

COMMERCIAL BANKING



INSOLVENCY ACCOUNT

Product & Services Terms & Conditions



LLOYDS BANK

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Core Banking Agreement

(“**The Agreement**”) contains terms, conditions and important information that apply to certain of our products and services.

Those products and services can be identified as they state in the header Core Banking Agreement.

Important Information

The following documents detail both your and our rights and obligations in relation to the Products.



RELATIONSHIP TERMS & CONDITIONS

These contain the general relationship terms and conditions for all **Products** under **The Agreement**;



PRODUCT & SERVICES TERMS & CONDITIONS

These contain additional terms and conditions for a specific **Product** provided under **The Agreement**; and



GENERAL INFORMATION ON PAYMENTS, CHARGES & CONTACTS

This contains the general information you will need to know in respect of payments and standard charges under **The Agreement**. Also included are general contact details and information on large print, Braille and call recording.

You need to read

Product & Services Terms & Conditions, relating to a **Product** that we agree to provide to you alongside the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts.

You can find a copy of each of these at lloydsbank.com/corebankingagreement or request a copy from your relationship team.





DEFINITIONS

Words and expressions as defined in the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts have the same meaning in these Product & Services Terms & Conditions unless otherwise stated in these Product & Services Terms & Conditions

1. Definitions

- 1.1 Words and expressions as defined in the Relationship Terms & Conditions and the General Information On Payments, Charges & Contacts have the same meaning in these Product & Services Terms & Conditions unless otherwise stated in these Product & Services Terms & Conditions. We also use the following defined terms throughout these Product & Services Terms & Conditions.

Account

means the insolvency account that you have applied for and opened with us excluding those products or accounts where separate terms and conditions have been provided to you.

Administrator

means an **Insolvency Practitioner** appointed under the Insolvency Act 1986 by the court under an administration order or by a floating charge holder or by the **Insolvent Entity** or its directors filing the requisite notice at court.

Authorised Signatories List

means the list of signatories provided by you which forms part of the **Mandate** relating to the **Account** and which sets out the details of the people that can act as **Authorised Signatories** on the **Account** (as amended, updated or supplemented by you from time to time in accordance with clause 11).

Authorised Debit Interest Rate

means the agreed rate of interest charged on the **Account** for authorised overdraft borrowing as advised to you by your relationship team and confirmed in your most recent **Facility Letter** (where appropriate) or as otherwise provided to you in writing.

Authorised Signatory

means anyone who is nominated by you to be an authorised signatory from time to time under a **Mandate** and whose details have been provided to us from time to time by you in the **Authorised Signatories List**.

Charging Cycle

means the charging cycle relating to the payment of charges, which shall be monthly unless otherwise agreed with your relationship team.

Credit Interest Rate

means the rate of interest, if any, paid on the **Account**, details relating to which are agreed between you and us in writing.

Facility Letter

means the document detailing specific terms and conditions relevant to an overdraft or other borrowing

agreed by your relationship team (as amended, varied or supplemented from time to time).

Insolvent Entity

means the individual or entity in relation to which you act as an **Insolvency Practitioner** to manage and/or transact their affairs and/or asset(s) or effect the sale of charged property.

Insolvency Practitioner

means an insolvency practitioner practising in the United Kingdom appointed as a **Liquidator, Administrator, Trustee in Bankruptcy/Sequestration, Nominee/Supervisor** or an official receiver or an **LPA Receiver** or, in Scotland, a trustee appointed under a **Trust Deed**.

Interest Cycle

means the charging cycle relating to the payment of interest, which shall be monthly unless otherwise agreed with you relationship team.

Law

means in respect of either party, all relevant laws, rules, regulations, statements of practice, guidance notes or interpretations published by any regulatory authority, industry body or other institution regulating the relevant business of that party from time to time.

Legal or Regulatory Requirement

means any law, regulatory undertaking, code of practice or other provision that is binding on us or that we usually observe in the course of our business.

Liquidator

means an **Insolvency Practitioner** appointed by law, including by the court under a winding up order or by a requisite resolution of the members/creditors of the **Insolvent Entity**.

Insolvency Practitioner



means an insolvency practitioner practising in the United Kingdom appointed as a Liquidator, Administrator, Trustee in Bankruptcy/Sequestration, Nominee/Supervisor or an official receiver or an LPA Receiver or, in Scotland, a trustee appointed under a Trust Deed

LPA Receiver

means a person appointed under the Law of Property Act 1925 and/or a fixed charge by a lender holding a fixed charge over property to enforce the lender's security.

Nominee/Supervisor

means an **Insolvency Practitioner** appointed to supervise the implementation of a company voluntary arrangement.

Prescribed Material

means any interest rate material and any material relating to **The Agreement** (including the **Pricing Schedule**) and/or the **Account** and/or to us which is required to be given to you when applying for the **Account** in order to comply with a **Legal or Regulatory Requirement** and/or our business practices.

Pricing Schedule

means the document identified as such which forms part of these Product & Services Terms & Conditions and which sets out the details relating to the interest rates applicable to the **Account**, or any other document setting out such details provided to you by us.

Residence

means the place where you are normally resident.

Trust Deed

means a voluntary trust deed for creditors entered into by the **Insolvent Entity** consistent with the terms of section 59 of and schedule 5 to the Bankruptcy (Scotland) Act 1985.

Trustee in Bankruptcy/Sequestration

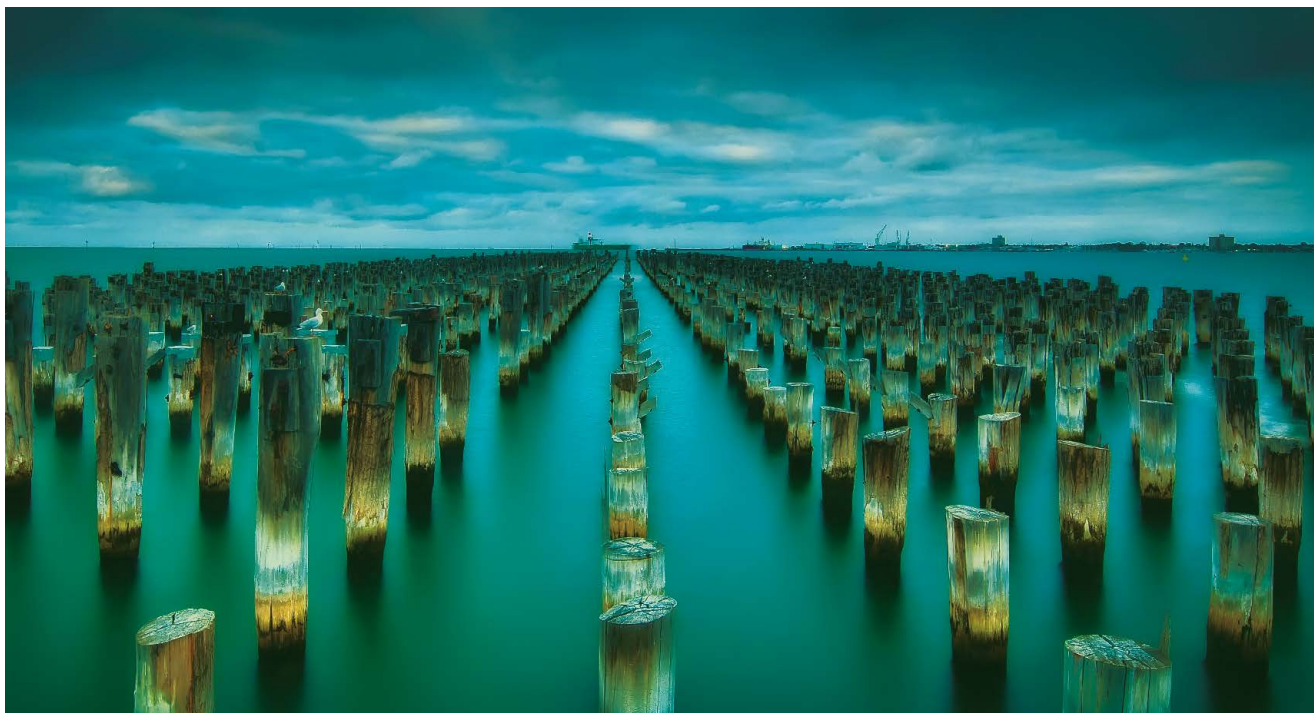
means an **Insolvency Practitioner** who takes control of a bankrupt person's assets in accordance with the Insolvency Act 1986 or the Bankruptcy (Scotland) Act 1985.

Unauthorised Debit Interest Rate

means the standard unauthorised debit interest rate charged on the **Account** for unauthorised overdraft borrowing, details of which are available in the General Information On Payments, Charges & Contacts and from your relationship team, or are as otherwise agreed between you and us in writing.

Uncleared Balance

means any balance which is still to be cleared through the clearing cycle after being paid into an **Account**.



2. Eligibility

- 2.1 The **Account** is only available to **Insolvency Practitioners**.
- 2.2 We can require you to provide references or a new **Mandate** at any time.

The Account is only
available to Insolvency
Practitioners.

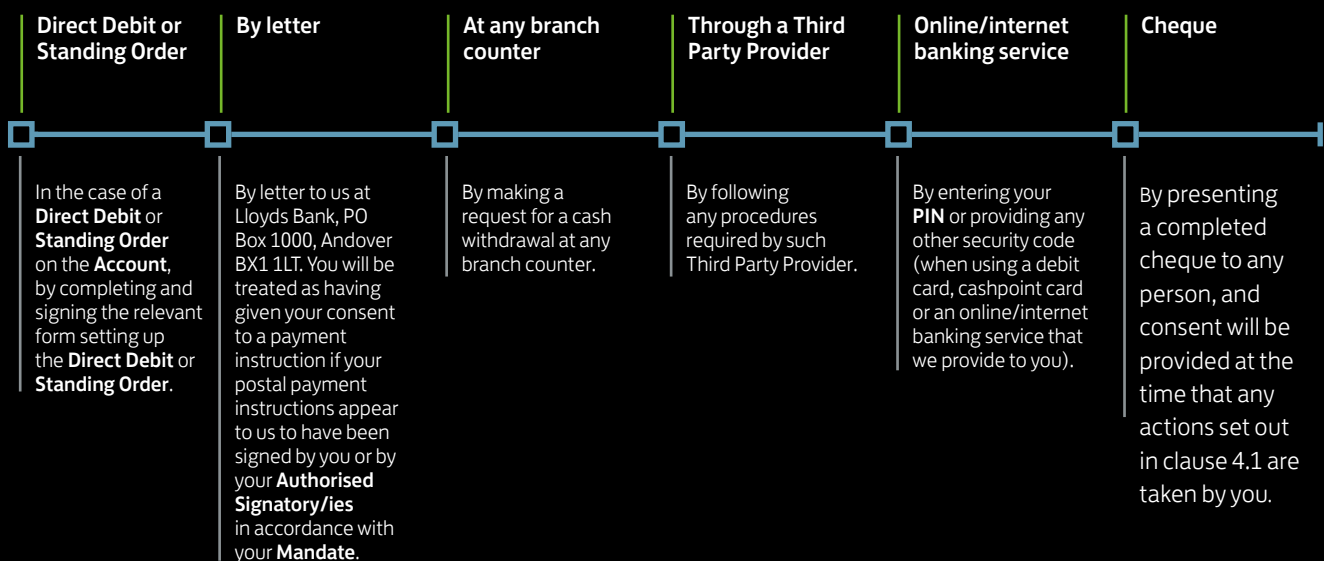
3. Your general obligations

- 3.1 At all times during the subsistence of **The Agreement** you shall:
 - 3.1.1 perform all of your obligations under **The Agreement** using all due care, skill and diligence in accordance with best industry practice;
 - 3.1.2 comply in all respects with all relevant **Legal or Regulatory** Requirements, including data protection law;
 - 3.1.3 be qualified as required by the relevant **Law** to act as an **Insolvency Practitioner**, and licensed by one of the following professional bodies for the conduct of insolvency business (except if you are an official receiver or an **LPA Receiver**, but not a licensed insolvency practitioner):
 - 3.1.3.1 The Chartered Association of Certified Accountants;
 - 3.1.3.2 The Institute of Chartered Accountants in England and Wales;
 - 3.1.3.3 The Institute of Chartered Accountants in Ireland;
 - 3.1.3.4 The Institute of Chartered Accountants of Scotland;
 - 3.1.3.5 The Law Society;
 - 3.1.3.6 The Law Society of Scotland; or
 - 3.1.3.7 The Insolvency Practitioners' Association,or authorised to act as an insolvency practitioner by the Secretary of State;
 - 3.1.4 have and maintain all necessary licences, permits, consents, sanctions, registrations and authorisations required by **Law** and which must be met in order for you to perform your obligations and exercise your rights under **The Agreement**, including all necessary registrations under the Data Protection Act 2018 and notifications to the Information Commissioner's Office.
- 3.2 You shall provide us with such information within your possession and/or provide us with such reasonable assistance as we shall reasonably require to perform our obligations under **The Agreement**.
- 3.3 The format and the content of all **Prescribed Material** shall be in a form that we may specify from time to time and you shall not amend, reprint, brand or otherwise alter such **Prescribed Material** or allow any other person to do so without our prior written consent (acting in our sole discretion). We alone shall be responsible for the content of all **Prescribed Material**.
- 3.4 You shall promptly notify us:
 - 3.4.1 if you become the subject of any investigation by any regulatory body (whether or not connected to any of the activities contemplated by **The Agreement**), providing (to the extent that you are permitted to do so by **Law**) full details of the investigation to us; and/or
 - 3.4.2 if you lose any permission or licence (including any court authorisation) needed by you to conduct your business in accordance with the provisions of **The Agreement**, or if any such permission or licence is restricted in any way which may materially affect your ability to perform your obligations under **The Agreement**.

4. Instructions

- 4.1 The ways in which your consent for a payment transaction will be given to us are:
- 4.1.1 in the case of a **Direct Debit** or **Standing Order** on the **Account**, by completing and signing the relevant form setting up the **Direct Debit** or **Standing Order**;
 - 4.1.2 by letter to us at the address as set out in clause 16. You will be treated as having given your consent to a payment instruction if your postal payment instructions appear to us to have been signed by you or by your **Authorised Signatory/ies** in accordance with your **Mandate**;
 - 4.1.3 by making a request for a cash withdrawal at any branch counter;
 - 4.1.4 through a Third Party Provider, by following any procedures required by such Third Party Provider;
 - 4.1.5 by entering your **PIN** or providing any other security code (when using a debit card, cashpoint card or an online/internet banking service that we provide to you); or
 - 4.1.6 by presenting a completed cheque to any person, and consent will be provided at the time that any actions set out in clause 4.1 are taken by you.
- 4.2 We will not accept payment instructions given by any other means (for example, by telephone, fax or email).
- 4.3 You agree that you shall be liable to us for all sums that become due to us in connection with these Product & Services Terms & Conditions. We shall not be liable for and you shall indemnify us in respect of all losses, claims, actions, proceedings, demands, damages, costs and expenses incurred or sustained by us arising out of or in connection with any cheques, payment instructions or other instructions given by you or on your behalf in accordance with your **Mandate**, except where:
- 4.3.1 any losses, claims, actions, proceedings, demands, damages, costs and expenses incurred or sustained by us were as a result of the fraudulent actions of an unrelated third party.

The ways in which your consent for a payment transaction will be given to us are:



5. Payments into the Account

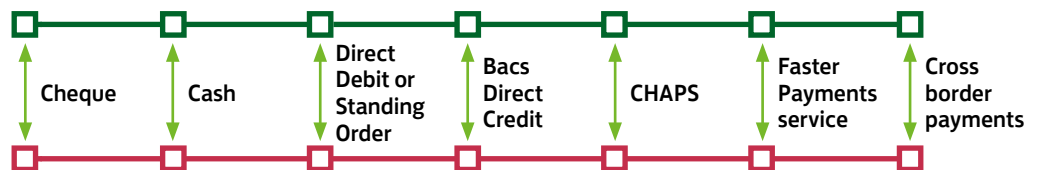
- 5.1 You can make payments into the **Account** by cheque, cash, **Direct Debit** or **Standing Order**, **Bacs** Direct Credit, **CHAPS**, using the **Faster Payments** service and/or by making cross border payments. All payments into the **Account** must be in the currency in which the **Account** is denominated.
- 5.2 We may deduct our charges for dealing with a payment into the **Account** before we add the payment to the **Account**.
- 5.3 Please see the General Information On Payments, Charges & Contacts for information about when payments into the **Account** will start earning interest.

6. Payments out of the Account

- 6.1 You can make payments out of the **Account** by cheque, cash, **Direct Debit** or **Standing Order**, **Bacs** Direct Credit, **CHAPS**, using the **Faster Payment** service and by making cross border payments. All payments out of the **Account** must be in the currency in which the **Account** is denominated.

You can make payments
INTO the Account by:

You can make payments
OUT of the Account by:



We will not accept payment instructions given by any other means (for example, by telephone, fax or email).

BORROWING



Unauthorised borrowing will incur interest at the Unauthorised Debit Interest Rate and will be charged when the overdrawn balance on the Account (including any Uncleared Balance) exceeds the agreed overdraft limit or alternatively when the Account goes overdrawn (including any Uncleared Balance) when there is no agreed overdraft limit.

Interest will be debited to the Account in line with the Interest Cycle.

7. Interest on money in an Account

- 7.1 Until further notice, interest (if payable on the **Account**) is calculated on a daily basis on cleared credit balances at the **Credit Interest Rate**. Interest will be credited to the **Account** on a monthly basis, unless otherwise agreed with your relationship team.

8. Borrowing

- 8.1 You should only overdraw the **Account** within an overdraft limit agreed in advance with your relationship team. The overdraft limit will be confirmed in writing by your relationship team. We normally confirm the limit on an annual basis if the borrowing facility is to continue or at such other time that the limit is changed with our agreement.
- 8.2 We may at our sole discretion permit you to exceed any agreed overdraft limit or overdraw the **Account** where an overdraft limit has not been agreed in advance with your relationship team. Such amounts will constitute unauthorised borrowing and will incur unauthorised borrowing interest.
- 8.3 Fees or charges may apply in relation to your overdraft. These include arrangement fees for the setting up and renewal of an overdraft facility and charges for taking security. These fees or charges will be advised to you by your relationship team at the time of your request and confirmed in writing in your most recent **Facility Letter** or otherwise. These fees and charges are not refundable if the overdraft facility is not used.
- 8.4 Authorised borrowing will incur interest at the **Authorised Debit Interest Rate** on the total amount outstanding (including any **Uncleared Balance**) within your agreed overdraft limit. Interest will be debited to the **Account** in line with the Interest Cycle.
- 8.5 **Unauthorised** borrowing will incur interest at the **Unauthorised Debit Interest Rate** and will be charged when the overdrawn balance on the **Account** (including any **Uncleared Balance**) exceeds the agreed overdraft limit or alternatively when the **Account** goes overdrawn (including any **Uncleared Balance**) when there is no agreed overdraft limit. Interest will be debited to the **Account** in line with the Interest Cycle.

- 8.6 We may at any time, without giving you notice, withdraw or restrict any right to an overdraft or demand immediate repayment of your overdraft. We will write to you if we require any repayment of your overdraft.
- 8.7 Nothing in **The Agreement** restricts our right to refuse to allow any overdraft or other borrowing or increase in any overdraft or other borrowing.



9. Charges

- 9.1 We will charge you for transactions by applying the charges set out in the General Information On Payments, Charges & Contacts, or as otherwise agreed in writing with your relationship team.
- 9.2 Where you are in breach of **The Agreement**, we can charge you for all costs and losses we incur in connection with suspending or withdrawing the **Account**, or declining to process or any delay in processing your payment instructions.
- 9.3 If you are the recipient of a payment (i.e. a payee) we may deduct our charges as set out in the tariff from the money transferred before crediting it to you. If we deduct any charges under this clause, we will give you details in your regular bank statements or charges invoices (or other agreed means by which you wish to be notified) of the amount of money we receive and of our charges for receiving the money.
- 9.4 **Account** transaction charges will be debited to the **Account** in line with the **Charging Cycle** (unless otherwise agreed with your relationship team).
- 9.5 Unless we tell you or you request otherwise, we will send you pre-notification of **Account** transaction charges and debit interest at least 14 days in advance of them being debited to the **Account**.
- 9.6 We will tell you the charge for any other service or product before we provide that service or product to you, and at any time that you ask.

10. Account information and notices

- 10.1 If the **Account** is held in joint names, we will send statements of account and notices (addressed to all of you) to the first named person in the application form for the **Account**.

11. Changes to your information

- 11.1 If you appoint a new **Authorised Signatory**, you must complete a new **Mandate**. We must be satisfied with our identification, background and other checks in relation to the new **Authorised Signatory** before we will be prepared to accept instructions from that person.
- 11.2 It normally takes us seven **Business Days** to process any changes to your **Mandate**. Until the changes have been processed, and we are satisfied with our identification, background and other checks (if applicable), we can continue to rely on your existing **Mandate** and your existing **Authorised Signatory List**.

12. Liability

- 12.1 Our total liability in contract, tort/delict (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise arising in connection with the services provided under these Product & Services Terms & Conditions shall be limited to the monetary amount of the relevant transaction in relation to the **Account** in respect of which we have incurred a liability hereunder.
- 12.2 Nothing in these Product & Services Terms & Conditions limits or excludes our liability in any way under the sections titled "Refunds for incorrectly executed payment instructions", "Refunds for incorrect payment amounts/sums" and "Refunds for unauthorised transactions" in the Relationship Terms & Conditions. Any limitation on your liability under the section titled "Your responsibility for unauthorised transactions" in the Relationship Terms & Conditions will not be affected or prejudiced by any term of these Product & Services Terms & Conditions.

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CHARGES

We will charge you for transactions by applying the charges set out in the General Information On Payments, Charges & Contacts, or as otherwise agreed in writing with your relationship team

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13. Indemnity

- 13.1 You shall indemnify us and keep us indemnified on an after tax basis against all claims, actions, damages, liabilities, losses, costs and expenses suffered or incurred by us arising:
- 13.1.1 as a consequence of any breach by you of any of your obligations under **The Agreement**;
 - 13.1.2 as a consequence of any act or omission of a third party which, if that third party had been a party to **The Agreement** as an additional **Insolvency Practitioner**, would have constituted a breach of its obligations under **The Agreement**;
 - 13.1.3 as a result of any action, claim or demand arising from any misrepresentation, misleading or negligent statement, or failure to provide information required or any **Legal or Regulatory Requirement**, which (in each case) is made by you in relation to any **Account**; and/or
 - 13.1.4 as a result of us being obliged to indemnify any **Insolvent Entity** for any loss of funds held in the **Account**, where such loss arises as the result of any act, omission, error or unlawful act on your part.
- 13.2 Should any liability arise under clause 13.1 and you are acting under **The Agreement** as an **Administrator** it is agreed that you act at all times as an agent of the **Insolvent Entity** and you shall have no personal liability under **The Agreement** or otherwise except in circumstances of fraud, wilful misconduct and/or gross negligence. Notwithstanding the foregoing, in the absence of any personal liability on your part, you agree that any and all liabilities arising to us under or in connection with **The Agreement** will be met out of the assets of the **Insolvent Entity** during the administration process as an unsecured debt of the **Insolvent Entity** in administration on terms no less favourable than other liabilities which arise during the continuance of the administration. Any liabilities arising to us which remain unpaid at the end of the administration shall rank (and be payable) as liabilities of the administration pursuant to paragraph 99(4) of Schedule B1 to the Insolvency Act 1986.
- 13.3 Should any liability arise under clause 13.1 and you are acting under **The Agreement** as a **Liquidator** it is agreed that you act at all times as an agent of the **Insolvent Entity** and you shall have no personal liability under **The Agreement** or otherwise except in circumstances of fraud, wilful misconduct and/or gross negligence. Notwithstanding the foregoing, in the absence of any personal liability on your part, you agree that any and all liabilities arising to us under or in connection with **The Agreement** shall rank (and be payable) as liabilities of the liquidation pursuant to Rule 6.42 or 7.108 of the Insolvency (England and Wales) Rules 2016 (as applicable) or, as appropriate, Rule 4.67 of the Insolvency (Scotland) Rules 1986.
- 13.4 Should any liability arise under clause 13.1 and you are acting under **The Agreement** as an **LPA Receiver** you will be personally liable to us pursuant to section 37(1) of the Insolvency Act 1986 for any and all liabilities arising to us under or in connection with **The Agreement** only to the extent of receivership assets in your custody or under your control, except in circumstances of fraud, wilful misconduct and/or gross negligence.
- 13.5 Should any liability arise under clause 13.1 and you are acting under **The Agreement** as a **Trustee in Bankruptcy/Sequestration** it is agreed that you shall have no personal liability under **The Agreement** or otherwise except in circumstances of fraud, wilful misconduct and/or gross negligence. Notwithstanding the foregoing, in the absence of any personal liability on your part, you agree that any and all liabilities arising to us under or in connection with **The Agreement** shall rank (and be payable) as liabilities of the bankruptcy pursuant to Rule 10.149 of the Insolvency (England and Wales) Rules 2016 or, as appropriate, section 51 of the Bankruptcy (Scotland) Act 1985.
- 13.6 Should any liability arise under clause 13.1 and you are acting under **The Agreement** as a **Nominee/ Supervisor** it is agreed that you act at all times as agent of the **Insolvent Entity** and you shall have no personal liability under **The Agreement** or otherwise except in circumstances of fraud, wilful misconduct and/or gross negligence. Notwithstanding the foregoing, in the absence of any personal liability on your part, you agree that any and all liabilities arising to us under or in connection with **The Agreement** will be met out of the assets of the **Insolvent Entity** during the company voluntary arrangement process as an unsecured debt of the **Insolvent Entity** on terms no less favourable than other liabilities which arise during the continuance of the company voluntary arrangement. Any liabilities arising to us which remain unpaid at the conclusion of the company voluntary arrangement shall rank and be payable as liabilities of the company voluntary arrangement.

14. Termination and suspension

- 14.1 If you are the only **Account** holder and we are informed of your death, we will suspend operations on the **Account** until we receive evidence of your replacement's right to instruct us in relation to the **Account** (for example, a court order). We will then act on the instructions of your replacement.
- 14.2 We can suspend operations on the **Account** at any time and/or reverse or recall any transfer or payment if we reasonably believe that you are **Insolvent** and/or we become aware of any court process against you.
- 14.3 Interest will continue to accrue on the **Account** while it is suspended.
- 14.4 If there is more than one of you and the relationship between you ends, we will ask for instructions from all of you. Provided we receive clear instructions from all of you agreeing to this, we will remove the **Account** holder who is leaving the relationship from the **Account** and the **Account** will continue in the name(s) of the remaining **Account** holders.
- 14.5 When your appointment as Insolvency Practitioner ends, including where you are taking a new appointment over the **Insolvent Entity**, you must close your **Account** unless we agree with you otherwise.

15. Set-off

- 15.1 If you owe us money on another account (including a loan or deposit or current account) which is held in the same capacity as the **Account**, we may use money in any of your accounts with us to reduce or repay (by way of set-off or otherwise) what you owe us without telling you before we do so.



If you are the only Account holder

and we are informed of
your death, we will suspend
operations on the Account until
we receive evidence of your
replacement's right to instruct us
in relation to the Account.

FOR EXAMPLE, A COURT ORDER

16. Contact details

16.1 You can contact us:



by telephone on
0345 835 7478



by post
Lloyds Bank
Commercial Servicing,
Edinburgh BX2 1LB

or by such other contact methods as we may from time to time advise you

16.2 Further contact details are set out within The General Information On Payments, Charges & Contacts.

17. Other terms

- 17.1 Where there is more than one of you, you confirm that under the terms of your appointment any act required or authorised to be done by you may be done by any of you.
- 17.2 Each of our services and products have separate terms and conditions applying to them (including in the form of other Product & Services Terms & Conditions).
- 17.3 These Product & Services Terms & Conditions apply to the services provided to you under these Product & Services Terms & Conditions. Subject to clause 17.4 and clause 17.5, if separate terms and conditions (including in the form of other Product & Services Terms & Conditions) are provided to you by us for the supply by us of any of our other products or services (either electronic, automated or other), the provisions of any such separate agreements will apply to those products and services.
- 17.4 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply of the services provided to you under these Product & Services Terms & Conditions, these Product & Services Terms & Conditions will take precedence.
- 17.5 To the extent of any conflict between these Product & Services Terms & Conditions and any other separate terms and conditions relating to the supply by us of any of our other products and services (either electronic, automated or other), the terms and conditions relating to such other products and services will take precedence in respect of the provision by us to you of those products and services.
- 17.6 Where you properly authorise signatories and users in relation to other services and products, and you instruct us to act on the instructions of those signatories and users in relation to such services/products, then those authorisations and instructions will take priority over and apply in place of the authorisations and instructions set out in the **Mandate** relating to the **Account** in relation to such services/products, including where such services/products relate to the operation of the **Account**.





LLOYDS BANK

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