

Private Banking

TERMS AND CONDITIONS

This document sets out the Terms and Conditions for our restricted advice service and Investment Portfolio Service reviews.

You need to read this important document and the three accompanying documents

- About our Services and Charges
- Our Charges
- Our Services and Solutions
- **Terms and Conditions**



LLOYDS BANK

TERMS AND CONDITIONS

Important information

Please be aware that the Terms and Conditions contained within this booklet are for our restricted advice service and Investment Portfolio Service reviews only.

1. Our agreement with you

Our agreement with you is made up of:-

- the 'About our Services and Charges' booklet
- the 'Our Services and Solutions' booklet
- the 'Our Charges' booklet; and
- this 'Terms and Conditions' booklet.

Together these booklets are referred to as the Initial Disclosure Documents.

Our agreement with you is supplied in English and we will communicate with you in English during the course of this agreement.

Please refer to the glossary at the back of this booklet for defined terms used in this agreement.

2. When our agreement takes effect

Our agreement with you will take effect from when you receive the Initial Disclosure Documents. If you have any queries please ask your adviser.

3. How we are regulated

- a. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom. Their addresses are:

Financial Conduct
Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Prudential Regulation
Authority
Bank of England
Threadneedle Street
London EC2R 8AH

- b. Our registration number is 119278. We are bound by the rules which the regulators have made for your protection.
- c. We will use all reasonable care and skill in performing this agreement.
- d. We are required to classify our clients into certain categories and you will be treated as a retail client. This classification imposes the strictest requirements on us for communication, disclosure and transparency under the applicable regulations.

For clients who are individuals, this classification does not affect the rights you have under the Financial Ombudsman Service or the Financial Services Compensation Scheme.

For clients who are not individuals, this classification does not provide you with rights which you do not otherwise have under the Financial Ombudsman Service or the Financial Services Compensation Scheme.

Important information

In the event that you are involved in a transaction which is the subject of any enquiry or cancellation by a regulatory authority it will be necessary for you to co-operate with us and promptly supply information in connection with the enquiry.

You must notify us if you are or become a US Person as defined in the US Securities Act of 1933 (as amended or re-enacted) as this may mean that we are unable to provide certain services and products to you.

4. Scope of our restricted advice service

Important Information

Please be aware that after we have arranged or assisted with any solutions for you we will not be obliged to provide advice to you at a later stage unless agreed in writing by us or required by legislation or regulation. If there is a legal or regulatory requirement for us to offer you advice at a later stage we will confirm this to you. We will also endeavour to advise you at any time if you ask us to do so.

Where we attempt to contact you, we will use the last contact details you have provided to us. Please let us know of any change of contact details as soon as possible. If you do not do so, you may miss important information which could be detrimental to the financial arrangements you have in place.

- a. Please refer to the 'Our Services and Solutions' booklet for more details and ask your adviser if you have any questions.
- b. i. On a restricted advice basis, we are permitted to arrange, administer and advise on protection, retirement, investment, estate planning and secured lending (including Regulated Mortgage Contracts) solutions.
- ii. We can provide restricted advice which considers:
- (a) your financial needs on a holistic basis and the products and services available within our restricted product range to help meet those needs. We refer to this as core financial advice;

(b) the suitability of only:

- an additional investment in to a product in our restricted product range, which you already hold;
- a new investment in to a stakeholder pension in our restricted product range; or
- your existing pension arrangements.

We refer to this as focused advice and your adviser will confirm the products for which focused advice can be given and whether it is available to you based on your circumstances;

(c) your retirement structuring needs, for example an income strategy for you in retirement. We refer to this as retirement structuring advice.

iii. In certain circumstances we may be able to provide you with specialist advice not covered by the types of restricted advice detailed in ii. above. Where relevant we will discuss and agree the scope of this type of restricted advice with you before we proceed.

c. Our advice is based on the information provided and identified during our fact find and any subsequent reviews. It is your responsibility to ensure you have provided us with accurate, true and complete information. If you believe that any information we have for you is incorrect or your circumstances change you should notify us immediately as it may for example, substantially impact our advice or the effectiveness of the product taken out.

d. If you do not accept a recommendation at the time we provide it, such recommendation may not remain suitable for you at a later date.

e. The service provided may relate to products:

- i. which involve specific risks arising due to the features of the particular product or the manner in which transactions are carried out;
- ii. where the price depends on fluctuations in the financial markets outside our control.

Your Tax Position

Core financial and retirement structuring advice

Where we provide you with core financial or retirement structuring advice, before making a recommendation, we will obtain information regarding your knowledge and experience in the area in which you require advice, your financial situation and your objectives, and:

- a. if we recommend that you should buy a new product, we will consider the potential tax implications for you before making any such recommendation; and/or
- b. if you have an existing product and we make a recommendation in relation to either an income strategy, a fund switch or replacement product we will consider the potential tax implications for you, whether or not your existing product is within our restricted product range. This means we will consider whether our recommendation is the most tax efficient option for you in light of your financial situation, needs and objectives and also what the tax implications would be if you accepted our recommendation in relation to an income strategy, a fund switch or replacement product.

Subject to the above, we do not consider any other tax implications or provide advice on your personal position. If necessary, you should consult an accountant or other qualified tax adviser for advice on those aspects. Alternatively, for personal tax advice you can ask to be referred to our Personal Tax Service for which separate Terms and Conditions apply.

Focused advice

Where we provide you with focused advice we will only consider the tax implications specific to the relevant product(s) being advised on. Subject to the above, we do not consider any other tax implications for you or provide advice on your personal tax position. For example, as our focused advice does not consider your wider financial needs or any other products and services within our restricted range, we will not consider whether another product might be more tax efficient for you.

If necessary, you should consult an accountant or other qualified tax adviser for advice. Alternatively, for personal tax advice you can ask to be referred to our Personal Tax Service for which separate Terms and Conditions apply.

General

Please also be aware that, depending on the type of financial solution involved, we may provide details of the current tax treatment of the particular product. There can be no guarantee that the nature, basis or incidence of taxation may not change during the lifetime of the product. Any such change may create potential current or future tax liabilities and/or increase tax liabilities already identified.

5. Implementing a recommendation provided under our restricted advice service

Important information

For products outside our restricted product range, if you wish to implement a recommendation you will need to take action as set out in 5.b. below.

- a. Where you confirm to us your acceptance of any recommendation we have made for products within our restricted product range:
 - i. we will contact the relevant product provider on your behalf to provide the information you have given us in order to implement that recommendation. The product provider may contact you to obtain further information or confirmation from you; and
 - ii. we or the product provider will provide you with written confirmation of the transaction for example, the date of the trade and price for an investment.
- b. If you wish to implement any recommendation we have made for products outside our restricted product range:
 - i. you will need to contact the relevant product provider directly to give your instructions;
 - ii. you will be responsible for ensuring that your instructions are carried out correctly by the product provider in accordance with our recommendation; and
 - iii. we will not contact the product provider to carry out any recommendations or check with you or the product provider that our recommendations have been implemented correctly, unless specifically agreed by us in writing.

6. Scope of the Investment Portfolio Service – Service Reviews and Advice Reviews

Important information

In order for the Investment Portfolio Service (IPS) to be provided to you it is necessary for us to obtain information from you. This includes information necessary for us to ensure that IPS is and remains suitable for you.

If you do not provide this information Lloyds Bank Private Banking Limited may need to cease providing IPS to you in respect of some or all of your investments. Any such action might, for example, have tax consequences.

You should inform us at any time if you believe that the information we hold for you is out of date, inaccurate or incomplete or if there are or have been any material changes that may affect your investment objective or attitude to risk for your IPS portfolio, so that we can discuss with you how best to meet your future needs and objectives.

- a. IPS service reviews and advice reviews are only available to existing IPS clients.
- b. An IPS service review covers the features, charges and performance of your IPS portfolio. Your adviser will also require information from you regarding your circumstances and objectives in order to assess and confirm that your IPS portfolio remains suitable for you. No new advice or recommendation will be provided to you as part of an IPS service review.
- c. An advice review is provided to you in accordance with our restricted advice service as explained in paragraph 4. Your adviser will arrange an advice review with you if the IPS service review identifies that you require financial advice, for example a change in your circumstances could mean that your IPS portfolio is no longer suitable for you. You can also request an advice review meeting at any time.

7. How to contact us and giving us instructions

Important information – If you change your mind

If you wish to change your instructions for or do not wish to proceed with this service, or any products or solutions arranged through it, you should contact your adviser immediately. The fees which apply to the service, or any products or solutions, as applicable, may remain payable by you. Please refer to the 'If you change your mind' section of the 'Our Charges' booklet for more details.

If we confirm that you are able to cancel the service or any products or solutions, as applicable, you must provide written notification including details of how transactions currently in progress are to be dealt with otherwise we will continue to progress such transactions.

- a. Please address all communications to Lloyds Bank Private Banking, 31/33 Perrymount Road, Haywards Heath, West Sussex RH16 3SP marked for the attention of your adviser. No notice will be treated as having been given until it has actually been received by us.
- b. If you wish to discuss the service by phone please contact your adviser on the telephone number they provide to you.
- c. We may at our discretion accept instructions from you given orally or in writing (which does not include facsimile or any other form of electronic transmission).

- d. We will not be liable for acting on any instructions purporting and believed to be genuine.
- e. If you have requested us to accept instructions from an agent, or we otherwise deal with an attorney or deputy acting for you, we are entitled to treat that person as fully authorised to act on your behalf in accordance with any instructions given for their appointment. There are limitations to what an agent can be authorised to do on your behalf which we will explain to you if relevant. For as long as another person's authority to act on your behalf remains effective or we have not been informed that it has ceased to be effective, we are not liable for accepting instructions from that person so long as we have not acted negligently. We will always treat you and not that person as the client.

8. How we contact you

Important information

You must tell us if your name or contact details change. If you do not tell us, we will not be responsible if we cannot contact you or we send confidential information to an old address.

- a. We will contact you by post and telephone using the latest contact details you have given to us for this service.
- b. Unless we agree with you otherwise, we will telephone or visit you between 8am and 9pm, Monday to Saturday.
- c. Your financial circumstances are likely to change over a period of time and we may, without being under any obligation (unless there is a legal or regulatory requirement to do so) contact you in the future to discuss such possible changes in your financial circumstances or issues regarding your existing solutions.

Recording calls

Any phone calls to or from you may be monitored or recorded to:

- check we have carried out your instructions correctly and are meeting our regulatory obligations;
- help detect or prevent fraud or any other crime; and
- help us maintain and improve the quality of our service.

9. Where two or more of you are party to this agreement

If two or more of you are party to this agreement, the following applies:

- a. A notice or other communication we send to one of you will count as notice to all of you;

- b. We can act on information and instructions that any of you gives us unless and until any of you inform us otherwise.
- c. Each of you is separately responsible for complying with the terms of this agreement. If any one of you does not comply, we can take action against any or all of you.

10. How we handle your money and investments

- a. Your adviser will not handle cash. A cheque made out to us will only be accepted if it is a cheque in settlement of our advice fees, disbursements or relates to a product offered by Lloyds Bank plc. In the latter case, a cheque payable to Lloyds Bank plc will be utilised solely for the purposes of opening such a product on your behalf.
- b. We will make arrangements for investments arranged by us for you to be registered in your name or that of a nominee to be held on your behalf, unless you instruct us otherwise in writing.
- c. We will send you all documents showing ownership of your investments as soon as practicable after we receive them. Where a number of documents relating to a series of transactions are received, we will normally hold each document until the series is complete and then send all of them to you together.
- d. Where you wish to transfer existing investments into a Lloyds Bank Private Banking Limited managed portfolio and these can be accepted by the portfolio manager, any ownership documents you pass to us, will be transmitted to the portfolio manager as soon as practicable. Where this means that we hold your ownership documents temporarily prior to transmission, we will make appropriate arrangements for secure storage.

11. Conflicts of interest

Important Information

If you wish to have further information on the conflicts policy, or on any specific conflict of interest that you think might affect you, please contact your adviser.

- a. Lloyds Banking Group has established and implemented a conflicts policy (which may be revised and updated from time to time) under the applicable regulations. This policy sets out how we must seek to identify and manage all material conflicts of interest. Such conflicts of interest can occur in our day to day business activities, for example, where one of our clients could make a gain at the direct expense of another client, or we might be faced with an opportunity to make a gain but this would be to the direct disadvantage of one or more of our clients.

- b. In most instances, our objective will be to eliminate the conflict of interest entirely. However, in some situations, depending on the exact nature of the conflict involved, this may not be possible. We will, in such cases, take the necessary actions in accordance with the conflicts policy to mitigate the potential impact of the conflict, to monitor the outcome and to ensure that we are being as fair as possible to all our clients.
This may involve putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of information, and/or involve the appropriate management of staff activities and segregation of duties. Where such controls would be insufficient to eliminate all the risk from specific conflicts of interest, then we will disclose the general nature and/or source of conflicts to you prior to us undertaking business.
- c. We will carry out transactions on your behalf with product providers and other companies who pay us fees, commissions and/or provide us with other non-monetary benefits such as training, research reports, access to information terminals, hospitality, marketing materials, sales documentation, travel and accommodation expenses and other similar items. We may also pay or receive fees or commissions, or provide or receive non-monetary benefits, to or from other third parties in connection with the business that we carry on with you. Such fees, commissions and non-monetary benefits will only be paid or received by us where permissible under the applicable regulations.
- d. We will not pay or accept any fee, commission or other non-monetary benefit if it is likely to impair our ability to act in your best interests or if it is not permissible under the applicable regulations.
- e. We will also follow the applicable regulations in checking that in certain cases the relevant fee, commission or other non-monetary benefit is designed to enhance the quality of the service that is provided to you.
- f. We will provide details of any such fees or commission that we may pay or receive before we do the relevant business with you. We will provide you with further details of these fees or commissions, and any other non-monetary benefits received or provided by us, on request.

12. How we may end this agreement

- a. We may end this agreement by service of reasonable notice to you in writing if:
 - i. we receive information regarding your circumstances such that, had we received such information prior to providing our service to you, we would not have provided our service to you (for example, in relation to criminal or similar behaviour);
 - ii. you are no longer eligible for the service; or
 - iii. it is impracticable for us to continue providing the service to you, so long as we have acted reasonably in coming to that decision.
- b. We may end this agreement immediately if:
 - i. you are, or we reasonably consider you may be:
 - (a) using or allowing someone else to use the service illegally;
 - (b) acting fraudulently;
 - (c) behaving improperly (for example, in a threatening or abusive manner); or
 - ii. we reasonably consider that by continuing the agreement:
 - (a) we may break a legal or regulatory requirement or a court order or other authority;
 - (b) we (or another company in Lloyds Banking Group) may be exposed to action from any government or regulator; or
 - iii. you are in breach of any material obligation under this agreement and you have failed to remedy the breach within a reasonable time period of us requesting you to do so.

13. Limits of our responsibility

- a. We accept responsibility for loss incurred by you to the extent such loss arises directly from our negligence, intentional wrongdoing or fraud.
- b. We are not responsible for checking that the information you provide to us is accurate, true and complete.
- c. We cannot guarantee the performance or profitability of any products or solutions, or accept any responsibility for any decrease in or loss of opportunity for any increase of the value of any products or solutions. Neither we, nor any other member of Lloyds Banking Group, shall otherwise be liable for any loss to you if it is not a reasonably foreseeable result

of our wrongdoing. This paragraph will not exclude or restrict any duty or liability which we may have or owe to you under the applicable regulations.

- d. We do not accept responsibility for losses arising from any cause beyond our reasonable control including, but not limited to, act of God, terrorism, fire, act of government or state, war, civil commotion, industrial action, market conditions, inability to communicate with any relevant person, or the breakdown, failure or other default of a computer system.
- e. We will not be required at any time to act in such a way as, in our opinion, might infringe any relevant law, rule, regulation or code or give rise to the risk of criticism for impropriety or departure from good market practice.
- f. Our service may from time to time be restricted or limited as a result of applicable law or regulations including, in the case of non-EEA securities, regulations outside the EEA. You acknowledge that, in the case of non-EEA securities, such transactions may be subject to delays as a result of local documentation or other requirements or restrictions and might not be executed until such requirements are satisfied.

14. When we may delegate

We may delegate any of our functions and responsibilities under this agreement to any other member(s) of Lloyds Banking Group without your prior consent, provided that we shall remain responsible for any such delegated functions and responsibilities.

15. When we can change this agreement

- i. We will need to change the terms of this agreement from time to time. We will give you reasonable notice of any changes in accordance with the applicable regulations. The circumstances in which we can make changes to this agreement are to:
 - (a) comply with legal, fiscal or regulatory requirements;
 - (b) rectify errors, inaccuracies or ambiguities;
 - (c) take account of any corporate reorganisation within the Lloyds Banking Group of companies; or
 - (d) reflect alterations in the scope and nature of the service which we are able to provide to you under this agreement in accordance with our systems capabilities, routines and administration procedures and having regard to market practice and overall client demands.
- ii. You can end this agreement if you do not want to accept any change we tell you about.

16. Law applying to this agreement

English law will decide any legal questions about this agreement and about our dealings with you with a view to entering into this agreement. The courts of England and Wales will also be able to deal with any legal questions connected with this agreement.

17. Other important information

Financial Services Compensation Scheme (FSCS)

You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Please refer to your product literature for more information on the way in which the scheme applies to any products or solutions you hold.

a. Deposits

Most retail depositors and businesses are covered by the scheme up to the applicable deposit protection limit.

b. Investments

Most types of investments are covered up to a maximum of £50,000.

c. General insurance advice and arranging

General insurance advice and arranging is covered for 100% of the claim, without any upper limit.

d. Long-term insurance (e.g. pensions and life assurance)

Covered for 100% of the claim, without any upper limit.

e. Home Finance (e.g. mortgage advice and arranging)

Covered up to a maximum of £50,000.

Further information about compensation scheme arrangements are available from the FSCS. Their website is www.fscs.org.uk

Glossary

Applicable regulations

Any rule, regulation, guidance, voluntary code or standard applicable to the party concerned in relation to the services provided under this agreement and imposed by law, by any regulatory authority having responsibility for regulating us from time to time or by any major payment association.

EEA

European Economic Area.

Individuals

Clients who are acting in a personal capacity for themselves, which does not include, for example, trustees.

Lloyds Banking Group

This includes us and a number of other companies using the Lloyds Bank, Mayfair Private Banking, Halifax and Bank of Scotland brands and their associated companies. You can find more information on the Lloyds Banking Group website www.lloydsbankinggroup.com

Restricted product range

A range of products and solutions selected from companies within Lloyds Banking Group and a limited number of third party product providers and available via your adviser. The restricted product range is more fully explained in the 'Our Services and Solutions' booklet.

Service

The restricted advice service or Investment Portfolio Service advice review or service review provided to you by your adviser.

We

Lloyds Bank plc.

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

If you have a hearing or speech impairment and would prefer to use a Textphone, call us on 0345 300 2281 (lines open 24 hours a day, seven days a week).

If you are Deaf and prefer to use BSL then you can use the SignVideo service available on lloydsbank.com/signvideo.asp

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

Lloyds Bank plc

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