

Offset Plus for savers

Use your savings to help a relative
or friend with their Offset mortgage

This leaflet includes:

- account information
- terms and conditions



Welcome to Chelsea

You'll be glad to know that at Chelsea Building Society the things we care most about are you and your financial needs.

Indeed, as an independent mutual building society we don't need to answer to external shareholders. Our priority is and always will be our members.

We're passionate about delivering genuine good value by providing excellent products, outstanding personal service and treating all our customers fairly. So whatever you're looking to achieve with your savings, we'd like to help.

What's more, our merger with Yorkshire Building Society, the UK's second largest mutual building society, means that you can trust the Chelsea to look after your money. While you continue to enjoy all the advantages of a local, friendly service, not to mention a range of accounts designed to suit your needs, behind the scenes you'll benefit from the added support of an organisation with more than 2.8 million members.

At the heart of your community

We believe it's important that we play an active part in the communities where our members and staff live and work. That's why we support thousands of charities and good causes via the Yorkshire Building Society Charitable Foundation. Much of the Foundation's funding comes through our members' generosity by participating in our unique Small Change, Big Difference™ scheme where you can donate the pence from your annual interest to supporting its work.

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Introducing Offset Plus for savers

With our Offset mortgage products, borrowers can offset their own savings against their mortgage to save themselves money. By linking their Offset savings to their mortgage they can reduce their monthly mortgage payment – handy if they've just moved into a new or first home and have lots of expenses to meet. Alternatively, they can use the Offset savings to help save interest on their mortgage or possibly pay off their mortgage more quickly.

Offset Plus enables you, as a saver, to help a relative or friend with their Offset mortgage by linking your savings to their mortgage. When we calculate the mortgage interest they owe, your savings are taken into account, in addition to their own Offset savings, giving them an even bigger offset benefit.

You keep total control and ownership of your savings, whilst knowing that the more you save in your Offset Plus account, the more the borrower benefits.



Is Offset Plus right for your savings?

Offset Plus is a great way to help a family member or friend with their mortgage rather than by simply giving them money. However, it's important to understand you won't personally get any financial benefit from the arrangement as you won't earn any interest on your savings. The incentive for you is knowing you are helping them. And, as you won't earn any interest, you won't pay any tax on your Offset Plus savings.

As no interest is earned, if you're looking to grow your savings, generate an income or need a short-term investment, Offset Plus isn't the right place for your money.

Please note: in addition to the information contained on the following pages, it is important that you read the 'Offset Plus General Terms and Conditions' on pages 13 to 25 before you open an account.

Summary Box Key Product Information for our Savings Account	
Account Name	Offset Plus savings account
Interest Rate (AER)	No interest is earned
Tax Status	N/A
Conditions for bonus payment	N/A
Withdrawal arrangements	Unlimited withdrawals subject to daily limits on page 9
Access	Branch/Post

We can help you achieve your savings goals - ask about our range of savings and investment options

Can we help?

Frequently asked questions

Can the borrower access my money?

No. You keep complete control over your money.

Will the borrower know how much I have in my Offset Plus savings account?

Yes. On their mortgage statement, the borrower sees the total benefit they're getting from all the combined savings offset against their mortgage and they will be able to see individual linked savings balances through our website too.

What happens if I withdraw my money?

Although you have total control over your savings and are able to access them at any time, the Offset Plus savings account is not intended to be a day-to-day account. Even though the borrower knows not to rely on your savings in order to pay their mortgage, ideally for them to benefit from the arrangement, the savings balance should remain constant or increase and withdrawals should be infrequent.

Because the borrower will need to consider the impact on their mortgage payment if the Offset savings balance changes significantly, we will let them know if there is a significant reduction in the overall balance of the savings accounts linked to their mortgage.

We will disclose other relevant information to the borrower that may affect their financial interests. Full details are included on the application form, which you must sign.

How many Offset savings accounts can be linked to the mortgage account?

Three, at least one of which must belong to the borrower. This means that up to a maximum of two Offset Plus savings accounts can be linked.

Can I apply for a joint Offset Plus savings account?

Yes, subject to a maximum of two account holders. An Offset Plus savings account cannot be held jointly with the borrower.

What if the total balance in the linked savings accounts is more than the borrower's mortgage balance?

If the excess is more than £1,000, and if we've not contacted the borrower in the last 3 months, we'll let them know. This is because the excess savings will not be offset against the mortgage and Offset savings accounts don't earn any interest. It is therefore not in the saver's or borrower's financial interest to have Offset savings invested in excess of the mortgage balance.



Managing your account

Eligibility

If you are resident in the UK and aged 16 or over, you can apply to open an Offset Plus savings account.

Paying in money

This is a passbook-based account. You can therefore pay money in at any of our branches. The maximum balance allowed is £1 million. There is no minimum operating balance, but the account cannot be overdrawn.

Our sort code

To make payments to your account via the banking system, it is vital that you use the correct sort code when setting up the arrangements.

To make payments within the UK

To make payments into your account from within the UK, please use the following:

Sort Code	60 - 95 - 95
Bank Account Number	The first 8 digits of your CBS account number
Reference or Roll Number	Direct Credits only: The full 10 digits of your CBS account number

To make payments from abroad

To enable payments to be made into your account from abroad you will need to use the following:

Sort Code	56 - 00 - 36
Bank Account Number	42200598
Bank Account Name	Chelsea Building Society
Bank Name	National Westminster Bank Plc
Bank Address	Bradford City Centre Branch 7 Hustlergate, Bradford BD1 1PP
IBAN	GB92NWBK56003642200598
SWIFT / BIC	NWBKGB2L●●●●
Reference	Customer's 10 digit Chelsea account number
Account Name	Chelsea account holder's name

Please ask the sender to quote your name and address with the payment.

Withdrawing money

You have instant access to your money via our branches.

For operational reasons we impose limits on the amounts that can be withdrawn from our savings accounts at Chelsea branches. The limits are set out below and are subject to change from time to time.

Withdrawals on demand from branches are limited to:

- Cash - £1,000 on any one day or up to £5,000 by giving a few days' notice
- A maximum amount of £5,000 cash in any seven day period

These limits apply irrespective of the number of accounts you may have with us and whether an account is a sole or a joint account.

Proof of identity may also be required when making withdrawals.

Opening an account

To open an Offset Plus savings account you will need to complete an application form. The borrower will also need to fill in their details and sign this application form.

Then simply visit any Chelsea branch or send your application to us if it's more convenient.

To open an account, you'll need:

Your opening deposit

- Cheques should be made payable to yourself or to 'Chelsea Building Society a/c (your name)'.

Your existing account number

- If you already hold a Chelsea Building Society account.

Our responsibility to you

Under regulations for the prevention of financial crime, we have a responsibility to verify the identity of each applicant before opening a new account, even existing customers. To do this, we use an electronic verification system.

However, in certain cases, for example you are not listed on the electoral roll or you have recently moved house, we may need further proof of your identity. For postal applications, this will mean returning your application and for applications in person this will mean we are unable to open your account immediately unless you have proof of your identity with you. Therefore, you may wish to provide additional proof of your identity with your application.

Examples of additional forms of identification that we can accept are shown below.

Proof of name:

- Passport
- Full driving licence
- An original and current notice of tax coding from HM Revenue & Customs

Proof of address:

- An original utility bill, e.g. gas, electricity, telephone (not mobile phone) less than 3 months old
- An original and current council tax bill
- An original bank or building society statement less than 3 months old
- A current email address if you are applying for an online account

To find out which other forms of identification are acceptable, please call us on **0845 744 6622**.

If you wish to provide proof of your identity with your application, you should supply one document from each of the lists above. A third item, which can be chosen from either list, will be required if you are applying by post. For security reasons, please do not send an original passport or driving licence through the post. Instead you can send copies of these documents, which should be certified by a solicitor.

Your right to cancel

If you open an Offset Plus savings account then change your mind within 14 days we will help you switch to another of our accounts or give you your money back. We will not apply any notice period or charge.

Should you wish to cancel the account within this period, please write to the branch where you opened your account or call 0845 744 6622.

Protecting your interests

To avoid disruption by speculators, all new members must agree to assign any windfall conversion benefits to which they might become entitled to the Yorkshire Building Society Charitable Foundation. In certain circumstances we may not apply this requirement, e.g. on the death of a saver (who was not charitably assigned) where money is transferred to a new account opened by a beneficiary.

This agreement will continue for five years from the date you become a member, irrespective of the number of accounts you open with us during that time. Provided that you remain a member of Yorkshire Building Society, after the end of the five year period you may keep any windfall conversion benefits that you might become entitled to and you may open further accounts without being subject to the charitable assignment provision.



General Terms and Conditions

Your account is with Yorkshire Building Society (trading as Chelsea Building Society). Chelsea Building Society is operated under its own brand with its own products as a trading name of Yorkshire Building Society. References in these General Terms and Conditions to “you” and “your” are to the account holders. References to “we”, “our”, “us” or “the Chelsea” are to Yorkshire Building Society trading as Chelsea Building Society

1. Terms

These general terms apply to your Offset Plus savings account in addition to the information contained on pages 4 to 12 of this booklet.

2. Rules

As you will be a member of Yorkshire Building Society, the Society's rules will apply to you. A copy of the current Rules is available on request. Further information about membership can be found in our leaflet entitled 'your Society' which is also available on request.

3. Transactions and Clearance Periods

- a) Transactions such as withdrawals, deposits and

automated payments (such as Standing Orders and Direct Debits) can be made to or from your account where a product term permits. You will need sufficient cleared funds in your account(s) to carry out any transactions.

- b) All payments into and withdrawals from your account must be in Sterling.
- c) Withdrawals and deposits by cheque are subject to the following:
 - i) The central clearing cycle for cheques is normally three working days (working days exclude Saturdays, Sundays and Bank Holidays). As we are not a clearing bank, we will normally treat cheques as cleared on the fifth working day following the day of receipt. Cheques paid in on a non-working day will be treated as received on the next working day.

Cheque Clearance Timescales

The Customer Promise was introduced in November 2007 by APACS (now UK Payments Administration) setting maximum cheque clearance timescales for deposits into current and savings accounts. The promise provides clarity as to when:

- Withdrawals are allowed, and
- Bounced cheques cannot be reclaimed from an account without the customer's consent (unless the payee is a knowing party to fraud).

The cheque clearance timescales applicable to CBS savings accounts are as follows:



- Cheque paid in
- Funds start being used to offset the mortgage balance
- First day withdrawals can be made against the cheque deposit (even though the cheque could still bounce)
- Funds cannot be reclaimed from the customer's account (unless the payee is a knowing party to fraud)

Please note cheques paid in on non-working days will be treated as received on the next working day (working days exclude Saturdays, Sundays and Bank Holidays).

- ii) We will not regard a cheque drawn on a bank with an address outside the UK as cleared until we have received the cleared funds for your credit. This means that you may not be able to withdraw against such a cheque for a period which is longer than in general term 3. c) (i) above and which may be up to 25 working days from the date of receipt of the cheque.
 - iii) If a cheque is returned unpaid before the end of the sixth working day following the day of receipt, we will debit your account with the amount of the cheque even if we have allowed withdrawals against it. A cheque that has been returned unpaid after the sixth working day following the day of receipt will not be debited to your account without your consent unless we reasonably believe that the payee is a knowing party to fraud.
 - iv) We can only stop a cheque if you report it lost or stolen. If you request a replacement cheque, it will be issued with exactly the same details as the original cheque. If you want to cancel a cheque made payable to someone else and you do not want a replacement, you must provide us with the cheque itself or the written consent of the payee.
 - v) If a product term requires that you give us notice of a withdrawal, that notice will lapse (i.e. cease to have any effect) on the seventh day after the date on which the notice expires.
- d) Automated payment transactions are subject to the following:
 - i) When you make payments from your account to another UK bank or building society account we will use the Faster Payment Service if the payment is within the Faster Payment limits (please see our 'Charges and Fees Information' leaflet for the limits applicable).
 - ii) Payments sent through the Faster Payments Service will reach the destination sort code by the end of the next working day following receipt of your instructions and in accordance with table 1 of this general term 3.
 - iii) If the payment exceeds the Faster Payment limits or the destination sort code does not accept payments through the Faster Payment Service, then the payment can either be sent by CHAPS which will incur a fee (please see our 'Charges and Fees Information' leaflet for the fee applicable) or by cheque.
 - iv) When payments are made to your account through the Faster Payment Service these will be treated as cleared on the day we receive them and will normally be updated to the account within 2 hours of the receipt of the payment in our bank account. Please refer to table 2 of this general term 3.
 - v) Automated payments through BACS will be treated as cleared on the day we receive them. A payment through BACS will normally take 3 working days to arrive in your account. Working days excludes Saturdays, Sundays and Bank Holidays.
 - vi) Payments by debit card (where

this method is available to you) will be treated as cleared on the second working day following the day we receive them.

- vii) If you have set up a Direct Debit or Standing Order which cannot be paid because there is not enough money in your account a charge will be made. For details of our charges please see 'Charges and Fees Information' leaflet which you receive with these general terms or you can obtain a copy from any branch or by calling 0845 744 6622 or by downloading it from our website.
- e) Cash Transactions are subject to the following:
 - i) Cash paid in over the counter at branch will be credited to your account immediately.
 - ii) Cash deposits made into one of our ATM machines will be treated as cleared no later than the next working day.
 - iii) Cash withdrawals over the counter at a branch will be debited from your account immediately.
 - iv) Cash withdrawals from an ATM machine will be debited from your account immediately.

Table 1: Outgoing Payments

Payment method	Latest time for you making request to us	Date debited from your account	Date available to payee
CHAPS	12 noon Monday - Friday	Date we receive your request - provided this is within timescales in previous column	Working day 1
Faster payments via branches (from 1 Jan 2012)	5pm Monday - Friday 12 noon Saturday	As above	Day after we have processed a payment
Faster payments via website (from 1 Jan 2012)	8pm	As above	Day after we have processed a payment
Cash (incl Cash Transactor)	Immediate withdrawals up to 5pm in branches, withdrawals available 24 hrs/ 7 days at ATMS	As above	N/A
Internal transfers between CBS accounts - via branches	5pm Monday - Friday 12 noon Saturday	As above	Date your request is processed
Internal transfers between CBS accounts - via CBS website	8pm	As above	Immediately
Standing order (until 31 Dec 2012)	5pm Monday - Friday	As above	Working day 4
Standing order (from 1 Jan 2012)	5pm Monday - Friday	As above	Same day as payment debited. Exc weekend and Bank Holidays

The table below sets out the timescales applying when making cash deposits or receiving automated payments including when the money will be available to you

Table 2: Incoming Payments

Receipt method	Latest time for receipt of payment	Date credited to your account	When you can withdraw the funds
CHAPS	Up to 5pm on day of receipt	Date received at our bank	Immediately
Foreign Transfer	Up to 5pm on day of receipt	Date received at our bank	Immediately
BACS	By 9am on day of receipt	Date received at our bank	Immediately
Faster Payments	Up to 1 hour after receiving Faster Payment Files at approx 9am, 1pm and 7.30pm Monday - Friday	Date received at our bank	Immediately
Cash Deposit	Immediately on receipt	Receipt date	Immediately
Internal transfers between CBS accounts - via branches	5pm Monday - Friday 12 noon Saturday	Date your request is processed	Immediately (subject to terms and conditions of account)
Internal transfers between CBS accounts - via CBS website	Available 24 hours / 7 days	Date your request is processed	Immediately (subject to terms and conditions of account)
Debit card payments - via CBS website	Available 24 hours / 7 days	Date your request is processed	Working day 2

4. Restrictions on Transactions

- a) We can restrict at any time the amount which can be withdrawn from an account if:
- i) we reasonably believe that there may be fraud or some other unlawful activity affecting the account;
 - ii) we are required to do so by law, our regulator or order of the court;
 - iii) there is a dispute (which we reasonably believe may be genuine) about the ownership of, or entitlement to, the money in the account;
 - iv) circumstances beyond our reasonable control prevent us from offering a normal service (such as an act or threat of terrorism, computer failure or industrial action); or
 - v) circumstances exist which lead us reasonably to believe our financial stability may be at risk (such as actual or potential abnormal levels of withdrawals).

In the case of (iv) and (v):

- We will respond proportionately to the circumstances in question;
- We will take all reasonable steps to ensure that the restrictions are lifted as soon as practicable so that the inconvenience to you is minimised;
- We will take into account the interests of our membership as a whole;
- We will, if practicable, give advance notice; and
- We may consider exceptions to the restrictions if we are reasonably satisfied that substantial hardship would otherwise be caused.

- b) We can refuse to carry out a transaction you have requested for the reasons stated at general term 4.a) i) – v) above and also where:
- i) there is not enough money in your account to cover the transaction; or
 - ii) you have not provided us with the correct information, or have given us insufficient information to carry out your request.
- c) We will tell you (where possible) if we refuse to carry out a transaction in accordance with general term 4.b) above and give you the reasons at the earliest opportunity and in any event no later than the end of the third working day following receipt of your payment request. However we do not have to tell you at all if it would be unlawful for us to do so.
- d) We may charge you our reasonable costs incurred in informing you of our refusal under general term 4.b).
- e) We can suspend the operation of your account if we are informed of, or become aware of:
- i) a dispute regarding the ownership of the money in your account; or
 - ii) any fraud or some other unlawful activity affecting the account.

Where we do this, you will be unable to make any withdrawals from, or pay any money into, your account until we are reasonably satisfied that there is no longer any fraud or other unlawful activity affecting the account or that any dispute has been resolved (as the case may be).

- f) We have security controls in place which may prevent us from

carrying out transactions such as larger withdrawals or transfers from your account to another. If we prevent a transaction in these circumstances then we will inform you of this.

5. Carrying out automated payment transactions – your responsibilities

- a) Before asking us to set up an automated payment transaction, you must provide us with your account number and any other information we may reasonably require in order to carry out the transaction for you including (but not limited to) the payee's name, the account number and sort code.
- b) You must complete the request or authority for a payment transaction in the form we reasonably require depending on the type of transaction which you are requesting.
- c) Please refer to Table 1 at general term 3 for the latest times by which we must receive requests for automated payments, and the maximum time it will take for the transaction to be executed and when the payment will be available to the payee.

6. Carrying out automated payment transactions – our responsibilities

- a) When you ask us to make an automated payment and provide us with the correct information, we are responsible for it being made correctly.
- b) If a payment is made incorrectly and we can prove to you (or the payee's bank, as appropriate) that the payment was received by the payee's account provider, then the payee's account provider is responsible for

ensuring that the payment is available to the payee.

- c) If we cannot prove that the payee's account provider has received the payment, then we will without undue delay refund to you the amount of the incorrect payment and, where applicable, restore your account to the position it would have been in had the error not taken place.
- d) In no circumstances will we be responsible if you provide incorrect information when asking us to make a payment. In such circumstances we will make reasonable efforts to trace the payment but we may ask you to pay our reasonable costs for doing so.

7. Cancelling a payment transaction

- a) If you have authorised us to carry out a payment transaction, and we have accepted your request, we cannot cancel it.
- b) If you have authorised us to carry out a payment transaction for a date in the future, we will cancel it provided you tell us by the end of the last working day before the day on which the payment is due to be made.
- c) In the case of a Direct Debit, we will not cancel a payment after the end of the working day immediately before the day the payment is due to be debited from your account. Otherwise we will make all reasonable efforts to cancel the payment but cannot guarantee this. In such circumstances we may also charge you our reasonable costs in this connection.

8. Unauthorised transactions

- a) If you become aware that a payment transaction on your

account has been carried out which is either unauthorised or has not been paid correctly, you must tell us without delay by contacting your local branch or by telephoning us on 0845 744 6622 so that we can investigate the transaction in question. Once you have told us, we will as soon as reasonably possible try and recover the payment and let you know the outcome.

- b) If, after we have made reasonable enquiries, we are reasonably satisfied that you have not authorised the transaction, we will refund the amount of the unauthorised payment and restore your account to the position it would have been in had the unauthorised payment not taken place.
- c) Please note that we will not be obliged to investigate any unauthorised transaction under this general term 8 or make any refund, unless you tell us within 13 months of the day on which the transaction is stated to have taken place.
- d) Where you have authorised a Direct Debit:
 - i) which did not specify the exact amount of the payment; or
 - ii) the amount of the payment exceeds the amount you have reasonably expected to pay (taking into account your previous spending pattern, these Terms and circumstances of the case); or
 - iii) you request a refund within eight weeks of the payment being debited from your account, and in each of the

above cases

- iv) you provide us with such information as is reasonably necessary for us to check whether the terms of d) i) - iii) above have been satisfied then we will refund to you the full amount of the payment, or give a reason for refusing a refund, within 10 working days of receiving your request for a refund or, where applicable, within 10 working days of receiving further information.
- e) You will not be entitled to a refund under general term 8 d) above where you have given us consent for the specific payment to be carried out and we or the payee gave you specific information about the payment in question at least four weeks before the payment was due.
- f) Please note that for payments by Direct Debit, your refund rights under the Direct Debit Guarantee will continue to apply.

9. Joint Accounts

- a) All terms apply to both of you together and to each of you on your own.
- b) Each of you can be held fully responsible for any liability that you may have.
- c) Because the law relating to building societies requires this, whichever of you is the first named in our records is called the 'representative joint shareholder' for the purposes of membership. Information about membership can be found in our leaflet 'your Society', available on request.
- d) We will accept instructions from, or rely on the signature of either one of you for all purposes

relating to the account. This includes withdrawals, changes to the account, such as to your address or closure of the account. This term applies:

- i) unless agreed otherwise at the time the account is opened, or
- ii) until we are told otherwise by either one of you, or
- iii) unless the provisions of paragraph 9 (e) apply.

In the case of d) i) or ii) the authority of signature of both of you will then be required.

- e) This paragraph applies if we become aware of a dispute between you (e.g. in the event of a relationship breakdown); from that time we may require the authority or the signatures of both of you for any further transactions on the account, including withdrawals and closure.
- f) If one of you dies:
 - i) the survivor should tell us of the death and provide us with proof of death;
 - ii) we will then change the account so that it can be operated by the survivor;
 - iii) the survivor owns the account and only the survivor is able to operate it.
- g) Further information about joint accounts can be found in the leaflet 'You and Your Joint Account' available on request.

10. Changes in Terms

- a) We can change these general terms and any product terms (other than charges which can be changed under general term 13) at any time. Changes may include the removal of, or amendment to, terms or the inclusion of new terms, and may be made if we reasonably

believe that the change is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):

- i) to take account of changes in the products or services we provide or the way we provide them;
 - ii) to enable us to operate and administer your account more efficiently (which includes improving our efficiency such as by taking into account developments in technology);
 - iii) to give extra benefit to savers (including making the terms of accounts easier for you to understand);
 - iv) to correct mistakes if it is reasonable to do so;
 - v) to take account of changes in general banking practice if it is reasonable to do so;
 - vi) to take account of, 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 applicable to the conduct of our business;
 - vii) if you agree;
 - viii) if the change is to your advantage; or
 - ix) to enable us to manage our business (and its growth) prudently.
- b) We will notify you of any such changes (other than in respect of charges) as follows:
 - i) Unless a product term states otherwise, where we wish

to make a change that is to your disadvantage, we will tell you about it at least 30 days before we make the change by letter or other personal notice. You may switch your account to another of our accounts, or close it, at any time if you have an account with instant access or, in all other cases, within 30 days of the date of such a notice, without giving notice or paying any additional charges for doing so.

- ii) Where we wish to make any other change, we may make the change immediately and tell you about it within 30 days either:
 - by putting the change(s) in notices or leaflets in our branches; or
 - by placing advertisements in national newspapers of our choice; or
 - by letter or other personal notice.
- c) If there have been significant changes in any one year, we will give or send you a copy of the new terms or a summary of the changes.

11. Interest of Other Persons

We do not have to recognise the interest or claim of any person other than the account holder in respect of money held in any account, nor will we be liable in any way for failing to recognise such interest or claim, except as required by law.

12. Right to Close the Account

- a) Subject to general term 4, you can close your account at any time without giving any reason and without notice or charge.
- b) We can close an Offset Plus savings account, repay any part

of it immediately or transfer the savings to another instant access account in the same names which allows you to withdraw money at any of our branches throughout the UK (this will not be an Offset savings account) if:

- i) the borrower's Offset mortgage loan to which it is linked has been paid off and the legal charge on the property which is security for the loan has been discharged, or
- ii) the loan is transferred to another of our mortgage products which does not include the Offset feature, or
- iii) the only Offset savings account is held by a saver who is not also a borrower under an Offset mortgage to which the account is linked, or
- iv) there is a change in law, HM Revenue & Customs practice or interpretation or a decision or recommendation of a regulator, ombudsman or similar person as a result of which we are required to deduct or account for income tax in respect of any savings in an Offset Plus savings account.

- c) We can also close an Offset Plus savings account or repay any part of it at any time without giving any reason. Under normal circumstances we will give you at least 30 days' notice. If there are exceptional circumstances, for example, fraud or other unlawful activity or threatening or abusive behaviour, we may close your account immediately.

13. Charges

- a) We may make charges for opening and administering your

account and for services provided in connection with it and deduct those charges from the balance in your account. Details of our charges are contained in our 'Charges and Fees Information' leaflet which is available on request from any branch or by calling 0845 744 6622. We will tell you about a charge which affects a particular product or service before we provide you with the product or service, before you use it or at any other time you ask.

- b) We can change the charges we make and introduce new charges at any time if it is to your advantage (for example to reduce or remove a charge) or if we reasonably believe that this is necessary for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):
- i) to take account of, in a proportionate manner, changes in the expenses we reasonably incur (including our reasonable management and administrative costs) in respect of the particular product or service provided to you;
 - ii) to take account of, in a proportionate manner, changes in technology or general practice in the consumer savings industry;
 - iii) to take account of, in a proportionate manner, changes we may reasonably make in the products and services we provide or the activities we carry out;
 - iv) to take account of, 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 applicable to the conduct of our business;
 - v) to enable us to harmonise, in a reasonable manner, the charges being paid by our savers following any acquisition or transfer of deposit or savings accounts or any takeover of, or merger with, another savings provider;
 - vi) to take account of, in a proportionate manner, inflation;
 - vii) to correct mistakes if it is reasonable to do so; or
 - viii) to enable us to manage our business (and its growth) prudently.
- c) Subject to the product terms of your account where we introduce new charges, or increase existing charges for any of the reasons mentioned in general term 13.b), we will tell you about the change (unless it relates to a non-standard charge which we will tell you about on request) not less than 30 days before it takes effect by letter or other personal notice.
- d) A change that abolishes a charge or reduces the amount of an existing charge may be introduced with immediate effect and without notice.

14. Account Documents

- a) An 'account document' means a passbook, certificate, card or similar item that we designate

to be an account document. We will give you an account document, but it will remain our property and must be returned to us to be brought up to date whenever we ask or for such other purposes as we may reasonably require.

- b) You must produce the relevant account document before making a withdrawal or carrying out any other transaction on your account.
- c) You must immediately contact your local branch or call us on 0845 744 6622 if you discover that any account document is missing.
- d) After you have:
 - i) provided such evidence regarding the loss,
 - ii) given any indemnity, and
 - iii) paid any feeas we may reasonably require, we may transfer the amount in the account in our records to a new Offset savings account and afterwards will give you a new account document.
- e) If someone other than you presents your 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 responsible for the amount of any withdrawal made if you have acted fraudulently. You may be similarly responsible if you have acted without reasonable care.

15. Unclaimed Balances

We may close your account if:

- a) you cannot be traced after reasonable enquiry; and
- b) for a period of five years (or three years if the amount in your account is less than £100) no money is paid into, or withdrawn from, your account.

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).

16. Service of Notices

We will assume that you have received any letter or other personal notice 48 hours after we have posted it to you.

17. Our Rights Over Your Money

- a) We may use money in any account you have with us (including any account you hold under the separate brand names of Yorkshire Building Society) to pay any money (whether under a loan, guarantee or otherwise) you owe us which is due for payment but which has not been paid. This would include any money owed to Yorkshire Building Society under any of its brand names. This right is sometimes referred to as "the right of set-off".
- b) We can use this right where you have accounts in your sole name and where you have a joint account.
- c) We will tell you (and any joint account holder) at least 14 days before we use any money in the way explained in general term 17. a) above on the first occasion that we propose to use the right of set-off and (where appropriate) on any subsequent occasion that we intend to use that right.

- d) No interest will be earned on any money used in this way.
- e) Where we have used our right of set-off we will notify you promptly of the date when we used this right and the amount taken from your account.

18. Statements

- a) We do not normally issue statements unless a product term states otherwise. However, passbook account holders can request an annual statement on their account.
- b) Where we do issue statements then it will contain the following information on automated payment transactions:
 - i) the payment amount;
 - ii) the amount of any charges and where applicable, a breakdown of those charges or interest payable by you; and
 - iii) the date on which the payment was debited from, or added to, your account.
- c) If your statement or passbook has an entry that seems to be wrong, you should tell us as soon as possible so that we can resolve the matter by contacting your local branch or by telephoning 0845 744 6622.

19. Governing Law

The terms of the Offset Plus savings account are governed by the laws of the country in the United Kingdom (i.e. England and Wales, Scotland or Northern Ireland) where the property which is security for the mortgage loan to which the account is linked, is situated.

20. General

- a) We will communicate with you in English.

- b) You receive a copy of these terms and conditions when you open your account and you can obtain another copy at any time from any of our branches or by telephoning 0845 744 6622.

21. Charitable Assignment

The wording in paragraphs 1 to 3 below of this general term 21 sets out the agreement you have entered into and which was either set out in the savings application form or explained in the account opening process when you opened your account. The wording in paragraphs

1 to 3 below does not apply if you were a member of Yorkshire Building Society on 8 April 1998 and have remained a member since that date or you became a member after 8 April 1998 and have remained a member and have already signed a declaration the same as or similar to the one in paragraphs 1 to 3 below or are treated as having signed just a declaration as you were a member of Chelsea Building Society immediately before its merger with Yorkshire Building Society and have remained a member since that date. If this is the case then please contact us to advise us of your existing account details by telephoning 0845 744 6622.

- 1) By applying to open an account I agree with Yorkshire Building Society and Yorkshire Building Society Charitable Foundation ("the Foundation") that I will assign to the Foundation (or to any charity(ies) nominated by it but to no other person) the rights to any relevant conversion benefits which are defined below. This obligation will not apply to me or may apply to me

for less than five years if I fall within any class of persons, which, as at today's date, Yorkshire Building Society decides would be inappropriate to be bound by this assignment condition. This agreement is irrevocable and authorises Yorkshire Building Society to give to the Foundation (or to any charity(ies) nominated by it) any such benefits without further notice to me. I understand that neither Yorkshire Building Society nor the Foundation will release me from this agreement or vary its terms and I will continue to be bound by the above condition even if Yorkshire Building Society decides at some time in the future (and announces any such decision by press release) that it is no longer in the best interests of Yorkshire Building Society to continue with the above assignment condition generally in respect of new members.

- 2) "Relevant conversion benefits" means any benefits under the terms of any future transfer of Yorkshire Building Society's business to a company (i.e. on a conversion or take-over) which I might become entitled to as a member or depositor with Yorkshire Building Society at any time within five years immediately following the date on which this account is opened. Relevant conversion benefits does not include the statutory right to have shares in Yorkshire Building Society (including any balances on share accounts) converted into deposits with the company on a conversion or takeover. If

Yorkshire Building Society merges with any other society, after the date of such merger "Yorkshire Building Society" includes such other society.

- 3) I authorise Yorkshire Building Society to pass to the Foundation such information relating to me and all my accounts with Yorkshire Building Society as the Foundation may reasonably require in order to administer this agreement to assign and for no other purpose.

Important information about compensation arrangements

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 £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the **combined** amount in all the eligible depositor's accounts with the building society, including their share of any joint account, and not to each separate account.

Yorkshire Building Society (YBS) also operates under the trading names of Barnsley Building Society (BBS), Chelsea Building Society (CBS), Norwich & Peterborough Building Society (N&P) and Egg. YBS is a participant of the FSCS. Therefore, depositors with any of YBS, BBS, CBS, N&P and Egg have an overall limit of £85,000 under the FSCS. Accord Mortgages Limited is a wholly owned subsidiary of YBS. Accord has offset mortgage products where the customer's deposits are held on behalf of Accord by YBS. Accord offset depositors are therefore covered, along with BBS, CBS, N&P and Egg depositors, by YBS being a participant in the FSCS. There is no additional protection for depositors with Accord Mortgages Limited.

As of 31 December 2010 new FSCS rules were introduced meaning any compensation due will be paid to customers based on amounts held in their deposit accounts, regardless of the amounts owed to us (for example, a mortgage loan). Customers will therefore be paid out up to £85,000 of their savings and any mortgage balance would remain outstanding. For example, a customer who has a £200,000 mortgage and £200,000 savings balance will therefore be paid out £85,000 for their savings balance and the £200,000 mortgage balance would remain outstanding. This would mean that customers would still have to repay their mortgage loan. It would then be for the Liquidator to decide whether any surplus savings balances would be set-off against any remaining mortgage loan.

For further information about the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website www.FSCS.org.uk or call **0800 678 1100**.

For further information about our participation in the scheme or specific queries on your account please call 0845 744 6622.

Not happy with our service?

If at any time you're not satisfied with the service you've received, please let us know. We have a simple process enabling you to do this, the details of which are in our leaflet 'we're here to help you – our complaints process', which you can obtain at any of our branches or by calling us on 0845 744 6622.

If we cannot come to a resolution to your satisfaction, you may have the right to refer the matter to the Financial Ombudsman Service, of which we are a member.

Contact us

Call us on 0845 744 6622

We're here Monday-Friday 8am-8pm, Saturday 9am-1pm.

Visit www.thechelsea.co.uk

For more information on our products visit our website.

Visit a branch

Call into a local branch and speak to our friendly staff.

Chelsea Building Society and the Chelsea are trading names of Yorkshire Building Society.

Yorkshire Building Society is a member of the Building Societies Association and is authorised and regulated by the Financial Services Authority (FSA registration number 106085).

Yorkshire Building Society Charitable Foundation Registered Office: Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ. A company limited by guarantee. Registered in England No.3545437. Registered Charity No.1069082.

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Principal office: Yorkshire House, Yorkshire Drive, Bradford, BD5 8LJ.

All communications with us may be monitored/recorded to improve the quality of our service and for your protection and security. Charges to 0845 numbers may vary. Prices can be checked with your phone provider. Mobile calls usually cost more.



This leaflet is also available in large print, Braille or as an audio CD. Please ask at any of our branches or telephone us on **0845 744 6622**.

Write to us at:

Chelsea Building Society

Timbercombe House

Charlton Kings Business Park

Cirencester Road, Cheltenham

Gloucestershire GL53 8DZ

Tel: 0845 744 6622

www.thechelsea.co.uk

