

COMMERCIAL BANKING

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# VIRTUAL BANKING

**Terms and Conditions**

June 2018

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**LLOYDS BANK**

These Terms and Conditions together with the information set out on the application form for the Virtual Bank Service form the agreement between us, Lloyds Bank plc (“the bank”) and you, the customer named on the application form.

In condition 21 special meanings are set out for some of the words used in this Agreement.

### 1. Virtual Bank Service

- 1.1 The Virtual Bank Service provides the benefits of overseas banking without the cost and administration of setting up bank accounts overseas.
- 1.2 Subject to compliance by the Customer with its obligations hereunder the Bank will use all reasonable efforts to provide the Virtual Bank Service in accordance with this Agreement.
- 1.3 Notwithstanding clause 1.2, the Bank reserves the right at any time to suspend the Virtual Bank Service or access thereto for any purpose including maintenance, enhancement, breach of security or breach by the Customer of any of its obligations hereunder and wherever practicable the Bank shall notify the Customer accordingly.

### 2. Primary Contact, Service Users and security

- 2.1 The Customer acknowledges and agrees that all Service Users appointed by the Customer will act on the Customer's behalf and bind the Customer when using the Virtual Bank Service.
- 2.2 The Customer shall ensure that it has and the Customer shall be solely responsible for putting in place adequate controls to monitor the use of the Virtual Bank Service and to restrict access to the Virtual Bank Service to those authorised by it for its own security.
- 2.3 The Customer shall and shall procure that the Primary Contact and all Service Users comply with the provisions of this Agreement including all applicable procedures and instructions issued by the Bank or the Financial Institution whether in any User Guide (if applicable) or otherwise.
- 2.4 The Customer shall not and shall procure that the Primary Contact and the Service Users shall not:
  - 2.4.1 use the Virtual Bank Service in a way or for a purpose not authorised or intended by the Bank;
  - 2.4.2 use the Virtual Bank Service other than for the Customer's business purposes; nor
  - 2.4.3 permit any third party to use the Virtual Bank Service or seek to gain or permit any third party to gain unauthorised access to any system or network of the Bank, or the Financial Institution or its or their agents or sub-contractors.
- 2.5 If the Customer knows or suspects that there has been misuse of the Virtual Bank Service or any breach of its obligations hereunder it may by notice in writing to the Bank at e-Operations Registrations, Drop Zone C31, Charlton Place, Andover SP10 1RE, United Kingdom signed by the Customer in accordance with the Current Account authority notify the Bank of any such circumstance and the Bank will block or remove access promptly upon receipt of such notice.
- 2.6 The Customer gives the Bank its explicit consent (or has obtained the explicit consent of the relevant individual) for the Bank to access, process and keep any personal information that the Customer provides to the Bank for the purposes of providing payment services to the Customer. This won't affect any rights any of us have under data protection legislation. The Customer can withdraw its consent by ending its agreement with the Bank.

### 3. Virtual Bank Service – General

- 3.1 In order to provide the Virtual Bank Service, the Bank has entered into arrangements with the Financial Institution to receive incoming funds by Electronic Funds Transfer and Cheque and to collect Receipts.
- 3.2 In order to use the Virtual Bank Service the Customer must open relevant Currency Account(s) and instruct the Bank to open relevant Collection Account(s) with the Financial Institution by completing the Virtual Bank Service registration form. The Customer's use of the Virtual Banking service is subject to the approval of the Bank and the Financial Institution.
- 3.3 The terms and conditions relating to the Customer's Currency Accounts with the Bank shall continue to apply. In the event of any inconsistency between these Terms and Conditions and the terms and conditions applicable to the Customer's Currency Accounts, these Terms and Conditions shall prevail.

- 3.4 If the Customer wishes to view the Currency Account(s) electronically, the Customer should contact its relationship manager to discuss the Bank's LloydsLink Cash Management Service.
- 3.5 The Customer acknowledges that it shall not be entitled to give any instructions (payments or otherwise) in relation to the funds held in the Collection Account(s). Such funds shall be credited by the Bank to the Customer's relevant Currency Account(s).
- 3.6 Receipt of funds by the Bank into the Collection Account(s) will be subject to the rules of the relevant clearing system in the relevant jurisdiction and to any operational delays to which such clearing systems may be subject.
- 3.7 If a Financial Institution reverses a credit entry on a Collection Account (for example, if it is required to do so by the rules of a relevant clearing system or by law or regulation in any jurisdiction) the Bank reserves the right to agree to such reversal, to reverse the corresponding credit entry on the Currency Account and to deduct related interest and reasonable costs. If the Customer's Currency Account becomes overdrawn as a result of such reversal, the relevant overdraft charges in relation to that Currency Account will apply.
- 3.8 If the Customer is registered for the US Dollar Lockbox service and wishes to view images of Cheques and relevant Receipts online, it may do so via the Online Image service. The Online Image service is administered by the Bank on behalf of the Financial Institution. The Customer shall provide the Bank with the relevant information for access to the Online Image service on the Virtual Bank Service registration form.
- 3.9 The Customer may perform its own reconciliations by matching the bulked credit with each individual Cheque transaction using the Online Image service. The Customer will not have access to account balance information on the Online Image service.
- 3.10 Credits to the Customer's Currency Accounts pursuant to the terms of the Virtual Bank Service shall be shown on the regular bank statements the Bank provides or makes available to the Customer for the Customer's Currency Account(s) (i) in accordance with the General Terms and Conditions for the Currency Accounts or (ii) through the Lloydslink Cash Management Service (if applicable), or (iii) as otherwise agreed between the Customer and the Bank.

### 4. International Receivables service

- 4.1 On receipt of the SWIFT message from the Financial Institution notifying the Bank of funds in the Collection Account, provided such SWIFT message is received on a Business Day before the cut-off times set out in the 'Virtual Bank Service' brochure, the funds will be made available in the Customer's Currency Account(s). Where messages are received after the cut-off times, funds will be made available at the times set out in the Virtual Bank brochure.
- 4.2 Notwithstanding clause 4.1, where the Currency Account is denominated in euro if the SWIFT message notifying the Bank of funds in the Collection Account is received on a day which is not a Business Day but is Euro payment day, then for the purposes of Value Dating the funds are deemed to have been made available in the Currency Account on the euro payment day.

### 5. US Dollar Lockbox service

- 5.1 The Customer authorises the Bank to arrange for Cheques to be paid into the US cheque clearing system and for funds to be credited to the Collection Account(s).
- 5.2 Subject to clauses 3.7 above, and 8.1 and 8.2 below, following the receipt of funds into the Collection Account(s) such funds will usually be available for withdrawal from the Currency Account within three Business Days.

### 6. Online Image service

- 6.1 Customers registered for the US Dollar Lockbox service may elect for photocopies of the Cheques and Receipts to be couriered to them (at the address set out in the Virtual Bank Service registration form) on a weekly basis by the Financial Institution. They will be provided to all Customers of the Online Image service by the Financial Institution for the first 45 days; after this date this part of the service will cease should the Customer remain an Online Image service customer.
- 6.2 The Financial Institution will send only one copy of each of the photocopied Cheques and Receipts to a single address indicated on the Virtual Bank Service registration form.
- 6.3 The Customer agrees to pay the Charges applicable to the Online Image service.
- 6.4 The Customer shall specify Service Users on the Virtual Bank Service registration form. The Bank reserves the right to reject such Service Users in its sole discretion. The Bank and/or the Financial Institution, each acting reasonably, may at any time restrict or prevent access by any Service User to the Online Image service.

- 6.5 The maximum number of Service Users authorised to use the Online Image service at any one time shall be eight.
- 6.6 The Online Image service may be used by the Customer to view the images of the Cheques but the information provided by the Cheque images should not be relied on by the Customer to make payments from the Currency Account(s).
- The Customer is responsible for checking its Currency Account balance statement before making any payment or authorising any payments from its Currency Account(s). The Online Image service should be used for reconciliation and reference purposes only.
- 6.7 The Customer acknowledges that the images of the Cheques which may be accessed via the Online Image service are provided by the Financial Institution and that the Bank is not responsible for the content of the Online Image service. The Customer acknowledges that the Financial Institution provides and maintains the Online Image service and that there may be periods of time when the Online Image service is unavailable.
- 6.8 The Customer agrees that it will, and agrees to procure that each Service User will:
- 6.8.1 comply with the Online Image service User Guide and any other guidance or instructions received from the Bank and the Financial Institution with respect to the Image Online service;
- 6.8.2 not contact the Financial Institution for whom the Bank administers the Online Image service. The Customer should contact the relevant department of the Bank specified on the account details letter if the Customer or any Service Users require help or support with the Online Image service;
- 6.8.3 not transfer the access details for the Online Image service to any other person;
- 6.8.4 not make any changes to the US Dollar Lockbox password on the Online Image service; and
- 6.8.5 not make any changes to the digital certificate owned by the Financial Institution.
- 6.9 The Customer shall notify the Bank promptly in writing if any Service User ceases to be an employee of the Customer or if the Customer wishes to remove a Service User or if any Service User no longer requires access to the Online Image service.

## 7. Acceptable Payees

- 7.1 The Customer warrants and represents that Acceptable Payees are recognised variations of the Customer's name and are not separate legal entities. The Customer agrees that the Bank and the Financial Institution may treat Cheques made payable to an Acceptable Payee (and any variation of the Acceptable Payee's name which the Financial Institution deems reasonable) in the same way as Cheques made payable to the Customer in its name. The Customer shall indemnify the Bank against any claims from third parties and all damages, costs and expenses which may be incurred or sustained by the Bank and arising out of the Bank accepting Cheques made payable to an Acceptable Payee.

## 8. Returns Processing

- 8.1 If the Financial Institution informs the Bank that a Cheque has been returned for any reason, the Bank will debit the Customer's Currency Account in the amount of the returned Cheque together with related interest and reasonable costs. The Bank will inform the Customer that the Cheque has been returned and will send the returned Cheque to the Customer with supporting information and an explanation as to why the Cheque was returned. The Bank may make additional Charges in respect of returned Cheques and these will be payable on the date of the return.
- 8.2 The Customer acknowledges that the Bank may be required to reimburse the Financial Institution for irregular items, such as forged endorsements or material alterations, discovered after a Cheque has been paid. This liability may remain outstanding for at least six years. The Customer agrees that the Bank maintains a full right of recourse against the Customer in such cases, as well as in respect of Cheques returned for normal banking reasons.
- 8.3 The Bank reserves the right to charge the Customer for the Cheque returns processing described in clause 8.1 above before the Customer uses the Virtual Bank Service. The Bank also reserves the right to charge the Customer if corrections must be made to payments to allow them to be made via the Virtual Bank Service. These Charges will be specified on the invoice submitted to the Customer.

## 9. Charges

- 9.1 The Customer agrees to pay the Bank the Charges.
- 9.2 The Bank will invoice the Customer each month for the Charges arising under or in connection with this Agreement, and by way of settlement the Customer hereby authorises the Bank to debit the Charges shown on the

invoice from the account identified in the Virtual Bank Service registration form. The Bank will debit the account in the relevant amount not less than 14 calendar days after the date of invoice.

- 9.3 If the said authority to the Bank to debit the Charges from the said account is cancelled, the Bank shall be entitled to suspend the supply of the Virtual Bank Service to the Customer or to terminate this Agreement.
- 9.4 If the Charges are not paid by the due dates, the Bank will be entitled to charge interest on the amount outstanding. (This right applies after – as well as up to – the date of any formal demand or court judgment). The interest rate will be 8% per annum. Any interest that is unpaid will be compounded once a month.
- 9.5 The Charges do not include VAT or any other taxes or duties payable by the Customer in connection with the Virtual Bank Service.
- 9.6 Charges payable by the Customer hereunder comprise amounts payable in respect of the Service and do not include any charges or other amounts payable in respect of the Currency Accounts or other banking services.
- 9.7 This Agreement shall not affect any right of set-off which the Bank may have against any monies held by the Bank in any account of the Customer.

## 10. Variation

- 10.1 The Bank will notify the Customer in writing at least two months before the Bank makes any change to this Agreement. The Customer will be deemed to have accepted any such change if the Customer does not notify the Bank to the contrary before the date any such change comes into effect. However if the Customer does not accept any change:
- 10.1.1 the Customer can end this Agreement at any time before the change comes into effect; or
- 10.1.2 the Bank's notice of the change will be deemed to be notice of termination given under clause 12.3 and this Agreement will terminate the day before any change comes into effect.

## 11. Limitation of liability

- 11.1 The Bank shall not be liable for any loss, damage, injury, interruption, delay or non-performance arising out of the late delivery, error or omission in the sending of instructions and/or payments by the Financial Institution.
- 11.2 The Customer must notify the Bank by telephone or in writing as soon as possible after the Customer becomes aware of any incorrectly executed transaction or any unauthorised transaction on a Currency Account. The Customer can do so by contacting their relationship manager.
- 11.3 The Customer will be liable for all unauthorised transactions if the Customer has acted fraudulently.
- 11.4 The Bank shall not be liable for any special, indirect or consequential loss whatsoever, however the same may arise and whether such liability arises in contract or tort or otherwise, was reasonably foreseeable or not and whether or not the Bank has been advised of the possibility of such loss being incurred.
- 11.5 Micro-enterprises
- The provisions of this clause 11.5 shall apply if the Customer is a Micro-enterprise.
- 11.5.1 If the Bank fails to execute (other than in situations where the customer has not provided us with all of the required information), or incorrectly executes a payment transaction on a Currency Account in accordance with the provisions of this Agreement, the Bank will correct the transaction on the Currency Account. The Bank will also refund any interest and charges directly incurred by the Customer on the Currency Account and pay the Customer any interest the Customer has missed out on so that it is as if the defective payment transaction had not taken place.
- 11.5.2 Where the Bank is liable for an unauthorised transaction on a Currency Account and subject to the Customer complying with any security obligations that the Bank has notified to the Customer relating to the relevant Payment instrument (including the security obligations set out in this Agreement), the Bank will refund the Currency Account the amount of the transaction and any interest and charges directly incurred on the Currency Account as a result of the transaction and pay the Customer any interest the Customer has missed out on so that it is as if the defective payment transaction had not taken place. Beyond this the Bank will have no further liability for an unauthorised transaction.
- 11.6 Non-Micro-enterprises
- Clause 11.5 shall not apply if the Customer is not a Micro-enterprise. Instead this clause 11.6 shall apply, and the provisions of the Payment Services Regulations 2017 (as amended or replaced from time to time) that deal with incorrectly executed and unauthorised transactions shall be disapplied and replaced as provided for herein.

- 11.6.1 If the Bank fails to execute, or incorrectly executes a payment transaction on a Currency Account in accordance with the provisions of this Agreement, the Bank shall be liable to the Customer for any reasonable losses incurred by the Customer but only if they arise directly from the Bank's breach of this Agreement or negligence, and if in the ordinary course of events and with the knowledge the Bank had, it might reasonably have expected such loss to result directly from such breach or negligence. The Bank's total liability pursuant to this clause 11.6.1 in any period of 12 months up to the date when the liability was incurred shall not exceed:
- a. the amount (if any) necessary to reimburse the Customer in respect of any transaction as required by law, and
  - b. the amount of the Charges paid by the Customer for the Virtual Bank Service in respect of that period or the sum of £5,000 whichever shall be the greater.
- 11.6.2 Where the Customer has told the Bank that there has been an unauthorised transaction on a Currency Account the Customer will be liable for such transactions unless the Bank is reasonably satisfied that the transaction was unauthorised. If the transaction was unauthorised and subject to the Customer complying with any security obligations that the Bank has notified to the Customer relating to the relevant Payment instrument (including the security obligations set out in this Agreement), the Bank will refund to the Currency Account the amount of the transaction and any interest and charges directly incurred on the Currency Account as a result of the transaction and pay the Customer any interest the Customer has missed out on so that it is as if the unauthorised transaction had not taken place. Beyond this the Bank will have no further liability to the Customer for an unauthorised transaction.
- 11.6.3 When we are assessing whether a payment transaction was authorised by you:
- a. we can treat the use of the Payment instrument as sufficient evidence to show that the payment was authorised by you or that you may have acted fraudulently or that you may have intentionally or with gross negligence failed to:
    - i. take all reasonable steps to keep the Payment instrument safe; or
    - ii. use the Payment instrument in accordance with this Agreement.
- 11.7 Any representation made or warranty given by a Bank employee or other servant or agent of the Bank in relation to this Agreement shall not bind the Bank unless confirmed in writing.
- 11.8 Without prejudice to any other provision of this Agreement, the Bank shall not be liable for any loss, damage, interruption, delay or non-performance arising out of the acts or omissions of any third party including but not limited to the loss or destruction of any Cheques or Receipts by the Financial Institution or the refusal of the Financial Institution to accept or process an Electronic Funds Transfer or a Cheque for any reason.
- 11.9 Nothing in this Agreement shall be deemed to exclude or limit the Bank's liability which is not permissible under applicable law including liability for death or personal injury caused by the Bank's negligence or for fraud or fraudulent misrepresentation or under the Financial Services and Markets Act 2000 or any associated regulations.
- 12.2.4 if the Customer is a limited company or limited liability partnership, the Customer has a petition presented or resolution passed for winding up or an administration order or a notice of intention to appoint an administrator is issued or notice of appointment of an administrator is filed with the court or the Customer has a receiver appointed over all or part of the Customer's assets or the Customer ceases to trade, or the Customer is deemed by law unable to pay its debts, or the Customer makes an application in connection with a moratorium or a proposal to creditors for a voluntary arrangement or takes any action (including entering into negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of the Customer's indebtedness, including in Scotland granting a trust deed for creditors;
- 12.2.5 if the Customer is a partnership (including a limited liability partnership) or unincorporated association, the Customer dissolves or a petition is presented for an order to be made for the winding-up of the partnership or an application or a petition is presented or made for an administration order against the partnership;
- 12.2.6 if the Customer is a limited liability partnership, any member ceases without the Bank's written consent to be a member or the Customer ceases for any reason to be a limited liability partnership;
- 12.2.7 if the Customer fails at any time to meet any checks required by law or regulation;
- 12.2.8 if closure is required by the order of any court or direction or decision of a regulator;
- 12.2.9 if the Customer uses the Virtual Bank Service for or in connection with any purpose which is or may be unlawful;
- 12.2.10 if the Currency Account(s) subject to the Virtual Bank Service are closed; or
- 12.2.11 if the Customer breaches in a serious or repeated way this Agreement or any other agreement with the Bank.
- 12.3 Subject to clause 12.2 the Bank will not terminate this Agreement without giving the Customer at least two months' notice.
- 12.4 The Customer may terminate this Agreement at any time by giving one month's written notice to the Bank.
- 12.5 Termination of this Agreement will not release the Customer from any liability in respect of any sums owing to the Bank or from any previous liability or indemnity for any act performed by the Bank in accordance with instructions previously received from the Customer or a Service User.
- 12.6 As soon as this Agreement or the Customer's rights to use the Virtual Bank Service terminates (for whatever reason):
- 12.6.1 the Customer's right to use the Virtual Bank Service shall cease with immediate effect and no further action may be taken by the Bank in respect of any instructions received from the Customer even if received prior to the date of termination; and
  - 12.6.2 the Customer must make arrangements that are satisfactory to the Bank for the return to the Bank of any equipment or other materials or items supplied by the Bank to the Customer for use in connection with the Virtual Bank Service.
- 12.7 If this Agreement ends (for whatever reason), this will not affect any term of this Agreement that is intended to apply after termination.
- 12.8 Without prejudice to the Conditions 12.1 to 12.4 the Bank may without liability suspend or terminate the Virtual Bank Service and/or Online Image service (either generally or in relation to a particular Customer) if:
- 12.8.1 the Bank is instructed to do so by the Financial Institution;
  - 12.8.2 the Financial Institution terminates or suspends its agreement with the Bank to facilitate the Virtual Bank Service and/or Online Image service; and/or
  - 12.8.3 either or both of the Bank and the Financial Institution suspects that the Virtual Bank Service and/or Online Image service is being used by the Customer in contravention of any law or regulation.

## 12. Termination

- 12.1 This Agreement shall continue until terminated in accordance with this clause 12.
- 12.2 The Bank may terminate this Agreement immediately if any of the following occur:
- 12.2.1 if any information the Customer has given the Bank or gives the Bank in the future (whether in connection with this Agreement or not) is inaccurate;
  - 12.2.2 if any material litigation is, or material administrative, criminal or judicial proceedings are, being taken against the Customer at the time this Agreement is signed and the Customer has not informed the Bank in writing before entering into this Agreement ("material" means likely, if successful, to have any damaging effect on the Customer's business);
  - 12.2.3 if the Customer is a sole trader, the Customer dies, becomes of unsound mind, becomes insolvent (or in Scotland, apparently insolvent) a bankruptcy petition (or in Scotland, a petition for sequestration) is presented against the Customer, or steps are taken to appoint an administrator, judicial factor or similar officer to the Customer or the Customer applies to the court for a moratorium or makes a proposal to creditors for a voluntary arrangement or the Customer grants a trust deed for creditors or takes any action (including entering negotiations) with a view to readjustment, rescheduling, forgiveness or deferral of any part of the Customer's indebtedness;
13. Force majeure and sanctions
- 13.1 Notwithstanding anything to the contrary in this Agreement, if the Bank is prevented, hindered, or delayed from or in performing any of its obligations under this Agreement due to abnormal and unforeseeable circumstances beyond the Bank's control (including any strike, lock-out, labour dispute, act of God, war, riot, civil commotion, malicious damage, compliance with a law or governmental order, rule, regulation or direction, accident, breakdown or other failure of equipment, software or communications network, fire, flood, or other circumstances affecting the supply of goods or services), then the Bank shall not be liable to the Customer or be obliged to perform its obligations under this Agreement to the extent that the Bank is prevented, hindered or delayed in its performance by the abnormal and unforeseeable circumstances beyond the Bank's control.

- 13.2 The Bank and/or any member of the Lloyds Banking Group may be subject to sanctions and/or embargoes imposed by the international community including the UK, EU, UN and the USA. The Bank may not accept instructions and may refuse to make any payment or take any action pursuant to an instruction if it would result, or in the Bank's reasonable opinion is likely to result, in a breach by it or any member of the Lloyds Banking Group or any of their respective employees of any sanction or embargo whether or not imposed in the UK and the Bank will not be liable for any loss, damage, cost or expense by reason aforesaid. The Bank shall be permitted to disclose to the relevant authorities such information in relation to any instruction and/or payment as may be required.

#### 14. Data protection

- 14.1 Without prejudice to any other agreement with the Bank permitting the wider use of personal data the Bank shall use personal data provided to it by Service Administrators and other Service Users or otherwise hereunder for the purposes only of the supply of the Virtual Bank Service, and in particular the Customer acknowledges and agrees that the Bank may disclose the Customer's employees' personal data to the Financial Institution to enable it to carry out its obligations to the Bank with respect to the Customer's Collection Account(s) and/or Online Image Access. The personal data disclosed by the Bank to the Financial Institution will be the minimum required for the Customer to participate in the Virtual Bank Service.
- 14.2 The Customer shall comply with all relevant data protection and privacy laws and regulations when using the Virtual Bank Service. If the Customer accesses the Virtual Bank Service from any country outside the European Economic Area it shall be the Customer's responsibility to take all appropriate measures to ensure that personal data is processed in accordance with the provisions of the Data Protection Act 1998 (and any amendments or replacement thereof) as if the same were applicable and also in accordance with the relevant laws and regulations applicable in the country in question.

#### 15. Disclosure of Customer information and confidentiality

- 15.1 The Customer agrees promptly to provide the Bank with all necessary information and assistance to ensure compliance with the instructions or requests of the Financial Institution and/or any governmental or regulatory bodies (either in the US or elsewhere) where such instructions or requests relate to the provision of the Virtual Bank Service. The Customer also consents to the disclosure by the Bank and/or by the Financial Institution of any information relating to the Customer (or individuals connected with the Customer) to such governmental or regulatory bodies insofar as the same may be requested from time to time.
- 15.2 The Customer agrees to maintain in confidence and shall procure that the Primary Contact and Service Users maintain in confidence any material or information disclosed by the Bank to the Customer related to the Virtual Bank Service whether in tangible or intangible form and that neither the Customer nor any Service User shall disclose the same to any third party or use the same except in pursuance of this Agreement.
- 15.3 Without prejudice to clause 15.1, the Bank will take reasonable precautions to ensure that information related to the business or affairs of the Customer which become known to the Bank is maintained in confidence and not disclosed to third parties except that nothing herein shall prevent the Bank from disclosing any such information to third parties including its subcontractors agents or other members of the Lloyds Banking Group where the Bank reasonably considers such disclosure to be necessary in pursuance of the supply of the Virtual Bank Service or to comply with any duty or obligation imposed by law or the order of a court of competent jurisdiction.

#### 16. No Contract with the Financial Institution

- 16.1 The Customer acknowledges and agrees that it is contracting with the Bank for the operation of the Collection Account(s) via the Virtual Bank Service and that it has no contractual relationship with the Financial Institution. The Customer agrees therefore that the Financial Institution is under no obligation (either expressed or implied) to the Customer.

#### 17. Warranties and indemnities

- 17.1 Each party warrants to the other that it has the power and authority to enter into and perform this Agreement without infringing the rights of any third party.
- 17.2 The Customer warrants and represents that the information provided in its Virtual Bank Service registration form and any information provided by any Primary Contact and any Service User is accurate, complete and up to date.
- 17.3 The Customer shall indemnify the Bank and keep the Bank indemnified against any actions, claims, demands, costs and expenses arising out of any claim or allegation that material comprised in its instructions or otherwise provided by the Customer infringes any applicable laws, regulations or third party rights.

#### 18. Notices

- 18.1 Any notice to be given under this Agreement shall be delivered, where the Bank is the receiving party, by post (deemed received two Business Days after posting) to Lloyds Bank plc, Relationship Support Team, Ground Floor, Great Surrey House, 203 Blackfriars Road, London SE1 8NH or to such other address as shall be notified by the Bank to the Customer and where the Customer is the receiving party, by post (deemed received two Business Days after posting) or email (deemed received the same Business Day if sent on a Business Day or next Business Day if not sent on a Business Day) to the Primary Contact whose correspondence and email address have been notified in the Virtual Bank Service registration form or such other correspondence or email address of the Primary Contact as notified to the Bank. For the avoidance of doubt, any contact by the Bank with the Customer in relation to the Virtual Bank Service shall be with the Primary Contact who shall be responsible to communicate with the relevant personnel of the Customer. If there is any change to the Customer details or to the Primary Contact, the Customer (acting through its authorised signatories) shall notify such changes to the Bank in writing to the address set out in this clause (and, if applicable, provide a specimen signature of the replacement Primary Contact).

#### 19. General

- 19.1 No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that (or any other) right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that (or any other) right or remedy.
- 19.2 If any clause or part of this Agreement is found by any court, tribunal, administrative body or authority of competent jurisdiction to be illegal, invalid or unenforceable, that provision will to the extent required be severed from the agreement and this will not affect any other provisions of the agreement which shall remain in full force and effect.
- 19.3 Nothing in this Agreement confers or is intended to confer a benefit enforceable by a person who is not a party to it and such a person shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
- 19.4 The Customer shall not assign or transfer any of its rights and obligations under this Agreement without the prior written consent of the Bank. The Bank may assign, transfer or sub-contract all or any of its rights or obligations under this Agreement.
- 19.5 If there are two or more persons comprised in the expression "Customer" their undertakings and liabilities shall be joint and several and the reference to "Customer" shall be deemed to mean any one or more of them.
- 19.6 If the Customer is a partnership this Agreement shall continue in full force and effect and bind each of the partners notwithstanding any change in the name, style or constitution of the partnership whether by the death or the retirement of a partner or partners of the introduction of a new partner or partners or otherwise.
- 19.7 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, construed and take effect in all respects in accordance with the law of England. The parties irrevocably agree to submit to the non-exclusive jurisdiction of the English courts to settle any dispute or claim that arises out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising out of or in connection with this Agreement). The Customer acknowledges that the use of the Virtual Bank Service in certain countries may be subject to specific local legislation and regulations and the Customer agrees to comply with any such legislative requirements and regulations as though they were set out herein.
- 19.8 The language of this Agreement is English and all communications and notices between the parties shall be in English.

## 20. Definitions

**“Acceptable Payee”** any variation of the Customer’s name listed as acceptable by the Customer in the Virtual Bank Service registration form. For the avoidance of doubt, the term Acceptable Payee does not include any legal entity other than the Customer;

**“Business Day”** means 9am to 5pm Monday to Friday other than public and bank holidays in England and Wales unless the Customer is notified of different times for the processing of payments out of the Customer’s Currency Account(s).

**“Charges”** the charges as provided to the Customer from time to time, or otherwise agreed between the Customer and the Bank as may be varied in accordance with clause 11 from time to time for the provision of the Virtual Bank Service (including all other services referred to in these Terms and Conditions).

**“Cheque(s)”** the US Dollar cheque(s) drawn on financial institutions in the US, made payable to the Customer (or to an Acceptable Payee) and deposited at one of the Depositories.

**“Collection Account(s)”** the collection account(s) opened by the Bank on behalf of the Customer in the name of the Bank re the name of the Customer, namely a “Re Account”, with the Financial Institution and used for the receipt of incoming funds payable to the Customer. The US Dollar Lockbox service will use the same Collection Account(s). The International Receivables service will use a different Collection Account.

**“Currency Account(s)”** the currency account(s) in the name of the Customer opened with the Bank.

**“Depositories”** the United States Post Office addresses assigned in respect of the Customer (as notified to the Service Administrator by the Bank from time to time).

**“Electronic Funds Transfer”** any transfer of funds, other than a transaction originated by cheque, draft, or similar paper instrument, which is initiated through an electronic terminal, telephone, computer or magnetic tape so as to order, instruct or authorise a financial institution to debit or credit an account.

**“Euro payment day”** a day on which TARGET2 is open for settlement of payments in euro.

**“Financial Institution”** the relevant third party financial institution in the US (as notified by the Bank to the Customer) which has agreed arrangements with the Bank to facilitate the Virtual Bank Service.

**“International Receivables Service”** a service provided by the Bank to enable the Customer to have access to funds in Currency Account(s) following the receipt of funds in Collection Account(s). Instructions to credit the Collection Account(s) are received by Electronic Funds Transfer.

**“Lloyds Banking Group”** Lloyds Banking Group plc and its subsidiaries for the time being.

**“Micro-enterprise”** any enterprise, or group of enterprises of which it forms part, which at the time the Customer enters into this Agreement, employs fewer than 10 persons and whose annual turnover and/or balance sheet total does not exceed €2 million (or its equivalent).

**“Payment instrument”** means any personalised device or personalised set of procedures agreed between the Bank and the Customer which the Customer uses in order to initiate a payment.

**“Primary Contact”** the primary contact person named in the Virtual Bank registration form as the Customer’s main contact person for the Virtual Bank Service. The Primary Contact may also be a Service User if so appointed by the Customer.

**“Receipts”** the remittance documents associated with a Cheque which are deposited at any of the Depositories.

**“Service User”** an employee of the Customer who is authorised by the Customer to have access to the Online Image Service.

**“TARGET2”** the Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

**“US”**: the United States of America.

**“US Dollar Lockbox Service”** a service provided by the Bank to enable the Customer to have access to funds in the Currency Account(s) following the receipt of funds in the Collection Account(s) and to view associated Receipts. Instructions to credit the Collection Account(s) are received by Cheque.

**“Value Dating”** the date on which the Bank calculates interest on funds credited to or debited from Currency Account(s).

## Help and information.

If you have any queries about the Virtual Bank Service or require a copy of these Terms and Conditions please contact your relationship team. These Terms and Conditions can also be found on our website at [lloydsbank.com/business](https://lloydsbank.com/business)

## Our service promise.

We aim to provide the highest level of customer service possible. However, if you experience a problem, we will always seek to resolve this as quickly and efficiently as possible. A copy of our ‘How to voice your concerns’ leaflet can be obtained in branch or by contacting your relationship team. The complaint procedures are also published on our website [lloydsbank.com/business/contactus](https://lloydsbank.com/business/contactus)

## Find out more

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 Go to [lloydsbank.com/business](https://lloydsbank.com/business)

 Visit your local branch

Please contact us if you'd like this information in an alternative format such as Braille, large print or audio.

If you have a hearing or speech impairment you can use Text Relay (previously Typetalk) or if you would prefer to use a Textphone, please feel free to call us on 0345 601 6909 (lines open 7am-8pm Monday to Friday and 9am-2pm Saturdays).

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### Important Information

Your call may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales No. 2065. Telephone: 020 7626 1500.

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We adhere to the Standards of Lending Practice which are monitored and enforced by the LSB: [www.lendingstandardsboard.org.uk](http://www.lendingstandardsboard.org.uk)

Lloyds Bank plc is covered by the Financial Services Compensation Scheme and the Financial Ombudsman Service. (Please note that due to the schemes' eligibility criteria not all Lloyds Bank Commercial customers will be covered by these schemes).



**LLOYDS BANK**

M59536 (06/18)