.1(a) Where you instruct us to make a payment using the Faster Payments Service, the payment will normally be credited to the payee’s account almost immediately (but may sometimes take up to 2 hours), providing the payment amount is within the Faster Payments set limits and the receiving bank is a member of the scheme. Further information on the Faster Payments Service can be found in our leaflet ‘Our commitment to you’.

General Condition 5.5.1 (b), first bullet point has been amended and now reads:

- 5.5.1(b) By the end of the third business day following the one on which we receive your payment instructions (within the meaning of General Condition 3.1.8).

General Condition 7.3.1 has been amended and now reads:

- 7.3.1 If your account is a Current account, you agree that we may convert it to another Current account in our range of accounts. If your account is a Savings account, you agree that we may convert it to another savings account in our range of our accounts.

We will only do this if:

- a) we have a valid reason for converting your account; and
- b) we notify you personally not less than 60 days before we convert it if it’s a Payment account or not less than 30 days if your account is a Non-payment account.

We will convert your account after the expiry of our notice unless in the meantime you have informed us in writing that you wish to close your existing account under General Condition 7.2.1. For a period of 30 days from the date on which we convert your account, you may close the account (or switch to any other account which we are willing to provide to you) without loss of interest or any additional charges.

General Condition 10 has been amended and split into two clauses – General Condition 10 and a new General Condition 11. These read as follows:

10 CHANGES TO THE AGREEMENT AND CHARGES

10.1 General provisions

- 10.1.1 If we have a valid reason for doing so, we may change the terms of our agreement with you by notifying you personally not less than 60 days before the change comes into effect.
- 10.1.2 We may introduce new charges on your account or change the amount of any charges which already apply to your account by notifying you personally not less than 60 days before the change comes into effect.

10.2 Copies of the conditions

- 10.2.1 If we make a major change or a lot of minor changes in any one year, we will give you a copy of the new Conditions or a summary of the changes. You can also request a copy of the Conditions at any time.

10.3 Your rights when changes are made

- 10.3.1 If we give you notice of:
 - a) a change in the terms of our agreement with you under General Condition 10.1.1; or
 - b) the introduction of a new charge or a change in the amount of any existing charge under General Condition 10.1.2,then for a period of 60 days from the date of our notice, you have the right to switch or close your account without loss of interest or any additional charges.
- 10.3.2 Your rights under General Condition 10.3.1 will not be affected by any Account Specific Conditions which would otherwise prevent you closing your account or closing it without loss of interest or additional charges.

11 CHANGES TO INTEREST RATES AND EXCHANGE RATES

11.1 Reasons for changing interest rates

- 11.1.1 We may change the interest rates which apply to your account for any of the following reasons:
 - a) to enable us to respond proportionately to a change in the Bank of England's base rate or any other publicly listed market rate;
 - b) to enable us to respond proportionately to changes in the interest rates paid or charged by other banks and financial institutions on personal current and savings accounts;
 - c) to reflect changes in the costs we reasonably incur in providing your account;
 - d) to reflect changes in the law or a decision by an ombudsman;
 - e) to enable us to meet changed regulatory requirements;
 - f) to reflect changes in any codes of practice to which we subscribe.
- 11.1.2 We may also change the interest rates which apply to your account for any other reason. If we do this, we will tell you the reason for the change.
- 11.1.3 Nothing in General Conditions 11.1.1 or 11.1.2 enables us to change an interest rate which, under the Account Specific Conditions, is fixed or tracks a specified rate or index.
- 11.1.4 If we give you notice of a change in interest rates then for a period of 60 days from the date of our notice, you have the right to switch or close your account without loss of interest or any additional charges.
- 11.1.5 Your rights under General Condition 11.1.4 will not be affected by any Account Specific Conditions which would otherwise prevent you closing your account or closing it without loss of interest or additional charges.

11.2 Notification of changes to credit interest rates

- 11.2.1 We will give you notice of any change we make to the interest rates we pay on credit balances as follows:
- a) If we are changing the interest rates in a way that is to your advantage we will give you notice of the change either before the change comes into effect or at the earliest opportunity afterwards.
 - b) If your account is a Payment account and we are changing the interest rates in a way that is to your disadvantage, we will notify you personally not less than 60 days before the change comes into effect.
 - c) If your account is a Non-payment account and we are changing the interest rates we pay on credit balances in a way that is materially to your disadvantage, we will notify you personally not less than 14 days before the change comes into effect. A change in interest rates is materially to your disadvantage where:
 - i) the interest rate that applies to your account falls by 0.25% or more in a single movement; or
 - ii) there has been a total fall of 0.50% or more in the interest rate that applies to your account in any preceding 12 month period.
 - i) and (ii) above apply only where your account has a balance of £500 or more.
 - d) If your account is a Non-payment account and we are changing the interest rates we pay on credit balances in a way that is to your disadvantage, but not materially so, we will give you notice of the change either before the change comes into effect or at the earliest opportunity afterwards.
 - e) If your account tracks a specified external rate or index, the provisions in (a) to (d) above do not apply. We will apply changes to the interest rates which apply to these accounts in accordance with the Account Specific Conditions and notify you at the earliest opportunity after the change comes into effect.
- 11.2.2 We will give you notice under General Condition 11.2.1 (a), (d) or (e) by advertising the change on our website www.natwestinternational.com

11.3 Notification of changes to overdraft interest rates

- 11.3.1 Except where General Condition 11.3.2 applies, if we are changing the interest rates we charge on overdrafts, we will notify you personally not less than 30 days before the change comes into effect.
- 11.3.2 For overdraft interest rates that are linked to an internal reference rate (for example, set at a margin over our base rate) we may notify you of a change to the reference rate by advertising the change after it comes into effect on our website www.natwestinternational.com

11.4 Exchange rates

- 11.4.1 Our exchange rates are based on a reference rate which is our prevailing rate for the day. We may change our exchange rates immediately and without notice to you where such changes reflect a change in the reference rate or where the change is more favourable to you.

General Conditions 11, 12, 13 and 14 have been re-numbered accordingly, and references to these General Conditions have also been updated to follow the revised numbering.

General Condition 15.3.1 (formerly General Condition 14.3.1) has been amended and now reads:

- 15.3.1 Provided that the cleared balance on your account (plus any unused arranged overdraft facility) is sufficient, you may use your card along with your PIN to obtain cash from any cash machine which we advise will accept your card. Withdrawals may be made up to the daily cash withdrawal limit.

General Condition 15.3.4 (formerly General Condition 14.3.4) has been amended and now reads:

- 15.3.4 If you have a card that displays the Visa Debit logo and starts with the numbers 4751 23, you will only be able to use your card at a retailer or supplier of services where they can authorise the transaction with us at the time of the transaction being made. If this is not possible the transaction will be declined. A retailer or supplier of services may also ask us for authorisation in line with 15.4.1 (formerly 14.4.1).

A new General Condition 15.5.5 has been inserted and reads:

- 15.5.5 The Cheque Guarantee Scheme will close industry wide on 30 June 2011. This means that from this date the cheque guarantee facility will no longer be valid on any Debit cards (irrespective of whether the card still has the cheque guarantee hologram on it). We may however, remove your cheque guarantee facility from any date before 30 June 2011, by personally notifying you.

Account Specific Conditions

Reward Reserve account

Account Specific Condition 10 has been amended and now reads:

10 REWARD RESERVE ACCOUNT

- 10.1 Reward Reserve accounts are available only to individuals, including personal trustees.
- 10.2 Quarterly and annual interest rewards will also be paid to you provided you meet the requirements set out in Account Specific Conditions 10.4 and 10.7.
- 10.3 If your account balance falls below £2,000, you will receive a nominal rate of interest.
- 10.4 We will pay you a quarterly interest reward for any quarterly period in which:
 - a) you do not make more than one withdrawal; and
 - b) your account balance does not fall below £2,000 for more than four days in total.
- 10.5 Quarterly periods commence on the first business day of January, April, July or October and end the day before the beginning of the next quarter.
- 10.6 If you qualify for a quarterly reward, the reward interest will be paid into your account on the first business day of the next quarterly period.
- 10.7 We will pay you an annual interest reward for any annual period in which:
 - a) you do not make more than three withdrawals; and
 - b) your account balance does not fall below £2,000 for more than four days in total.
- 10.8 Annual periods commence on the first business day of January and end the day before the beginning of the next annual period.
- 10.9 If you qualify for an annual reward, the reward interest will be paid into your account on the first business day of the next annual period.
- 10.10 Quarterly and annual interest rewards are calculated on a daily basis on the amount you have in your account at close of business.
- 10.11 If you open your account during a quarterly or annual period, any quarterly or annual reward interest earned during the remainder of that period will be paid on a pro rata basis.
- 10.12 If you close your account during a quarterly period, you will not receive any quarterly reward interest for that period.
- 10.13 If you close your account during an annual period, you will not receive any annual reward interest for that period.
- 10.14 If you have elected for credit interest to be paid into a NatWest Current account in your name(s), then both quarterly and annual interest rewards will also be paid into that account. Payments of interest will not be treated as withdrawals in determining whether you should receive quarterly or annual rewards.
- 10.15 You may not have your wage or salary paid directly into your account.
- 10.16 Standing order and Direct Debit payments are not permitted on your account.
- 10.17 Arranged overdrafts are not available on your account.
- 10.18 Cheque books are not available on your account.

30 Day Bonus Reserve account

Account Specific Condition 11 has been amended and now reads:

11 30 DAY BONUS RESERVE ACCOUNT

- 11.1 30 Day Bonus Reserve accounts are available only to individuals (except those acting as trustees).
- 11.2 Bonus interest will also be paid to you provided you meet the requirements set out in Account Specific Condition 11.6
- 11.3 If your account balance falls below £2,000, you will receive a nominal rate of interest.
- 11.4 You may make withdrawals or close your account without loss of interest if:
 - a) you give us 30 days' prior written notice of the amount you wish to withdraw or of the closure of your account; and
 - b) you make the withdrawal or close your account within 14 days of the end of that 30 day period.
- 11.5 If you cannot meet the requirements set out in Account Specific Condition 11.4, you may still make the withdrawal or close your account. However you will lose 30 days' interest on the sum withdrawn. This will be calculated at the interest rate applicable to your account immediately before the withdrawal (excluding any bonus). If the amount of the lost interest is more than the interest which has accrued on your account at the date of withdrawal, we will deduct the rest from your account balance.
- 11.6 We will pay you bonus interest for any annual period in which:
 - a) you do not make more than four withdrawals; and
 - b) your balance does not fall below £2,000.
- 11.7 Bonus interest will be paid into your account or another account held at the same branch.
- 11.8 Bonus interest is calculated and paid in the manner and at the rates available from our website natwestinternational.com
- 11.9 If you open your account during an annual bonus period, any bonus interest earned during the remainder of that annual bonus period will be paid on a pro rata basis. Annual periods commence on the last business day in March and end the last business day before the beginning of the next annual period.
- 11.10 If you close your account during an annual bonus period, you will not receive any bonus interest for that annual bonus period.
- 11.11 If your account is a joint account and one of you dies, it can be:
 - a) closed without notice or loss of interest for early closure; or
 - b) continued in the name of the survivor(s).
- 11.12 If it is a sole account and you die or a joint account and the sole surviving joint account holder dies, then it will be closed without notice or loss of interest for early closure.
- 11.13 You may not have your wage or salary paid directly into your account.
- 11.14 Standing order and Direct Debit payments are not permitted on your account.
- 11.15 Arranged overdrafts are not available on your account.
- 11.16 Cheque books are not available on your account.

Section 3: Detailed changes to our Fees leaflet

At section 'Arranged borrowing on Advantage Cheque' has been amended and now reads:

Presently on accounts with an arranged overdraft, the interest is set at a margin of 6% above our base rate and will increase to 7% above our base rate from 22 September 2010. The rate you pay will change automatically as our base rate changes in line with interest rates generally. Changes to our base rate are available from our branches. The margin can be varied by us on giving you at least 30 days prior written notice.

In section Arranged credit zone and overdraft our interest rates will be increased from 22 September 2010 as follows:

Type of account	Old nominal monthly rate %	Old nominal annual rate %	Old EAR % typical variable	New nominal monthly rate %	New nominal annual rate %	New EAR % typical variable
Current Plus & Current						
All amounts	1.48	17.73	19.24	1.52	18.28	19.89

Our unarranged overdraft interest rates will be increased, with effect from 22 September 2010, as follows:

Type of account	Old nominal monthly rate %	Old nominal annual rate %	Old EAR % typical variable	New nominal monthly rate %	New nominal annual rate %	New EAR % typical variable
Current Plus & Current						
All amounts	1.48	17.73	19.24	1.52	18.28	19.89

The nominal annual rate is the simple annual cost of an overdraft not taking into account how often interest is charged over the year. The nominal monthly rate is the simple monthly cost of an overdraft not taking into account how often interest is charged over the month. The Effective Annual Rate of Interest (EAR) is the real annual cost of an overdraft stated as an annual rate, which takes into account how often interest is charged to the account. All other charges, for example, arrangement fees, are shown separately from the EAR.

In section 'Unarranged borrowing on Advantage Cheque, Current Plus and Current accounts', we have made the following changes:

We have change the title to 'Unarranged borrowing on Advantage Cheque'

Any amount overdrawn in excess of the authorised overdraft limit will be charged at an unarranged borrowing rate of 1.52% per month, which is equivalent to an Effective Annual Rate of interest of 19.89%.

At section 'Unarranged overdrafts, unpaid items and enforcement charges' in the table the section headed 'Paid referral fee' has been amended and now reads:

Fee type	When charged on current accounts	Fee amount
Paid referral fee		
<p>A paid referral fee will be payable if:</p> <ul style="list-style-type: none"> • you informally request an overdraft by issuing instructions for a withdrawal or other payment on your account; and • the payment cannot be met from the funds in your account or any unused arranged overdraft facility; and • an unarranged overdraft is created or increased because we decide we are willing to accept your request; and • the unarranged overdraft on your account stands at more than £15 at close of business on the day the transaction is paid or taken from your account (or the next business day if that day is a Saturday, Sunday or Bank Holiday). 	<p>21 days after the end of the charging period in which the transaction was paid or taken from your account (or the next business day if this is a Saturday, Sunday or Bank Holiday). The charging period normally ends on the date that we issue your statement to you.</p>	<p>£15 for each day on which a paid referral occurs (subject to a maximum of £90 in any charging period).</p>

At section 'Unarranged overdrafts, unpaid items and enforcement charges', the second paragraph under the section headed 'Changes to Charges' has been deleted.

The Royal Bank of Scotland International Limited trading as NatWest (NatWest). Registered Office: PO Box 64, Royal Bank House, 71 Bath Street, St. Helier, Jersey, JE4 8PJ. Regulated by the Jersey Financial Services Commission. Business address: PO Box 11, 16 Library Place, St. Helier, Jersey, JE4 8NH.

Guernsey business address: PO Box 62, Royal Bank Place, 1 Gategny Esplanade, St. Peter Port, Guernsey, GY1 4BQ. Regulated by the Guernsey Financial Services Commission and licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

Isle of Man business address: PO Box 7, 1 Prospect Hill, Douglas, Isle of Man, IM99 1AQ. Licensed by the Financial Supervision Commission of the Isle of Man and registered with the Insurance and Pensions Authority in respect of general business.

NatWest is the registered business name of The Royal Bank of Scotland International Limited under the Business Names Registration Act. Gibraltar business address: National Westminster House, PO Box 707, 57 Line Wall Road, Gibraltar. Regulated and authorised by the Financial Services Commission, Gibraltar to undertake Banking and Investment Business from 57 and 55 Line Wall Road and 1 Corral Road, Gibraltar.

Helpful Banking