



Borrowing from us

Your guide to overdrafts, credit cards
and loans



Overdrafts

Typically used for: short-term borrowing using your current account, such as when your car service is more than you expected or when all your bills arrive at once.

An overdraft can be used to borrow money through your current account. If your expenses are higher than usual it can help tide you over until your next pay day. It is a convenient and flexible way to manage your spending, and once agreed is immediately available.

An overdraft can be Planned or Unplanned. For a Planned Overdraft you agree a maximum borrowing limit with us in advance. An Unplanned Overdraft is where you use more money than you have available in your account without asking us first.

If you use your overdraft, you'll pay a monthly usage fee and interest on the balance – but an Unplanned Overdraft will cost you more as you'll also pay a daily fee. However, if you go over your available limit by £10 or less (overdraft buffer), or pay us back by 3.30pm (UK time) the same day, you won't pay any fees or interest. Some of our accounts also offer an interest and fee-free Planned Overdraft. You should be aware that interest rates are variable and may change.

Overdrafts at a glance:

- ✓ Smaller amounts to help tide you over from one month to another.
- ✓ Planned or unplanned short-term borrowing that is easy to manage.
- ✓ An easy way to make sure you have access to extra money when you need it.

Credit cards

Typically used for: short-term borrowing for everyday shopping such as groceries and petrol, or for larger purchases such as holidays or a television and may be used to consolidate balances from other credit and store cards.

Our credit cards can help you manage your money by spreading the cost of your everyday spending and providing a secure payment type. You can use them to buy goods and services in shops, by telephone or online.

As with all credit cards, some purchases bought between £100 and £30,000 have protection through Section 75 of the Consumer Credit Act 1974, meaning if there's an issue with your suppliers you may be able to claim a refund from us. Our credit cards also let you transfer balances from other credit and store cards.

We'll send you a statement each month showing your outstanding balance. You can choose how much of your balance to pay off – from the minimum payment to the full balance – and you can even set up a monthly Direct Debit for an amount that suits you. If you only use your card for purchases and you pay your balance in full and on time each month, you will not pay any interest. However, if you have transferred balances and aren't in a promotional period, or have taken out cash, interest will be charged even if you pay your balance in full. You should also be aware that interest rates are variable and may change.

Credit cards at a glance:

- ✓ Flexible borrowing within an agreed credit limit with monthly repayments.
- ✓ Manage the cost of everyday spending – we won't charge interest on the purchases you make as long as you pay the full balance on time every month.
- ✓ Consolidate balances from other credit or store cards.

Loans

Typically used for: one-off larger items or long-term plans – perhaps a car or new kitchen, a family wedding or simply reorganising your finances.

If you are planning to make a larger purchase and don't have all the money you need, then a fixed rate loan can help. It can also provide a simple and cost effective way to manage your existing finances.

We lend you a lump sum that you'll pay back in fixed regular repayments, together with interest, over a number of years. And because your repayments stay the same they're easier to budget for.

You'll need to keep up payments on your loan if you want to avoid extra charges. But if you find things aren't going to plan – perhaps an unexpected bill leaves you short – you can request a one-month repayment holiday* on your loan up to twice a year.

To find out what you can comfortably borrow, visit www.tsb.co.uk/loans and try out our Affordability Calculator.

Loans at a glance:

- ✓ Larger amounts from £1,000 to £25,000 for one-off purchases or long-term plans.
- ✓ Planned long-term borrowing at a fixed rate over a number of years.
- ✓ Fixed repayments that are easier to budget for.

Helping you choose the right way to borrow

If you would like help paying for a big purchase or future plans, or would just like a little more flexibility each month then we're here to help. Our three lending options give you the choice of borrowing large or small amounts with ways to repay that will suit your budget.

Our overdrafts help you deal with unforeseen costs and can tide you over until the next month for extra flexibility and peace of mind.

Our credit cards are a simple, flexible way to spread your everyday spending and consolidate balances from other credit or store cards, with flexible payment options.

Our loans are available to borrow a one-off large amount, and to budget for fixed repayments.

Please be aware that there are alternative lending products such as mortgages that are secured against your home.

Before you borrow

We want you to be comfortable with the amount you borrow and confident about your ability to pay it back. So here are a few useful questions to ask yourself before you make a decision:

- 1 What will my commitment be?
- 2 Can I afford to pay the money back?
- 3 Are my circumstances likely to change?
- 4 Will I be able to afford bigger repayments if interest rates go up?
- 5 Are there any risks? What will happen if I can't pay back what I borrow?
- 6 What features or benefits will I get?

We can help you answer these questions – for more guidance and support talk to our staff in branch or call us on **08459 758 758**.

Useful things to know when borrowing

APR – APR stands for Annual Percentage Rate. This figure is based on the interest rate, how you repay the amount borrowed (the term of the loan, timing and repayment amounts) and other fees and charges. You can use it to compare different credit card and loan offers.

The APR may not include all fees and charges on a loan or credit card – you may still need to pay missed or late payment charges, or balance transfer fees for example.

EAR – EAR stands for the Equivalent Annual Rate. This is the actual interest rate of an overdraft. It does not take account of any fees or charges.

Credit Scoring – When you apply to borrow money, many lenders will use a credit score to help them make a decision on whether to lend the money or not. When you apply to us, your score might be based on what we know about your existing accounts with us, and information from other credit reference agencies. With a good credit history and payment record you're likely to be given a good credit score. If you've had many credit cards and loans, have missed payments or made lots of credit applications you may get a lower score. A low score may reduce the amount you can borrow, increase the interest rate you pay or mean that your application is turned down.

Important information – If you don't keep up payments or stay within your agreed limits, this may affect your ability to obtain additional credit and there may be additional charges.

***Loan repayment holidays** – Interest will be charged if you take a break from your repayments or defer your repayments, so you will pay more interest overall. The two one-month repayment holidays cannot be taken consecutively. Repayment holidays are available if you meet certain conditions.

If you'd like this in another format such as large print, Braille or audio please ask in branch.

If you have a hearing or speech impairment you can contact us using Text Relay (previously Typetalk) or Textphone on **0845 835 3843** (lines are open 24 hours a day, seven days a week).

Calls may be monitored or recorded.

If you need to call us from abroad, or prefer not to use our 0845 number, you can also call us on **0203 284 1575**. Loans, Credit Cards and Overdrafts – how much we lend, and the issue of a credit card is subject to our assessment of your circumstances. You must be 18 or over and a UK resident to apply. Overdrafts are repayable in full on demand.

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