

Online Savings

A guide to how your account works

An overview for all online savings account customers

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We strongly advise you to read the whole of this booklet as you will be legally bound by it to the extent that it relates to your account.

Derbyshire Online Savings Accounts

Because you operate the accounts through the internet you can enjoy all the convenience of managing your accounts from the comfort of your home at a time to suit you.

Opening an account is easy

This booklet tells you all about our online savings accounts, how they operate and the terms and conditions which apply. Once you have decided on the account which is right for you simply visit thederbyshire.co.uk/online complete the application form, print it out, sign it and post it to us with a cheque made out to yourself from the account you wish to use to operate the account.

Other Savings and Investment Opportunities

You can only operate your online savings accounts via the internet. We offer different products and/or similar but differently priced products through our various channels (telephone, post, branches, and the web) and through our relationships with other organisations.

For details of all available products, including accounts you can operate through the post or at branches please contact our Customer Relationship Team on **08456 002 004**.

Online Saving

Online saving is safe and convenient as long as you take a number of simple precautions. Please make sure you follow the advice given below.

- Keep your PC secure. Use up-to-date anti-virus and spyware software and a personal firewall.
- Treat e-mails you receive with caution and be wary of e-mails or calls asking you to reveal any personal security details. Neither the police nor we will ever contact you to ask you to reveal your online savings memorable information or password. If you inform anyone, including a member of our Customer Relationship Team, of your password or memorable information you should change your details online immediately.
- You can use our online service as long as you have equipment which is compatible to our systems.
- Follow the advice we give on Care of your account on page 20 of this booklet and the help page of the website.
- Visit www.banksafeonline.org.uk for useful information.

We use very high encryption levels. These encryption levels may be illegal in countries outside the UK. Please ensure that you check local laws before accessing your online account abroad.

Our continued mutuality means you continue to benefit

We've been helping all sorts of people with their money matters for over 140 years. As part of the mutual Nationwide Building Society we don't have any shareholders demanding big returns on their investment. That means that Derbyshire Building Society has the freedom to offer you a range of services and products all designed for your financial benefit.

Even more ways we can help

As well as savings and investments, we can help you with a whole range of other financial products. Whatever you would like to know more about - from mortgages and insurance to financial planning - ask in any of our branches, call our Customer Relationship Team on **08456 002 004** or visit our website at **thederbyshire.co.uk**.

Our Online Savings Accounts Range

iSaver account

Summary Box - Key Product Information for our Savings Accounts	
Account Name	iSaver
Interest Rates (AERs)	Variable – tracks Bank Rate. Please refer to the Variable rate accounts interest rates leaflet.
Tax Status	We normally pay interest net. We can pay interest gross if you can provide us with an appropriate completed R85 form which complies with HM Revenue and Customs regulations.
Conditions for bonus payment	N/A
Withdrawal arrangements	Online to nominated bank account only
Access	Online Only

Summary of Special Conditions - iSaver Account	
Minimum opening investment:	£1
Minimum amount in account:	£1
Maximum balance:	£500,000 (plus interest added to the account)
What the interest rate will be:	The interest rate is variable. For the current rates see our website or the Interest Rates leaflet. Subject to us having 30 days from a change in Bank Rate to vary the interest rate to meet this guarantee, we guarantee that the variable rate of interest will be: <ul style="list-style-type: none"> • a minimum of 0.40% above Bank Rate for the first 6 months from when you open the account, and then equal to Bank Rate. If we need to change this Guarantee we will give you at least 30 days notice in writing.
Minimum withdrawal Maximum withdrawal	£100 One withdrawal per working day of no more than £100,000.
What is Bank Rate?	The Bank of England's Official Bank Rate
How interest is paid:	Credit
When interest is paid:	Annually on 28 February
Restrictions on the number of iSaver accounts you can open and when you can open them:	You can only open one iSaver account and cannot open an iSaver account if you have held another iSaver account in the last six months.

Online Saver

Summary Box - Key Product Information for our Savings Accounts	
Account Name	Online Saver Limited Edition
Interest Rates (AERs)	Variable. Please refer to the Variable rate accounts interest rates leaflet.
Tax Status	We normally pay interest net. We can pay interest gross if you can provide us with an appropriate completed R85 form which complies with HM Revenue and Customs regulations.
Conditions for bonus payment	Interest rate includes a 1.25% bonus for the first year.
Withdrawal arrangements	Online to nominated bank account only.
Access	Online Only

Summary of Special Conditions - Online Saver Limited Edition	
Minimum opening investment:	£5,000
Minimum amount in account:	£5,000
Maximum balance:	£1,000,000 (plus interest added to the account)
Minimum withdrawal: Maximum withdrawal:	£100 One withdrawal per working day of no more than £100,000.
What is Bank Rate?	You can only open one iSaver account and cannot open an iSaver account if you have held another iSaver account in the last six months.
Withdrawal notice:	None
Maximum amount and number of withdrawals:	You may make one withdrawal per working day of no more than £100,000 and up to 2 withdrawals per calendar year. We reserve the right to convert an account to our iSaver account on the 3rd withdrawal.
How interest is paid:	Credit
When interest is paid:	Annually on 30 June
Restrictions on the number of Online Saver accounts you can open and when you can open them:	You can only open one Online Saver account and cannot open a Online Saver account if you have held another Online Saver account in the last 12 months.

Ellen MacArthur Trust & Rainbows Children's Hospice - Online

We have joined forces with The Ellen MacArthur Trust and Rainbows Children's Hospice to launch a special online savings account. For every £100 saved, we will donate £1 if you keep that £100 in the account continuously for one year. The donation will be split equally between the two charities.

For details of the current variable interest rate payable see the Variable rate accounts interest rates leaflet.

Summary Box - Key Product Information for our Savings Accounts	
Account Name	Ellen MacArthur Trust & Rainbows Children's Hospice - Online
Interest Rates (AERs)	Variable. Please refer to the Variable rate accounts interest rates leaflet.
Tax Status	We normally pay interest net. We can pay interest gross if you can provide us with an appropriate completed R85 form which complies with HM Revenue and Customs regulations.
Conditions for bonus payment	N/A
Withdrawal arrangements	Online to nominated bank account only
Access	Online Only

Summary of Special Conditions - Ellen MacArthur Trust & Rainbows Children's Hospice - Online	
Minimum opening investment:	£1
Minimum amount in account:	£1
Minimum withdrawal:	£10
Maximum amount and number of withdrawals:	You may make one withdrawal per working day of no more than £100,000 and up to 12 withdrawals per account year (1 May – 30 April).
Withdrawal Notice:	None
How interest is paid:	Credit
When interest is paid:	Annually on 30 April
What we will pay to the Charities:	We will pay the equivalent of 1% of one twelfth of the month end balances to the charities. That will be split equally between The Ellen MacArthur Trust and Rainbows Children's Hospice.
Who can open an account:	Any individual can open an account. However accounts cannot be opened by an individual as a trustee or nominee for another person or organisation.

RamSaver Account

We have joined forces with Derby County Football Club to launch a special online savings account. For every £100 you save, we will donate £1 to The Academy if you keep that £100 in the account continuously for 1 year. Not only will you be helping to build the foundations of Derby County's future success, you'll also get some very special supporter benefits when you put your savings into a RamSaver Account. For details of the current variable interest rate payable see the Variable rate accounts interest rates leaflet.

Summary Box - Key Product Information for our Savings Accounts	
Account Name	RamSaver
Interest Rates (AERs)	Variable. Please refer to the Variable rate accounts interest rates leaflet
Tax Status	We normally pay interest net. We can pay interest gross if you can provide us with an appropriate completed R85 form which complies with HM Revenue and Customs regulations.
Conditions for bonus payment	N/A
Withdrawal arrangements	Online to nominated bank account only
Access	Online Only

Summary of Special Conditions - RamSaver Account	
Minimum opening investment:	£1
Minimum amount in account:	£1
Minimum withdrawal:	£10
Maximum amount and number of withdrawals:	You may make one withdrawal per working day of no more than £100,000 and up to 12 withdrawals per account year (1 May – 30 April).
Withdrawal Notice:	None
How interest is paid:	Credit
When interest is paid:	Annually on 30 April
What we will pay to Derby County Football Club:	We will pay the equivalent of 1% of one twelfth of the month end balances to The Academy
How many RamSaver and Derby Rams Accounts can you have?	You may only open one RamSaver and you cannot hold a Rams Account at the same time. You cannot open a RamSaver or Rams Account if you have held either of these accounts in the last 12 months.

Additional Incentives for all RamSaver account Holders*

2 free match tickets on opening an account with a minimum balance of at least £50

If your account has a balance of £10,000 or more you'll be entered into a monthly Director for a Day prize draw

Junior Rams Incentives*

When you open an account with £25 or more, you'll qualify for 2 free

All account holders aged 14 and under will be eligible to take part in a penalty shoot out on the Pride Park Stadium pitch against Rammie following a DCFC home match

* Applies to accounts opened between 1 December 2008 to 30 April 2010.

Terms and Conditions of the RamSaver Account Incentives

- The incentives are available between 1 December 2008 and 30 April 2010. The last date for redeeming free match day ticket voucher is 2 May 2010 (subject to availability).
- The incentives are only available to you if you are the first named account holder, except where the account is held in trust when they will only be available to the beneficial owner named in the account title (the "entitled person").
- The incentives are subject to the Terms and Conditions of the Derby Rams Account and those contained in the vouchers provided.
- When the account is opened with £50 or more and the entitled person is 18 and over, or £25 or more where the entitled person is aged 17 or under, they will receive a voucher entitling them to two tickets to the same Derby County home football match excluding platinum fixtures and certain designated league fixtures. The voucher can be presented to Derby County Football Club at any time up to the date specified on the voucher.
- Any person over 18 whose account has a balance of £10,000 on the last day of the month will be entered into monthly "Director for a Day" prize draw.
- Entitled person aged 14 and under will be eligible to take part in a penalty shoot out against Rammie on the Pride Park Stadium pitch. Participation in the event does not include entry into stadium on match day and tickets for events on match days will need to be purchased separately, these are subject to availability. For details of events and how to register visit www.thederbyshire.co.uk/savings/affinity_accounts/the_rams.
- If you are under 18 years old you will have to obtain the agreement of a parent or guardian before you can claim a savings incentive. Under 13s attending a match must be accompanied by an adult.

Web Saver Limited Edition - NOT AVAILABLE TO NEW INVESTORS

Summary Box - Key Product Information for our Savings Accounts	
Account Name	Web Saver Limited Edition
Interest Rates (AERs)	Variable. Please refer to the Variable rate accounts interest rates leaflet.
Tax Status	We normally pay interest net. We can pay interest gross if you can provide us with an appropriate completed R85 form which complies with HM Revenue and Customs regulations.
Conditions for bonus payment	N/A
Withdrawal arrangements	Maximum of 4 withdrawals per calendar year. We reserve the right to convert an account to our iSaver account on the 4th withdrawal.
Access	Online Only

Summary of Special Conditions - Web Saver Limited Edition	
Minimum opening investment:	£1,000
Minimum amount in account:	£1,000
Maximum balance:	£500,000 (plus interest added to the account)
Minimum withdrawal:	£100
Maximum withdrawal:	One withdrawal per working day of no more than £100,000.
Withdrawal Notice:	None
How interest is paid:	Credit
When interest is paid:	Annually on 30 April
Restrictions on the number of Web Saver accounts you can open and when you can open them:	You can only open one Web Saver account and cannot open a Web Saver account if you have held another Web Saver account in the last 12 months.

Conditions Applying To All Our Online Savings Accounts

Summary Box - Key Product Information for our Savings Accounts	
Can I make withdrawals?	Yes one withdrawal of up to £100,000 per working day. To make a withdrawal you will need to request the withdrawal through our website. If the withdrawal is for more than £15,000 you will also need to confirm the withdrawal by phoning our Customer Relationship Team on 08456 002 004 during normal working hours. Payments will take 3 working days to arrive in your nominated account unless you request payment by CHAPS. For more information see the section on withdrawals on page 11 of this leaflet.
Can I have the account in joint names?	Yes, however you cannot hold the account in trust or as nominee for another person.
Can I operate this account through a branch?	No. As these are internet accounts you must administer and operate them (eg make withdrawals) via the internet.
Will I be liable if someone else not named on the account, makes a withdrawal without my agreement?	Please see the sections on opening, operating and care of your account which will help reduce the risk of unauthorised withdrawals. You will only be liable for the amount of any withdrawal made without your authority where we can show that you or any other account holder have acted fraudulently or without reasonable care. We will ask you or any other account holder to cooperate with us and the police in any investigation as to how any loss occurred. If you or any other account holders use an account or any other account holder aggregation service you may be liable for any fraud or mistakes that happen on your account as a result.
As these are internet accounts will I be able to operate this account whenever I want to?	Normally yes, but: <ul style="list-style-type: none"> The internet may be interrupted, or fail through no fault of ours You are responsible for you being able to access the internet • We cannot guarantee that our website will support all browser types and be fully compatible with the equipment you are seeking to use to access our website <ul style="list-style-type: none"> We may need to suspend access to the website for maintenance, security or service reasons. We will not be liable if you are unable to operate your account as a result.
Are email and other transmissions across the internet confidential and secure?	We have taken reasonable steps to ensure that email and other transmissions passing over the internet remain confidential and are not interfered with. However, we cannot completely guarantee the privacy or confidentiality of any information passing over the internet or that it will not be interfered with. Providing you do your bit too (keep your security details a secret and ensure your PC software is up to date - see the section on care of your account) you can have confidence in the security of Online Savings. Obviously, because of the nature of the internet, we are unable to completely guarantee the privacy or confidentiality of any information passing over the internet but with your help, we can reduce that risk. By opening an online savings account you are confirming you are willing to operate your account on this basis. Please see our Help page on the website for further information.
How can I open an account?	See page 10
How do I operate an account?	See page 11
How will you give me notice about changes in interest rates?	For changes in interest rate which are to your detriment, we will give you 30 days prior personal notice and you can change, switch or close your account without notice or charge within 30 days of receiving our notice. For changes in interest rate which are not to your detriment, we will write to you or email you within 30 days of the date of change. The current rates for all our variable rate accounts are available from our Customer Relationship Team and on our website thederbyshire.co.uk .

Opening an Account

Opening your first online account

When you are applying for your first account online we will ask you for your email address, a password and some memorable information. You will need to remember these to operate your account.

Then complete the application form online, print it out, check the details, sign it and post it to us with a **cheque made out to yourself** from the account you wish to use to operate the account. If this is a joint account, this will be the nominated account for both holders. Alternatively if you do not have a printer then we will send the application form to you.

If we do not receive your signed application form and supporting documentation within 28 days, your application will be closed and you will need to re-apply.

When we have received and accepted your application and opened an account we will write to you with your account number and tell you your user ID and activation key. Your activation key is a computer-generated code made up of 8 case sensitive characters. If this is a joint account you will both receive these details.

You need to keep all this information safe to prevent fraud. For some suggestions on how to do this see the Care of your account section of this leaflet on page 20.

If you forget your password or memorable information, believe that someone else knows what these are or want to change them for any other reason you can do this via the internet -if you do not have access to the internet at that time please call our Customer Relationship Team on **08456 002 004**. We will then send you a new activation key - this will normally take 4 working days. Until you have reactivated your account you will not be able to operate it e.g. make any withdrawals.

Activating your account

The first time you try to operate your account after it has been opened or after you have changed the memorable information or password you will be asked for the activation key.

Opening additional online accounts

Once you have opened one online account it is easy to open other online savings accounts with us – you will not need to re-register with us. When you have decided which extra account you wish to open, log in and select the new account you want.

We will pre-populate the application form with the details we have for you. Make any changes you want, print out the application form, check the details, sign it and post it to us with a cheque made out to yourself from your nominated bank account. If you don't have a printer then we will send the application to you.

When we have received and accepted your application we will open your account and in a few days it will appear online.

Operating your online Accounts

You can only operate and administer your accounts online through **thederbyshire.co.uk**. You will need your user ID, memorable information and password to log on. You will be given 3 opportunities to provide the correct information, if you don't you will need to reactivate your accounts. To reactivate your accounts you will need to change your password and memorable information online, we will then send you a reactivation key which you can then use the next time you log on. You will not be able to administer your accounts or make any withdrawals until your accounts have been reactivated.

After each transaction we won't write or email you to confirm that the transaction has completed but you will be able to check it has by looking at your account record online.

Your Nominated Account

When you open your account you will be asked to nominate an account where withdrawals will be paid. You can change your nominated account online. For joint accounts upon opening this will be the same account for each holder. Once the account is open the second account holder will have the option to add an additional nominated account for their use.

Unfortunately your nominated account cannot be an account with Derbyshire Building Society.

Making Payments into your account

To open an account you must send us a cheque payable to you from your nominated account. After that all payments must be made electronically to the account but they do not need to come from your nominated account. You could make payments by standing order, by Bank Transfer (BACS) etc. For example you could set up a regular standing order. The details you will need to send a payment electronically are:

	BACS/Standing Order	CHAPS
Bank name	National Westminster Bank Plc	
Sort code	57-00-55	20-25-85
Account number (8-digits)	00000000	20326836
Reference number (9-digits)	Enter your online savings account number	

General Information about payments to accounts with us (including interest on payments and when they can be withdrawn) is contained within our Investment Conditions (and in particular Investment Condition 5) on page 25 onwards. Please note that interest on payments to your account (after the initial cheque payment to open the account) will start to be earned the day after the payment reaches the account.

Making withdrawals from your account

The maximum amount you can withdraw is £100,000 per working day. Withdrawals can only be made via the Internet. If you are withdrawing more than £15,000 you will also need to confirm the withdrawal by phoning our Customer Relationship Team on **08456 002 004** during normal working hours. Withdrawals will be paid to your nominated Bank Account normally by Bank Transfer (BACS) and will take 3 working days. Alternatively you can request payments by CHAPS when the payment will be processed the same day if the request is received before 2.30pm - there is a fee of £30 for payment by CHAPS.

When you request a withdrawal it will appear online as a pending transaction until we have processed it. BACS transfers are normally processed at 3:30pm and CHAPS transfers up to 2:30pm each working day. Whilst a withdrawal is a pending transaction you can cancel or amend the amount you wish to withdraw up to the maximum withdrawal - but cannot make further withdrawals, or change your nominated account details.

Using Online Savings you are able to transfer money freely between your online accounts. It is not possible to transfer your money between your online and branch-based accounts (including postal accounts).

Closing your account

An account can be closed at any time online through a funds transfer. In the case of joint accounts, the instruction for the transfer can be received by either holder. The closing balance will be sent to your nominated bank account either by BACS or CHAPS. Following closure of your account you will be able to see your account record online.

You can only close your account via the Internet. If your balance is more than £15,000 you will also need to confirm the closure by phoning our Customer Relationship Team on **08456 002 004** during normal working hours. The money in your account will be paid to your nominated Bank Account normally by Bank Transfer (BACS) and will take 3 working days. Alternatively you can request payment by CHAPS when the payment will be processed the same day if the request is received before 2.30pm - there is a fee of £30 for payment by CHAPS.

Suspending Access

We reserve the right to prevent access to your account if:

- We believe your user ID, password or memorable information may be known to or be being used by someone else.
- You or someone else is using our online system illegally.
- You are not keeping to the conditions of your account.

We will tell you as soon as possible if we do this.

Messaging

We can send messages to each other via the website. You should check your messages regularly as they may contain important information. Our messaging system is secure and reduces the need for sending e-mails. We respond to all secure messages within 2 working days. If we are unable to answer your query we will try to notify you within these 2 working days.

We may send you messages that are related to your account, our online system or any other products or services.

The secure messaging service is only designed for queries about your accounts. If you have any other questions, for example on the functionality of the website and it's contents or about our other services or products please contact our Customer Relationship Team on **08456 002 004**.

You should also contact our Customer Relationship Team if your enquiry is urgent.

Addition of Holder

Providing the account you have opened is available to new customers you can add an additional holder to your existing account. To do this you need to complete a new application form online stating your details and the details of the additional holder, (your personal information such as name, address and nominated account must be the same) both sign it and post it to us. Alternatively if you do not have a printer we will send the application form to you. There is no need to send a cheque with the application, please follow the onscreen instructions during your new application. You will be required to add a covering note to your application confirming that this application is for the purpose of adding an account holder along with your existing account details.

When we have received and accepted your application to add an additional holder we will transfer the funds from your original account to the new account.

Please note that your account will be treated as a new account and any bonus periods or introductory offers applicable will start from the date of opening. This does not affect your membership rights which will run from the date of your earliest opened account.

What else do you need to know?

The terms and conditions applying to your account

For the terms and conditions which apply to each account, please refer to:

- our Investment Conditions - see Page 22 of this booklet;
- the conditions applying to all our online savings accounts - See page 9 of this booklet
- the special conditions see pages 4-9 of this booklet;

The terms and conditions are variable. If we change these terms, we will notify you as set out in Investment Condition 22. If we have made a major change or a lot of minor changes in any one year, we will make available to you a copy of the new terms and conditions or a summary of the changes.

For more information and details of how much notice we will give of changes please see Investment Condition 22.

How we are able to change interest rates, charges and other terms

We are able to change the interest rates, charges and terms and conditions which apply to your account unless we tell you otherwise. There are limits on how we can do this and these are set out in the following:

- in our Investment Conditions for changes to:
 - charges (Condition 9 & 22)
 - the rate(s) of interest (Condition 22)
 - other terms (Condition 22)
- in the undertaking given for accounts requiring notice for withdrawals, details of which are set out below.

We may also limit our ability to make changes in the special conditions which apply to an account. For example we may guarantee that the interest rate will not fall below Bank Rate.

Interest rates on variable rate accounts requiring notice for withdrawals

If you have a variable rate account which requires notice for withdrawals, we undertake, so long as you meet the original account opening terms, that the gross interest rate we pay you will be not less than a rate 3% below the Bank of England's Official Bank Rate ("Bank Rate"), except for Crown Monthly where the rate will be not less than 4% below Bank Rate, subject to the following conditions:

- i if we need to vary the interest rate after a change in Bank Rate in order to comply with this undertaking, the variation in the rate we pay you will not apply immediately but will take effect within 30 days of the change in Bank Rate;
- ii if Bank Rate ceases to exist or be available in the future, we will base the rate we pay you on another independent rate which in our reasonable opinion is similar to Bank Rate and appropriate to the account;
- iii if we ever need to withdraw this undertaking, we will let you know at least 30 days (or if the account requires a longer notice period for withdrawals, that period) in advance, and you will then have 30 days to close or switch your account without notice, loss of interest or other charges.

Variable rate Accounts – Changes in the Bank of England’s Official Bank Rate (“Bank Rate”)

Unless we tell you otherwise, our accounts are not generally linked to Bank Rate although we do take account of Bank Rate and changes to it along with other factors when setting or varying the interest rate on your account.

If the interest rate on your account relative to Bank Rate falls significantly (by 0.5% or more) over a 12 month period, we will write to you, if you have £250 or more in your account, to tell you this and explain your options.

Also, if you have £500 or more in your account and, following a change to the interest rate on your account or Bank Rate, the interest rate on your account falls by more than 0.25% relative to Bank Rate, we will write to you to tell you that.

If we have to write to you in either of the above circumstances we will write to you:

- within 30 days of the change to the interest rate on your account,

or

- within 60 days of the change to Bank Rate where the fall follows a change in Bank Rate and we have not changed the interest rate on your account within 30 days

For more information please contact our Customer Relationship Team on **08456 002 004**.

How we give you notice about changes in interest rates

Our arrangements for giving you notice of changes in interest rates are described in Investment Condition 22.1 – 22.4 inclusive.

For changes in interest rate which are to your detriment, we will give you 30 days prior personal notice and you can change, switch or close your account without notice or charge within 30 days of receiving our notice.

For changes in interest rate which are not to your detriment, we give notice of interest rate changes by displaying notices in Derbyshire branches and Duffield Hall, Duffield, Derby, and by advertisements in a selection of newspapers.

We will give notice in branch and Duffield Hall at or before the time the change takes effect, though in some cases it may not be possible for the press advertisements to appear until shortly after the rate change.

In the case of accounts not run through branches (eg online accounts) we will write to you within 30 days of the effective date of change.

The current interest rates for all our variable rate accounts and any currently available fixed/escalating rate accounts are available from our Customer Relationship Team and on our website thederbyshire.co.uk.

How interest is paid

We will normally automatically add interest to your account (credit). However, with some accounts you can have the interest transferred to your bank (payment) or, if you prefer, into another Derbyshire account (transfer). For certain types of account (some monthly interest accounts) we don't add interest to your account. Instead, it is credited to your bank account or an instant access account held with us.

If your interest is paid into an account with another bank or building society, the payment will reach your account three working days after the interest payment date.

How interest is calculated

We generally calculate interest on a sum you invest as described in the following section. For automated credits deposited into the account interest will be earned from the day after the day of receipt. We will credit your account with the amount which has been verified and accepted by us when we check the deposit.

The effect of the interest calculation we use is that interest is calculated daily. The amount of interest you will receive can be calculated by taking the amount in the account at the start of the day, multiplying it by the interest rate applying to the account divided by 100, then dividing it by 365 (except in a leap year when it is divided by 366).

i.e. using the following formula:

Balance at the start of the day
 $\frac{\times (\text{the interest rate}/100)}{365 \text{ (or } 366 \text{ in a leap year)}} = \text{the interest for that day}$

Interest is calculated differently in a leap year and deposits made after 29 February will receive less interest than they would in a non-leap year. For further information please visit your local branch or call the Customer Relationship Team on **08456 002 004**.

Income Tax

We normally pay interest Net. We can pay interest Gross if you can provide us with an appropriate completed R85 form which complies with HM Revenue & Customs regulations.

If you are a non taxpayer, or if your total taxable income is only just over the starting point for paying income tax, you may be able to claim a repayment of the tax deducted from HM Revenue & Customs.

If you pay income tax only at the basic rate, you will have no more tax to pay on the interest. If you are a higher rate taxpayer, you will have to pay additional tax on the interest to cover the difference between the tax deducted and the higher rate tax due.

The tax position affecting our accounts is subject to changes in UK tax law and practice. Current tax treatment may not be maintained in the future.

The maximum amount you can invest

Unless otherwise stated in the account details shown in this brochure or in the special product leaflets, the maximum amount you can invest is £1,000,000 per account or in total for any investor including all accounts held with us.

Making a withdrawal

You should read this section together with 'Making payments to your account' and 'Making withdrawals from your account' on page 11.

The amount you can withdraw at any one time will depend on the type of account you have.

You cannot make a withdrawal if the account would be overdrawn following the withdrawal.

Your entire balance may not be available for withdrawal (subject to the terms and conditions of your specific product) in circumstances where there are uncleared funds in your account.

Before we can act on your instructions to make payments or withdrawals, we will require your consent and may require proof of identification. How we obtain your consent may include, the use of passwords, PINs or encryption device(s).

When making payments, the following information is required from you about the company or person you are paying:

For automated payments as detailed in the table below, and CHAPS payments, the sort code, account number and, if applicable, reference. In addition, for CHAPS payments you must give us the bank's name and address.

If you give us the wrong account details for a payment as detailed above, we will try to recover the funds for you if you ask us to, but we may charge you for doing so.

The following table details when payments can be made, when they are received and how they can be cancelled.

Payment Type	When we can accept your payment instructions	When payments usually arrive	How to cancel your instruction
AUTOMATED PAYMENTS			
Internal transfers to Derbyshire accounts	During opening hours at a branch or by post. For online accounts at any time using Internet Banking.	Immediately	You cannot normally cancel a payment after we have accepted your instruction.
Standing orders	For online accounts at any time using Internet Banking. If we receive your instruction after 3.30pm it will be processed the following working day.	Payment normally arrives within three working days.	You can cancel the payment on the working day before it is due to leave your account.
CHAPS Payments	During opening hours at a branch or by post. For same day payments we must receive your instruction by 2.30pm on a working day.	Payment normally arrives on the same working day.	You cannot normally cancel a payment after we have accepted your instruction.

Payments (CHAPS or standing orders) from your account will only be made if there are enough cleared funds available in your account.

The account information we provide

We will not send account statements to our customers generally, either annually or at other intervals.

You can check your accounts online. You will be able to see details of your balance, any pending transactions, payments in and withdrawals out for the last 13 months. You should check your account online regularly and we would encourage you to print off a copy for your records. If there is an entry which seems to be wrong, you should tell us as soon as possible so

that we can sort it out. In some cases we will need further information or assistance from you to do this.

If we change our practice and believe this is likely to affect you adversely, we will try to let you know, generally by writing to you, before the change takes effect.

You can also get information on our current interest rates by telephoning our Customer Relationship Team on **08456 002 004**, or on our website at thederbyshire.co.uk.

The identification you will need

However you choose to apply to open an account, we will need to see some identification.

When opening an online savings account, we will obtain proof of your identity and address. To do this, we will make searches about you at credit reference agencies that will supply us with information, including information from the Electoral Register. The searches will not be seen or used by lenders to assess your ability to obtain credit. If we are unable to verify your identity and address by this method, we will ask you to provide documentation instead.

This needs to be two items, one to confirm your identity, such as a driving licence or passport, and one to confirm your address, such as a bank statement or utility bill. For more information please call our Customer Relationship Team on **08456 002 004**.

What if you change your mind?

If, for any reason, you are not completely happy with your account, just contact our Customer Relationship Team on 08456 002 004 within 14 days of the day the account was opened.

We will gladly change it for another or you can have your money back, including all the interest earned during that time.

Accounts no longer available to new investors

For a summary of special conditions relating to these accounts, please ask for our separate leaflet. The current interest rates are detailed in the Variable rate accounts interest rates leaflet.

Savings and Investment Account Charges

Please note the following charges (which we can change from time to time):

Stopped cheques - £20

This charge is payable when we agree, as an exception, to stop a cheque we have issued, at a customer's request. If a cheque we have issued from your account becomes out of date (ie more than six months old) or, if you wish to stop payment on a cheque payable to a third party, we will not normally be able to recredit your account without the authority of the person in whose name the cheque was drawn or without the cheque itself.

CHAPS transfer - £30

CHAPS is a bank telegraphic transfer service which allows money to be transferred to another account quickly and conveniently. This charge will be payable when a withdrawal is made in this way. This facility is available only for transfers to UK banks.

Special presentation charge - £15

A charge of £15 is made if you need a cheque clearing quickly; this covers our administration costs and the bank charges we have to pay. This service is only available for cheques of £2,500 or more.

Returned cheques - £26

This covers the administration costs and bank charges when a cheque, paid into a Derbyshire account, is later returned unpaid. The amount of the returned cheque and the £26 charge will then be taken from the money in the account.

Account Information charges - £10

This covers the administration costs of providing you with a copy of any account statement, a breakdown of the transactions on your account, or an extra s975 Tax Deduction Statement.

Overdrawn Account Charge - £20

You cannot make a withdrawal if the account would be overdrawn following the withdrawal. If you do we will write to you requesting that you pay sufficient money into the account to equal or exceed the minimum investment balance. We will charge you this fee where we send you a letter, or take similar action, about your account continuing to be overdrawn - this fee will be charged from and including the second letter.

Other charges

This list does not include any charges we may make for items we consider to be outside the normal servicing of the account. This is an exception.

These charges apply to all of our Savings Accounts. Please ask if you would like more information about charges.

Increases in charges

If we increase any of these charges, or introduce new ones, the provisions of Investment Condition 22.5 – 22.8 will apply (meaning that we will give you at least 30 days prior personal notice) except where the change relates to Payment Services where the provisions of Investment Condition 22.9 – 22.10 will apply (meaning that we will give you 60 days prior personal notice). You can change, switch or close your account without notice or charge within 30 days of receiving our notice (60 days for Payment Services changes).

What is a joint account?

A joint account is one that is opened in the name of more than one person. With a joint account you are both individually and jointly fully responsible for any obligations to us. If a joint account holder dies the balance in the account will automatically transfer to the surviving account holder(s). If at any time you no longer wish to have a joint account together, for example because you separate, you should tell us to close the account and open accounts in your sole name(s).

Who can make withdrawals from a joint account?

When you open an online account in joint names the conditions of that account provide that all or part of the amount in the account may be withdrawn on the authority of either account holder.

Who has the membership rights on a joint account?

For accounts in joint names the membership rights (the right to receive notices of meetings, for instance) will generally belong to the first named account holder. (Other holders will have limited rights, mainly to do with obtaining information.) Some rights depend upon a minimum holding, e.g. to receive notice of an Annual General Meeting of a building society you must have held at least £100 at the last year end of the society. If you want to change the order of names on a jointly held account, please let us know.

Important Information: Our Charitable Assignment Scheme

IMPORTANT INFORMATION: OUR CHARITABLE ASSIGNMENT SCHEME

Since 3 November 1997, customers who have become members of Nationwide on opening a current account, savings account or mortgage account have (with certain exceptions) been required to sign up to our charitable assignment scheme.

Unless you have been a member of the Society continuously from 2 November 1997 or fall into a special group to which the scheme does not apply, you will become legally bound by our charitable assignment scheme when your account is opened. Under the scheme:

- You will become a member of Nationwide Foundation if you are not a member already. The Foundation is a registered charity and is a focus for our charitable giving.

- You agree with us and with the Foundation to assign to the Foundation your rights to any windfall benefits you might otherwise have received in the unlikely event that we transfer our business to a company.

The terms binding you to the scheme are set out on page 21

Information about our services

From time to time and with your agreement we and other carefully selected companies and organisations may send you information, by letter, telephone, email or otherwise about our services and products (or those of other selected companies or organisations), which we believe may be of interest. If you don't want to receive this information or if you would like a list of our associated companies please write to:

**Customer Services,
Derbyshire Building Society,
Duffield Hall, Duffield,
Derby DE56 1AG.**

Confidentiality

We keep particulars of your account confidential and only disclose them without your consent if we are legally obliged to. Where financial institutions or others ask for references or similar items containing information about you or your account(s) we only give the information where it appears that you wish us to. Of course in certain instances we may have to disclose information, for example, under a court order.

Personal information we hold

If you would like more information about how we use the personal data we hold in our records, please ask for our leaflet "How We Use Your Personal Information".

Data Protection Act - requests for information

Under the Data Protection Act 1998 you have the right, upon request, to have the details of information which Derbyshire Building Society holds about you in its records. Your request should be in writing and addressed to Customer Services at Duffield Hall, Duffield, Derby DE56 1AG together with a cheque for £10 to cover the administration work involved.

If things go wrong: our complaints procedure and the Financial Ombudsman Service

If things go wrong, let us know and we'll try and sort out the problem promptly. We have a complaints procedure and we are a member of the Financial Ombudsman Service.

Details about our complaints procedure and the Financial Ombudsman Service are in a leaflet called "Our Commitment to Complaint Services". Please call our Customer Relationship Team on **08456 002 004** if you would like a copy. Complaints we cannot settle may be referred to the Financial Ombudsman Service.

Financial Services Compensation Scheme

Important information about compensation arrangements

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

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

Nationwide Building Society operates under the trading names of: - Cheshire Building Society, Derbyshire Building Society and Dunfermline Building Society. The £50,000 limit relates to the **combined** amount in all the eligible depositor's accounts with all of the building society trading names including Nationwide.

However, if you held share or deposit account relationships with two or more of Nationwide Building Society, Derbyshire Building Society, Cheshire Building Society or Dunfermline Building Society immediately prior to the date of their respective mergers or acquisition, you are covered up to a total of £50,000 for all your account holdings with each individual trading name until 30 December 2010. For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website www.FSCS.org.uk or call 020 7892 7300. Further details are contained on page 29.

Account opening

We are not obliged to open an investment account, or to do so on the terms stated in any of our literature.

Keeping us up to date

Please make sure you let us know as soon as possible when you change your:

- name;
- address;
- phone number; or
- email address (if this is how we communicate with you).

We will require evidence of your change of name and address. If we do not hold correct information we cannot communicate with you.

Care of your account

This section contains details of steps you can take to look after your Security Information i.e. your password and memorable information in order to prevent fraud and to protect your account from being misused.

You should also follow our advice on online savings on page 11 of this booklet.

Prevent fraud and protect your accounts

It is essential to take care of your cheques and Security Information to help prevent fraud and protect your accounts. Please make sure that you follow the advice given below.

- Do not let anyone else operate your account if they are not named on the account and do not tell anyone else your Security Information.
- You should choose your Security Information carefully.
- Always learn your Security Information.
- Never write down your Security Information whether on paper, your computer, mobile phone or any other device whether encrypted or not.
- Always take reasonable steps to keep your Security Information secret at all times.
- Keep your activation key secret and secure until you use it. Activate your account as soon as possible.
- Keep information about your account containing personal details (for example, statements) safe and dispose of them carefully.
- Take care when storing or disposing of information about your accounts. People who commit fraud use many methods, such as 'bin raiding', to get this type of information. You should take simple steps such as shredding printed material.
- Never give your Security Information to anyone unless you know who they are and know why they need it.

- Never access the internet on a LAN (Local Area Network), access point or an area that has public internet access without knowing first that any one else is able to observe or copy your access.
- Never record the Security Information on software that records it automatically i.e. a prompt that requests for your password to be saved for any future use.

Checking your account

We recommend that you check your account online regularly. If there is an entry that seems to be wrong you should tell us immediately so that we can sort it out. In some cases we will need further information or assistance from you to do this. Statements are available online and can be printed for your records.

Sending cheques through the post

When sending cheques through the post, it will help to prevent fraud if the cheque contains extra information about the person it is being paid to. If you are paying a cheque into a Derbyshire account, always write on the cheque the name of the account holder (eg Derbyshire Building Society, account holder - B Brown).

You should draw a line through unused space on the cheque so that unauthorised people cannot add extra numbers or names. **We won't accept cheques without the customer's name or account number in the payee line.**

If you suspect or discover somebody else knows your Security Information

If you suspect or discover that someone else knows your Security Information please amend your Security Information on line as soon as possible. If you do not have access to the internet at that time please call our Customer Relationship Team on **08456 002 004**.

Charitable Assignment Conditions

THE FOLLOWING WORDING APPLIES TO YOU UNLESS:

- (1) YOU WERE A MEMBER OF THE SOCIETY ON 2 NOVEMBER 1997 AND HAVE CONTINUED TO BE A MEMBER EVER SINCE THAT DATE; OR
- (2) YOU FALL WITHIN A SPECIAL CATEGORY OF PERSONS TO WHOM OUR CHARITABLE ASSIGNMENT SCHEME DOES NOT APPLY.

By applying to open an account after 2nd November 1997, you also apply to be a charity member of The Nationwide Foundation ("the Foundation") unless you are already a charity member.

You agree that, if:

- the account is opened by the Society and you are or become a charity member of the Foundation; and
- the Society subsequently enters into an agreement to transfer the whole of its business to a company,

you will assign to the Foundation (or any charity(ies) nominated by it, but to no other person) all rights to or in connection with any conversion benefits to which you would otherwise become entitled as a member or depositor at any time before, or within two years, after your membership of the Society comes to an end.

You make this agreement:

- (a) with the Society (acting for itself and for the benefit of the Foundation), in return for the Society opening the account you are applying for, and you acknowledge that the Foundation may enforce the benefit of your agreement with the Society under the Contracts (Rights of Third Parties) Act 1999; and
- (b) with the Foundation directly, in return for the Foundation granting you charity membership (if you are not already a member).

This agreement means that, without any further notice to you:

- the Society may make over to the Foundation (or to any charity(ies) nominated by it) any such conversion benefits; and
- the Foundation may exercise all your rights in relation to any such benefits.

You understand that this agreement is irrevocable and cannot be amended or varied without the consent of both the Society and the Foundation and that neither the Society nor the Foundation will release you from this agreement.

You understand that (except in the case of any class of person where the Society considers this to be inappropriate) the Society will require on behalf of itself and the Foundation that all applicants for share and mortgage accounts agree to the above condition (or a condition having substantially the same effect), unless the Society decides and announces by press release that it is no longer in the best interests of the Society to do so generally on a continuing basis. Any such decision by the Society would not have retrospective effect and you would continue to be bound by the above condition.

For this purpose:

"conversion benefits" means any benefits under the terms of any future transfer of the Society's business to a company (i.e. on conversion or takeover) except the statutory right to have shares in the Society (including any balances on share accounts) converted into deposits with the company; and "Society" means Nationwide

Investment Conditions

Derbyshire Building Society Investment Conditions

1 January 2010 Edition (with attached explanatory note on Rules). These Conditions apply to all our savings accounts except Secured Growth Accounts from and including 1 January 2010.

Guidance Notes

- i. The Investment Conditions are important general provisions which affect your savings account and your relationship with us. Please read them carefully along with:
- A 'Guide to our Savings Accounts' brochure
 - our 'Tax Efficient ISAs' brochure
 - any special conditions applicable to your account in the 'Account Terms' leaflet and product leaflets
 - the 'Variable rate accounts interest rates' leaflet
 - other leaflets containing special conditions and other account information for variable rate accounts not currently available to new investors, and fixed/escalating rate accounts
 - the Rules of Nationwide Building Society (see Investment Condition 12)
 - any other item(s) we tell you about

This material is available at branches and agencies. Please note that we may review it from time to time.

- ii. You should note that we can vary the Investment Conditions in certain circumstances.

1 - General

- 1.1 These conditions are Derbyshire Building Society Investment Conditions and will be described below as "the Investment Conditions".
- 1.2 The Investment Conditions apply to savings accounts with Derbyshire Building Society unless they are excluded by, or inconsistent with, special conditions for particular accounts. Detailed special conditions for certain accounts are contained in the product leaflets for those accounts and/or the Account Terms leaflet.
- 1.3 In the Investment Conditions (i) the words "the Society" "we" "us" and "our" refer to Nationwide Building Society trading as Derbyshire Building Society; (ii) the words "you" and "your" refer to holders of savings accounts; (iii) "working day" means any day other than either (a) a Saturday, Sunday or Bank Holiday or (b) any other day when the clearing banks in the United Kingdom are not generally open to the public for the transaction of business.
- 1.4 The account must not be used for business purposes.

2 - How we calculate interest

- 2.1 We generally calculate interest on a sum you deposit with us as described in Investment Condition 5 below.

3 - Minimum and maximum opening investments/holdings

- 3.1 The maximum total investment in an account, or by an individual in all accounts he or she holds, is £1,000,000 or any higher amount which we agree. Where the maximum holding is different for a particular account we will say so in the special conditions for that account. We will also tell you the minimum holding for accounts in their special conditions.

- 3.2 For the purpose of this condition (and for certain H M Revenue and Customs returns) we will treat joint account holders (but not trustees or nominees) as being entitled to the sum invested in the account in equal shares.

4 - Withdrawals

- 4.1 Withdrawals are subject to the special conditions for particular accounts and to any branch/agency withdrawal limits which we reasonably impose. We will tell you about the current limits in our Account Terms leaflet and any applicable special conditions for particular accounts.
- 4.2 You are not permitted to make withdrawals:
- (a) if the account would be overdrawn following the withdrawal;
 - (b) from a passbook or certificate account, unless you produce the passbook or certificate at the time of the withdrawal;
 - (c) from a card account, where you do not use an automated teller machine (ATM), unless we have confirmed that the amount currently in the account appears sufficient to cover the withdrawal you wish to make.
- 4.3 We can restrict at any time the amount which can be withdrawn from any account. We will only do this if:
- (a) we reasonably believe that there may be fraudulent activity or other financial crime affecting the account;
 - (b) we are required to do so by any law, regulation or court order;
 - (c) there is a dispute (which we reasonably believe may be genuine) about the ownership of, or entitlement to, the money in the account;
 - (d) circumstances beyond our reasonable control prevent us from offering a normal service (such as in the event of terrorist threat, computer systems failure or strikes);

- (e) circumstances exist which lead us reasonably to believe our financial stability is under threat (such as where rumours cause actual or potential abnormal levels of cash withdrawals);
- (f) we reasonably believe that you did not give us the instruction;
- (g) your instructions are unclear or incomplete;
- (h) the withdrawal would cause you to exceed any limit or restriction which applies to the account (such as a daily cash withdrawal limit from cash machines).

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

- (i) we will act proportionately to the circumstances in question;
- (ii) we will take all reasonable steps to ensure that the restrictions are lifted as soon as practical and to minimise the inconvenience to you;
- (iii) we will take into account the interests of the Society's membership as a whole;
- (iv) we will, if practical, give advance notice;
- (v) we may consider exceptions to the restrictions if we are reasonably satisfied that substantial hardship would otherwise be caused.

- 4.4 In cases of automated transactions i.e. standing order where we have refused to carry out your transactions that occurred within the EEA, we will notify you within three working days by showing the refused transaction as a credit and debit of the same amount on your statement or passbook, which will be made available to you through branch, post, telephone or cash machines. We will not notify you if we believe that doing so would compromise security or would otherwise be unlawful. Information about the refusal and, if possible, our reasons for the refusal along with information on how to correct any factual errors that led to the refusal can be obtained by contacting us.

5 - Cheques/other payments

- 5.1 The arrangements regarding cheques (details of which are given in the remainder of this Investment Condition) will at all times be subject to the rules, and clearing processes, of any cheque clearing system(s) affecting us. There are three elements in the cheque clearing cycle:
- (i) clearing for interest (when we start paying interest on any cheque you deposit with us);
 - (ii) clearing for withdrawal (when we will allow you to withdraw against any cheque you deposit with us);
 - (iii) clearing for certainty (when you can be certain that we will not debit any cheque you deposit with us which is returned unpaid (unless you are a knowing party to fraud) without your permission).
- 5.2 The date of each of the above three elements when an account is being opened is as follows:
- (i) interest will be paid from the start of the day following the day we open the account for you;
 - (ii) withdrawals will be allowed from the start of the 6th working day following the day we open the account for you (subject to any additional conditions for your account for withdrawing money);
 - (iii) there will be certainty from the end of the 6th working day (11.59 p.m.) following the day we open the account for you.
- 5.3 The date of each of the above three elements in any other case is as follows:
- (i) interest will be paid from the start of the day following the day we receive the cheque;
 - (ii) withdrawals will be allowed from the start of the 6th working day following the day we receive the cheque (subject to any additional conditions for your account for withdrawing money);
 - (iii) there will be certainty from the end of the 6th working day (11.59 p.m.) following the day we receive the cheque.
- 5.4 Our Duffield Hall administration office is open to receive cheques only on working days and our branch offices are open to receive cheques only on working days and on part of Saturdays, so this will limit the periods during which we can receive cheques from you.

- 5.5 Although we will let you withdraw against cheques as indicated in Investment Conditions 5.2 ii and 5.3 ii, this does not mean the cheque has cleared for certainty. Cheques can be returned unpaid before certainty and if this happens, they will be debited from your account (in other words the balance in your account will be reduced by the amount of the cheque).

- 5.6 If a cheque is returned unpaid, we will make a charge as described in our Account Terms leaflet.

- 5.7 Cash paid into an account will be available for immediate withdrawal and will earn interest:
- (i) where an account is being opened, from the start of the day following the day we open the account for you;
 - (ii) in any other case from the start of the day following the day we receive the payment.

- 5.8 Withdrawals are allowed against automated credits to your account but this is subject to any recall of the automated credit. If this happens, we will debit the amount of the automated credit from your account even if you have already made a withdrawal against the credit.

- 5.9 Cheques drawn from or paid into an account will be treated as valid for six months from the date of the cheque. Cheques must not be post-dated.

- 5.10 Arrangements regarding deposits at ATMs are described in the special conditions for our card accounts.

- 5.11 "Working day" has the meaning contained in Investment Condition 1.3 (iii) above.

- 5.12 All payments into the account must be in sterling.

6 - "Cooling off" (cancellation) arrangements

- 6.1 If you are not happy about your choice of account (except for a fixed rate account other than a fixed rate ISA) you can contact us by writing to us at Customer Services, Derbyshire Building Society, Duffield Hall, Duffield, Derby DE56 1AG or in Branch within 14 days of the later of:
- (a) opening the account,
 - (b) receiving the terms and conditions and other information for the account on paper or electronically.

We will help you switch to another of our accounts or we will give you back all the money in your account with any interest it has earned. We will ignore any notice period and any extra charges.

- 6.2 We will only action a request to close your account when all the funds in the account are cleared.

7 - Transferring your investment to someone else

- 7.1 You can transfer the amount in your account to another person, unless the special conditions for the account provide otherwise; but you must first have obtained our agreement (which we can refuse without giving any reason) and paid any charge we may impose from time to time. No transfer will be valid unless it is made in a form acceptable to us and until it is registered in our records.

8 - Account information/statements

- 8.1 In certain cases we send out statements of account, either annually or at other intervals. Whether we send out statements, and if so at what intervals, will depend on what we reasonably believe to be appropriate for the account and/or investor concerned, taking account of relevant codes of practice.

- 8.2 We will tell you about our current practice in our Account Terms leaflet.

Also, if we change our practice and believe this is likely to affect you adversely, we will try to let you know, generally by writing to you, before the change takes effect.

9 - Charges on Accounts

- 9.1 The provisions of this Investment Condition 9 apply to charges we make on accounts.
- 9.2 We may make charges for items relating to the running of your account and deduct those charges from the amount in the account.
- 9.3 The charges we make will reflect expenses we incur and the cost of staff time and the use of our office and computer facilities.

- 9.4 We will tell you about our current charges in our Account Terms leaflet and you can also find out about them on our website, through our Customer Relationship Team or by asking our staff.
- 9.5 We can change the charges we make at any time and the way we will do this is set out in Investment Condition 22.

10 - Taxes

- 10.1 Payments of interest (or otherwise) made by us on an account will be subject to any taxes which affect the payment.

11 - Joint Accounts/Trustees etc

- 11.1 The provisions of this Investment Condition 11 apply generally to joint accounts, trustees and related matters.
- 11.2 Withdrawals and other transactions on joint accounts require the signature of all joint holders, unless the holders have authorised us to accept the signature of one of them or (if more than two holders) a combination of them, and any authority can be revoked by giving us 14 days' written notice. If we have reason to believe that there is a dispute between account holders we may freeze the account and require the signature of all joint account holders irrespective of any authority you have given us.
- 11.3 Where there are joint holders and one of them dies, we can treat the surviving holder(s) as being entitled to the account.
- 11.4 The liability of joint holders will be joint and several; this means that each holder is fully responsible for all obligations relating to the account.
- 11.5 Only the account holder whose name appears first in our records (the Representative Joint Shareholder under our Rules) will obtain (a) any membership rights (e.g. the right to receive notices of meetings) arising from the account holding and (b) any account correspondence (unless you instruct us otherwise); but this is subject to rights given to other joint holders under any Act of Parliament.
- 11.6 We do not have to recognise the interest or claim of anyone except the account holder(s) in respect of any money held in an account (unless a Court Order or Act of Parliament says otherwise), and we will not be liable for failing to recognise any such interest or claim; this means that, where an account is held by trustees, we will not generally be bound by the existence or terms of the trust.
- 11.7 On a joint account interest can be paid net (with tax deducted) to one account holder and gross to the other. If you pay income tax at a higher rate, you will have to pay any additional tax on your interest.

12 - The Society's Rules

- 12.1 Where the Investment Conditions apply to your account you will (except where the account is a deposit account) be a member of Nationwide Building Society and be bound by its Rules but the Investment Conditions or any relevant special conditions will apply where inconsistent with the Rules. (A note about the Rules relating to savings accounts is set out in the Explanatory Note on Rules attached to these Investment Conditions).

13 - Deposit Accounts

- 13.1 If you have a deposit account, you are not a member of the Nationwide Building Society and do not have any voting rights. None of the Rules of Nationwide Building Society apply to the operation of your account.

14 - Closure - Our right to repay account money to you

- 14.1 We can repay to you all or part of the amount held in your account without giving any reason, but:
- we must give you at least 60 days' personal notice;
 - we cannot use this right to repay a fixed term investment before the end of the fixed term.
- We can choose to close your account by terminating the agreement between us regarding the account. If we choose to terminate the agreement we will give you not less than 60 days personal notice.
- If you breach any terms of the agreement we may close your account by giving you not less than 30 days personal notice. We may close your account immediately in exceptional circumstances. These might include a legal obligation to close the account or threatening or abusive behaviour towards our staff.

- 14.2 You will have no further right or interest in the account, and will cease to be a member in respect of it, when we have repaid the full amount due to you by giving, posting or delivering it to you in cash or by cheque.

15 - Our right to retain and set-off account money

- 15.1 We have the right to retain and set-off all money you may hold in any account with us against any money you may owe us, which is due for payment but which has not been paid. (In other words, we can take money from your account to pay mortgage arrears and other debts you owe us). We will write and tell you when we have done this. Interest or bonuses will not be paid on any money after it has been used in this way.

16 - Dormant accounts

- 16.1 The provisions in this Investment Condition 16 apply to "dormant accounts".
- 16.2 We may close your account if:
- you cannot be traced after reasonable enquiry;
 - for a period of five years no money is paid into, or withdrawn from, your account.
- 16.3 If you contact us at a later date and provide us with satisfactory proof of your identity, we will re-open the account and credit it with the amount we owe you in respect of the account (which will be equal to the balance that was in the account when we closed it, after adjusting it for the interest we would have paid and for any fees or charges we would have deducted if the account had remained open).

17 - Accounts no longer available

- 17.1 An account is no longer available for the purposes of this Investment Condition 17 if it is not available to new investors.
- 17.2 If an account is no longer available we may switch this account to another account from our current range which we consider appropriate. If we seek to do this we will at least 30 days beforehand write to you to tell you:
- that the account is no longer available;
 - about our other accounts;
 - we will help you to switch to one of our other accounts without any notice period and without any extra charges;
 - we will let you close the account without any notice period and without any extra charges.
- 17.3 In any case where we switch an account no longer available to another account from our current range we will send you the terms and conditions which apply to the new account. You agree that you will observe and perform these terms and conditions.

18 - Account documents

- 18.1 We will issue you with an account document, (e.g. a passbook, certificate, card or any other similar item which we decide shall be an account document). The following will apply to the account document:
- you must return the account document to us when we ask you to, so that we can bring it up to date, or for any other purpose we reasonably require;
 - you will be responsible for the safe keeping of the account document;
 - if the account document is lost or stolen you must promptly report this to us;
 - if someone other than you produces an account document to us, pretends to be you or to be authorised by you, and is therefore able to withdraw money from your account, you will be liable for the amount of any withdrawals if you have acted fraudulently or with gross negligence;
 - when you have reported the loss or theft of the account document we can issue you with a new account document, but this may be subject to conditions (e.g. that you pay a charge for the new document).

19 - Liability for losses

- 19.1 If we are liable for any losses due to a delay or error by us in carrying out your instructions, or for unauthorised payments, our liability will be limited to:
- the amount of such loss;
 - the amount of any interest you do not receive or any interest and charges you have to pay directly as a result of such delay or error.
- If our liability is established we will refund the above amount immediately.
- 19.2 Your maximum liability for unauthorised transactions is £50 before you report the items lost or stolen. You may be liable for all losses incurred if you have acted negligently in relation to the security steps outlined in the "Care of your Account" section of our Account Terms leaflet.

20 - Unauthorised payments

- 20.1 To dispute a transaction that you do not recognise, or you do not believe that you carried out, and to claim a refund, you will need to contact us as soon as possible and we will investigate the dispute and notify you of the outcome.
- 20.2 If we have to take action against another party as a result of a transaction on your account, you must assist us and provide all available information to enable us to pursue this action.

21 - Communication

Non Personal Notification

- 21.1 Unless we are required to give you personal notification, when we give you notice, we will do so in one or more of the following ways:
- by display in our branches and our Duffield Hall administration office;
 - by display on our website;
 - by advertising in the press;
 - by telephone or in person;
 - by secure message for internet accounts;
 - any other way that is reasonable and appropriate at the time.
- You need to ensure that your computer is set up correctly and has the right hardware, operating system and browser for email and internet banking.
- Newspaper advertisements will be placed in two or more newspapers (including one national newspaper) which are in our reasonable opinion appropriate for advertising the item in question. We will tell you which newspapers we use in our Variable Rate Accounts Interest Rates leaflet. The advertisements may not appear if we are prevented from advertising by newspaper strikes, unavailability of space etc. Where a newspaper is not published daily it may not be practicable for the advertisement to appear until shortly after the item advertised takes effect.

Personal Notification

- 21.2 Where we are required to give you personal notification, this will be by a personal notice, which will be an individual letter or other personal communication sent by post to your last known address in our records and which you will be taken to have received 48 hours after we have posted it to you. We can also give personal notice by e mail if the special conditions of the account provide for this or you have agreed that we may do so. We will not give you personal notice in circumstances when we would normally do so, whether as a result of these conditions or otherwise, if we have a good reason to believe that you will not receive the notice.

General

- 21.3 In respect of Investment Condition 21.1 and 21.2 above, if we accidentally fail to:
- send to you a communication, intended for our investors generally or a category of our investors of which you are one;
 - display a notice at Duffield Hall, Duffield, Derby or any branch office of Derbyshire Building Society. This will not make the notice invalid.

- 21.4 An error in any notice which is corrected by a subsequent notice shortly after the original notice was displayed or published will not make the original notice invalid.

22 - Changes & Notification

Changes to Interest Rate Provisions

- 22.1 We can change the rate or rates of interest paid on your account as set out in this Investment Condition 22.1 - 22.4 inclusive. Investment Condition 22.1-22.4 inclusive also applies to changes to interest rates which:
- mean we do not pay interest on an account generally, or when the amount in the account is below a particular level;
 - introduce or alter "banding" provisions under which we pay different rates depending on the amount in the account from time to time.
- 22.2 (i) We may change at any time the rate or rates of interest to be paid on your account (subject to any special conditions relating to interest rate changes which cover a particular account) if we reasonably believe that the change is to your advantage or is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or those which are reasonably expected to apply in the near future):
- to reflect, in a proportionate manner, changes in the Bank of England's Official Bank Rate (Bank Rate), the rates of interest we are able to charge when lending money deposited by savers or generally in interest rates offered by our competitors in the savings market;
 - to enable us to maintain the competitiveness of interest rates charged to borrowers from us, while having regard to the interests of our savers and our business as a whole;
 - to ensure that we have the appropriate level of money invested by individuals, in a prudent mix of fixed and variable rate savings accounts and at appropriate rates of interest, to enable us to sustain all our legal and prudential requirements;
 - to reflect, in a proportionate manner, any increase or reduction in costs reasonably incurred by us in operating our savings products;
 - it is necessary to maintain our financial strength in the interests of all our customers;
 - to enable us to harmonise, in a reasonable manner, the interest rates being paid to our savers following any acquisition of savings accounts or any takeover of, or merger with, another savings provider;
 - to reflect, in a proportionate manner, changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any Code of Practice with which we intend to comply.
 - If your account is not for a fixed term we can also change the rate of interest for any reason (other than a valid reason mentioned in Investment Condition 22.2(i)). If we make a change in the rate of interest under this Investment Condition 22.2(ii) which is to your detriment, we will tell you this when we give you personal notice.
- 22.3 Where we make a change to the rate of interest which is to your detriment, we will give you 30 days personal notice under Investment Condition 21.2 prior to the change. Where we do so you can, within 30 days of our notifying you of any change, switch your account or close it without having to give us any notice or pay any extra charges or lose any interest due up to the date of switching/closure for doing this.
- 22.4 When we make a change in the rate or rates of interest on your account which is not to your detriment:
- we will update the information on our telephone helpline and our website within three working days of the date the change is to take effect (giving the old rates to help you make a comparison);

- (b) we will display general notices in accordance with Investment Condition 21.1 including notices in our branches and Duffield Hall administration office and newspaper advertisements (which will give the old and new rates), where practicable on or before the date the change is to take effect, unless in advance of the change we give personal notice to our customers affected by it;
- (c) if your account is not run mainly through branches e.g. a postal, internet or telephone account, we will give you personal notice in accordance with Investment Condition 21.2 within 30 days of the change.

Changes to Charges

- 22.5 We can change the charges we make at any time. Changes may include the abolition of, or amendment to, existing charges, or the introduction of new charges. They may be made if we reasonably believe the change is to your advantage (for example the reduction or abolition of a charge) or is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or those which are reasonably expected to apply in the near future):
- (a) to reflect, in a proportionate manner, changes in the costs which we reasonably incur in carrying out the relevant activity;
- (b) to reflect reasonably the costs of the activity and the charges for similar activities made by other providers of savings products;
- (c) to reflect changes which we may reasonably make in the activity we carry out or the service we provide, or to provide new services;
- (d) it is necessary to maintain our financial strength in the interests of all our customers;
- (e) to enable us to harmonise, in a reasonable manner, the charges being paid by our savers following any acquisition of savings accounts or any takeover of, or merger with, another savings provider;
- (f) to reflect in a proportionate manner, changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any Code of Practice with which we intend to comply.
- 22.6 We can also change the charges:
- (a) if your account is not for a fixed term, for any reason (other than a valid reason mentioned in Investment Condition 22.5);
- (b) If your account is for a fixed term, for any valid reason (other than a valid reason mentioned in Investment Condition 22.5) where we reasonably believe the change is appropriate.
- Where we make a change to charges not relating to Payment Services under this Investment Condition 22.6, which is to your detriment, we will notify you that we are changing the charges in accordance with this Investment Condition 22.6, when we give you notice in accordance with Investment Condition 22.7.
- 22.7 Where we introduce new charges, or increase existing charges, not relating to Payment Services, we will tell you about the change not less than 30 days before it takes effect by giving you personal notice in accordance with Investment Condition 21.2. You can then switch your account or close it without having to give us any notice or pay any extra charges or lose any interest due up to the date of switching/closure for doing this. However, you must exercise this right within 30 days of receiving our notice to you. This will not apply if the charge relates to Payment Services as described in Investment Condition 22.9 – 22.10 below, when the arrangements in those conditions will apply.
- 22.8 We will tell you about a charge which affects a particular product or service before we provide you with the product or service, or at any other time you ask.

Changes to Payment Services

- 22.9 We may make changes to the way we operate the Payment Services on your account, including charges relating to such Payment Services. Payment Services relate to the methods by which you can transact on your account and include all of the below activities:
- CHAPS Payments
 - Standing Orders
 - Internal Transfers
 - Bill Payments
 - Passbooks
 - ATM Cards
 - ATMs
 - Cash deposit/withdrawal services
- 22.10 Where we make any changes to these Payment Services which are to your detriment, we will give you 60 days advance personal notice of the change under Investment Condition 21.2. Where we make such a change you can switch your account or close it without having to give us any notice or pay any extra charges or lose any interest due up to the date of switching/closure. You may do this by notifying us within the 60 day notice period.
- Changes to General Terms (other than relating to interest rates, charges and payment services above)*
- 22.11 In Investment Condition 22.11 – 22.16 we describe how we may change these Investment Conditions, and any special conditions applying to particular accounts. This does not apply generally to the rate of interest, charges and Payment Services which are dealt with respectively in the remaining parts of Investment Condition 22.
- 22.12 If the change is to your advantage we can make it immediately and tell you about it within 30 days. In all other circumstances the following provisions of Investment Condition 22.11 – 22.16 apply.
- 22.13 We can make a change if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those which are reasonably expected to apply in the near future):
- (a) to reflect, in a proportionate manner, changes which we reasonably make to our products or services or the way we provide them;
- (b) to reflect, in a proportionate manner, changes in technology or general practice in the savings industry;
- (c) to reflect, in a proportionate manner, changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any Code of Practice with which we intend to comply;
- (d) to enable us to harmonise, in a reasonable manner, our products or services following any acquisition of savings accounts or any takeover of, or merger with, another savings provider;
- (e) to correct errors, to clarify the meaning of an Investment Condition or make it easier to understand;
- (f) to enable us to maintain our competitiveness, while having regard to the interests of our savers and our business as a whole;
- (g) it is necessary to maintain our financial strength in the interests of all our customers.
- 22.14 We can also make a change for:
- (a) any reason (other than a valid reason mentioned in Investment Condition 22.13) if your account is not for a fixed term;
- (b) any valid reason (other than a valid reason mentioned in Investment Condition 22.13) where we reasonably believe the change is appropriate if your account is for a fixed term.
- We will tell you this, and that we are making the change in accordance with this Investment Condition 22.14, when we give you notice in accordance with Investment Condition 22.15.

- 22.15 If the change is to your disadvantage, or is made under Investment Condition 22.14, we will give you at least 30 days' personal notice in accordance with Investment Condition 21.2 before making the change. At any time up to 60 days from the date of the notice you may switch your account or close it without having to give us any notice or pay any extra charges or lose any interest due up to the date of switching/closure for doing this.
- 22.16 If the change is neither to your advantage nor disadvantage, and is not made under Investment Condition 22.14, we will give you at least 30 days' notice before making the change, using whatever form of notice under Investment Condition 21 we think is appropriate.

23 - Passbook Reference Table

For those accounts that operate a Passbook the box below makes it clear what the most used codes relate to:

Passbook Transaction Code	Explanation
BF	Brought Forward
BC	Bank Credit
TAX	Tax
QRN	Cheque Receipt
QPN	Cheque Payment
CPN	Cash Payment
CRN	Cash Receipt
IC	Interest Credit
CHP	CHAPS Payment
ADJ	Account Adjustment
XRN	Cash & Cheque
IT	Interest Transfer (internal)
IP	Interest Payment (external)

If you are unsure about any entry in your Passbook, please ask a member of Branch Staff or call our Customer Relationship Team on 08456 004 005 and they will be happy to help you.

24 - Our Liability and Enforcement of Terms by us

- 24.1 We will not be liable for any loss or expense incurred by you if we are unable to provide any account services because of strikes, other industrial action, failure of power supply or equipment, or other causes beyond our reasonable control.
- 24.2 We will not be liable, nor will our rights be affected, if we decide not to enforce any term which applies to an account.

- 24.3 No one apart from you or your personal representatives can enforce against us either these conditions or your rights in respect of the account.

25 - Severance

- 25.1 If any provision in these Investment Conditions is found by any court, Ombudsman or other competent body to be unenforceable, the other provisions will not be impaired or affected.
- 25.2 In respect of any provision found to be unenforceable in accordance with 25.1:
- (a) if the removal of any part of that provision would make it valid and enforceable, such removal shall be deemed to have taken place; and (b) if the removal referred to in paragraph (a) above is not possible then an alternative provision which achieves a result as similar as possible to the intended result will be deemed to have replaced the unenforceable provision.

26 - Telephone calls and emails

- 26.1 We will record telephone calls and may monitor calls and e-mails to prevent or detect crime, for service quality or for security purposes.

27 - Governing Law

- 27.1 These conditions are governed by the laws of England and Wales and the language we will use in our communications will be English.

RULES

As mentioned in investment Condition 12, unless your account is a deposit account, you will be bound by the Rules of Nationwide Building Society. You can obtain a copy of these from the Nationwide website (www.nationwide.co.uk) or from any Derbyshire or Nationwide office.

Financial Services Compensation Scheme

Important information about compensation arrangements

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

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

Nationwide Building Society operates under the trading names of: Cheshire Building Society, Derbyshire Building Society and Dunfermline Building Society. The £50,000 limit relates to the combined amount in all the eligible depositor's accounts with all of the building society trading names including Nationwide.

However, if you held share or deposit account relationships with two or more of Nationwide Building Society, Derbyshire Building Society, Cheshire Building Society or Dunfermline Building Society immediately prior to the date of their respective mergers or acquisition, you are covered up to a total of £50,000 for all your account holdings with each individual trading name until 30 December 2010.

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

Joint Accounts

In the case of a joint account each joint owner is treated as having a claim for his or her share, and unless there is evidence about their respective shares, they will each be regarded as entitled to an equal share.

Partnerships

If two or more persons have a joint beneficial claim, the claim is to be treated as the claim of the partnership if they are carrying on business together in partnership. Otherwise the joint account rules (above) apply.

Trustees

If a claimant's claim also includes a claim as a trustee, his or her claim as trustee will be treated as being separate from the claim in his or her own right. If the same person claims as trustee for different trusts, these will be treated as claims of different claimants. If a group of people claim as trustees their claim will be treated as that of a single person. If the claimant has a claim as a bare trustee for one or more beneficiaries, the beneficiary or beneficiaries will be treated as having the claim. There are further rules relating to trustees.

Personal Representatives

Where a person numbers among his or her claims a claim as a personal representative for someone who has died, the claimant will be treated in respect of that claim as if he or she were standing in the shoes of that other person.

Agents

If a claimant has a claim as agent for one or more principals, the principal or principals will be treated as having the claim.

Funding the Scheme

The cost of the FSCS in respect of savings and deposits in building societies, banks and others, and the cost of compensation payments under the Scheme, is funded by contributions from the businesses, that are covered by the Scheme (including building societies, banks and others).

MAKING A CLAIM UNDER THE SCHEME

The Rules of the Scheme require a claim to be brought to the FSCS within a set time (normally within six years of the date on which the claim occurred). In practice, a building society would give to the FSCS a list of the names and addresses of the investors who may be able to claim under the Scheme. The FSCS would then send a claim form to each investor for completion. Full details of how to complete the form would be provided at the time. Each claim would need to be verified before payment could be made. This could involve further questions being asked of those who have claimed and the FSCS asking the liquidator or administrator to confirm the amount of the investment on which the claim is based and to confirm that the claim does not relate to shares or deposits of a type that are not covered by the Scheme. Again, detailed procedures would normally be notified at the time. Claims would be paid as soon as practicable (subject to the checking procedure) once the share or deposit became due and payable. In liquidation, that share or deposit would become due and payable on the date that the final winding-up order is made - in all other cases it would continue to its original maturity date. Payments would be made, normally by cheque in the currency of the account in which the share or deposit was held.

FURTHER INFORMATION

The Rules covering the Scheme are very detailed and this leaflet does not deal with every aspect of the Scheme's operation. Information about the operation of the Scheme is available on the FSCS website at www.fscs.org.uk. If you have any queries about the Scheme they may be addressed to -

Financial Services Compensation Scheme, 7th Floor,
Lloyds Chambers, 1 Portsoken Street, London E1 8BN

Tel: 0207 892 7300 Fax: 0207 892 7301/7337

Email: enquiries@fscs.org.uk

Call us on

08456 004 005

Visit

thederbyshire.co.uk

Or talk to us
in branch

Derbyshire Building Society is a trading division of Nationwide Building Society which is authorised and regulated by the Financial Services Authority under registration number 106078. Credit facilities other than regulated mortgages are not regulated by the Financial Services Authority. Head Office: Nationwide House, Pipers Way, Swindon, Wiltshire SN38 1NW.

All calls are recorded and may be monitored for service quality or security purposes to prevent or detect crime.

Derbyshire Building Society, Duffield Hall, Duffield, Derby, DE56 1AG

INV-3-04.10

Derbyshire
Building Society