

Making sense of overdrafts

Introducing our Overdraft Service

Our Overdraft Service provides flexibility to make payments when there is no money left in your account. It can help you through expensive months and cover life's unexpected costs such as a car breakdown or an emergency plumber. The Overdraft Service works in the same way for all accounts, except for Bank Account Pay Monthly (explained on the next page). You can switch either to or from Bank Account Pay Monthly whenever it suits you by either calling us or visiting your local branch.

Who is eligible for this service?

Eligibility depends on your credit status.

You must be over 18 to apply. The Overdraft Service is not available on our Basic Bank Account, Amanah Bank Account, Appointee Bank Account or any savings account. All overdrafts are repayable on demand.

Do you know you need an overdraft?

Most of the time, you'll probably know in advance if you need an overdraft. If this is the case, you can approach us at any time to ask us to either set up or increase an arranged overdraft limit on your current account. There is no overdraft fee for agreeing an arranged limit.

You'd be surprised how many current account customers issue a cheque or use their debit cards, and when we receive a payment request for the item, there's not enough money in their account or there is not a sufficient arranged overdraft limit to cover it.

We all lead busy lives so it's hard to keep a track of what's going in and out of your account. And you may not be able to control exactly when an item will be taken from your account.

If you make a payment request and there's no money left in your account or you've gone past your arranged overdraft limit, we will treat this as a request from you for an unarranged overdraft. If we agree to that request, the unarranged overdraft will be provided for 31 days and we may charge you a £5 daily Unarranged Overdraft Usage Fee. We won't charge an Unarranged Overdraft Usage Fee if:

- ◆ Covering funds are paid in before the end of the day (defined as 11:45pm)
- ◆ The unarranged overdraft is for £10 or less
- ◆ The unarranged overdraft is a result of overdraft interest or charges
- ◆ Your account has been in an unarranged overdraft for more than 30 consecutive days

We won't charge you more in Unarranged Overdraft Usage Fees than the maximum unarranged overdraft agreed in that charging month (eg, the cost of a £15 unarranged overdraft will be limited to £15 even if you remain over your limit for more than three days).

Monthly cap on unarranged overdraft charges

1. Each current account will set a monthly maximum charge for:

- (a) going overdrawn when you have not arranged an overdraft; or
- (b) going over/past your arranged overdraft limit (if you have one).

2. This cap covers any:

- (a) interest and fees for going over/past your arranged overdraft limit;
- (b) fees for each payment your bank allows despite lack of funds; and
- (c) fees for each payment your bank refuses due to lack of funds.

Name of Account	Cost of Arranged Overdraft	Cost of Unarranged Overdraft (Monthly Maximum Charge) ²
Bank Account	Overdraft interest (19.9%) Representative example (assumed arranged overdraft £1,200): 19.9% EAR variable	£5 daily fee to a monthly maximum charge of £80
Current Account ¹	Overdraft interest (19.9%) Representative example (assumed arranged overdraft £1,200): 19.9% EAR variable	£5 daily fee to a monthly maximum charge of £80
Home Management Account ¹	Overdraft interest (19.9%) Representative example (assumed arranged overdraft £1,200): 19.9% EAR variable	£5 daily fee to a monthly maximum charge of £80
HSBC Advance Bank Account	Overdraft interest (17.9%) Representative example (assumed arranged overdraft £1,200): 17.9% EAR variable	£5 daily fee to a monthly maximum charge of £80

Graduate Bank Account	Overdraft interest above interest free entitlement (19.9%) Representative example (assumed overdraft £1,200): 1st year 0% EAR variable on the first £1,500, 2nd year 0% EAR variable on the first £1,000 and 19.9% EAR on the rest	£5 daily fee to a monthly maximum charge of £80
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¹ These accounts are no longer on sale.

² In addition to any fees, you'll also continue to pay overdraft interest on any arranged overdraft balance if you have one. We won't charge overdraft interest on any unarranged overdraft balances.

HSBC Premier and Jade by HSBC Premier

Name of Account	Cost of Arranged Overdraft	Cost of Unarranged Overdraft (Monthly Maximum Charge) ³
HSBC Premier Bank Account	Overdraft interest (0% on first £500 overdrawn then 11.9%) Representative example (assumed overdraft £1,200): 0% EAR variable on the first £500 and 11.9% EAR on the rest.	Overdraft interest (11.9% EAR variable) to a monthly maximum of £500 on the unarranged overdraft
Jade by HSBC Premier Bank Account	0% on first £500 overdrawn then 9.9%. Representative example (assumed overdraft £1,200): 0% EAR variable on the first £500 and 9.9% EAR on the rest.	Overdraft interest (9.9% EAR variable) to a monthly maximum of £2,000 on the unarranged overdraft

In order to reach the monthly maximum charge limit, based on current interest rates, you'd have to be over your arranged overdraft limit by more than £50,000 for HSBC Premier and £230,000 for Jade by HSBC Premier for a full charging month.

³ We'll charge overdraft interest on any arranged and unarranged overdraft balances but no overdraft fees.

* EAR (Effective Annual Rate) takes account of the interest rate and how often interest is charged, and does not include any other fees or charges.

The introduction of the Monthly Maximum Charge will not affect any charging period that ended prior to 1st August 2017. Any notification of charges that are generated on or after 1st August 2017 will incorporate the new Monthly Maximum Charge cap.

Overdraft Text Alerts

In order to help you keep track of your account and avoid unarranged overdraft charges, we will automatically send you text messages where we have a valid mobile telephone number for you in the following circumstances.

- ◆ If we have agreed an unarranged overdraft on your account; or
- ◆ If there isn't enough available balance in your account to make payments due to be made that day.

You can opt out of receiving these alerts by calling us or coming into branch.

Keeping track of your balance

We've got numerous ways for you to keep an eye on your balance. For example, register for Text Banking to receive additional text alerts on your mobile (at no extra cost). There's also HSBC Mobile Banking, our mobile application that lets you check your balance on the go using your smartphone.

Use HSBC cash machines, which warn you if your withdrawal may incur a charge. Or use Online Banking to

view balances, statements, payment details and request a change to your arranged overdraft. You can also ring us any time, to check your balance using our automated service.

Bank Account Pay Monthly

Bank Account Pay Monthly is available for a fee of £10 per month. As with our standard Overdraft Service, you can approach us at any time to ask us to set up or increase an arranged overdraft limit on your account, subject to status and we will charge overdraft interest on any arranged and unarranged overdraft balance.

Whether you have an arranged overdraft limit or not, you'll also receive an overdraft 'buffer' to act as a safety-net if you don't otherwise have enough funds to cover a payment. The buffer is intended for short-term emergency borrowing so we expect you to repay any amount borrowed in this way within 31 days. We won't charge any interest on usage of the buffer. We may agree to unarranged overdraft requests with our standard Overdraft Service. With Bank Account Pay Monthly the difference is we won't agree to any such requests that would take you over any arranged overdraft limit and your £50 buffer other than in very limited circumstances where we are obliged to make a payment. Your credit rating may be affected.

We will not charge any overdraft fees with Bank Account Pay Monthly.

Account Management

Every month, we will review your account to make sure your overdraft borrowing is suitable, based on credits to your account.

If we feel that your overdraft borrowing may be too much when compared to credits to your account, we will recommend an appropriate amount to pay in. When we get in touch, we will also explain how we may be able to help, in the short and long term, if you are unable to pay this amount.

Is our Overdraft Service the best way to borrow?

If you are struggling to run your account in credit, we can help you consider whether there are better ways to manage your finances. When it comes to borrowing money, the Overdraft Service is just one of the options available to you. Our Overdraft Service is a convenient way to borrow money for a short period of time. It can cover you for a few days before payday: if you have particularly heavy spending which you know you can repay over a couple of months; or if an item just happens to hit your account at the wrong time.

However, if you find yourself increasingly relying on your overdraft, an overdraft may not be the most cost effective way to borrow. Contact us if you want to discuss other borrowing options.

Want to know more?

Call us, visit your local branch or go online if you'd like to:

- ◆ set up, or change, an arranged overdraft on your current account
- ◆ know more about how to get your current account back in credit
- ◆ know more about other products which could help you with larger, longer term borrowing needs
- ◆ talk to someone about your borrowing – if you think you may be having difficulties it's important to speak to us as soon as possible to see where we can help.

Important Information

HSBC UK Bank plc's registered office is at 1 Centenary Square, Birmingham, B1 1HQ, United Kingdom. In the United Kingdom, HSBC UK Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm reference number: 765112.

Click [hsbc.co.uk/overdrafts](https://www.hsbc.co.uk/overdrafts)

Call **03457 404 404**

Visit **your local branch**

HSBC customers – lines are open 8am to 10pm every day.
HSBC Advance customers – calls are answered 24 hours a day.

Calls may be monitored or recorded.

Issued by HSBC UK Bank plc

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