



NewcastleNet Savings (Issue 7)

Terms and Conditions

All dates shown apply to close of business on the day in question.

"Account" means the Account you take with the Newcastle on these terms and conditions.

"Accountholder" means the person(s) in whose name the Account is held; in the case of joint Accountholders it means either or both of you depending on the circumstances.

"Application Form" means the application form you complete when you open an Account.

"AER" means the "annual equivalent rate" and is a notional rate which illustrates the contractual interest rate (excluding any bonus interest payable) as if paid and compounded on an annual basis.

"Business Day" means any day except Saturdays, Sundays and English Bank Holidays.

"Gross" interest is the contractual rate of interest payable before the deduction of income tax.

"Initial Investment" means the amount you initially invest in the Account.

"Internet" as used in these terms and conditions also includes communication via Interactive Digital Television, Wireless Application Protocol (WAP), General Packet Radio Service (GPRS), and other mediums used for electronic communication.

"Net" is the rate of interest which would be payable after allowing for the deduction of income tax at the specified rate.

"The Newcastle" means Newcastle Building Society and "the Society" will also be construed accordingly.

"NewcastleNet Savings" means the Account set out in these Terms and Conditions.

"Start Date" means the date on which your Initial Investment is placed into the Account.

2. Applications

2.1 To open a NewcastleNet account online you must use our Automated Account Opening Process. Once you have completed the online application form, providing you have passed the automated identity and residency check your NewcastleNet Account will be opened.

2.2 You can make your initial deposit by:

Personal cheque (any cheque must, for security reasons, always be made payable to Newcastle Building Society Re: Your Name(s)). When initial

investment is made by cheque it will earn interest from the second business day after receipt.

Electronic transfer from your bank or building society (e.g. CHAPS), or you can open your account with a zero balance and transfer money once you have your username and password.

2.3 Deposits by internal transfer from an existing Newcastle Building Society account are not permitted.

2.4 The Newcastle reserves the right to reject any Application at its discretion. If an Application is rejected any funds paid into the Account will be returned within 10 business days of receipt. During this period interest will be paid at the then current Nova Plus rate.

2.5 NewcastleNet Savings is for your personal use only. This account is only available to individuals resident in the UK who are 18 years or older. It is not available for businesses, clubs, charities or other organisations or trustees. Similarly it is not available to companies or to pension funds. We do not believe the NewcastleNet Savings Account is suitable for operation under a power of attorney and applications submitted on this basis will be rejected, however this does not apply to an Enduring Power of Attorney registered with the Court of Protection.

2.6 The minimum investment is £250 and the maximum investment is £250,000.

2.7 If you change your mind once you have opened an Account you have 14 calendar days (excluding public holidays) from the day your account is opened to close your account or transfer to another Newcastle Building Society account. If you wish to cancel your account we need this request in writing, for security reasons we cannot accept requests for this over the telephone or via e-mail.

3. Joint Accounts

3.1 The Account can be held in either single or joint names. If your Account is a joint account, these conditions apply to all of you together and any of you separately. In the event of the death of any Accountholder, the Account will remain open in the name of the remaining Accountholder. In the event of divorce or separation, the Newcastle (providing it is made aware of the situation in writing) will not permit withdrawals to be made from the Account unless signed instructions are received from both Accountholders.

3.2 Correspondence will be sent to the joint account holder whose name appears first in the application form and the other joint account holder will be bound by any such communication. This provision will not apply to the forwarding of the security details, which will be sent to each account holder individually in writing. If we send information to any one joint holder via the Internet or e-mail the other joint holder will also be bound by it. (Security details will not be sent via the Internet)

4. Interest

4.1 The interest on your account is variable. Annual interest will be paid on 1 December each year and can be credited to your account or paid to your nominated bank or building society. Monthly interest will be paid on the last working day of each month and be paid to your nominated bank or building society.

Your interest will at least match the Bank of England base rate until 31 December 2009.

5. Withdrawals

5.1 You can make withdrawals without notice.

5.2 Withdrawals can only be made by transferring funds directly to your nominated bank or building society account subject to the terms applicable to that account either on a regular monthly basis or by individual one off amounts. It could take up to four working days for withdrawals to be transferred directly to your nominated account.

5.3 We will not accept payment requests originated by other financial institutions on your account with us.

5.4 Withdrawals from your account may be made via the Internet and in no other manner. We shall still be obliged to permit withdrawals even where you have failed to keep your security details and password secret and the order was given by someone else using your security information and password.

6. Additional Funds

6.1 There is no limit to the number of investments you can make.

6.2 You can only make subsequent payments into your account by direct debit payments from your nominated bank or building society account, either on a regular monthly basis, or by individual one off amounts. Payments credited to your account require 6 working days to clear. You will not be allowed to withdraw against uncleared funds until such time as they are cleared.

6.3 We will not accept nominated Bank/Building Society accounts in the names of 3rd parties, businesses, sole traders, partnerships or limited companies. It must be a bank account in your name.

6.4 Please note that it takes 5 working days to process your Direct Debit mandate and you will not be able to conduct transactions on your account during this time. You will not be permitted to conduct transactions on this account through our branch network.

7. Death of Accountholder

Where an Account is closed following the death of the Accountholder, the total accrued interest to the date of closure of the Account will be payable.

8. Rules

The Account is a share account and Accountholders are deemed to be members of the Society. As a member of the Society you are subject to the rules of the Society, a copy of which may be obtained on request.

9. Notice to Close

Under normal circumstances we will not close your account without giving you 30 days notice.

10. Tax

All returns on the Account will be paid after the deduction of income tax at the appropriate rate (currently 20%*) or, subject to the required certification, gross. Individuals who are non-tax payers, and who have not registered to receive their interest without tax deducted, can claim a repayment of tax from H.M. Revenue and Customs.

Individuals with taxable income in the starting rate band (currently 10%*) who are due to pay less tax than the amount deducted from their interest can also claim such a repayment. Individuals whose interest falls within the basic rate band (currently 22%*) will have no more tax to pay on their interest, as the tax deducted from it at the appropriate rate (currently 20%*) will satisfy the tax due. Individuals who are higher rate tax payers will have to pay the extra tax due on their interest (the difference between tax deducted at the appropriate rate (currently 20%*) and the higher rate (currently 40%*).

*The rate of tax is subject to legislation and may vary in the future.

11. Account Termination

We will be entitled in our absolute discretion, to terminate or suspend your account immediately if we have reasonable grounds to believe that you: -

11.1 are in breach of any of the terms and conditions of this account; or have, or will cause damage to this account; or

11.2 have attempted to, or have actually obtained access to our files, programs, passwords or files and accounts of other customer(s); or

11.3 have attempted to introduce to the account any virus or other harmful bugs or programs or you have advised any other person how to do so; or

11.4 have or will use the account in such a way as to unreasonably interfere with the operation of the account; or

11.5 have given instructions to us to transfer funds when you have not had sufficient funds to cover the transaction.

If we close your account then we will remit to your nominated bank account the balance held on your investment account.

12. Our agreement

The agreement between us in relation to your Account is made up of:

- a) these Terms and Conditions;
- b) the application form electronically authenticated by you;
- c) the Rules of the Society.

If you require a copy of our current rules then please contact the Customer Services Manager, Principal Office, Portland House, New Bridge Street, Newcastle upon Tyne, NE1 8AL or telephone 0845 600 4370.

Any other special condition relating to interest rates payable, notice periods and/or charges relevant to the product you have chosen details of which can be found on our web site at www.newcastle.co.uk, or in any product leaflet which you have been given by us containing written details of interest rates payable, notice periods and /or charges relevant to the product you have chosen.

13. Communication

13.1 Please note that the e-mail facility via www.newcastle.co.uk cannot be used for authorising withdrawals or for notifying us of any material changes to your account. Material changes to your account must be notified in writing. If you contact us in any other way we are not obliged to act on your instructions and if we elect to do so may charge you a fee.

13.2 Each time you telephone or contact us by Internet we will check your identity from the security details you gave us.

13.3 We will record all telephone calls you make to us to ensure that we have a record of your instructions. We may also listen to calls from time to time to help us monitor the quality of our service.

13.4 We shall be entitled at any time to ask you to confirm, in writing, instructions you have given us by telephone or Internet if we consider this is necessary or desirable for any reason.

14. Security Procedures

14.1 We shall establish security procedures with you by post. You must keep your security details and password secret and secure. If you need to make written records of any security details or password you must keep them safe and take steps to ensure that they cannot easily be understood or copied by anyone else.

14.2 You must notify us as soon as possible if you:

- a) believe that someone else knows your security details or password;
- b) have misplaced any record of your security details or password;
- c) have forgotten your security details or password; or

d) think that someone else (other than a joint account holder) is trying to use your account.

14.3 Until such time as we have received notification from you, you will be responsible for any instruction in writing or by telephone or Internet, which we receive and act on, even if it was not given by you. If you have acted fraudulently or have been grossly negligent or have not taken adequate steps to keep your security details and password secret, you will be responsible for all payments we make and all losses on your account. In these circumstances we will have no other liability to you.

14.4 We shall be entitled at any time to refuse to act on an instruction we receive if for any reason we think it was not given by you, was not clear, might cause us to breach a law or contractual duty, or we think your account is being used for an illegal purpose.

14.5 Your Account is for use in the UK only. You shall not access your Account from another country. We do not recommend and would actively discourage you from accessing your account from a Cyber café or any other Public Internet site.

14.6 We cannot guarantee completely the confidentiality or privacy of any information passing over the internet or that it will not be interfered with and by using this facility you are giving instructions to us on this basis and understanding.

15. Information Technology Requirements

15.1 When you use your account you must ensure that your computer and modem comply with any requirements we tell you about from time to time. You must also follow any procedures and instructions contained in any user guide that we give to you or from time to time contained on our internet web site.

15.2 If we provide you with any software to help you to use your account you must not change it or allow anyone else to use or copy it. You must carry out your own virus checks.

15.3 You should notify us if you find any delay, failure or error in your account, especially in the sending or receiving of instructions. It is in your interest to notify us as soon as possible in these circumstances.

15.4 We will not be liable to you if we do not act on your instructions for any reasons set out in these conditions or if we cannot carry out our responsibilities to you because of something we cannot reasonably control. This would include for example computer failure or failure in the Internet system not caused by us.

15.5 For technical or other reasons there may be times when you are not able to access our web site. We cannot guarantee its availability at all times.

Agreement to assign windfalls to charity

1 Paragraphs 2 to 6, will apply to me unless I am an exempt customer at the time when the account is opened.

2 I agree with the Newcastle that, if the right to any windfall benefits is granted to me after the account is opened, I will assign those windfall benefits to the selected charity unless either of the following applies:

- the period between my account being opened and the conversion announcement date is more than 5 years (or, if applicable, the shorter period).
- On the conversion announcement date, I am a borrowing member of the Newcastle.

3 I authorise the Newcastle and the successor to pass any windfall benefits direct to the selected charity (or to any other charity which the selected charity may nominate to receive those benefits), without notice to me.

4 I authorise that the Newcastle has promised to transfer to the selected charity the benefit of the agreement which I have given under paragraph 2, above; neither the Newcastle nor the selected charity will release me from that agreement; and any power of the Newcastle to change the terms of its contract with me will not apply to any of the terms set out in this section of the application form.

5 I authorise the Newcastle to give the selected charity any information about me or any account that I have with the Newcastle (now or in the future) but only if the selected charity reasonably needs it regarding the agreement I have given under paragraph 2, above.

6 I understand that the Newcastle will require anyone who opens a share account (who is not then an exempt customer) to agree to assign to charity the right to any windfall benefits which that person may become entitled to. The terms of the agreement will be decided by the Newcastle and may be different from the terms in paragraphs 1 to 5, above. This paragraph will no longer apply if the Newcastle publishes a notice in the press of a decision by the Newcastle that it will no longer require new share holding members to enter into such agreements.

These notes apply to paragraphs 1 to 6, above:

(a) The "account" is the share account that you are applying to open by completing this form.

(b) The "conversion announcement date" means the date on which the Newcastle makes a public announcement of a proposal to transfer its business to a successor.

(c) The "current terms" means terms that are the same as, or similar to, the terms set out in paragraphs 2 to 5 above.

(d) You are an "exempt customer" when you open the account if:

(i) you have held shares in the Newcastle (other than permanent interest bearing shares) at all times since 31 March 1999; or you are a borrowing member of the Newcastle; or

(ii) you have already entered into an agreement with the Newcastle binding you to the current terms; or

(iii) you belong to one of the groups of the other people who, in the Newcastle's opinion, do not need to be asked to agree to the current terms. A list of these groups is available from the Newcastle at any time.

The Newcastle may alter the number and composition of the groups from time to time, but no alteration will apply retrospectively.

(e) A person "opens" an account either by opening a new account or by having an existing account transferred into his or her name (whether as sole or joint holder).

(f) The "selected charity" means the Community Foundation or, if it is at any time no longer a registered charity, any other charity or charities selected by it to receive assignment of windfall benefits.

(g) A "shorter period" is applicable if, when the Newcastle opens your account, you belong to one of the groups of people who, in the Newcastle's opinion, do not need to be asked to agree the usual 5-year period. A list of these groups, stating the period applicable to them, is available from the Newcastle at any time. The Newcastle may alter the number and composition of the groups and the period applicable to them from time to time, but no alteration will apply retrospectively.

(h) The "successor" is any company or other corporate body to which the Newcastle transfers its business under Section 97 of the Building Societies Act 1986 (or under any provision which amends or replaces it).

(i) A "windfall benefit" is a benefit which a person has the right to receive as a share holding member of the Newcastle, under the terms of any future transfer of the Newcastle's business to a successor (i.e. on a conversion or take over), other than:

(i) the replacement of savings in a share account with the Newcastle with savings in a deposit account with the successor, or

(ii) any benefit which the Newcastle has decided may be kept by a person who has a number of accounts and was an exempt customer when opening one or more (but not all) of them. A list setting out the conditions that determine whether, and to what extent, such a person may keep a benefit is available from the Newcastle at any time. These conditions may be altered by the Newcastle from time to time, but no alteration will apply retrospectively.

(j) Where more than one of you is signing this form, paragraph 1 and (if applicable) paragraphs 2 to 6, above, apply to each of you separately.

(k) If the Newcastle no longer exists following a merger with another building society, paragraphs 2 to 6, above, will still apply between you and the other society.

Serving members with special needs

Newcastle Building Society is committed to providing a full range of products and services for all of our customers. With this in mind we are able to provide this brochure in larger print, Braille or audio cassette format* If you would like more details, or would like to register to receive correspondence in an alternative format please contact the Newcastle on 0845 606 5522.

*Each individual case will be considered separately upon request.

Newcastle Building Society is authorised and regulated by the Financial Services Authority www.fsa.gov.uk/register/ and is entered in the Financial Services Authority Register under Registration No. 156058.

We may monitor and record telephone calls for training and security purposes.

Newcastle Building Society is an active member of the Building Society's Association. Shares and Deposits in this Society are Trustee Investments. The products and services in this site are only available to UK residents.

Handling customer complaints

Unfortunately, mistakes are occasionally made by Newcastle Building Society. A leaflet entitled 'Our complaints procedure' provides full details of our complaints procedure, a copy of which is available from your local branch or by calling the Newcastle on 0845 600 4370. If our complaints procedure has been followed without satisfaction, we are a member of the Financial Ombudsman Service.

Newcastle Building Society is an active member of the Building Societies Association. Shares and Deposits in the Society are Trustee Investments. The Newcastle Building Society is a participant of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Payments under the Scheme are limited to a maximum payment of £50,000, i.e. 100% of the first £50,000 of an investor's total shares and/or deposits in a society. Most investors are covered, including individuals and small firms. A small number of categories of shares and deposits are not covered (for example deferred shares – permanent interest bearing shares). Although most shares and deposits are denominated in sterling, all other currencies are covered. Further details are available on request from the Newcastle.

We fully support The Banking Code.