

COMMERCIAL BANKING



BACSTEL-IP FOR CUSTOMERS OF AGENCY BANKS

Terms & Conditions



LLOYDS BANK

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Important Information

These Terms and Conditions set out Your rights and obligations in connection with Your use of the Service as a customer of an Agency Bank.

The Agency Bank will have its own terms and conditions with Us that apply to Your use of the services provided to You by the Agency Bank.

You are required to comply with terms and conditions provided by Us and the Agency Bank.

You should speak to the Agency Bank if You have any concerns over any of the terms and conditions.

You need to read



USER DOCUMENTATION

This is all User Guides, Bacstel-IP Materials and/or any other documentation relevant to your use of the service issued to you by us or by Bacs from time to time.

1. Definitions

1.1 To help Your understanding of wording or phrases used in these Terms and Conditions, We include these definitions for Your assistance.

1.1.1 Access Code

means the access code associated with a Contact ID as issued by the Bacs System to the relevant Contact or subsequently changed by the Bacs System or a Contact as contemplated by (amongst other documents) the Bacstel-IP Service User Guide.

1.1.2 Account

means Your account with the Agency Bank nominated in Your application form or as may be subsequently notified to Us in writing.

1.1.3 Administration

means the facility provided through Bacstel-IP to allow Contacts (depending on their granted privileges) to:

- set up new Contacts;
- allocate Contact access rights;
- amend Contacts' details;
- amend Contacts' access rights; and
- suspend or delete a Contact's authority.

1.1.4 Agency Bank

means an institution which participates in clearing and which is sponsored by Us in accordance with an agency agreement to sponsor Service Users. This is the bank or other payment service provider with which You hold an Account for the purposes of receiving the Service from Us on behalf of the Agency Bank.

1.1.5 Applicable Requirements

means any requirements in relation to Your use of the Service advised by Bacs in any form, whether in paper or electronic copy or given verbally, from time to time (including any guidelines set out in instruction materials, for example, the Bacstel-IP Materials) and any law, regulation, order, rule, guidance, voluntary code or standard applicable to You (including all import and export controls and requirements).

1.1.6 Approved Software

means software which has been approved by and passed quality standards set by Bacs.

1.1.7 ASM

means the Alternative Security Method which is a non-PKI-based method of accessing the Service using a Contact ID and Password to provide secure access to low-risk functions on the Bacs Payment Services Website (eg accessing reports, maintaining non sensitive reference data).

1.1.8 ASM Contact

means a Contact who accesses the Service via the ASM.

1.1.9 Authorised Signatory

means a person who is designated by You to Us as having authority to:

- apply for the Service on Your behalf; and
- appoint other Contacts.

1.1.10 Bacs

means Bacs Payment Schemes Limited and/or Vocalink as appropriate (and any successor entity or entities thereof).

1.1.11 Bacs Confidential Information

means all information of Bacs and any member of Bacs which is disclosed or made available to You in connection with, or for the purposes of using Bacstel-IP and the Service and which:

- 1.1.11.1 is by its nature confidential;
- 1.1.11.2 is designated as confidential by the party who discloses it or to whom it relates; or
- 1.1.11.3 You know or ought reasonably to know is confidential, including:
 - i. information relating to any of Our customers or any member of Bacs;
 - ii. information relating to any person to whom We or any member of Bacs provides a service or any customer of such a person;
 - iii. information relating to the operation, internal management, structure, personnel, policies or business strategies of Bacs, Us and any member of Bacs or Bacstel-IP; and
 - iv. computer object or source codes and related documentation.

1.1.12 Bacs Payment Schemes Limited

means the not-for-profit, membership-based industry body responsible for maintaining the integrity of the schemes behind the clearing and settlement of automated payments in the UK including Direct Debit and Bacs Direct Credit.

1.1.13 Bacs Payment Services Website

means a secure website, used by Contacts to access various services offered by Bacs. This site can be accessed at paymentservice.bacs.co.uk

1.1.14 Bacs Payment System Rules

means the 'Payment System Rules' issued by Bacs.

1.1.15 Bacs Service

means the UK clearing that processes bulk electronic payments. The clearing provides the Bacs three-day service, which is the three day cycle where input processing and entry occur on three consecutive processing days.

1.1.16 Bacs System

means the system relating to the automated clearing and settlement of payments operated by Bacs.

1.1.17 Bacstel-IP

means a service providing a secure access channel into the Bacs Service to send submissions and access reports. It uses internet protocols (IP) and PKI security. Software used to connect to the Bacstel-IP service must be approved under the Bacs approved software service for Bacstel-IP.

1.1.18 Bacstel-IP Materials

means any materials, provided by Bacs or Us to You or other Contacts in connection with the Service, including the Bacstel-IP Service User Guide.

1.1.19 Bacstel-IP Service User Guide

means the document entitled 'Service User Guide – Bacstel-IP' (Bacs document reference PN3763) provided by Bacs, as amended from time to time.

1.1.20 Bacstel-IP Transmission/Transmission

means an instruction, message, file, data or other communication which is transmitted in electronic form via Bacstel-IP to or from Bacs including any such communication which allows access to or changes to be made to the Reference Database. This data may consist of all or part of a Submission. Each Transmission must involve a transport header (in XML).

1.1.21 Business Day

is as set out in the Instructional Materials.

1.1.22 Commercial Bureau

applies where You are a commercial bureau which is authorised by Us to make submissions to, receive output from or collect reports from the Bacs System on behalf of Your customers who may supply You with data in a variety of formats. Your customers may be authorised to use the Bacs Service by any member of Bacs regardless of Your banking arrangements.

1.1.23 Contact

means an individual registered on payment services and allocated privileges and a security method of Digital Identification Service and/or ASM.

1.1.24 Contact ID

means a unique identifier generated for all Contacts. For Contacts with ASM, it is used in conjunction with a Password to access payment services.

1.1.25 Digital Certificate

means, assigned by a certificate authority, a digital certificate forming part of an individual's Digital Identification Service credentials. It contains a copy of the individual's Public Key, the issuing certificate authority's Digital Signature and other details.

1.1.26 Digital Identification Service

means the access and use of the PKI (using the Approved Software, Hardware and Smart Cards and/or HSM(s)) provided to You by or on behalf of Us under the PKI Customer Agreement.

1.1.27 Digital Signature

means the result of hashing data and encrypting the hash using a Contact's Private Key. Successful verification of a Digital Signature using the Contact's Public Key provides a guarantee to a recipient that the signed file came from the person who sent it and that it has not altered since it was signed. The signature is attached to the file or message before it is sent.

1.1.28 Direct Submitter

means a Service User who submits Transmissions directly to Bacs via Bacstel-IP and includes In-House Bureaux, Grade 3 Users and Commercial Bureau.

1.1.29 Distinguished Name

means a unique piece of information allocated to a Contact, partly based upon the Contact's name, which is held on the Contact's Digital Certificate. This information is recorded on Bacstel-IP when a Smart Card/Digital Certificate is registered.

1.1.30 EEA

means the European Economic Area.

1.1.31 Good Response

means that the Digital Certificate is 'active' – ie that it has not been revoked or suspended.

1.1.32 Grade 3 User

means Government organisations, which have a banking relationship with the Office of the Paymaster General (OPG), which in turn has an ongoing banking relationship with the Bank of England. Such users require that the funding of their Bacs payments is from their account at OPG.

1.1.33 Hardware

means the equipment used in the operation of the Service.

1.1.34 Hardware Security Module/HSM

means a hardware device used for the secure storage of Digital Identification Services credentials and for automating the signing process. It can be used with Bacstel-IP to carry out unattended submissions and for unattended collection.

1.1.35 Indirect Submitter

means a Service User that can originate items but that cannot send them to Bacs itself. An indirect submitter sends items to Bacs via a Commercial Bureau.

1.1.36 Information

means the information accompanying the Approved Software.

1.1.37 In-House Bureau

applies where You are a service department or office which makes submissions to and/or receives output from the Bacs System via the Service from a single Service User Number on behalf of various other Service Users belonging to the same organisation as You.

1.1.38 Instructional Materials

means all documents, information, rules, guides and other materials provided or made available to You, Your employees, contractors or agents at any time by Us or on behalf of Us or Bacs in connection with the implementation and operation of Bacstel-IP, including the Bacstel-IP Service User Guide.

1.1.39 Intellectual Property Rights

means all intellectual property rights in any part of the world and includes patents, rights in inventions, registered and unregistered trade marks, rights in business and trade names and get-up, rights in domain names, registered designs, unregistered rights in designs, copyrights, database rights, rights in know how, and in each case rights of a similar or corresponding character and all applications and rights to apply for or for the protection of any of the foregoing.

1.1.40 Key

means a Private Key or a Public Key.

1.1.41 Lloyds Banking Group

means Lloyds Banking Group plc registered in Scotland with a company number of SC095000 and any of its subsidiaries from time to time.

1.1.42 Micro-Enterprise means:

1.1.2.1 an enterprise which, at the date that You entered into a contractual relationship with Us in relation to the Bacs Services, employs fewer than 10 persons and its annual turnover and/or annual balance sheet total does not exceed 2 million euro; or

1.1.2.2 any body whose annual income, at the date that You entered into a contractual relationship with Us in relation to any of the Bacs Services, is less than £1 million and is:

- i. in England and Wales, a charity as defined by section 1(1) of the Charities Act 2006;
- ii. in Scotland, a charity as defined by section 106 of the Charities and Trustee Investment (Scotland) Act 2005; or
- iii. in Northern Ireland, a charity as defined by section 1(1) of the Charities Act (Northern Ireland) 2008.

1.1.43 Our Website

means Our website appearing at such URL as is specified in the User Guide or otherwise as We may notify to You from time to time.

1.1.44 Password

means the alphanumeric code used by each ASM Contact in association with a Contact ID to allow access to the Service.

1.1.45 Payment Instrument means any:

1.1.2.3 personalised device; or

1.1.2.4 personalised set of procedures agreed between You and Us such as the use of a password, security details or a PIN,

used by You to instruct Us to execute payment transactions for You.

1.1.46 Payment Services Regulations

means the Payment Services Regulations 2017 (S.I.2017/752).

1.1.47 PIN

means personal identification number.

1.1.48 PKI

means public key infrastructure.

1.1.49 PKI Customer Agreement

means the Digital Identification Service PKI Customer Agreement between You and Us relating to the access and use by You of the Digital Identification Service. (A copy of it can be found at www.lloydsbankcommercial.com/corporate-terms/lloydsbank/pki-agreement or such other address as We may specify from time to time).

1.1.50 Primary Security Contact/PSC

means an individual authorised to access the Bacs System on behalf of You and to whom a Contact ID and an Access Code have been issued by the Bacs System and who is authorised by You to perform certain functions via the Bacs System including the ability to set up and maintain additional Contacts. A Primary Security Contact can be given a wider range of privileges than an additional Contact and is the main point of contact for Us. A Direct Submitter must have a minimum of two Primary Security Contacts and an Indirect Submitter must have a minimum of one Primary Security Contact.

1.1.51 Private Key

means a cryptographic key used in PKI which must be kept private to the Contact and which has an associated Public Key. In Bacstel-IP, the Private Key is used for Signing.

1.1.52 Public Key

means a cryptographic key used in a Digital Identification Service which is contained in the Digital Certificate and which is associated with a specific Private Key. In Bacstel-IP, the Public Key is used for signature verification purposes.

1.1.53 Reference Database

means the database held by Bacs which records details input by Bacs, Us and You, as the case may be, about You, including the levels of authorisation and permission in relation to Transmissions submitted to Bacs by You as part of Bacstel-IP.

1.1.54 Service

means a facilitation of access provided to the Bacs System by Us to You on behalf of the Agency Bank for the purposes of submitting Bacstel-IP Transmissions directly or via a Bacs approved Commercial Bureau to the Bacs System using the Digital Identification Service or ASM.

1.1.55 Service Requirements

means the rules and guidelines relating to the use of the Service issued by Us and Bacs from time to time, including the Instructional Materials.

1.1.56 Service User

means a company, group of companies, charity, financial institution etc that is sponsored by the Sponsoring Bank to use the Bacs Service.

1.1.57 Service User Number

means a unique character identifier allocated by the Sponsoring Bank to a Service User to identify it uniquely to Bacs.

1.1.58 Sign

means the use of a person's Private Key and associated Digital Certificate to create a Digital Signature on or for a Transmission, and 'Signed' and 'Signing' shall be construed accordingly.

1.1.59 Smart Card

means a plastic card with an embedded microchip that is used to store a Contact's Digital Certificate (Public Key and Private Key).

1.1.60 Smart Card User

means a Contact who accesses the Bacs System using a Smart Card.

1.1.61 Sponsoring Bank

means Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales (company no 2065).

1.1.62 Submission

means a payment file transmitted to Bacs for processing.

1.1.63 Terms and Conditions

means these terms and conditions relating to Your use of the Service, as set out in this document, and the other documents referred to in it (including the Instructional Materials).

1.1.64 Transmission

(see 'Bacstel-IP Transmission' above).

1.1.65 Us

means Lloyds Bank plc including its subcontractors and "We" and "Our" shall be interpreted accordingly

1.1.66 User Guide

means the guidelines that We provide from time to time in connection with Your operation of the Service, including:

1.1.2.5 guidance in hard copy form (for example, in a user manual or by letter);

1.1.2.6 spoken guidelines (through any technical helpdesks We may operate);

1.1.2.7 guidance through any on-line help service available as part of the Service;

1.1.2.8 any updates of any of the above items; and

1.1.2.9 any other information provided by Bacs

1.1.67 Viruses

means viruses, worms, Trojan horses, malicious code, locking or destructive mechanisms or any thing or things similar to any of the foregoing or analogous to them.

1.1.68 Vocalink

means the international payment transaction specialist which provides payment services to banks and corporates. It runs, services and maintains the infrastructure network that processes automated payments on behalf of Bacs Payment Schemes Limited.

1.1.69 You

means the customer who holds an Account with the Agency Bank for the purposes of receiving the Service from Us which We provide on behalf of the Agency Bank and which becomes registered with Us for the use of the Service and "Your" shall be construed accordingly.

1.1.70 Your System

means the electronic equipment or other device used by Contacts to access the Service

2. Introduction

- 2.1 These Terms and Conditions in conjunction with the Digital Identification Service set out Your rights and obligations in connection with Your use of the Service, as a Direct Submitter, Indirect Submitter, In-House Bureau, Grade 3 User or Commercial Bureau. The terms and conditions which apply to You will differ depending on which of these categories applies to You. These Terms and Conditions in conjunction with the Digital Identification Service are legally binding, so You should read them carefully before You agree to them.
- 2.2 You must have an Account with the Agency Bank to enable You to benefit from the provision of the services to be provided by Us under these Terms and Conditions.
- 2.3 All Instructional Materials provided to You by Us and Bacs form part of these Terms and Conditions.
- 2.4 You must ensure all Contacts comply with the User Guides, all Instructional Materials and where appropriate the PKI Customer Agreement.
- 2.5 We recommend that You retain a copy of all of the documents that make up Your agreement with Us. If You would like a copy of any of the documents that make up Your agreement with Us, please contact Us.
- 2.6 In these Terms and Conditions:
 - 2.6.1 when We refer to a person, this could mean any individual, body corporate, association, partnership, firm, trust, organisation, joint venture, government, local or municipal authority, governmental or supra-governmental agency or department, state or agency of state or any other entity;
 - 2.6.2 when We refer to a statute or statutory provision, this includes any subordinate legislation made under it and any modifications, amendments, extensions, consolidations, re-enactments and/or replacements of that statute, statutory provision and/or subordinate legislation which are in force from time to time;
 - 2.6.3 any references that We make to the singular include the plural and vice versa;
 - 2.6.4 any references that We make to any gender include every gender;
 - 2.6.5 any references to a time of day are to UK time; and
 - 2.6.6 any words following the words include, includes, including, in particular or any similar words or expressions are for illustration or emphasis only and are not intended to limit the meaning of the words preceding them.
- 2.7 If two or more persons are comprised in the expression "You", their undertakings and responsibilities will be joint and several.
- 2.8 We will perform Our obligations under these Terms and Conditions provided that it will not put us in breach of any applicable law or regulation by doing so.

3. Warranties

- 3.1 You warrant that:
 - 3.1.1 You have full capacity and authority to enter into and to perform any obligations under these Terms and Conditions;
 - 3.1.2 You are not infringing the rights of any third party by entering into and performing any obligations under these Terms and Conditions; and
 - 3.1.3 any information provided by You (or by anyone acting on Your behalf) to us is accurate, complete and up to date.

4. Use of the Service

All Users:

- 4.1 You shall at all times:
 - 4.1.1 where required to do so, only use software which is at the relevant time Approved Software; and
 - 4.1.2 act in accordance with any instructions or guidance which We provide to You in relation to the Service.
- 4.2 You shall not, and shall ensure that Contacts do not, do anything in connection with the Bacs System via the Service outside the United Kingdom, the Channel Islands or the Isle of Man which would or is reasonably likely to result in the Bacs System or Us being in breach of any applicable laws or regulations outside the United Kingdom, the Channel Islands or the Isle of Man.
- 4.3 Your Bacs limit will be as agreed between You and the Agency Bank before You enter into these Terms and Conditions, as may be amended by agreement between You and the Agency Bank from time to time and notified to Us.
- 4.4 You may not use the Digital Identification Service or ASM for use with any other product or service without the prior written consent of Us. Where You wish to use the Digital Identification Service or ASM with other products or services offered by Us these may be subject to additional terms and conditions.
- 4.5 You shall not be permitted to use the Digital Identification Service or ASM to access and collect reports from the Bacs System in Your capacity as Service User pursuant to clause 4.6 except via a Contact who is authorised to use ASM.
- 4.6 If You have been authorised by Us to use the Digital Identification Service or ASM to access the Bacs System via the Service, You may use the Digital Identification Service or ASM to access and collect reports and modify certain reference data on the Bacs System.

- 4.7 You shall not, and shall ensure that Contacts shall not, use Keys, Digital Certificates, Smart Cards, software or any other item supplied to You for use in connection with the Service for any unlawful purposes.
- 4.8 You shall not, and shall ensure that Contacts do not, use any service other than the Service for submitting Transmissions to Bacs for Your Service User Number(s).
- 4.9 You shall use all reasonable care to prevent the introduction of any Viruses into, or any Virus contamination of:
 - 4.9.1 any Transmissions;
 - 4.9.2 the Service;
 - 4.9.3 any ASM or PKI based service used by any other participant to access Bacstel-IP; or
 - 4.9.4 any Bacstel-IP related hardware or software.
- 4.10 Subject to and in accordance with these Terms and Conditions, You shall use the Alternative Security Method (ASM) to access and collect reports and modify certain reference data on the Bacs System if You have been sponsored by Us as a Service User and have been authorised by Us to use ASM (pursuant to the relevant provisions of the Bacstel-IP Service User Guide) for accessing the Bacs System.
- 4.11 You shall not, and shall ensure that Contacts do not, use the Service for any unlawful purposes.
- 4.12 You shall not, and shall ensure that Contacts do not, use any service other than this Service to collect reports or maintain certain reference data on the Bacs System for Your Service User Number(s).

Direct Submitters including In-House Bureaux, Commercial Bureaux and Grade 3 Users

- 4.13 Where We sponsor You to act as a Direct Submitter, You shall only use the Digital Identification Service in connection with the Bacs System for submitting Bacstel-IP Transmissions directly to the Bacs System or for receiving communications or collecting reports from the Bacs System via Bacstel-IP for Your own account or on behalf of any of Your group companies which either:
 - 4.13.1 specify an account maintained by You or one of Your group companies with the Agency Bank as the account to be debited, or as the case may be, credited; or
 - 4.13.2 if You are a Grade 3 User, specify an Account maintained by You in respect of which a contra-instruction exists which substitutes for that Account an account held by the Office of Her Majesty's Paymaster General with the Bank of England as the account to be debited or credited; or
 - 4.13.3 make changes to the details held on the Reference Database regarding or associated with any such account or provide access to any other information held by the Bacs System relating to that account (including any information relating to the processing of payments made or to be made to or from that account).
 - 4.14 Where You are a Commercial Bureau, You may process for any other Service User Transmissions submitted to You using the Service provided that such Service User has been registered on the Reference Database by the member of Bacs that sponsored such Service User.
- 5.1 Before You can use the Service You must set up Your own appropriate security procedures in accordance with the Bacstel-IP Service User Guide.
 - 5.2 You are responsible for ensuring that each Contact complies with the security procedures set out in the User Guide, these Terms and Conditions and where appropriate the PKI Customer Agreement at all times.
 - 5.3 You acknowledge that We or Our licensors own all Digital Certificates and Smart Cards issued to You, including accompanying technical specifications and service marks.
 - 5.4 You are responsible for ensuring that each Smart Card User complies with Your own security procedures, these Terms and Conditions, the PKI Customer Agreement and any other Lloyds Bank/Bacs advised rules and procedures set out in the User Guides.
 - 5.5 You shall ensure that all Contacts check the information and data provided through the Service. If any such information or data is incorrect or incomplete, You must ensure that We are informed of this by following the advised Lloyds Bank procedures.
 - 5.6 You shall notify Us without delay by calling the Lloyds Bank Bacstel-IP helpdesk at any time if You become aware of or suspect:
 - 5.6.1 any breach of or non-compliance with these Terms and Conditions, the PKI Customer Agreement or the Service Requirements by any Contact or other person or, where You are a Commercial Bureau, by any of Your customers; or
 - 5.6.2 any loss, theft, misappropriation or unauthorised use of a Smart Card or HSM or Contact ID and Password or any fraud in or breach or compromise of the security affecting the Service, giving reasonable details of the circumstances.
 - 5.7 You agree that You will assist Us or Our agents in any investigations into the loss, theft, misappropriation or unauthorised use of a Smart Card or HSM or Contact ID

5. Security

and Password or any fraud in or breach or compromise of the security affecting the Service. You acknowledge that We may pass information relating to You to other financial institutions and/or the police and/or other authorities for the purposes of an investigation.

- 5.8 You shall further ensure that the Contacts take all reasonable steps to ensure that their Passwords and Contact IDs stay secret.
- 5.9 You shall ensure that each Contact changes his/her Password as required from time to time by the Bacs System and changes his/her Password if that Contact becomes aware of or suspects that the Password is known or has been used by another person other than that Contact.
- 5.10 You shall make any notification to Us under this clause 5 in accordance with clause 21. We may require the notification to be confirmed in writing before taking any action.

6. Carrying out Your instructions

- 6.1 You must not allow anyone other than Contacts authorised by You to use the Service.
- 6.2 You agree that the Primary Security Contacts are authorised by You to conduct Administration and that We do not need any further instruction or confirmation from You to implement the changes made by a Primary Security Contact performing Administration. You will inform Us in writing of any changes that We need to make.
- 6.3 You agree that any Contact may validly give instructions electronically through the Service in connection with any Service User Number or Account (or a bank account with another member of Bacs where relevant) which You have authorised that Contact to access through the Service and You acknowledge that Bacs will act on such instructions.
- 6.4 The Bank shall be entitled to rely on, and You shall accept full liability for, any Bacstel-IP Transmission Signed using a Private Key and Digital Certificate issued by the Digital Identification Service to You, provided that:
 - 6.4.1 the Digital Certificate used to Sign such Bacstel-IP Transmission is valid has not expired has not been revoked or suspended;
 - 6.4.2 the Bacstel-IP Transmission does not contravene the levels of authorisation and permission set out in the Reference Database in relation to the relevant Service User.

- 6.5 We agree to settle payments associated with Bacstel-IP Transmissions submitted on Your behalf by a bureau where that bureau uses a trust service of another member of the Bacs System or a trust service provided by Us where the account specified in any such Bacstel-IP Transmission is maintained by You or a company related to You with Us.
- 6.6 If an instruction is found by You to have been incorrect We will not be liable for any loss, damage or expense whatsoever incurred as a consequence thereof but if We are promptly notified of any incorrect instruction We will make reasonable efforts to recover the funds and shall be entitled to make a charge for such activity. This clause is not intended to affect any rights which You may have against the Agency Bank and/or Bacs. For procedures in relation to Transmissions sent in error, please refer to the relevant section of the Bacstel-IP Materials.
- 6.7 We may, if We think it is justified, decline to validate an instruction and insist on written confirmation of that instruction from an Authorised Signatory.
- 6.8 You may submit instructions for a Transmission at any time but instructions will only be processed on the same Business Day when received by the cut off times set out in the Instructional Materials.

7. Our rights to decline or delay acting on your payment instructions

- 7.1 We may decline to process or delay processing Your instructions, and We will not have any responsibility to You for any loss or damage that You may suffer as a result, if:
 - 7.1.1 You are or would be in breach of these Terms and Conditions;
 - 7.1.2 the transaction would exceed any limit or rules relating to the Bacs Service;
 - 7.1.3 by processing Your instructions, We would infringe any law or regulation;
 - 7.1.4 We consider that the instruction is inaccurate or requires further explanation;
 - 7.1.5 We are unable to process Your instructions due to:
 - 7.1.5.1 maintenance (whether routine or emergency) or enhancement of the service;
 - 7.1.5.2 any technical fault or failure; or
 - 7.1.6 any of the circumstances in clause 17 occur.

- 7.2 If We have declined to process Your instructions, We will provide and/or make available to You details of the reason(s) for the refusal as soon as is practicable and at the latest by the time that, by law, the payment should have reached the beneficiary's financial institution, unless the law prevents Us from doing so or it would undermine Our security measures. We will also include details of how to correct any errors which led to Our refusal, if appropriate.
- 7.3 It will be the Agency Bank's responsibility to apply payment messages to Your Account and We shall have no responsibility for the application of any payment messages to Your Account.

8. Refunds for unauthorised transactions

- 8.1 If a transaction was not authorised by You (and subject to any responsibility that You may have under clause 9), We will refund the amount of the transaction to You and, where applicable, make arrangements with the Agency Bank to restore Your Account to the state in which it would have been had the unauthorised transaction not taken place (including refunding any interest You have paid or paying You any interest You have missed out on) provided that You notify Us without undue delay on becoming aware of the unauthorised transaction, and in any event within 13 months of the date that the payment left Your Account. You can find details of how to contact Us in the User Guide.
- 8.2 We will provide a refund to You as soon as practicable and always by the end of the Business Day following the day We become aware of the unauthorised transaction on Your account, unless We suspect that You have acted fraudulently.
- 8.3 We may investigate whether You are entitled to a refund and We may ask You and/or the Agency Bank to provide Us with any information that We reasonably require as part of such investigation. If, we have already provided a refund and, through subsequent investigations, We discover that You were not entitled to a refund, We may request repayment of the refunded amount from You. We will give You reasonable notice in advance of doing so.
- 8.4 When We are assessing whether a transaction was authorised by You:
- 8.4.1 if You are not a Micro-Enterprise, You agree that Regulation 75 of the Payment Services Regulations does not apply to You, therefore We can treat the use of any Payment Instrument as sufficient evidence to show that the transaction was authorised by You or that You may have acted fraudulently or that You may have intentionally or with gross negligence failed to:
- 8.4.1.1 take all reasonable steps to keep the personalised security features of the Payment Instrument safe; or
- 8.4.1.2 use the Payment Instrument in accordance with these Terms and Conditions;
- 8.4.2 if You are a Micro-Enterprise, We cannot necessarily treat the use of any Payment Instrument as sufficient evidence of the above, although this is one of the factors that We will take into consideration.
- 8.5 Beyond the responsibility set out above, We will have no further responsibility to You for unauthorised transactions.
- 8.6 This section does not affect any rights You may have against the Agency Bank and/or Bacs.

9. Your responsibility for unauthorised transactions

- 9.1 If You are a Micro-Enterprise You will be responsible for any losses incurred in respect of an unauthorised transaction arising from:
- 9.1.1 the use of a lost or stolen Payment Instrument; or
- 9.1.2 the misappropriation of a Payment Instrument, up to a limit of £35 per instance of loss, theft or misappropriation, unless You have acted fraudulently or You have intentionally or with gross negligence failed to:
- 9.1.3 take all reasonable steps to keep the personalised security features of the Payment Instrument safe;
- 9.1.4 use the Payment Instrument in accordance with these Terms and Conditions; or
- 9.1.5 notify Us in the agreed manner and without undue delay on becoming aware of the loss, theft, misappropriation or unauthorised use of the Payment Instrument,
- in which case Your responsibility for losses will be unlimited.
- We won't hold You responsible up to the £35 limit in this clause 9.1 if You could not have known about the loss, theft or misappropriation of the Payment Instrument before the unauthorised transaction occurred (unless You acted fraudulently) or if the loss was caused by our employees, agents or branches or any business which provides services to us.

- 9.2 If You are not a Micro-Enterprise You will be responsible for any losses incurred in respect of an unauthorised transaction arising from:
- 9.2.1 the use of a lost or stolen Payment Instrument; or
 - 9.2.2 the misappropriation of a Payment Instrument.
- 9.3 If You are not a Micro-Enterprise You agree that Regulation 77 of the Payment Services Regulations does not apply to You, therefore Your responsibility for losses will be unlimited.
- 9.4 Unless You have acted fraudulently, You will not be responsible for any losses arising:
- 9.4.1 after You have notified Us in the agreed manner of the loss, theft, misappropriation or unauthorised use of the Payment Instrument; or
 - 9.4.2 if We fail to provide the means for You to notify Us of the loss, theft, misappropriation or unauthorised use of the Payment Instrument (unless clause 17 applies to Us).
- 10.3 These obligations do not apply to information which:
- 10.3.1 You can show was known by You before You received such information (or learned of the same) under or in connection with Bacstel-IP or any payment, clearing or other scheme run by Bacs and had not previously been obtained under an obligation of confidence;
 - 10.3.2 is in or comes into the public domain, and has not come into the public domain through a breach of these Terms and Conditions or any other confidentiality obligation;
 - 10.3.3 You can show was independently developed by You; or
 - 10.3.4 is disclosed to You without restriction and without breach of any obligation of confidentiality by a third party who has the right to make such disclosure.
- 10.4 Where You cease to participate in Bacstel-IP or any other scheme run by Bacs, You shall not be entitled to keep any Bacs Confidential Information except to the extent that You are required to do so in order to comply with any Applicable Requirements or to maintain a record of Transmissions or any other material relating to Your participation in Bacstel-IP. The provisions of these Terms and Conditions continue to apply to You for so long as You retain any such Bacs Confidential Information.
- 10.5 The provisions set out in these Terms and Conditions are in addition to (and not in substitution for) all other confidentiality obligations between You and Us, Bacs, and/or any member of Bacs, and any Approved Software provider.

10. Confidentiality

- 10.1 You shall keep any Bacs Confidential Information which You receive confidential at all times, and shall not:
- 10.1.1 use such Bacs Confidential Information or any part of it for any purpose other than its use in Bacstel-IP or any payment, clearing or other scheme run by Bacs; or
 - 10.1.2 disclose such Bacs Confidential Information or any part of it to any person other than Your employees, agents, contractors or members to whom disclosure is necessary for their use of Bacstel-IP or any payment, clearing or other scheme run by Bacs, provided that You ensure that such persons to whom Bacs Confidential Information is disclosed are at all times subject to and maintain this obligation of confidentiality.
- 10.2 You are entitled to disclose the Bacs Confidential Information:
- 10.2.1 to the extent necessary to comply with these Terms and Conditions;
 - 10.2.2 to a third party to the extent that this is required by any court of competent jurisdiction or by a governmental authority or regulatory authority or that a disclosure is legally required; and/or
 - 10.2.3 where You are able to do so without breaching any legal or regulatory requirements, in which event You will give the owner of the Bacs Confidential Information in question written notice as soon as reasonably practicable of the intended disclosure.

11. Data protection

- 11.1 Where personal data is provided or disclosed by You to Us or Bacs, You will ensure that:
- 11.1.1 all necessary consents have been obtained from the persons to whom such data relates, or another lawful basis for processing exists, to allow Us or Bacs (or any data processor acting on behalf of Us or Bacs) to receive such personal data and to use and process it in order to:
 - 11.1.1.1 provide the Service to You; and
 - 11.1.1.2 validate and process Transmissions submitted by You or on Your behalf; and
 - 11.1.2 Contacts understand the permitted purpose for processing such data.
- 11.2 You acknowledge that We and the Agency Bank will disclose Your personal data to each other in order to:
- 11.2.1 provide the Service to You; and
 - 11.2.2 validate and process Transmissions submitted by You or on your behalf.

12. Intellectual Property Rights

- 12.1 All rights, title, interest and Intellectual Property Rights in the Bacstel-IP Materials shall vest in Bacs or its licensors, and, except to the extent set out in these Terms and Conditions, You shall obtain no right, title or interest in any Bacstel-IP Materials or in any Intellectual Property Rights therein.
- 12.2 All rights, title, interest and Intellectual Property Rights in the User Guides shall vest in Us or Bacs, and, except to the extent set out in these Terms and Conditions, You shall obtain no right, title or interest in any User Guides or in any Intellectual Property Rights therein.
- 12.3 We hereby grant You a licence to use and copy (but not to sublicense save as set out in clause 12.4) the Bacstel-IP Materials (other than any documents, information and other materials relating to Bacs) and the User Guides, but only to the extent necessary to enable Contacts to Sign, submit and receive Transmissions.
- 12.4 If You are a Commercial Bureau, You shall have the right to sub-license the Bacstel-IP Materials (which, for the avoidance of doubt, does not include the Approved Software and Information) to Your customers, but only to the extent necessary to enable such customer to sign, submit and receive Transmissions or to access the Bacs System via ASM.
- 12.5 We give no warranty that the Bacstel-IP Materials and User Guides licensed to You shall not infringe the Intellectual Property Rights of any third party.
- 12.6 The licence set out in clause 12.3 (and, where applicable, clause 12.4) shall terminate automatically on any termination or suspension of Bacstel-IP by Bacs and/or any termination or suspension of the Service by Us and/or You ceasing to maintain a bank account with the Agency Bank.
- 12.7 On such termination, You must destroy all copies of the Bacstel-IP Materials and User Guides provided to You or which are otherwise in the Contacts' possession, custody or power.
- 12.8 If You are a Commercial Bureau and You have sublicensed any Bacstel-IP Materials to any of Your customers in accordance with clause 12.4, You shall procure the destruction of, such Bacstel-IP Materials, including all copies.

13. Bacs Applicable Requirements

- 13.1 You shall:
- 13.1.1 comply at all times with all Applicable Requirements;
 - 13.1.2 obtain and maintain at all times all licences, consents, permissions and authorisations; and
 - 13.1.3 ensure that You advise Us of any changes to customer reference/contact data necessary to sign, submit or receive Transmissions (including data relating to the import or export of any equipment, software or technology).
- 13.2 You expressly agree to comply at all times with the guides and rules applicable to Direct Debit Service Users and/or Direct Credit Service Users (including the Direct Debit and Bacs Direct Credit Rules (as may be amended from time to time)). You expressly accept that You will be bound by any updates to the Direct Debit and/or Bacs Direct Credit Rules and that responsibility for obtaining updates to such documents lies with You.
- 13.3 You shall not act, or omit to act, in any way that might affect Our ability to comply with Our rights and duties under these Terms and Conditions or Our obligations in respect of the Direct Debit and/or Bacs Direct Credit Schemes generally (including both Our obligations as a member and as Your Sponsoring Bank).

14. Overseas dispatch of the Smart Card

- 14.1 We maintain the right not to dispatch Smart Cards and/or any security and Instructional Materials to addresses outside the United Kingdom.

15. Changes to the Terms and Conditions

- 15.1 We may make changes to the Terms and Conditions at any time for any reason. For example, typically (but not exclusively), We may make changes to comply with changes to the law, rectify errors, improve security,

change the scope of the services that We provide or take account of reorganisations within Lloyds Banking Group.

15.2 If We intend to make changes to the Terms and Conditions, We will give You at least two months' written notice before the changes come into effect, unless the changes are required due to a change in relevant legislation or regulations and We are prevented from giving You two months' written notice. In those circumstances, We will give You as much written notice as possible.

15.3 We will notify You of changes to the Terms and Conditions by post, by email, through any online service which You receive from Us or in any other way which meets Our legal and/or regulatory obligations. In the notice, We may direct You to Our Website where the most recent Terms and Conditions are posted. During the period before a change comes into effect, You may reject the change, provided that You notify Us of this in writing. In such circumstances, Your notice of rejection of the change will be deemed to be a notice that You wish to stop receiving the Bacs Services and Our agreement with You will terminate on the date you request, provided such date is before the change comes into effect. You will not incur any additional charges as a result of choosing this course of action. If You do not notify Us before a change comes into effect, We will treat You as if You have accepted the relevant change.

If We incorrectly execute or fail to execute a payment instruction from You we will without delay refund to You the amount of the incorrectly executed payment and restore Your Account to the state in which it would have been in if the defective payment instruction had not taken place (including refunding any interest You have paid or paying You any interest You have missed out on).

If We process Your payment instructions in accordance with the unique identifier that You provide to us and that unique identifier is incorrect, the payment may not reach the intended beneficiary. You can ask us to trace the payment for You and We will make reasonable efforts to do so, but We will not be responsible for any loss or damage that You may suffer, whether due to us processing the incorrect instructions or due to our failure to trace the payment. Where We are unable to get the money back, You can send us a written request and We will then provide all the relevant information We can in order for You to claim repayment of the funds. We will only provide information to You that We are allowed to provide to You by law.

If You ask us to make a payment to someone else in the EEA and the beneficiary's bank or other financial institution receives it later than we are required by law to send to them, You can ask us and we will contact the other bank and ask them to correct the amount of interest on the account with their customer (so that it is as if the payment was received on time).

If We can show that We correctly transmitted the payment to the beneficiary's bank or other financial institution within the relevant timescale, You will not be entitled to a refund (under this section).

If You ask us to trace a payment for You, We will make immediate efforts to do so free of charge and We will notify You of the outcome.

You will not be entitled to a refund under this clause 15.3 if the unique identifier that You gave to us was incorrect and/or You fail to notify us without undue delay on becoming aware of the error, and in any event within 13 months of the date that the payment left or should have left Your account.

We will contact You by telephone and text if We need to tell You about suspected or actual fraud or security threats to any or all of Your accounts.

15.4 In the event that these Relationship Terms & Conditions and/or the User Documentation overlap and/or are inconsistent with any applicable Product & Services Terms & Conditions, the Product & Services Terms & Conditions will take precedence in relation to the relevant Product, except that nothing in any Product & Services Terms & Conditions shall operate to deprive us of a right or remedy that we would otherwise have against you under these Relationship Terms & Conditions.

15.5 In the event that the Terms And Conditions overlap and/or are inconsistent with any applicable Payment System Rules, the Payment System Rules will take precedence in relation to your Indirect Participation in the relevant Payment System, except that:

15.5.1 any provisions relating to the termination of accounts and closing of accounts contained in the Terms And Conditions shall prevail over any inconsistent provisions in any applicable Payment System Rules; and

15.5.2 nothing in any Payment System Rules shall operate to deprive us of a right or remedy that we would otherwise have against you under the Terms And Conditions.

15.6 To the extent of any conflict between the Terms And Conditions and any terms contained within any Mandates that you have signed relating to the Products and/or any Electronic Communications relating to the Products, the Terms And Conditions will take precedence.

15.7 When you are accessing our Products electronically, any instructions that you give to us electronically will take precedence over the instructions provided in any Mandate which you have signed relating to the Products. You may also be asked to comply with extra security requirements when you are accessing our Products electronically or if you are using any telephone banking service that we provide.

15.8 If We add new products to the Terms and Conditions or add to the ways that You can use the existing Bacs Services (and this does not otherwise change the Terms and Conditions), this will not be treated as a change and, as a result, We will not be required to give two months' written notice of this to You.

16. Liability for loss

- 16.1 All warranties, conditions and other terms implied by statute or common law are excluded from these Terms and Conditions to the fullest extent permitted by law.
- 16.2 We and any of Our licensors will have no responsibility to You arising out of or in connection with the Terms and Conditions, howsoever caused including if caused by negligence, for any:
- 16.2.1 loss of profit (whether direct, indirect or consequential);
 - 16.2.2 loss of revenue, loss of production or loss of business (whether direct, indirect or consequential);
 - 16.2.3 loss of goodwill, loss of reputation or loss of opportunity (whether direct, indirect or consequential);
 - 16.2.4 loss of anticipated savings or loss of margin (whether direct, indirect or consequential);
 - 16.2.5 loss of bargain (whether direct, indirect or consequential);
 - 16.2.6 costs relating to wasted managerial, operational or other time (whether direct, indirect or consequential);
 - 16.2.7 loss of or corruption of data or information (whether direct, indirect or consequential);
 - 16.2.8 claims made against You by third parties (whether in respect of direct, indirect or consequential losses); or
 - 16.2.9 indirect, consequential or special loss.
- 16.3 Nothing in these Terms and Condition excludes or limits Our responsibility in any way for:
- 16.3.1 death or personal injury which is caused by Our negligence or the negligence of Our employees, agents or subcontractors;
 - 16.3.2 Our fraud or fraudulent misrepresentation, or the fraud or fraudulent misrepresentation of Our employees, agents or subcontractors; or
 - 16.3.3 any other matter for which We cannot exclude or limit Our responsibility by law.
- 16.4 We will not be liable for any loss, liability or cost arising as result of the acts or omissions of any person who is not party to the agreement between You and Us. Examples

where We are not liable include incompatibility between Your System and the Service or the Approved Software.

- 16.5 Our entire liability to You in contract, tort (including negligence), misrepresentation, restitution or otherwise arising out of the performance or contemplated performance of the agreement between You and Us and/or Your use of the Service in any period of 12 months (or such lesser period as the agreement has been in force) up to the date when the liability was incurred, shall not exceed: (a) the amount (if any) necessary to reimburse You in respect of any transaction as required by law; plus (b) the amount of the fees paid by You for the Service in respect of that period or the sum of £5,000, whichever shall be the greater.
- 16.6 You must compensate Us for any loss We suffer as a result of You or any Contact breaching any of these Terms and Conditions.

17. Circumstances beyond Your or Our control

- 17.1 You and We will not be responsible if You or We (or Our sub-contractors or agents) are unable to perform any obligations under the Terms and Conditions, or if You or We are delayed in doing so, due to abnormal and unforeseeable circumstances beyond Your or Our control provided that the consequences were unavoidable despite all efforts to the contrary.
- 17.2 Some examples of where circumstances may be beyond Your or Our control are typically (but not exclusively) industrial action, riots, invasions, terrorist attacks, threat of terrorist attacks, war, hostilities, rebellion, local or national emergency, civil commotion, fire, explosion, storm, flood, earthquake, accident, epidemic, natural disaster, acts or omissions of third parties, failure or fluctuation of a power supply or a breakdown or failure of telecommunications networks, equipment or software.
- 17.3 We will also not be responsible if We are unable to perform any of Our obligations under the Terms and Conditions, or if We are delayed in doing so, where We are required to act in a certain way due to legal or regulatory requirements.
- 17.4 We and/or any member of Lloyds Banking Group may be subject to sanctions and/or embargoes imposed by the international community including the UK, EU, UN and the US. We 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 Our reasonable opinion is likely to result, in a breach by Us or any member of Lloyds Banking Group or any of their respective employees of

any sanction or embargo whether or not imposed in the UK and We will not be liable for any loss, damage, cost or expense by reason aforesaid. We shall be permitted to disclose to the relevant authorities such information in relation to any instruction and/or payment as may be required.

18. Legal effectiveness and admissibility of Electronic Signatures and Digital Certificates

- 18.1 You shall not challenge the legal effect, validity and enforceability of a Bacstel-IP Transmission (including, any transmission that purports to be a Bacstel-IP Transmission) on the basis that:
- 18.1.1 such Bacstel-IP Transmission is in electronic rather than written form;
 - 18.1.2 where You or anyone acting on Your behalf (including a bureau) did not see, check or review the contents of the Bacstel-IP Transmission before or when Signing it;
 - 18.1.3 the Bacstel-IP Transmission was Signed automatically without direct human instigation or intervention (whether by a Hardware Security Module or otherwise); or
 - 18.1.4 the Bacstel-IP Transmission or the Signing, transmission and processing of the Bacstel-IP Transmission constitutes a breach by:
 - 18.1.4.1 You of these Terms and Conditions or the User Guides or of the provisions or terms of use of any relevant third party provider or third party scheme; or
 - 18.1.4.2 anyone acting on Your behalf (including a bureau), of the terms on which it acts on Your behalf.
- 18.2 We shall be entitled to rely on, and You shall accept full liability for, any Bacstel-IP Transmission Signed in accordance with these Terms and Conditions and the User Guides.

19. Suspension, withdrawal or termination

- 19.1 The provisions of the Service will continue indefinitely until You, the Agency Bank or We end it in accordance with this clause 19. You or the Agency Bank may terminate the Service at any time by providing Us and the Agency Bank (if applicable) with one month's notice.
- 19.2 We may suspend or terminate, or withdraw or cease to provide the Service to You with immediate effect in any of the following circumstances:
- 19.2.1 if Bacs has suspended or withdrawn its authorisation for the Service or ASM to be used in connection with Bacstel-IP by Us and/or the Agency Bank;
 - 19.2.2 where We consider it appropriate to do so in order to protect the security, integrity or reputation of Bacstel-IP;
 - 19.2.3 if You fail to maintain an account with the Agency Bank; or
 - 19.2.4 if We are unable to provide access to the Bacs System to the Agency Bank.
- 19.3 We will not be responsible for any loss or damage that You may suffer as a result of Us suspending the Service. We will inform You as soon as is practicable if We are going to, or if We have, suspended the Service and We will advise You of the reasons, unless the law prevents Us from doing so or it would undermine Our security measures. We will remove the suspension on the Service as soon as is practicable if the reason for suspending it no longer applies.
- 19.4 We may stop providing You with the Service:
- 19.4.1 at any time for any reason by giving two months' written notice to You and the Agency Bank (provided that We also give You any other notice that We are required to give to You by law); and
 - 19.4.2 immediately, if any of the circumstances set out below has occurred (and We will provide You and the Agency Bank with such notice (if any) that We are required by law to provide to You):
 - 19.4.2.1 You breach the Terms and Conditions or any other agreement with Us in a serious way;
 - 19.4.2.2 You repeatedly breach the Terms and Conditions or any other agreement with Us;
 - 19.4.2.3 We suspect fraud in the opening or operation of the Service;
 - 19.4.2.4 You do anything which We reasonably believe will damage Our reputation;
 - 19.4.2.5 You use, or We reasonably believe that You are using the Services improperly;
 - 19.4.2.6 You use, or We reasonably believe that You are using, the Services for or in connection

- with any purpose which is or may be unlawful;
- 19.4.2.7 You breach or attempt to breach, or We reasonably believe that You have breached or are attempting to breach, any applicable law or regulation;
- 19.4.2.8 You behave threateningly or abusively towards Our staff;
- 19.4.2.9 We are required to do so in order to comply with legal, fiscal or regulatory changes;
- 19.4.2.10 We find that any information which You have given to Us (whether in connection with the Terms and Conditions or not) is inaccurate;
- 19.4.2.11 We find that You entered into the Terms and Conditions with Us without informing Us in writing beforehand, that material litigation was, or material administrative, criminal or judicial proceedings were, being taken against You (“material” means likely, if successful, to have any damaging effect on You);
- 19.4.2.12 You fail at any time to meet any identification or other checks required by law or regulation;
- 19.4.2.13 We reasonably believe that, if We do not stop providing You with the Service or end Our relationship with You, You will cause Us to breach any applicable law or regulation or expose Us to action from any government or regulator;
- 19.4.2.14 closure is required by the order of any court or direction or decision of a regulator; or
- 19.4.2.15 You are Insolvent.
- 19.5 For the purposes of clause 19.4, the term “Insolvent” means:
- 19.5.1 if You are an individual, You or any other person takes (or threatens to take) any step in connection with:
- 19.5.1.1 Your bankruptcy (including, for the avoidance of doubt, if a bankruptcy petition is presented against You, or You petition for Your own bankruptcy);
- 19.5.1.2 the making of any composition, compromise, assignment or arrangement with any of Your creditors;
- 19.5.1.3 the appointment of an interim receiver of Your property under section 286 of the Insolvency Act 1986;
- 19.5.1.4 the appointment of a receiver in respect of You under the Mental Health Act 1983;
- 19.5.1.5 the appointment of any other, receiver or manager of any of Your assets;
- 19.5.1.6 any analogous procedure in any jurisdiction; or
- 19.5.1.7 You are unable or admit inability to pay Your debts as they fall due or You are deemed to or declared to be unable to pay Your debts under applicable law; or
- 19.5.1.8 You cease or threaten to cease to carry on business,
- 19.5.2 if You are a company, partnership, limited partnership or limited liability partnership, You (or any other person) takes (or threatens to take) any step in connection with:
- 19.5.2.1 any suspension or re-scheduling of payments by You, a moratorium of any of Your indebtedness or Your dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
- 19.5.2.2 the making of any composition, compromise, assignment or arrangement with any of Your creditors;
- 19.5.2.3 the appointment of an administrator in respect of You (including, for the avoidance of doubt, the filing of a notice of intention to appoint an administrator, or an application being made to court for the appointment of an administrator in respect of You);
- 19.5.2.4 the appointment of a liquidator in respect of You (including the presentation of a winding up petition, the convening of a meeting of members or creditors for this purpose, or any resolution being passed to appoint a liquidator in respect of You);
- 19.5.2.5 the appointment of a receiver or any similar officer in respect of You or any of Your assets;
- 19.5.2.6 any analogous procedure in any jurisdiction;
- 19.5.2.7 You are unable or admit inability to pay Your debts as they fall due (or You are deemed to or declared to be unable to pay Your debts under applicable law) or the value of Your assets is less than Your liabilities (taking into account contingent and prospective liabilities); or
- 19.5.2.8 You cease or threaten to cease to carry on business.
- 19.6 If You become aware that any of the above circumstances have occurred, or if You believe that they will occur, You must notify Us immediately.
- 19.7 Upon any suspension, withdrawal or termination of the Service in accordance with these Terms and Conditions:
- 19.7.1 You shall not (and shall ensure that Your employees, contractors and agents shall not) Sign or submit any Transmissions using the Service or use the ASM or HSM after such suspension or withdrawal unless and until, in the case of a suspension, such suspension is lifted by Us giving written notice to that effect to You;

- 19.7.2 You shall ensure that any hardware, software or documentation issued by Us and Bacs is returned to Us (or destroyed);
- 19.7.3 We will not be responsible for any loss or damage that You may suffer as a result of Us acting on instructions which were authorised by You prior to the date of suspension, withdrawal or termination; and
- 19.7.4 Your and Our accrued rights, and the continuation of any term of these Terms and Conditions which is expressly stated or implicitly intended to apply after withdrawal or termination, will not be affected or prejudiced.
- 19.8 Where any Contact ceases to be authorised by You to use the Service, You will immediately arrange to remove that Contact from the Service and ensure the cancellation and destruction of their Smart Card/Digital Certificate.
- 19.9 Ending Your use of the Service will affect Your instructions in the following way: if We have acted upon such instructions, We will try to cancel them at Your request if it is reasonable and possible to do so.
- 21.2 Unless these Terms and Conditions state that We will contact You in a particular way in relation to a specific type of notice or We are required by law to contact You in a particular way, We can contact You by post, by telephone, or by email (in each case using the details which You provided to us when You applied for the Service or the details that You have since informed Us are correct) or by posting a notice on Our Website.
- 21.3 If We are sending a copy of a notice to You, We will only send one copy.
- 21.4 Any information and communications that are provided to You or made available to You relating to Your agreement with Us will be in the English language.
- 21.5 Any notice sent by post in the UK will be deemed to have been delivered on the second Business Day after posting if first class post has been used, or on the fourth Business Day after posting if second class post has been used.
- 21.6 Any notice sent from outside the UK will be deemed to have been delivered on the eighth Business Day after posting.
- 21.7 Any notice sent by email before 4pm on a Business Day will be deemed to have been delivered on that day, but otherwise on the next Business Day.
- 21.8 If We post information on Our Website, it is considered received by You at the time that the notice is uploaded or first becomes available for viewing on Our Website. It is Your responsibility to check Our Website regularly for any notices applicable to You.

20. Communications and electronic records

- 20.1 The Sponsoring Bank (including its subcontractors) and/or Bacs may monitor and record communications with You and Your agents, employees and contractors (including Transmissions) for any purpose connected with Bacstel-IP which the Sponsoring Bank (including its subcontractors) and/or Bacs consider appropriate.
- 20.2 Records and audit logs maintained by the Sponsoring Bank or Bacs in relation to the Service and any Transmission and Bacstel-IP communication shall be deemed to be accurate until the contrary is proved, and the burden of proof that they are inaccurate shall lie with You.
- 21.9 You agree that We may accept emails from You for general communication purposes and that We may act on emails that We reasonably believe You have sent to Us.
- 21.10 However, We will not accept payment instructions from You provided by email. We will also not accept the service of any proceedings or other documents in a legal action to which the Civil Procedure Rules apply by email.
- 21.11 When We accept emails from You for general communication purposes, We will not have any responsibility to You for any loss or damage that You may suffer as a result of Our failure to respond to an email if:
 - 21.11.1 We consider that Your email is unclear in any way;
 - 21.11.2 We doubt the validity of Your email;
 - 21.11.3 We are unable to receive Your email (and/or any attachments to it) due to a system error or rejection of Your email by Our system; and/or
 - 21.11.4 the individual to which You have sent the email (or the individual that monitors the email account to which You have sent the email) is unavailable, which causes a delay.

21. Contact details

- 21.1 For operational matters You can contact Us in writing at Lloyds Bank plc, P.O. Box 72, Bailey Drive, Gillingham Business Park, Gillingham, Kent ME8 0LS or by calling the Lloyds Bank Bacstel-IP helpdesk on **0345 982 5325** or such other number as We may notify to You. For all other matters please contact the Agency Bank.
- 21.12 You can change Your contact details by giving seven days' written notice to us.

22. Charges

- 22.1 We will charge the Agency Bank the fees for the Service and/or Smart Cards provided to You by Us under these Terms and Conditions.
- 22.2 The Agency Bank will be responsible for collecting any fees (as agreed between You and the Agency Bank) from You.

23. Other terms You need to know about Your agreement with Us

- 23.1 The Terms and Conditions and any non-contractual obligations which arise out of the Terms and Conditions are governed by the law of England and Wales and You and We both agree that the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with the Terms and Conditions, including in relation to any non-contractual obligations unless You are:
 - 23.1.1 a company or other incorporated body and Your registered office is in Scotland;
 - 23.1.2 a sole trader and Your business operates from Scotland;
 - 23.1.3 an unincorporated body and Your central management and control is exercised from Scotland; or
 - 23.1.4 a charity based in Scotland, in which case, the Terms and Conditions and any non-contractual obligations which arise out of the Terms and Conditions will be governed by the law of Scotland and You and We both agree that the courts of Scotland have exclusive jurisdiction to determine any dispute arising out of or in connection with the Terms and Conditions, including in relation to any non-contractual obligations.
- 23.2 Our agreement with You is solely between You and Us and, with the exception of terms in these Terms and Conditions which include references to Lloyds Banking Group (which can be enforced by Lloyds Banking Group), no other person will have any rights to enforce any of its terms.
- 23.3 Each of the terms within the Terms and Conditions operates separately. If any court or relevant authority decides that any of the terms are unlawful, the remaining terms will remain in full force and effect. Any unlawful terms will apply with whatever modification is necessary to give effect to the commercial intentions of You and Us.
- 23.4 You may only transfer any of Your rights and obligations, or sub-contract any of Your obligations, under these Terms and Conditions to another person if We agree in writing.
- 23.5 We may transfer any of Our rights and obligations under these Terms and Conditions to another person without Your prior consent. You agree that You will promptly execute all documents that We reasonably require in order to make a transfer effective. We may also sub-contract any of Our obligations under these Terms and Conditions to another person without Your prior consent.
- 23.6 These Terms and Conditions constitute the entire agreement made between You and Us in respect of the Service and supersede any prior agreement or arrangement made between You and Us in relation to the Service. You and We agree that:
 - 23.6.1 You and We have not entered into these Terms and Conditions in reliance upon any statements or representations which are not expressly set out in these Terms and Conditions;
 - 23.6.2 the only remedy for any misrepresentation or breach of any representation or statement made before You and We entered into these Terms and Conditions and which is expressly set out in these Terms and Conditions will be for breach of contract; and
 - 23.6.3 nothing in this section is intended to limit or exclude the responsibility of any person for fraud or fraudulent misrepresentation.
- 23.7 If We fail to insist that You perform any of Your obligations under these Terms and Conditions or if We do not enforce Our rights against You, or if We delay in doing so, that will not mean that We have waived Our rights against You and will not mean that You do not have to comply with those obligations. If We do decide to waive a breach by You, We will do so in writing, and that will not mean that We automatically waive any later breach by You.
- 23.8 Lloyds Banking Group and its subsidiaries may participate in benchmarks in any one or more of the following capacities; as administrator, submitter or user. Benchmarks may be referenced by Lloyds Banking Group for internal purposes or used to reference products, services or transactions which We provide or carry out with You. More information about Lloyds Banking Group participation in benchmarks is set out in the Benchmark Transparency Statement which is available on Our Website.

24. Information about Us and Our regulators

24.1 Lloyds Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration number 119278.



LLOYDS BANK