

# Changes to our Agreement

Here's what you need to know

Current Account

**TESCO** Bank  


## **We're changing your terms and conditions**

From **22nd September 2020**, we're updating your Tesco Bank Current Account Agreement. You don't need to do anything, we're just writing to let you know.

To help you understand what's different, we've summarised the changes for you below, however for further details please refer to the rest of this booklet.

### **1. Your interest rate is changing**

During March 2020 the Bank of England decreased base rates from 0.75% to their lowest ever level of 0.10%.

Given this significant change to the base rate we've reviewed our current account interest rate and made the decision to reduce this to 0%. This means from **22 September 2020** you won't earn interest. You'll still earn your current rate of 1% AER on balances up to £3,000 until then.

### **2. We're making it easier to compare overdrafts**

We've updated our representative example and how we display overdraft interest rates, to help you compare the cost of overdrafts across the industry.

### **3. We're updating how we show the cost of using your card abroad on our website**

Our fees haven't changed, but we've added a link within our terms & conditions to a new page on our website, live at the end of September. This will help you see the total cost of using your card in the European Economic Area (EEA).

### **4. Making things clearer**

Minor updates to wording have been made, including grammatical and formatting changes, to make our terms & conditions clearer. For example, we've changed 'Mobile Banking App' to 'Mobile App' throughout the document.

## Important information

If you are unhappy with any of the changes we are making, you have the option to close your Current Account without charge. If we don't hear from you, we'll assume that you have accepted the changes, and if you've recently closed your account, you can just ignore this letter.

Remember to tell us if your name or contact details change. If you don't, you'll be responsible if we're unable to contact you or if we send confidential information to your old contact details.

## Changes to your Current Account Terms and conditions are set out below:

Area of change within your agreement. Current wording ( <del>deletions are in bold and struck through</del> )			Area of change within your agreement. New wording ( <b>changes in bold</b> )	
Page 6 – When will my money be available?				
When will <del>I have</del> my money <b>and start earning interest?</b>			When will my money <b>be available?</b>	
Type of payment	Your money will be available to spend	<del>Interest will be earned on credit balances</del>	Type of payment	Your money will be available to spend
Sending money from another Tesco Bank current account or Savings Account	Within two hours of you asking us to send the money.	<del>On the day we receive your money.</del>	Sending money from another Tesco Bank current account or Savings Account	Within two hours of you asking us to send the money.
Sending money from an account held at another bank or building society (e.g. CHAPS or Faster Payments) or a Tesco Bank account in someone else's name	As soon as we receive it.	<del>On the day we receive your money.</del>	Sending money from an account held at another bank or building society (e.g. CHAPS or Faster Payments) or a Tesco Bank account in someone else's name	As soon as we receive it.

Standing orders	As soon as we receive it.	<b>On the day we receive your money.</b>
Cash at Customer Service desk	As soon as you pay it in.	<b>On the day we receive your money.</b>
Cheques	<p>If we receive your cheque on a business day, your money will be available to spend before midnight on the next business day. <b>You will start earning interest as soon as these funds become available in your account.</b></p> <p>If we receive your cheque at the weekend or on a bank holiday, your money will be available to spend <b>and you will start earning interest</b> before midnight two business days later. For example, if we receive your cheque on Saturday, your money will be available before midnight on Tuesday.</p>	
Money from outside the UK	As soon as we receive it.	<b>On the day we receive your money.</b>

Standing orders	As soon as we receive it.
Cash at Customer Service desk	As soon as you pay it in.
Cheques	<p>If we receive your cheque on a business day, your money will be available to spend before midnight on the next business day.</p> <p>If we receive your cheque at the weekend or on a bank holiday, your money will be available to spend before midnight two business days later. For example, if we receive your cheque on Saturday, your money will be available before midnight on Tuesday.</p>
Money from outside the UK	As soon as we receive it.

Page 8 – If I use my debit card to make a payment, or withdraw cash, in a foreign currency outside the UK what will I pay?

If you need to know the current exchange rate before you make the payment or withdraw cash, please contact us or you can view the current rates at [www.visaeurope.com/en/cardholders/exchange\\_rates.aspx](http://www.visaeurope.com/en/cardholders/exchange_rates.aspx)

If you need to know the current exchange rate before you make the payment or withdraw cash, please contact us or you can view the current rates at [visaeurope.com/en/cardholders/exchange\\_rates.aspx](http://visaeurope.com/en/cardholders/exchange_rates.aspx). **For transactions within the EEA, you can find detailed information to allow you to compare costs at [tescobank.com/foreigntransactions](http://tescobank.com/foreigntransactions)**

Page 14 – Can you change the conditions under which I get credit interest?

From time to time, we may make changes to those conditions, but **only where such a change would be in your favour.**

From time to time, we may make changes to those conditions, but **we'll always give you 60 days notice.**

We can close your account and will usually give you two months' notice that we'll do so. If we do this, we'll return your money to you, but you are still responsible for repaying any borrowing. We may close your account immediately where:

- you're no longer eligible for an account;
- you become bankrupt or make arrangements with your creditors;
- we find out you made false or misleading statements when applying for your account;
- you commit, or we have reasonable grounds to suspect you have committed fraud, misused your account or used it for criminal purposes;
- you act in a threatening or abusive manner to any member of our staff;
- you die, or
- you, anyone operating the account on your behalf or any joint account holder regularly or seriously break the terms of this agreement. We'll comply with any legal requirements where this happens.

We can close your account and will usually give you two months' notice that we'll do so. If we do this we'll return your money to you, **if allowed to by law**, but you are still responsible for repaying any borrowing. We may close your account immediately where:

- you're no longer eligible for an account (**e.g. you have moved abroad**);
- you become bankrupt or make arrangements with your creditors;
- we find out you made false or misleading statements when applying for your account;
- you commit, or we have reasonable grounds to suspect you have committed fraud, misused your account or used it for criminal purposes;
- you act in a threatening or abusive manner to any member of our staff;
- **we're required to do so by law**;
- you die, or
- you, anyone operating the account on your behalf or any joint account holder regularly or seriously break the terms of this agreement. We'll comply with any legal requirements where this happens.

The following changes apply to your Current Account Rates and fees if you opened your account **before** 1 April 2017:

This document was named CC/FC/0320, it's now been updated to CC/FC/0920.

Area of change within your agreement. Current wording ( <del>deletions are in bold and struck through</del> )	Area of change within your agreement. New wording ( <b>changes in bold</b> )
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Page 1 – At a glance

Interest rate you'll earn when you have money in your account	<del>£3,000 or less, you'll earn 1.00% AER / 1.00% Gross (variable). You will not earn any additional interest on balances over £3,000</del>	Interest rate you'll earn when you have money in your account	<b>0.00% AER</b>
Overdraft interest – for arranged and unarranged overdrafts	18.90% <b>EAR</b> (variable)	Overdraft interest – for arranged and unarranged overdrafts	18.90% <b>APR</b> (variable)

Rates correct as at **30th March** 2020.

Rates correct as at **22nd September** 2020.

**The Annual Equivalent Rate (AER) illustrates what the interest rate would be if paid and compounded each year.**

Page 2 – Do I earn interest when I have money in my account?

<del>How will I know what interest rate I have earned?</del>	Do I earn interest when I have money in my account?
<del>Your monthly statement will confirm the interest rate earned for the statement month.</del>	<b>No, interest is not earned on this account.</b>
<del>What are the relevant interest rates for the statement month?</del>	

	Interest rate
<del>Annual interest rate on credit balances of £3,000 or less</del>	<del>1.00% AER (variable)</del>
<del>Gross annual interest rate on credit balances of £3,000 or less</del>	<del>1.00% (variable)</del>

<b>Net annual interest rate on credit balances of £3,000 or less</b>	<b>Not applicable</b>
<b>Annual interest rate on credit balances over £3,000</b>	<b>0.00% Gross/AER (variable)</b>

**The Annual Equivalent Rate (AER) illustrates what the interest rate would be if paid and compounded each year.**

**We will not deduct tax from the interest you have earned, unless we are required to do so by law. Please note that you may be liable to pay tax on the interest you have earned. Please contact Her Majesty's Revenue and Customs (HMRC) if you need more information on tax or tax exemptions.**

Page 3 – What will I pay for going overdrawn?

#### Arranged overdraft

Fee for setting up an arranged overdraft.	<b>£0</b>	Fee for setting up an arranged overdraft.	<b>No fee</b>
Fee you'll pay if you don't use your arranged overdraft.	<b>£0</b>	Fee you'll pay if you don't use your arranged overdraft.	<b>No fee</b>
Interest on any overdrawn amount.	<b>17.44% (variable) each year</b> 18.90% EAR (variable)	Interest on any overdrawn amount.	<b>18.90% APR</b> (variable)

#### Unarranged overdraft

Interest on any overdrawn amount.	<b>17.44% (variable) each year</b> 18.90% EAR (variable)	Interest on any overdrawn amount.	<b>18.90% APR</b> (variable)
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Page 4

**The interest rate (called the Equivalent Annual Rate or EAR)** is the rate you would pay if you remained overdrawn for a whole year (up to the agreed limit), and is a percentage of the amount you are overdrawn.

**The annual interest rate, also known as the APR (Annual Percentage Rate)** is the rate you would pay if you remained overdrawn for a whole year (up to the agreed limit), and is a percentage of the amount you are overdrawn.

Representative example:  
**Annual interest rate 17.44% (variable)**  
**Total amount of credit £1,200**  
**EAR 18.90% (variable)**  
**~~This example is for illustrative purposes only.~~**

Representative example: **We charge an annual interest rate of 18.90% (variable) based on an assumed arranged overdraft of £500. For comparison purposes this equates to 18.90% APR (variable).**

Page 4 - How much does my overdraft cost in pounds and pence?

**How much does my overdraft cost in pounds and pence?**

**As an example, if you borrow £500 it will cost you:**

<b>7 days</b>	<b>30 Days</b>	<b>60 Days</b>
<b>£1.82</b>	<b>£7.77</b>	<b>£15.53</b>



The following changes apply to your Current Account Rates and fees if you opened your account after 1 April 2017:

This document was named CC/FC2/0320, it's now been updated to CC/FC/0920.

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Page 1 – At a glance

Interest rate you'll earn when you <b>meet the interest conditions</b>	<del>£3,000 or less, you'll earn 1.00% AER / 1.00% Gross (variable). You will not earn any additional interest on balances over £3,000</del>	Interest rate you'll earn when you <b>have money in your account</b>	<b>0.00% AER</b>
<b>Interest rate you'll earn when interest conditions have not been met</b>	<b>0.00% Gross/AER (variable)</b>	Overdraft interest – for arranged and unarranged overdrafts	<b>18.90% APR (variable)</b>
Overdraft interest – for arranged and unarranged overdrafts	<b>18.90% EAR (variable)</b>		

Rates correct as at **22nd September 2020**.  
**The Annual Equivalent Rate (AER) illustrates what the interest rate would be if paid and compounded each year.**

Rates correct as at ~~30th March~~ 2020.

Page 2 – Do I earn interest when I have money in my account?

~~Yes, interest at the relevant interest rate (see below) is calculated on the money in your account at the end of each day and applied monthly on the last day of the statement month. Remember that to earn the higher interest rate on credit balances of £3,000 or less, you must meet the interest conditions each statement month.~~

**What are the interest conditions?**

**Each statement month, you must deposit a minimum of £750 into your account and have at least three Direct Debits (excluding Direct Debits to Tesco Bank Savings Accounts) paid out of your account.**

**How will I know what interest rate I have earned?**

**Your monthly statement will confirm the interest rate earned for the statement month.**

**No, interest is not earned on this account.**

What are the relevant interest rates for the statement month?

	Interest rate
Annual interest rate on credit balances of £3,000 or less (where interest conditions have been met)	1.00% AER (variable)
Gross annual interest rate on credit balances of £3,000 or less (where interest conditions have been met)	1.00% (variable)
Annual interest rate on credit balances of £3,000 or less (where interest conditions have not been met)	0.00% Gross/AER (variable)
Annual interest rate on credit balances over £3,000	0.00% Gross/AER (variable)

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We will not deduct tax from the interest you have earned, unless we are required to do so by law. Please note that you may be liable to pay tax on the interest you have earned. Please contact Her Majesty's Revenue and Customs (HMRC) if you need more information on tax or tax exemptions.

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Fee you'll pay if you don't use your arranged overdraft.	£0	Fee you'll pay if you don't use your arranged overdraft.	No fee
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Unarranged overdraft

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

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