

General Mortgage Conditions

Scotland 2013

These general mortgage conditions were presented for registration in the Books of the Lords of Council and Session for preservation on 7th November 2013.

Introduction

A note about reading these general mortgage conditions.

Over the following pages, you'll find the general conditions of your mortgage. This booklet is very important because it forms part of the legal agreement between you and us. Please read through these conditions to make sure you understand them.

At Tesco Bank, we want to make everything as simple as possible and easy to understand, including our terms and conditions. We try to avoid using technical wording or complicated jargon whenever we can. There are some times, however, when we have to say things in a certain way because we need to make sure the correct legal position is set out.

If you don't understand what any terms or conditions mean, you should speak to your legal adviser before you accept any mortgage offer we make to you.

You should keep this booklet in a safe place in case you need to look at it in the future.

How to contact us

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w tescobank.com



minicom 0345 055 0607*

Monday to Friday 8am-9pm,
Saturday 9am-4pm.

*These numbers may be included as part of any inclusive call minutes provided by your phone operator.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

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Throughout this document, we explain terms relating to your mortgage when we first mention them. However, we've also included a separate explanation of some of the key terms in this section. Those key terms are highlighted in bold wherever they appear.

Section A: About your mortgage agreement

References to us and you

1. Any reference to 'we', 'us' and 'our' (and the normal extensions of these terms) in these general mortgage conditions is a reference to Tesco Bank, our successors and anyone who takes over any of our rights, benefits and responsibilities under the agreement.
2. Any reference to 'you', 'your' and 'yourself' (and the normal extensions of these terms) in these general mortgage conditions is a reference to the person(s) named in the mortgage deed. If there is more than one of you, 'you', 'your' and 'yourself' refer to each of you jointly and individually. 'You', 'your' and 'yourself' also mean anyone who takes over any of your rights, benefits and responsibilities under the agreement (such as a guarantor or your executors or their equivalent if the **property** passes to them on your death).

Entering into the agreement

3. The agreement between you and us is made up of these general mortgage conditions and the following:

Item/Document	What is this?	When you'll have seen this
The information you gave us in your mortgage application (for either the initial advance or any additional borrowing)	-	You gave us this when you applied for your mortgage (including any additional borrowing).
Your mortgage offer	Our written offer, plus any covering letter, confirming that we'll give you your mortgage (including any additional borrowing). This offer is, in every case, subject to these general mortgage conditions whether or not it says so.	We sent this to you after you sent us your mortgage application, but before we paid the initial advance or additional borrowing (as appropriate) to you. If you want to make changes to your mortgage , for example to switch to another Tesco Bank mortgage , we may need to send a new mortgage offer, dealing with the change, to you for acceptance. A reference in these general mortgage conditions to 'your mortgage offer' therefore also includes (as appropriate) any new offer of this type.

Entering into the agreement (cont.)

Item/Document	What is this?	When you'll have seen this
Our Tariff of Charges	The document that tells you the fees that may be payable to us in connection with your mortgage . These can change from time to time.	We sent you a copy of our Tariff of Charges with your mortgage offer. We also send you a copy each year with your annual statement. You can ask us to send a copy of our Tariff of Charges to you at any time, or find it on our website.
The mortgage deed	The standard security that you sign to give us security over the property for the money you owe us under the agreement.	You'll have dealt with this with your legal adviser before we paid the initial advance to you. If you want to make changes to your mortgage , for example to add someone to, or remove someone from, your mortgage , we may need you to sign a new mortgage deed to reflect the change. A reference in these general mortgage conditions to 'the mortgage deed' is therefore to the most recent mortgage deed put in place for your mortgage .

4. Wherever we mention:
 - a) The 'agreement' in these general mortgage conditions, we mean these general mortgage conditions and everything listed in the table in Condition 3 above, taken together.
 - b) Any of the documents listed in Condition 3 above (including these general mortgage conditions), we mean the latest version of that document as it may be changed or replaced from time to time in line with the agreement.
5. If there are any differences between these general mortgage conditions and your mortgage offer, then your mortgage offer will take priority.

When does the agreement start?

6. The agreement does not apply to you or us until you've signed the mortgage deed and we've paid the **initial advance** (or, if the **initial advance** is payable in instalments, as set out in your mortgage offer, the first instalment of it) to you (or someone acting for you, like your legal adviser). That means that, until then, you don't have to go ahead with your **mortgage**.
7. We won't pay the **initial advance** (or any **additional borrowing**, if relevant) to you until we are satisfied that you've met all the relevant terms of your mortgage offer.

Joint mortgages

8. If more than one of you are named in the mortgage deed as borrowers, your **mortgage** will be a joint **mortgage** and the following terms will apply:
 - (a) The responsibilities of each person named in the mortgage deed as a borrower will be joint and several. This means that each borrower is individually responsible for keeping to the terms of the agreement, including, for example, making sure that the monthly payments are made. If any borrower breaks the terms of the agreement, we can take action against that borrower or any other borrower for any losses we may suffer as a result;
 - (b) Each borrower must read the agreement carefully, as it applies equally to each borrower;
 - (c) We may tell any borrower about your **mortgage** and any transactions related to your **mortgage** (including any change you ask for, such as a change to your **preferred payment date**) arranged through us;
 - (d) Any borrower may give us instructions separately from the other(s). This means that any borrower may ask for changes to your **mortgage** without the permission of the other(s). We do not have to ask about the reason for any transaction or instruction or confirm the instruction with the other borrower(s). However, we won't accept an application for **additional borrowing** or an application from one of the borrowers to transfer any ownership of, rights in or other interest in the **property** or part of the **property** without first getting the permission of the other borrower(s) at the time;
 - (e) If any joint borrower dies, we may treat the survivor(s) as having to meet all the responsibilities of the borrower(s) under the agreement. Unless the administration of the estate of the borrower who has died needs us to do something different, we may change the joint **mortgage** to a **mortgage** in the name of the surviving borrower(s); and
 - (f) If all the borrowers share the same address, a notice we send to one of the borrowers will count as a notice to all the borrowers. We'll send correspondence relating to your **mortgage** and the agreement to the correspondence address we hold for you. If you are joint borrowers with different addresses, we'll send a separate notice to each different address.

Which law applies?

9. The agreement is governed by the laws of Scotland. The Scottish courts will deal with any claim, dispute or difference arising from the agreement, except that we may enforce any court order against you in any country where you live.

Section B: Your interest rate explained

Interest

1. We'll charge interest on:
 - (a) The **capital**; and
 - (b) Any interest you owe but have not paid on time (whether or not added to the **capital**);each day at the interest rate(s) set out in your mortgage offer, as varied from time to time in line with the agreement.
For each period covered by a monthly payment, the daily interest rate is calculated by reference to the number of days in that period.
2. For the purposes of calculating interest, we won't add any money you owe (including **fees** and **expenses**) to the **capital**, except any interest you owe but have not paid by the time your next monthly payment is due, without your agreement beforehand.
3. We'll agree in advance the day on which we'll pay the **initial advance** (or first instalment of it, if relevant) to you or someone acting for you, like your legal adviser. This is the day we'll start charging you interest.
4. Unless the agreement says otherwise, we'll add the interest to your **mortgage** on your **preferred payment date**.
5. We'll charge interest up to and including the date you pay off your **mortgage** in full.
6. Interest will build up both before and after any court judgment or decree awarded in our favour.

Variable rate mortgages

7. For variable rate **mortgages**, the amount of interest payable, and therefore your monthly payments, will go up and down from time to time. Your mortgage offer tells you whether the interest rate applying to your **mortgage** is variable.
8. We may reduce any variable rate we set at any time.
9. We may increase any variable rate we set for any of the following reasons:
 - (a) To reflect a change to the **base rate**;
 - (b) To reflect a change in the value of our **security** because of the way in which the **property** is used;
 - (c) If you move out of the **property**, let it, or grant anyone rights in it or allow anyone to get rights in it. Any increase under this condition does not mean that we agree that you can let the **property** or grant or allow anyone to get rights in it;
 - (d) To reflect a change in the law, regulatory requirements or any relevant code of conduct or practice;
 - (e) If the cost to us of borrowing funds has increased;
 - (f) If our reasonable administrative costs have increased;
 - (g) Where it is needed to maintain our financial strength in the interests of all our customers; or
 - (h) There are significant changes in the economic environment and we would be acting reasonably in increasing the variable rate in order to address the risks to our business that arise as a result.
10. For a variable rate **mortgage** (including any **mortgage** having a variable initial rate, as dealt with in Conditions 14 to 17 below), we'll give you reasonable written notice of any change to the variable rate applying to your **mortgage**. We'll also let you know, in writing, of any change to your monthly payment resulting from a variable rate change. We'll give you at least ten **business days'** notice of the change to your monthly payments, unless we both agree a shorter period of time.
11. You can look at our website at any time or phone us to find out our standard variable rate of interest.
12. If there is a floor rate that we've told you about in your mortgage offer, the minimum interest rate you'll have to pay will be the floor rate (for so long as the floor rate applies).
13. If there is a capped rate that we've told you about in your mortgage offer, the maximum interest rate you'll have to pay will be the capped rate (for so long as the capped rate applies).

Initial rate mortgages

14. Your mortgage offer will tell you:
- (a) Whether a specific interest rate applies to your **mortgage** (or part of it) when your **mortgage** starts;
 - (b) What that specific interest rate is ('initial rate');
 - (c) For how long the initial rate is to apply ('initial period'); and
 - (d) What interest rate will apply to your **mortgage** at the end of the initial period.
15. The following table explains the various types of initial rate:

Initial rate type	What this means
Fixed rate	Your interest rate stays the same throughout the initial period. We won't change it.
Discounted rate	<p>Throughout the initial period your interest rate will be discounted by a set amount from another agreed variable rate of interest (such as our standard variable rate).</p> <p>We'll tell you in your mortgage offer which variable rate of interest your discount applies to. Your interest rate will change as and when that other agreed variable rate of interest changes unless your mortgage offer says that a floor rate and/or a capped rate applies. In those cases, the floor rate and/or capped rate will override the discounted rate. Unless you have a floor rate and/or a capped rate, the discount in your interest rate will stay the same throughout the initial period.</p>
Tracker rate	<p>Throughout the initial period your interest rate will change to mirror percentage changes in the base rate or other index rate of interest that your interest rate is linked to ('tracker index').</p> <p>We'll tell you in your mortgage offer which interest rate your tracker rate is following.</p> <p>Changes to your interest rate will be made unless your mortgage offer says that a floor rate and/or a capped rate applies, in which case the floor rate and/or capped rate will override the tracker rate.</p> <p>The change to the tracker rate will apply within one calendar month of the official announcement of the change to the tracker index.</p>
Stepped rate	During the initial period, how your interest rate is calculated will change on a periodic basis (for example it may be a series of different discounted rates). Your mortgage offer sets out how and when your interest rate will change.

16. If your mortgage offer says that a combination of two or more initial rates apply during the initial period, each of the relevant conditions applicable to each initial rate described in the table in Condition 15 above will apply separately to that rate.
17. We don't have to change your initial rate (or our standard variable rate) just because the **base rate** has changed, unless your mortgage offer says we do.

Section C: What you have to pay

Paying back your mortgage

1. All the money you owe us under the agreement will stay secured on the **property** by way of the mortgage deed until you have paid it to us in full.
2. You must pay the entire amount you owe us under the agreement:
 - (a) By the last day of the **mortgage term**;
 - (b) If you sell or remortgage the **property**; or
 - (c) If we demand repayment under Section G Condition 5.
3. If you have not paid the entire amount you owe us under the agreement in full by the end of the **mortgage term**, you must then immediately pay us the amount outstanding.
4. If you still owe us any money after the end of the **mortgage term**:
 - (a) Interest will continue to build up on the same interest rate basis as that applying to your **mortgage** just before the end of the **mortgage term**; and
 - (b) You'll still have to pay relevant **fees** and **expenses** in line with Conditions 15 to 20 below.
5. You must pay back any part of your **mortgage** and any other money due under the agreement that is still outstanding when the **property** is sold. You must do this as soon as the sale completes. You must pay back your **mortgage** and any other money due in full whether or not the money from selling the **property** is enough to allow you to do so.
6. When you pay back your **mortgage** in full (either early or at the end of the **mortgage term**) we may charge you a **fee** to administer this. Your mortgage offer will tell you if this applies, and the amount of the **fee**.
7. Payments made to your **mortgage** will be applied in the following order:
 - (a) Firstly, to the outstanding **capital** due at the time in line with the agreement;
 - (b) Next, to interest;
 - (c) Then, to outstanding **fees** and **expenses**.

Monthly payments

8. Monthly payments are due on your **preferred payment date** every month until you pay off your **mortgage** in full. We'll collect the monthly payment by Direct Debit from the United Kingdom personal bank account that you told us to collect it from.
9. The way interest is calculated at the start of your **mortgage** may result in your first monthly payment being more or less than the following monthly payments. Before we take the first monthly payment, we'll send you a letter that will tell you the amount of your first and following monthly payments.
10. You can choose any date between the first and 28th day in each calendar month (including either of these dates) as your **preferred payment date**. If your **preferred payment date** falls on a weekend or a bank holiday, we'll collect the payment on the first **business day** after that date.
11. If you don't make any monthly payment on time, we may charge you a monthly arrears **fee**. You can find details of our **fees** in our Tariff of Charges. This won't affect our other rights under the agreement.
12. You can ask us to change your **preferred payment date** at any time. However, if you give us less than ten calendar days' notice, we won't change your **preferred payment date** until after the next monthly payment.
13. You can't ask for a change to your **preferred payment date** that will result in you missing a monthly payment. You should also be aware that:
 - (a) Interest may build up during the time we change your **preferred payment date**; and
 - (b) Depending on the date you ask us to treat as your new **preferred payment date**, there may be times when you have to make two payments in one calendar month.

Changes to amount of monthly payment

14. We may change the amount of your monthly payment in the following circumstances by giving you at least ten **business days'** written notice of the change, unless we both agree a shorter period of time:
 - (a) If there is a change in the interest rate or a relevant tracker index (see Section B above);
 - (b) To cover any **fees** or **expenses** we reasonably have to pay, and any interest on those **fees** and **expenses**;
 - (c) To reflect any changes agreed between you and us in the number or amount of monthly payments to be made under the agreement (for example if you take a payment holiday or make an overpayment);
 - (d) If you take any **additional borrowing** or you pay back part of your **mortgage** early;
 - (e) If, acting reasonably, we have put in place, changed or cancelled any arrangement allowing you to delay paying back your **mortgage** or any other amount you owe us; or
 - (f) If we need to take reasonable action to deal with any other matter to make sure that all or part of your **mortgage** is repaid by the end of the **mortgage term**.

Fees and expenses

15. We may charge a non-refundable booking **fee** to reserve your **mortgage** funds and chosen interest rate. We'll tell you the amount of the booking **fee** in an **illustration**, before you have to pay it.
16. Subject to our approval of your mortgage application, we may charge a product **fee** for setting up a **mortgage** for you. We'll tell you the amount of the product **fee** in an **illustration**, before you have to pay it.
17. You can ask us to add the product **fee** to the **capital**. We'll agree to this as long as it doesn't mean that your **mortgage** won't meet our lending policy requirements at the time. If you do add the product **fee** to the **capital**, we'll charge interest on it in line with Section B Condition 1, which is likely to cost you more than if you paid it separately.
18. You must pay all reasonable **property** valuation and other **fees** that we've told you about in your mortgage offer, where applicable, before we pay the **initial advance** or any **additional borrowing**. Some of these **fees** are payable whether or not you decide to go ahead with your **mortgage** (or, as appropriate, any **additional borrowing** part of it). Your mortgage offer will tell you what these are.
19. We may charge other **fees** in relation to your **mortgage** and for services we make available to you, including if you fail to keep to the agreement. Details of these are in our Tariff of Charges. We'll tell you the charge for any additional service we may provide to you that is not already in our Tariff of Charges before we provide that service and whenever you ask.
20. You must pay any **fees** and any **expenses**, taxes, liabilities and legal and other costs reasonably incurred by us under the agreement, including any applicable VAT on all those amounts.

Overpayments, one-off capital repayment and early repayment charges

21. Unless your mortgage offer says otherwise, you may pay back all or part of your **mortgage** early. You can do this with regular overpayments or by a one-off **capital** repayment.
22. We'll use any regular overpayments or one-off **capital** repayment to reduce your outstanding **capital**. The reduced **capital** will be used for the purposes of calculating interest from that date.
23. If you make a one-off **capital** repayment of part of your **mortgage**, we'll recalculate your monthly payment. The **mortgage term** will not change, but your monthly payment should reduce.
You can ask us instead to keep the amount you pay each month the same, which may allow you to pay back all of your **mortgage** early. We would treat this as you making regular overpayments from the date of the recalculation. The amount of each regular overpayment would at first be the difference between the previous monthly payment and the recalculated monthly payment. This amount may change in the future as your monthly payment changes, for example if your interest rate changes (in which case Condition 26 below will apply).
24. You may make a one-off **capital** repayment (subject to any authorisation limits) by debit card, cheque or by electronic funds transfer.
25. If you want to make a regular overpayment, you need to ask us to change your Direct Debit any time up to ten calendar days before your **preferred payment date**. If you give us less than ten calendar days' notice, we won't change the Direct Debit amount until after the next monthly payment.
26. If, while you're making regular overpayments, your interest rate changes, we'll change the amount of your regular overpayment so that you continue to pay the same amount of money in total to us each month. In other words, if your monthly payment increases as a result of the interest rate change, we'll reduce the amount of your regular overpayment (even to zero if the monthly payment increase is greater than the amount of your regular overpayment); if your monthly payment decreases, we'll increase the amount of your regular overpayment. We'll write to you about this change before we make it. You can ask us at that time to deal with your regular overpayments in a different way.
27. Depending on the amount that is repaid early, you may need to pay us an early repayment charge. Your mortgage offer tells you if your **mortgage** has an early repayment charge and the circumstances when you would need to pay it.
28. If you make a one-off **capital** repayment of part of your **mortgage**, a minimum and/or maximum **capital** repayment limit may apply. This is detailed in your mortgage offer.
29. If you don't keep to the agreement and, as a result, we have to sell the **property** (after repossessing it) in line with Section G, you must pay any applicable early repayment charge if we ask you to.
30. If you want to pay back all of your **mortgage** early, you should firstly contact us to find out how much you'll need to pay on the date you choose for early repayment.

Payment holidays

31. A payment holiday, if agreed with us, allows you to miss a monthly payment.
32. If you want to take a payment holiday, you need to contact us at least ten calendar days before the date of the monthly payment you want to miss.
33. You may also only take a payment holiday if our lending policy at the time allows it, but in particular if:
 - (a) You have had your **mortgage** for at least six months;
 - (b) You have made all payments due in line with the agreement in the previous six months;
 - (c) There will be at least three years left until the end of the **mortgage term** after the payment holiday;
 - (d) The payment holiday won't result in the maximum **loan to value** for your **mortgage** being exceeded; and
 - (e) The payment holiday won't result in the amount you owe us under your **mortgage** being more than what we had previously agreed to lend to you.
34. You may take up to two payment holidays in any consecutive twelve-month period, but not more than six payment holidays throughout the **mortgage term**.
35. Even if you take a payment holiday, you'll still need to pay the whole of your **mortgage** back by the end of the **mortgage term**. As a result, interest will continue to build up regardless of any payment holiday you may take and will be added to the **capital** outstanding after the payment holiday. Your monthly payment may increase as a result. By taking a payment holiday, you'll be treated as having agreed to this.
36. After the payment holiday, and before your next monthly payment is due, we'll write to you to tell you the amount of your new monthly payment.

Section D: What you have to do

Your main responsibilities under the agreement

1. You must make, on time and in full, all payments owed to us under the agreement.
2. You must live in and use the **property** as your main residence. This means that, if you own more than one home, the **property** must be the home where you spend the most time.
3. You must look after the **property**. This means putting it and keeping it in good repair and meeting all responsibilities that apply to it. You must not neglect or damage the **property** or do anything else to reduce its value.
4. You must not make any structural or significant alterations to the **property** unless you have our written agreement beforehand.
5. You must not use any part of the **property** for any commercial purpose.
6. You must not grant any person rights or allow any person to get rights over the **property**, create another mortgage over the **property** or let or give up possession of the **property** or any part of it without our written agreement beforehand. This will include granting or agreeing to grant a lease or tenancy of all or any part of the **property** unless you have our written agreement beforehand. If you do this without our written agreement, we may (in line with Section G Condition 5) demand that you immediately pay back the unpaid balance of your **mortgage**, or we may increase the interest rate applying to your **mortgage** to reflect the increased lending risk for us. We may also charge you a **fee**, which will be detailed in our Tariff of Charges.
7. You must make sure that any and all rent, rates, taxes or other bills that are due for the **property** are paid, even if you are not personally responsible for paying them. You agree that, if you fail to make sure that these payments are made, we may pay them on your behalf and you'll be responsible for paying them back to us. We may also charge you a **fee** if we have to do this, which will be detailed in our Tariff of Charges.
8. You must keep to any restrictions mentioned in the **property's** title deeds, lease and any planning laws, bye-laws and building regulations that apply to the **property** (such as restrictions or regulations that limit what the **property** may be used for, or that limit the changes or alterations that you can make to the **property**).
9. You must let us know of any new or increased interest you may get in the **property**. If we ask for one, you must enter into a new mortgage deed that covers that new or increased interest in the **property**. For example, if you purchase additional land next to the **property** that you intend to merge with the **property**, we may ask you to enter into a new mortgage deed that gives us **security** over the new land also. We'll only ask you to do this if it is reasonably needed to protect our interests.
10. You must immediately give us a copy of any notice or demand (such as a compulsory purchase order) that you receive from anyone in relation to the **property**. If you receive any compensation arising from any notice or demand you receive, you must pay this compensation to us and we'll use it to reduce the outstanding **capital**. Until it is paid over to us, you must hold on trust for us any compensation money you receive. If in doubt as to whether you should notify us of any notice or demand received in relation to the **property**, you should contact us.
11. You must promptly give us any satisfactory written evidence of your income and outgoings that we may ask for to allow us to assess your ability to make your monthly payments at any time during the **mortgage term**. This may include details of your future pension arrangements.

Make sure you insure the property

12. Until you have paid us all the money you owe us under the agreement, you must take out and maintain at your own cost an adequate insurance policy to cover loss and damage to the **property** and its fixtures. This must be a comprehensive policy of insurance that:
 - (a) Is with an insurance company that we reasonably consider to be reputable, and covers full rebuilding and replacement costs (that is the full cost of rebuilding the **property**, including all professional fees and the cost of meeting planning and local authority requirements);
 - (b) Covers fire, subsidence, landslip, flooding, heave, aircraft, explosion, storm and any other risks as we may from time to time reasonably ask for; and
 - (c) Has an excess that is reasonable and in any event not more than £1,000 for claims for subsidence, landslip, flooding or heave.
13. This insurance policy must be in force:
 - (a) If you are buying the **property**, on the date of entry; or
 - (b) If you are remortgaging the **property**, before the remortgage completes.
14. You must pay all of your insurance premiums on time. You must show us the policy and receipts for your premium payments if we ask to see them. We'll take action against you for any loss we may suffer arising from you failing to insure the **property** in line with our requirements. If we ask you to, you must have our interest noted on the insurance policy.
15. You must immediately tell us about any damage to the **property** that may give rise to a claim under the insurance policy.
16. You must not do anything that could make it materially more difficult or expensive to keep the **property** insured or that could make the insurance invalid.
17. All money that becomes payable under the insurance policy must be used at your option either to reinstate the **property** or to pay off or reduce your **mortgage**.
18. If the **property** is leasehold and its lease makes someone else legally responsible for arranging buildings insurance for the **property**, you do not have to arrange your own separate cover. However, the insurance policy must meet the requirements for insurance set out in Conditions 12 and 13 above. You are responsible for making sure that the insurance is adequate and that the policy mentions your rights (and ours, if we ask for that). If we ask you to, you must show us a copy of the policy and proof that the premiums are up to date.
19. We, acting on your behalf and without telling you beforehand, may settle all insurance claims relating to the **property** on reasonable terms.

Additional conditions that apply to leasehold properties

20. If the **property** is leasehold, then you must make sure that the following conditions are met:
- (a) The term left to run on the lease must be at least 30 years at the end of the **mortgage term**;
 - (b) The lease must not contain a clause that says you must give up the lease if you become **bankrupt**;
 - (c) You or your landlord must not have breached any of your respective responsibilities under the lease;
 - (d) There must be no restriction on transferring the **property** or the lease. If you need your landlord's permission to transfer, he or she must not be able to withhold unreasonably his or her permission;
 - (e) There must be adequate arrangements in the lease for maintaining and repairing the **property** or any land or building that includes the **property** (including clauses for enforcing responsibilities and for recovering financial contributions from each leaseholder);
 - (f) All necessary rights of way connected with access, support and maintenance must be granted; and
 - (g) The lease is or would be a head lease and not a sub-lease.
21. You must get our written agreement before you:
- (a) Give up the lease;
 - (b) Agree to change the terms of the lease;
 - (c) Buy the **property** or any land or building that includes the **property**; or
 - (d) Extend the lease.

We won't unreasonably refuse to agree to any of these.

Section E: Changes we may make to the agreement

Changes to these general mortgage conditions

1. We may change these general mortgage conditions from time to time for the following reasons:
 - (a) To make them easier to understand or fairer to you;
 - (b) To take account of improvements in services or technology, or of changes in the general practice of banks and other businesses operating in the residential mortgage market offering mortgage products that are similar to ours;
 - (c) We need to take action to comply with any changes or proposed changes in the law, taxation, regulations, codes of practice or court or ombudsman decisions;
 - (d) We need to put right any mistakes or omissions that might be discovered; or
 - (e) You agree.

Changes to fees, expenses and our Tariff of Charges

2. We may change the amount of **fees** and **expenses** and our Tariff of Charges, and apply new and different **fees** and **expenses** in connection with your **mortgage** and for services we make available to you, for the following reasons:
 - (a) To reflect changes in the costs that we reasonably have to pay in relation to our mortgage business;
 - (b) To reflect changes that we may reasonably make in the services we provide, or to provide new services;
 - (c) To reflect changes in the general practice of banks and other businesses operating in the residential mortgage market offering mortgage products that are similar to ours;
 - (d) Where it is needed to maintain our financial strength in the interests of all our customers;
 - (e) We need to take action to comply with any changes or proposed changes in the law, taxation, regulations, codes of practice or court or ombudsman decisions; or
 - (f) You agree.
3. Where we make a change to comply with a legal or regulatory requirement or code of practice, the change will reflect fairly the proportion of the cost of compliance on our business, as reasonably estimated by us. Other changes will respond proportionately to changes in our costs.
4. We'll tell you, in writing, at least 30 calendar days before any change to the terms of the agreement (including our Tariff of Charges) takes effect. If any applicable law or regulation demands that the change takes effect earlier than 30 calendar days, we'll give you as much notice as reasonably possible.
5. Changes to the interest rate applying to your **mortgage** or any part of your **mortgage** are dealt with in Section B and won't be treated as a change to the terms of the agreement or changes to **fees** and **expenses** for the purposes of this Section E.

Ability to transfer the agreement (including your mortgage) to another person

6. Unless the agreement says otherwise, you must not transfer the agreement (including your **mortgage** and the **security** created by the mortgage deed) to anyone else.
7. We may sell and transfer all or part of our rights, benefits and responsibilities under the agreement (including your **mortgage** and the **security** created by the mortgage deed) to any other person at any time.
8. We may also grant **security** over our rights and benefits under the agreement (including your **mortgage** and the **security** created by the mortgage deed).
9. You agree that, if and when we agree with another person ('transferee') for it to take over all or part of our rights, benefits and responsibilities under the agreement (but, for a part transfer, only in relation to the part or parts that have been transferred):
 - (a) Your existing and future responsibilities to us under the agreement will stay the same, except that they will become responsibilities to the transferee;
 - (b) Our existing and future responsibilities to you under the agreement will be replaced by equivalent responsibilities of the transferee to you (insofar as allowed by law or regulation); and
 - (c) References in the agreement to 'Tesco Bank', 'we', 'us' and 'our' (and the normal extensions of these terms) will each mean the transferee.
10. If we transfer any of our responsibilities, we'll ensure that the transferee takes on responsibilities towards you that are at least the same as the responsibilities that we have towards you under the agreement. We'll only transfer our responsibilities if we believe that your rights under the agreement won't be affected negatively by that.
11. You agree that we may pass on any information or documents relating to the agreement to:
 - (a) Any transferee or potential transferee; and
 - (b) Any person that provides or may provide funding or financial or other services to us for our lending business; andthat any transferee or potential transferee may pass on any information or documents relating to the agreement to any person providing funding or financial or other services to it in relation to the transfer.

Section F: Changes you may want to make to the agreement

Switching to another Tesco Bank mortgage

1. If we agree beforehand, you may switch all or part of your **mortgage** to another available Tesco Bank **mortgage** product.
2. If we agree that you may switch your **mortgage** to another product, you must pay any **fee** and any early repayment charge that applies.
3. On a switch of all or part of your **mortgage** to a new Tesco Bank **mortgage** product, all terms and conditions relating to that new product at the time will apply to what has switched. The amount of your monthly payments may change to reflect the interest rate and other terms that apply to your new **mortgage** product.

Borrowing more money

4. If our lending policy or practice in place at the time allows this for the type of **mortgage** you have, you may apply for **additional borrowing**. You can do this any time after six months (or any other period of time set out in our lending policy at the time) have passed since we paid the **initial advance** to you.
5. Please be aware that we may change our lending policy or practice from time to time, and this could affect our agreement to a future application by you for **additional borrowing**. For example, the maximum **loan to value** set out in our lending policy could be reduced, meaning that the amount of **additional borrowing** that we are prepared to agree to may be smaller than it might have been if that change had not been made.
6. To allow us to assess whether you can afford any **additional borrowing** you may apply for, we may consider your application as if it were an application for a new **mortgage** for the total of the amount of the outstanding balance of your current **mortgage** plus the **additional borrowing**. We'll carry out a credit assessment based on this total amount and our lending policy at the time.
7. You can't borrow less than the minimum borrowing amount or more than the maximum borrowing amount that applies to your particular type of **mortgage** product at the time. You can find details of these on our website. We can change these amounts as we see fit.
8. If we allow any **additional borrowing**, then that **additional borrowing** will be treated for payment purposes as a separate advance to the **initial advance**, and different interest rates and other terms, such as the payment of a product **fee**, may apply (although the date by which we agree you'll pay the **additional borrowing** back to us mustn't be after the end of the **mortgage term** applying at the time). We'll notify you of these different rates and other terms in an **illustration**, before you have to accept any offer of **additional borrowing** we make to you.

What happens if you want to sell part of the property

9. We may allow you to sell part of the **property**. If we decide to do this, we'll first value the **property**, which we may charge you for. We won't allow you to sell any part of the **property** if we consider that this would harm our **security**. If we do agree, we'll release the part of the **property** you wish to sell from your **mortgage**.
10. You must pay any **fee** we may charge if we do allow you to sell part of the **property**. Our Tariff of Charges will tell you what **fee** may apply.

What happens if you want to move house and keep your mortgage

11. During the **mortgage term**, if your mortgage offer says that your **mortgage** is 'portable', you may transfer your **mortgage** (or, if appropriate, any part of your **mortgage** that is said to be 'portable' in your mortgage offer) to another property you want to buy. You may only do this if:
 - (a) The **mortgage** you want after the transfer would meet our lending policy requirements (including, for example, our maximum **loan to value** requirements as they would apply to the new **property**) in place at the time;
 - (b) You've met your responsibilities under the agreement;
 - (c) You'll continue to meet the requirements for borrowers set out in our lending policy at the time;
 - (d) We're willing to accept the new **property** you want to buy as **security**; and
 - (e) You tell us that you want to transfer before you close your **mortgage** on your current **property**.
12. If the **mortgage** you want after the transfer is for the same amount as your current **mortgage**, then you'll only need to pay a **property valuation fee** as set out in our Tariff of Charges. An early repayment charge won't apply.
13. If the **mortgage** you want after the transfer is for less than the amount of your current **mortgage**, you'll have to pay a **property valuation fee** as set out in our Tariff of Charges and you may also have to pay an early repayment charge in line with Section C Condition 27.
14. If the **mortgage** you want after the transfer is for more than the amount of your current **mortgage**, the extra money you need to borrow will be treated as **additional borrowing**. This means that you'll have to pay a **property valuation fee** as set out in our Tariff of Charges, and any **fee** that applies to the **additional borrowing** as set out in the **illustration** sent to you in line with Condition 8 above.
15. We may allow you to transfer your **mortgage** even if, at the time you ask us to do this, you don't have a new **property** to move to, or the date you are due to move into your new **property** is after the date on which you are due to sell your current **property**. In both of these situations, as well as all of the conditions set out in Condition 11 above having to be met, you'll need to pay us any early repayment charge that applies when you sell your current **property**. However we'll refund this amount to you, provided the date of completion of the purchase of your new **property** is within 90 calendar days of closing your **mortgage** on your current **property**.

What happens if you want to add someone to or remove someone from your mortgage

16. If you want to add someone to your **mortgage**, you must get our written agreement beforehand. We may reasonably refuse to agree to this. In order to decide whether we'll agree, we'll consider whether or not the person you want to add to your **mortgage** is suitable and meets the requirements for borrowers set out in our lending policy at the time. We'll need all borrowers at the time to agree to the request too.
17. If and when someone is added to your **mortgage**, that person will become a borrower and the terms set out in Section A Condition 8 will apply.
18. If you want to remove someone from your **mortgage**, you must get our written agreement beforehand. We may reasonably refuse to agree to this. In order to decide whether we'll agree, we'll consider whether or not the remaining borrower(s) can continue to meet the requirements for borrowers set out in our lending policy at the time. We'll need all borrowers at the time to agree to the request too.
19. If and when someone is removed from your **mortgage**, the terms set out in Section A Condition 8 will stop applying to the person who has been removed. This will mean that the remaining borrower(s) will be responsible for paying future monthly payments and **fees, expenses** and other amounts owed to us under the agreement (as appropriate) on their own.
20. We may make it a condition of agreeing to your request to add someone to, or remove someone from, your **mortgage** that a new mortgage deed signed by the remaining borrower(s) is put in place.
21. You must pay our related **expenses** or any **fees** we may charge if we do allow any borrower to be added or removed. Our Tariff of Charges will tell you what **fees** may apply.

Section G: What happens if things go wrong

This section tells you:

- what happens if you can't keep up with your mortgage payments, or fail to meet the conditions of the agreement, and the steps we can take. It outlines the legal position for you and us to protect us both.
- about the Financial Ombudsman Service and the Financial Services Compensation Scheme. You may be able to turn to these should you feel that we are failing to meet our responsibilities to you under the agreement.

Are you having financial difficulties?

At Tesco Bank, we understand that sometimes unforeseen things can happen. Please call us to discuss your options if you do experience financial difficulties.

Financial difficulty and missing payments

1. You must let us know as soon as possible if your financial circumstances change, or if you are having difficulty meeting your monthly payments or any other payments that you owe us.
2. You must promptly give us any satisfactory written evidence of your income and outgoings that we may ask for to allow us to assess your ability to make your monthly payments at any time during the **mortgage term**.
3. If you fail to make any monthly payments or if you do not keep to any of your responsibilities under the agreement, we may ask a court for an order so that we can repossess and sell the **property**. If we have to sell the **property**, we'll sell it for the best price we reasonably can in all the circumstances.
4. If you abandon the **property**, you hand over the keys to the **property** to us or we gain a court order to repossess and sell the **property**, and we sell it for less than the amount you owe us, then you must pay us the full amount still outstanding under the agreement and any losses and **expenses** that we have reasonably suffered or had to pay as a result (as long as, where the **property** has been sold, we had obtained the best price for it we reasonably could in all the circumstances).

When we can demand immediate repayment of your mortgage

5. We can demand that you immediately pay back the unpaid balance of your **mortgage**, at any time, if any of the following happens:
 - (a) You have not paid to us money that you should have paid under the agreement that is the same amount as two monthly payments, and you have not:
 - (i) Paid us this money within a reasonable time of us asking you to do so;
 - (ii) Made an arrangement with us for the repayment of this money within a reasonable time of us first contacting you about it; or
 - (iii) Kept to any arrangement made with us for the repayment of this money.
 - (b) You break any of your material responsibilities under the agreement (other than an obligation to pay) and (where it can be fixed) you have not done within a reasonable time what we reasonably ask you to do to fix the breach;
 - (c) You sell or create a further interest (such as a lease or a trust) in the **property** that affects its value or our ability to enforce the mortgage deed in a satisfactory way;
 - (d) The **mortgage term** ends and you still owe us any amount due under the agreement.
 - (e) The **property**, or any significant part of it, is or will be bought under a compulsory purchase order, or is requisitioned or formally identified for compulsory acquisition;
 - (f) Your **mortgage** has been obtained as a result of fraud;
 - (g) You have (or someone on your behalf has) given us wrong or misleading information or did not give information that we asked for when you applied for your **mortgage**, and that information has had or would have had a material effect on our decision to lend or continue to lend to you;
 - (h) The value of the **property** is reduced materially because any substantial building forming part of the **property** has been pulled down or damaged;
 - (i) You become (or anyone guaranteeing your responsibilities under the agreement becomes) **bankrupt** or other insolvency proceedings are brought against you or anyone guaranteeing your responsibilities, or any judgment or court order (that is not dealt with within 14 days) is enforced against you, anyone guaranteeing your responsibilities or the **property**;
 - (j) Any person with a right, claim or interest in the **property** takes legal action to repossess the **property** or to enforce that right, claim or interest in any other way;
 - (k) The mortgage deed is not valid or legally binding for any reason and you have unreasonably failed to help us to put that right;
 - (l) You are a leaseholder and receive a notice to take action to put right a breach of the lease and you fail to do so within the time set out in the notice;
 - (m) You fail to comply with a notice sent to you by us in line with the **Act** calling up the mortgage deed; or
 - (n) You break any term of the mortgage deed or any provision of the **Act**, the Bankruptcy (Scotland) Act 1985 as amended or re-enacted from time to time or any other law relating to bankruptcy.
6. In addition to what Condition 5 above says, we can at any time demand that you pay back the unpaid balance of your **mortgage** (and all other debts, liabilities or commitments that we can treat the mortgage deed as covering) by calling up the mortgage deed in line with the **Act**.

Enforcing our rights – our powers following a demand for immediate repayment

7. If any event set out in Condition 5 above happens and as a result we demand that you immediately pay back the unpaid balance of your **mortgage**, we may use any of the rights, remedies and powers the **Act** or the mortgage deed gives us in any way we reasonably consider appropriate, including to:
 - (a) Repossess and sell the **property**;
 - (b) Meet any obligation imposed by the standard conditions (a summary of which can be found in Section J) that you've failed to meet;
 - (c) Enter the **property** at all reasonable times;
 - (d) Take over the **property** and receive or recover feu duties, ground annuals or the rents of the **property** or any part of it;
 - (e) Where we've taken over the **property**, lease or agree to lease the **property** for any length of time and on any conditions we reasonably consider appropriate;
 - (f) Where we've taken over the **property**, manage and maintain the **property**, including to collect rent;
 - (g) Apply all or any of the rent received from a tenant of the **property** towards the money owed by you;
 - (h) Vary the terms of, or end, review or (so far as the **Act** allows us) accept the surrender of, leases or tenancies over the **property**; and
 - (i) Apply to the court for a decree of foreclosure (that is, a court decree of judgment that fixes the outstanding **mortgage** debt and orders the **property** to be sold to pay off that debt);all in line with the terms of the **Act**.
8. You must repay to us all **expenses** and charges (including any interest charged on them), we reasonably incur in meeting any obligation set out in Condition 7(b) above.

Dealing with other problems

9. If you fail to meet any of your responsibilities under the agreement, we may (but do not have to) take any reasonable steps, at your expense, to put the situation right.
10. If the **property** is subject to a **security** that we haven't agreed to, or someone has an interest in it that may affect our ability to sell the **property** or the value of our **security** (such as a lease), we may buy out that other **security** and that other person's interest. We may do so at any time:
 - (a) After giving you notice to demand that you pay the money that you owe us under the agreement; or
 - (b) As soon as any power under the other **security** or that other person's interest has come into force.
11. We'll let you know of any agreement that we reach with the other person in line with Condition 10 above, and you must keep to that agreement insofar as it applies to you. You must pay back any money we have reasonably spent in reaching that agreement if and when we ask you for it.
12. We or anyone acting for us may at any time enter and inspect the **property** and do any work that we think is needed to put right any failure to keep to the agreement. If we take any such action, it doesn't mean that we have accepted legal responsibilities as if we had repossessed the **property**. Apart from in an emergency, we'll give you at least seven days' notice of our intention to enter the **property**.
13. If any of your belongings are removed from the **property** by us or by anyone acting for us, you must pay us back in full any **expenses** we have to pay in doing so and in storing or selling those belongings (including in relation to any claim any other person may make concerning their dealing with them). If we sell any of your belongings, we may take those **expenses** from the proceeds and pay you what is left.

Appointing an asset manager

14. We may appoint any person (or persons) to act as an asset manager of the **property** should we choose to exercise any of our rights, remedies or powers under the **Act**. The asset manager may be our employee or anyone else we reasonably choose. You must pay our related **expenses** and any **fee** we may charge if we do appoint an asset manager. Those **expenses** and that **fee** may vary, depending on the type and amount of work the asset manager needs to do for us. We'll tell you about them (what, and how much, they are) before you have to pay them.
15. The asset manager will act as our agent. We may delegate to the asset manager any right that we have under the agreement and, where permitted, under the **Act**, so that the asset manager may exercise that right on our behalf. We are responsible for all the actions of the asset manager.

Our rights to act on your behalf

16. If any event set out in Condition 5 above happens that gives us the right to demand that you immediately pay back the unpaid balance of your **mortgage**, you irrevocably appoint us to be your attorney. Your attorney will be authorised to act in your name and on your behalf and will have the following rights:
- (a) To claim and receive any compensation due on the **property** or any right or claim connected with it;
 - (b) To use any money we or anyone acting for us may receive to reduce or pay back your **mortgage**;
 - (c) To sign any document, or do anything that must be signed or done under the mortgage deed, that we may find is needed to enforce our rights and powers under the mortgage deed;
 - (d) To enforce any right or claim you may have over the **property**;
 - (e) To claim and receive any money due to you under the insurance of the **property** or any guarantee or compensation relating to it, or any other insurance you have taken out to cover any of your responsibilities under the agreement;
 - (f) To give a local authority or other public organisation any official notice connected with the **property** that you are entitled to give yourself;
 - (g) If you are a shareholding member of a residents' association or a management company connected with the **property**, to transfer your shares to anyone who has bought the **property** and to receive any money paid for the shares (but this does not mean that we have any interest in the shares);
 - (h) To enforce your rights and carry out your responsibilities in connection with roadworks, road charges, private streets and drainage, or making any payment you owe in relation to those responsibilities; and
 - (i) To enforce your rights to put right any situation where you have failed to meet any of your responsibilities under the agreement, and to carry out your responsibilities in connection with any other right relating to the **property**, including:
 - (i) To make any reasonable payments;
 - (ii) To take out or renew insurance;
 - (iii) To carry out any works that are reasonably needed;
 - (iv) To sign any new lease granted by a court if your landlord takes legal action;
 - (v) To sign or make any agreement that you need to sign or make under the agreement;
 - (vi) To claim, assess, agree, enforce, recover and receive any related right (such as a claim for damages in relation to the **property**);
 - (vii) To give any notice or use any right relating to the **property** you may be entitled to give or use; and
 - (viii) To transfer any right, benefit or responsibility mentioned in the agreement to any person we have sold the **property** to, and receive any amount as a payment for that right, benefit or responsibility.
17. For joint **mortgages**, the attorney will act for all borrowers together and each borrower separately.

Dealing with other people

18. As far as a buyer of the **property** or anyone else dealing in good faith with us is concerned, our rights to sell the **property** exist from the date of the mortgage deed. Anyone selling the **property** or dealing with us is fully protected by law.
19. No one dealing with us needs to check that we are enforcing our rights according to the agreement.

Responsibility for loss

20. We won't be responsible to you for any loss or damage that occurs as a result of the exercise of, the attempted exercise of or the failure to exercise any of our powers under the agreement or any applicable law, except where that loss or damage has been caused by our negligence, or that of our employees or anyone else acting for us.
21. Nothing in the agreement will remove or restrict any duty or responsibility we may have or owe to you, or you may have or owe to us, by law.

Delay

22. If we relax any term of the agreement for you, or we delay in enforcing any of our rights under the agreement, this may be just a temporary measure or a special case and won't prevent us from enforcing that term or those rights at any other time.

Invalid terms

23. If any term (or part of a term) of the agreement becomes invalid or unenforceable in any way, the remaining terms (or part of the term) won't be affected.
24. If any invalid or unenforceable terms (or part of terms) of the agreement would not be invalid or unenforceable if any reasonable changes were made to it (or them), then we'll treat those changes as having been made.

Complaints

25. If you wish to make a complaint, please contact us:
 - (a) By phone; or
 - (b) In writing, either by post to Tesco Bank, PO Box 1216, Cheltenham, GL50 9WP or through our website.
26. We'll aim to resolve your complaint as quickly as we can. If you are not happy with the way that we have tried to resolve your complaint, you can refer it to the Financial Ombudsman Service ('FOS'). You can find out more about the FOS:
 - (a) On their website (www.financial-ombudsman.org.uk);
 - (b) By contacting us;
 - (c) By writing to them directly at Exchange Tower, London E14 9SR; or
 - (d) By telephoning them on 0800 0 234 567.

Compensation

27. Tesco Bank is a member of the Financial Services Compensation Scheme ('FSCS'). You may be entitled to compensation under the FSCS if we cannot meet our responsibilities to you under the agreement. This depends on the type of business and the circumstances of the claim.
28. Mortgage arranging is covered for 100% of a claim up to £50,000. Further information about the FSCS can be found on their website (www.fscs.org.uk) or by contacting us.

Section H: Communications between us and keeping your details secure

How to get in touch with us

1. You can phone us during our call centre opening hours, which you can find on our website or on any letter we've sent you. Please note that we record and monitor phone conversations:
 - (a) To make sure we carry out your instructions properly;
 - (b) To help us maintain the quality of our service; and
 - (c) For security and training purposes.
2. You can also write to us at Tesco Bank, PO Box 1216, Cheltenham, GL50 9WP. If our address details change, we'll write to you and tell you.
3. If you give us any notice under the agreement, it won't be valid until we have received it.
4. We may contact you using the most recent e-mail address, permanent postal address or phone number you have given us. You must accept (and, as appropriate, must act on) any notice we send you at the last relevant address you have given us. We won't send any confidential information to you by e-mail.
5. You must tell us by contacting us by phone or in writing as soon as possible if any of the following happens:
 - (a) You change your name or marital status;
 - (b) You stop living in and using the **property** as your main residence;
 - (c) Any statement we send you includes an item that appears to be wrong;
 - (d) You change the bank account you make your monthly payments from;
 - (e) Any borrower dies;
 - (f) Any condition of the agreement requires you to contact us; or
 - (g) Anything else happens that you would reasonably expect us to want to know.
6. We'll communicate with you in English and all documents we send you and use will be in English. You can ask us for a copy of these general mortgage conditions in Braille, large print and audio at any time for free.

Giving us instructions

7. To give us instructions or get information about your **mortgage**, you should phone us or visit our website. You'll also need to give us the following security details:
 - (a) When you first log on to our website, we'll ask you for an e-mail address, mobile phone number and a secure password. If more than one e-mail address is given, for example for a joint **mortgage**, a different secure password will be needed for each; and
 - (b) When you phone us, all information that we reasonably ask for to allow us to check your identity.
8. To ensure the security of your **mortgage** account, your security details and our systems, you must do the following:
 - (a) Keep your security details confidential – don't write them down or record them in a way that could be easily understood by someone else;
 - (b) Tell us immediately if you know or believe that someone else knows your security details, or if you think that any unauthorised transactions have been carried out on your **mortgage**. You should check the statements we send you and, where available, review online records of transactions, and tell us about any mistakes as soon as possible;
 - (c) Tell us immediately if you experience any failure, delay or mistake in the service so that we can check and, if needed, put right the problem; and
 - (d) Not let anyone else transact on your **mortgage**, unless you have made a separate arrangement with us.
9. You agree that as long as we have taken adequate steps to check your identity (such as confirming your security details), then without getting any further confirmation from you, we may:
 - (a) Act on (and you'll accept the result of) an instruction, which may be given as a message or notice, we receive to make payments to your **mortgage**; and
 - (b) Allow any relevant regulatory or government body, law enforcement representative or credit reference agency to have access to confidential information we hold about you and your **mortgage**.
10. If you have a joint **mortgage**, we may rely on the security details that we receive from any of the borrowers.
11. You won't be responsible for any instruction given using your security details (but not given by you) if:
 - (a) It is given after we have received a notice from you that someone else knows your security details or that you think there have been unauthorised transactions carried out on your **mortgage**; or
 - (b) Someone else knows your security details due to our actions or negligence.
12. We can accept instructions by post or e-mail. However, it is not always safe for you to send your security details by post or e-mail. Therefore, before acting on any instructions sent to us in either of these ways, we may contact you to confirm your identity and that the instructions were given by you.
13. Once we have acted on an instruction, you cannot cancel it.
14. We may reasonably refuse to act on an instruction. Before acting on an instruction, we may also (but don't have to) take steps to check whether you authorised it. For example, we may ask you to give more information, which may include any further proof of identity. We may also need to delay carrying out instructions to meet our legal and regulatory responsibilities. We won't be responsible to you for loss resulting from any delay as long as we have acted reasonably and in line with law and regulation.

Giving us instructions (cont.)

15. You can carry out certain transactions using our website. However, routine maintenance, demand on the systems and other circumstances may mean that this is not always possible or that particular services are slow or unavailable. In particular, there may be some countries where on-line access to your **mortgage** account details does not work. We cannot therefore guarantee the availability of our website and we won't be liable for any losses suffered as a result of our website being slow or not being available in these circumstances.
16. If you try to get on-line access to your **mortgage** account details from outside the United Kingdom, you must comply with any relevant local laws.
17. We'll do everything we reasonably can to prevent any unauthorised access to your **mortgage** account and make sure it is secure. We may suspend our services immediately if we suspect that security has been, or may be, broken.

Section I: How we'll gather and use your information

About your information and data protection

1. Your privacy is very important to us. We promise to do our best to protect your personal information and make sure it's up to date. You can help us do this by letting us know if there are any changes to your information.

About us

2. Tesco Bank is the data controller and is part of Tesco Group. For more information about Tesco, please visit www.tesco.com

What sort of information do you hold about me?

3. We hold all the details we or Tesco Group have about you, your transactions and any dealings with us or Tesco Group now and in the future. This includes any information we get from third parties and information you enter and submit on our website including your name, address, e-mail addresses and any details of your **mortgage** account.
4. If you contact us electronically (for example, by e-mail or internet), we may collect your electronic identifier. This is supplied by your service provider – it could be your internet protocol address or your phone number.

Joint mortgage applications

5. If you are a joint applicant, you must be sure that you are entitled to:
 - (a) Reveal information to us about each joint applicant; and
 - (b) Authorise us to search, link or record information at credit reference agencies about you and anyone you have referred to.

What do you do with my information?

6. We may use your information to:
 - (a) Work out financial and credit risks;
 - (b) Recover debt;
 - (c) Prevent and detect crime;
 - (d) Understand our customers' needs and requirements; and
 - (e) Develop and test products and services.

Who do you share my information with?

7. Normally, we don't share your information with anyone other than Tesco Group. There are a few exceptions, when we:
 - (a) Have your permission;
 - (b) Have to, or are allowed to do so, by law;
 - (c) Share information with credit reference agencies or fraud prevention agencies;
 - (d) Share information with others that help us provide our service to you; or
 - (e) May transfer our rights and obligations under the agreement.

Do you send my information to other countries?

8. We may transfer your information to other countries, but only when we reasonably believe the laws of the relevant countries provide for an adequate level of protection. Your information may also be accessed by law enforcement agencies and other authorities. They do this to prevent and detect crime, or to meet with other legal obligations.

What will happen if you change how my information is used?

9. From time to time, we may change the way we use your information. If we think you would not expect this change, we'll write and tell you about it. If we don't hear from you within 60 days, we'll assume you agree to the change.

Can I see the information that you hold about me?

10. If you would like a copy of the personal information that we hold about you, simply call us or write to The Data Protection Officer, Tesco Bank, PO Box 1216, Cheltenham, GL50 9WP. You may be charged a fee for this. Details of this are in our Tariff of Charges.

What about Credit Reference Agencies?

11. We occasionally make searches at credit reference agencies. Through these, we access details about how you manage your accounts, including your account balances, credit limits and any arrears. This helps us manage and make decisions about your account with us. We may also send information to credit reference agencies – they can make this information available to other organisations to help them make decisions about you, your associates and members of your household. The information may also be used for tracing purposes.
12. Credit reference agencies record any links between you and anyone with whom you have a joint account or similar financial association. All parties' information will be taken into account in future applications. This happens until one of you successfully files a 'notice of disassociation' at the credit reference agencies.

What about Fraud Prevention?

13. If you give false or inaccurate information to us and we suspect or identify fraud, details may be sent to fraud prevention agencies. This information may be accessed and used by law enforcement agencies. We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:
 - (a) Checking applications for credit and other facilities, and recovering debt;
 - (b) Checking insurance applications and claims; or
 - (c) Checking details of job applicants and employees.
14. We and other organisations may access and use from other countries the information held by fraud prevention agencies.
15. If you would like a copy of the information held about you by credit reference agencies and fraud prevention agencies, we can give you their contact details if you write to The Data Protection Officer, Tesco Bank, PO Box 1216, Cheltenham, GL50 9WP. They might charge you a fee.
16. To help us confirm the accuracy of the income details you give us, we may pass information about you and your application to HM Revenue & Customs ('HMRC'). HMRC may also use any information that we pass to it as part of its own risk profiling activities, and to check for any discrepancy with declared income.

Will you send me marketing information?

17. We'll only send you information about other Tesco products we think you would like to hear about, as well as offers from companies we've chosen carefully, if you told us that you're happy to receive it. If you would like to stop receiving marketing information, just call us or write to us.

Section J: What are the standard conditions?

These are set out in full in Schedule 3 to the **Act** and you and your legal adviser should refer to them for the relevant detail, and not rely only on what is set out in this Section J.

The following table provides a summary of what the standard conditions are about, and where they have been dealt with (and in some cases varied) in these general mortgage conditions:

Standard condition	What is this about?	Where is this dealt with in the general mortgage conditions
1. Maintenance and Repair	<ul style="list-style-type: none"> • The borrower's need to keep the property in good repair. • The lender's ability to enter the property (after giving notice) to check that this is being done. 	<p>Section D Condition 3</p> <p>Section G Condition 12</p>
2. Completion of Buildings and Prohibition of Alterations etc	<ul style="list-style-type: none"> • The borrower's need: <ul style="list-style-type: none"> - to complete any works to be carried out on the property as quickly as possible. - to obtain written agreement from the lender before carrying out any alterations or additions to, or demolition of, any part of the property. - to carry out any alterations or additions to, or demolition of, any part of the property in line with planning and related laws (and to provide proof that this has been done to the lender if asked for). 	Section D Conditions 3, 4 and 8
3. Observance of Title Conditions	<ul style="list-style-type: none"> • The borrower's need to make sure that any conditions that apply to the property are met, and that prompt payment of any charges and taxes relating to the property is made. 	Section D Conditions 7 and 8
4. Planning Notices	<ul style="list-style-type: none"> • The borrower's need: <ul style="list-style-type: none"> - to let the lender know the details of any planning notice relating to the property, within 14 days of receiving the notice. - to object to, or make representations against, any planning notice if asked to do so by the lender. 	<p>Section D Conditions 8 and 10</p> <p>Section H Condition 5</p>

Section J: What are the standard conditions? (cont)

Standard condition	What is this about?	Where is this dealt with in the general mortgage conditions
5. Insurance	<ul style="list-style-type: none"> • The borrower's need: <ul style="list-style-type: none"> - to put and keep in place adequate insurance over the property in line with the lender's requirements. - to provide copies of the property's insurance documents to the lender if asked for. - to let the lender know of anything that happens that could give rise to a claim under the property's insurance. - to work with the lender in relation to the settlement of any claim, and the use to which any money received as a result of any claim is put. - not to do anything that might invalidate the property's insurance. 	Section D Conditions 12-19
6. Restriction on Leases	<ul style="list-style-type: none"> • The restriction on the borrower not to give a lease over the property (or part of the property) without the lender's written agreement beforehand. 	Section D Condition 6
7. Lender's General Power to Perform Obligations	<ul style="list-style-type: none"> • The lender's ability: <ul style="list-style-type: none"> - to meet any obligation imposed on the borrower by the standard conditions if it hasn't been met by the borrower. - to enter the property (after giving notice) to allow that obligation to be met. • The borrower's need to pay back all expenses and charges (including interest on them) reasonably incurred by the lender in meeting any obligation under the standard conditions that has not been met by the borrower. 	Section G Conditions 7(b), 7(c), 8 and 12
8. Calling-up	<ul style="list-style-type: none"> • The lender's ability to 'call-up' the mortgage. (A 'calling-up' notice ends the mortgage agreement and leads to the lender demanding the repayment of the whole amount of the loan that is outstanding, including the arrears and all other loan payments that are still to be made.) 	Section G Condition 6

Section J: What are the standard conditions? (cont)

Standard condition	What is this about?	Where is this dealt with in the general mortgage conditions
9. Default	<ul style="list-style-type: none"> • The circumstances in which the borrower is treated as being 'in default' under the lender's standard security, namely where: <ul style="list-style-type: none"> - a 'calling-up' notice sent to the borrower has not been complied with. - there has been a breach of the agreement between the borrower and the lender. - The owner of the property has become insolvent. 	Section G Condition 5
10. Lender's rights on default	<ul style="list-style-type: none"> • The options open to the lender if the borrower is 'in default'. In this situation, the lender can: <ul style="list-style-type: none"> - sell the property. - take over the property and collect rents and other charges relating to the property. - give a lease over the property (or part of it). - carry out repairs and fix defects to maintain the property. - apply to the court for a decree of foreclosure (that is, a court decree of judgment that fixes the outstanding mortgage debt and orders the property to be sold to pay off that debt). 	Section G Condition 7
11. Exercise of right of redemption	<ul style="list-style-type: none"> • The borrower's ability to redeem the security on giving the lender a written 'notice of redemption'. • The lender's ability to remove the need for, or reduce the period of, the notice. • The requirements around the content and delivery of the notice. • The lender's need to discharge the security once all the borrower's obligations under the agreement have been met. 	Section C Conditions 21 and 30 Section H Condition 3
12. Expenses	<ul style="list-style-type: none"> • The borrower's responsibility for all expenses incurred in the preparation and execution of the mortgage deed (including all legal and other costs incurred by the lender relating to amending, 'calling-up' and discharging the mortgage deed). 	Section C Conditions 18-20 Section G Condition 8

Section K: Glossary

Act

The Conveyancing and Feudal Reform (Scotland) Act 1970 as amended or re-enacted from time to time.

Additional borrowing

Any extra money (that is, after the **initial advance**) that we lend you and that is secured by way of the mortgage deed.

Bankrupt

This could mean any of the following:

- (a) You stop paying under the agreement;
- (b) Having an award of sequestration made against you;
- (c) You indicating that you might sign a trust deed for creditors;
- (d) Your apparent insolvency (with the meaning given to that term in Section 7 of the Bankruptcy (Scotland) Act 1985 as amended or re-enacted from time to time); and/or
- (e) You are the subject of any similar or equivalent events, proceedings or arrangements in any jurisdiction.

Base rate

The Bank of England Base rate of interest or the equivalent rate set by any successor to the Bank of England. The **base rate** can move up or down from time to time, so where we mention it in the agreement, we mean the **base rate** as set at the relevant time.

Business day

Any calendar day except a Saturday, Sunday or a bank holiday in England and Wales.

Capital

The amount we have lent you through the **initial advance** and any **additional borrowing** that you've not yet repaid, and any interest, **fees** and **expenses** that we have added to that amount in line with the agreement.

Expenses

Reasonable costs or charges (including legal, surveyor and other professional fees) we need to pay in relation to the agreement, as well as any reasonable administrative costs connected with our powers and rights under it.

Fee

Any fee or charge payable to us that we've told you about in our Tariff of Charges, an **illustration** and/or your mortgage offer.

Illustration

The personalised illustration of the features, cost and associated **fees** and **expenses** of your **mortgage** that we send to you before you make an application. This can also be referred to as a Key Facts Illustration.

Initial advance

The money we've lent you at the outset, as set out in the first relevant mortgage offer, and secured by way of the mortgage deed.

Loan to value

The percentage of the value of the **property** that your **mortgage** amounts to.

Section K: Glossary (cont.)

Mortgage

The money you owe us, now or in the future, under the agreement that is secured on the **property** by way of the mortgage deed. This isn't restricted to the **capital** – it also includes any money that you must pay or repay us in line with the agreement that we have not added to the **capital**.

Mortgage term

The period of time over which you must pay back your **mortgage**. Your mortgage offer will tell you the **mortgage term** you've agreed to. The **mortgage term** may be changed in line with the agreement.

Preferred payment date

The day you've chosen to make your monthly payment to us on. This is also the date that we'll add interest to the outstanding balance of your **mortgage**.

Property

The property described in the mortgage deed, that your **mortgage** and any other money you owe us under the agreement is secured against.

Security

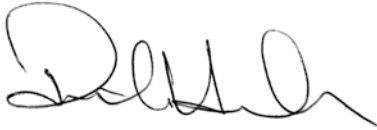
This could mean any of the following:

- (a) An interest in property that is given to secure any obligation of any person (such as the repayment of a debt);
- (b) Any other agreement or arrangement having a similar effect; and
- (c) Any attachment or inhibition imposed by a court.

References in these general mortgage conditions to our **security** are to the interest over the **property** you give to us by way of the mortgage deed.

In witness whereof:

These presents consisting of this and the preceding forty pages are subscribed for and on behalf of Tesco Personal Finance plc, trading as Tesco Bank, by Rick Hunkin, Risk Director, at Edinburgh on the 5th November 2013 before this witness, Carol Richardson, PA to Deputy CEO, 22 Haymarket Yards, Edinburgh EH12 5BH.



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Authorised Signatory



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Witness

Notes

Notes

How to contact us

t 0345 051 8446*

w [tescobank.com](https://www.tescobank.com)



minicom 0345 055 0607*

Monday to Friday 8am-9pm,
Saturday 9am-4pm.

*These numbers may be included as part of any inclusive minutes provided by your phone operator.

If you would like Braille, large print or audio format information about Tesco Bank Mortgages, please contact us.

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